

RESOLUTION 2019-188

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, CONSENTING TO THE ASSIGNMENT AND ASSUMPTION OF LEASE AGREEMENT FOR PROPERTY OWNED BY THE FERNANDINA BEACH MUNICIPAL AIRPORT KNOWN AS THE AMELIA RIVER GOLF CLUB FROM AMELIA RIVER GOLF, LLC, TO AMELIA RIVER HOLDINGS, LLC; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City has leased property adjacent to the Fernandina Beach Municipal Airport since July 7, 1994 for use as a golf course with an option to construct lodging accommodations, effective for a period of thirty years with two additional successive twenty-year renewal options (“Lease”); and

WHEREAS, Amelia River Golf, LLC, assumed the lease in August 2011 via City of Fernandina Beach Resolution 2011-110; and

WHEREAS, Amelia River Golf, LLC, wishes to assign all terms and conditions of the Lease to Amelia River Holdings, LLC; and

WHEREAS, the Lease permits assignment upon approval of the City Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The City Commission hereby consents to the Assignment and Assumption of Lease for the Amelia River Golf Club from Amelia River Golf, LLC, Amelia River Holdings, LLC, attached hereto as Exhibit “1”.

SECTION 2. This Resolution shall become effective immediately upon passage.

ADOPTED this 15th day of October, 2019.

CITY OF FERNANDINA BEACH



John A. Miller
Commissioner – Mayor

ATTEST:



Caroline Best
City Clerk

APPROVED AS TO FORM & LEGALITY:



Tammi E. Bach
City Attorney

PREPARED BY, AND AFTER
RECORDING, PLEASE RETURN TO:
CITY ATTORNEY
CITY OF FERNANDINA BEACH
204 ASH STREET
FERNANDINA BEACH, FL 32034

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE ("Assignment") is made and entered into as of this ____ day of _____, 2019, by and among **AMELIA RIVER GOLF LLC**, a Florida limited liability company ("Assignor"), **AMELIA RIVER HOLDINGS, LLC**, a Florida limited liability company (the "Assignee"), and **THE CITY OF FERNANDINA BEACH**, a body politic incorporated and existing under the laws of the State of Florida ("Landlord").

RECITALS:

A. Assignor is the tenant under that certain City of Fernandina Beach Golf Course Development and Lease Agreement dated as of July 7, 1994, executed by and between Nassau Sound Land Co., Inc. and Landlord, as evidenced by that certain Memorandum of Development and Lease Agreement dated August 8, 1995, executed by Nassau Sound Land Co., Inc. and Landlord, and recorded on August 9, 1995 in the Official Public Records of Nassau County, Florida beginning at Book 736, Page 178, as amended by that certain First Amendment to City of Fernandina Beach Golf Course License and Lease Agreement dated March 7, 1995, executed by and between Nassau Sound Land Co., Inc. and Landlord, as further amended by that certain Modification of Lease Agreement dated September 16, 2005, executed by and between Landlord and Assignor, and recorded on September 23, 2005 in the Official Public Records of Nassau County, Florida beginning at Book 1352, Page 320, as further amended by that certain Modification of Lease Agreement dated May 18, 2009, executed by and between the Landlord and Amelia Island Company, a Delaware corporation, and recorded on May 18, 2009 in the Official Public Records of Nassau County, Florida beginning at Book 1619, Page 1742, which was assigned by Nassau Sound Land Co., Inc. to Kingsley Creek Development Company pursuant to that certain Assignment and Assumption of Lease dated as of July 1, 1996 and recorded on August 6, 1996 in the Official Public Records of Nassau County, Florida beginning at Book 767, Page 1058, and subsequently assigned by Kingsley Creek Development Company to Assignor pursuant to that certain Assignment and Assumption of Lease dated as of October 16, 2003 and recorded on October 31, 2003 in the Official Public Records of Nassau County, Florida beginning at Book 1185, Page 1103 and re-recorded on September 23, 2005 in the Official Public Records of Nassau County, Florida beginning at Book 1352, Page 269, and subsequently assumed by Assignor pursuant to that certain Order Granting Motion to Assume and Assign Unexpired Lease of Nonresidential Real Property with the City of Fernandina Beach, Florida (Amelia River Golf Course Lease) dated July 6, 2010, entered by the United States Bankruptcy Court Middle District of Florida, Jacksonville Division, in the Chapter 11 bankruptcy case under the caption, *In re Amelia Island Company, a Delaware corporation*, assigned case number 09-bk-9601, and subsequently acquired by National Bank of South Carolina, N.A. by virtue of that certain Certificate of Title issued by the Clerk of the Court for

the Circuit Court, Fourth Judicial Circuit, in and for Nassau County, Florida, on October 12, 2010 in favor of National Bank of South Carolina, N.A., in connection with that certain foreclosure lawsuit assigned case number 10-CA-443 and recorded on October 12, 2010 in the Official Public Records of Nassau County, Florida beginning at Book 1704, Page 456, and conveyed by National Bank of South Carolina, N.A. to The Summerton Inn, Inc. pursuant to that certain Quit Claim Deed recorded on August 16, 2011 in the Official Public Records of Nassau County, Florida, beginning at Book 1751, Page 435, and conveyed by The Summerton Inn, Inc. to Amelia River Golf, LLC pursuant to that certain Assignment recorded on August 16, 2011 in the Official Public Records of Nassau County, Florida beginning at Book 1751, Page 441, which conveys all of the right, title, and, interest of The Summerton Inn, Inc. in and to the Lease (defined below) to Assignor (collectively, the "Lease"), for premises located adjacent to the Fernandina Beach Municipal Airport, as more particularly described in the Lease, a copy of which is attached hereto as Exhibit A and incorporated herein; and

B. Assignor desires to assign the Lease to Assignee and Assignee desires to accept such assignment and assume Assignor's obligations thereunder as of the date hereof.

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Assignee, Assignor, intending to be legally bound, does hereby grant, bargain, sell, assign, transfer and deliver unto Assignee all of Assignor's right, title and interest in and to the Lease as heretofore assigned.

TO HAVE AND TO HOLD the same for the remainder of said term for use as permitted thereunder.

1. Recitals. The above stated Recitals are true and correct and by this reference are incorporated herein.

2. Assignment. Assignor hereby assigns to the Assignee all of its right, title and interest, and all obligations in and to the Lease for and during the remainder of the term of such Lease, including any options to renew the Lease, subject to the terms, covenants and conditions of said Lease.

3. Assumption. Assignee hereby accepts all of Assignor's right, title and interest, and acknowledges and agrees to assume, observe, fulfill, perform and keep all the covenants, obligations, terms and conditions of Assignor, as tenant only, which are set forth in the Lease and arise from and after the date of this Assignment.

4. Consent. Landlord hereby consents to the foregoing assignment and assumption of the Lease subject to all the terms and conditions of this Assignment.

5. Binding Effect. This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns and may be executed in any number of counterparts, each of which shall be considered an original document and together, all of which shall be considered one whole and complete document. Facsimile signatures pages and scanned and e-mailed signature pages shall be deemed original versions for all purposes.

6. Notices. All notices to be given pursuant to this Assignment shall be in writing and shall either be served personally or sent by telefax, hand delivery, a nationally recognized overnight delivery service or certified or registered mail, postage prepaid, to the address of the parties below specified or that such other address as may be given by written notice in the manner prescribed in this paragraph. Notice shall be deemed to be given when received as specified on a written telefax confirmation, delivered personally, if delivered, the day following delivery to an authorized overnight delivery service or on the third day after the date mailed as provided above, if mailed. Any notices may be sent to the following addresses unless notice of another address is given under this paragraph 6.

To Landlord: The City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034
Attention: Tammi E. Bach, City Attorney
Telephone Number: (904) 491-2044
Facsimile: (904) 491-2046
E-Mail: tbach@fbfl.org

To Assignee: Amelia River Holdings, LLC
Attn: Thomas "Tom" W. Miller III
6440 Westchester Place
Cumming, GA 30040
Telephone Number: _____
Facsimile: _____
E-Mail: _____

To Assignor: Amelia River Golf, LLC
Attn: George W. Sheffield, Sr.
117 Centre Street
Fernandina Beach, Florida 32034
Telephone Number: 904-557-5644
Facsimile: _____
E-Mail: coachshef@att.net

7. Legal Expenses. If any party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, court reporters and others) incurred in connection therewith including all such costs and expenses incurred: (a) in trial and appellate court proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another where such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

8. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual

signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

9. Jurisdiction and Governing Law. This Assignment, and the interpretation and enforcement thereof, shall be governed by the laws of the State of Florida and venue shall be in Nassau County, Florida.

10. Effective Date. This Assignment shall only be effective upon its recording in the Public Records of Nassau County, Florida.

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

Signed, sealed, and delivered in the presence of:

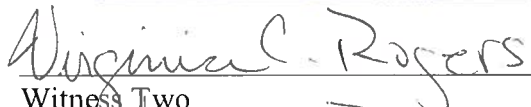
ASSIGNOR:

AMELIA RIVER GOLF, LLC, a Florida limited liability company



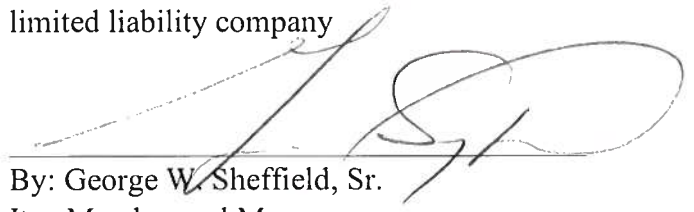
Witness One

Print: Jon C. Lassere



Witness Two

Print: Virginia C. Rogers



By: George W. Sheffield, Sr.

Its: Member and Manager

Witness One

Print: _____

By: Barbara A. Sheffield

Its: Member

Witness Two

Print: _____

Witness One

Print: _____

By: George W. Sheffield, Jr.

Its: Member

Witness Two

Print: _____

signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

9. Jurisdiction and Governing Law. This Assignment, and the interpretation and enforcement thereof, shall be governed by the laws of the State of Florida and venue shall be in Nassau County, Florida.

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

Signed, sealed, and delivered in the presence of:

ASSIGNOR:

AMELIA RIVER GOLF, LLC, a Florida limited liability company

Witness One
Print: _____

By: George W. Sheffield, Sr.
Its: Member and Manager

Witness Two
Print: _____

Witness One
Print: _____

DocuSigned by:
Barbara A Sheffield
3D82C6B5ABA841B...
By: Barbara A. Sheffield
Its: Member

Witness Two
Print: _____

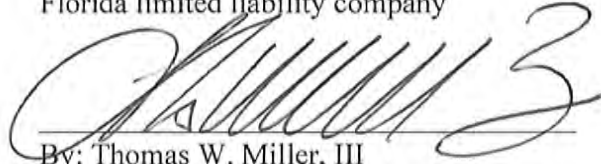
Witness One
Print: _____

DocuSigned by:
George W Sheffield Jr
3D82C6B5ABA841B...
By: George W. Sheffield, Jr.
Its: Member

Witness Two
Print: _____

ASSIGNEE:

AMELIA RIVER HOLDINGS, LLC, a
Florida limited liability company



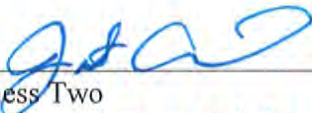
By: Thomas W. Miller, III

Its: Manager

Katherine Day Kent

Witness One


Print: Katherine Day Kent

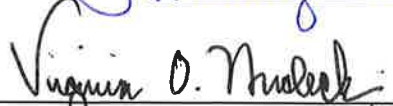


Witness Two

Print: JUSTEN CIMINO


Witnesses:


Print Name: Kimberly E. Gile


Print Name: Virginia O. Hudecki

LANDLORD:

THE CITY OF FERNANDINA BEACH, a
body politic incorporated and existing under
the laws of the State of Florida



By: _____
Dale L. Martin
City Manager

ATTEST:



Caroline Best
City Clerk

APPROVED AS TO FORM AND
LEGALITY:



Tammi E. Bach
City Attorney

Exhibit A

The Lease

(See Attached)

CITY OF FERNANDINA BEACH
GOLF COURSE DEVELOPMENT AND LEASE AGREEMENT

THIS AGREEMENT AND LEASE AGREEMENT, made and entered into as of the 1st day of July, 1994, by and between the CITY OF FERNANDINA BEACH, (hereinafter referred to as "City"), a body politic and corporate existing under the laws of the State of Florida, as amended, and NASSAU SOUND LAND CO., INC., a corporation organized under the laws of the State of Florida (hereinafter referred to as "Lessee")

WITNESSETH:

WHEREAS, City owns and operates an airport known as Fernandina Beach Municipal Airport; and

WHEREAS, City is desirous of giving Lessee the right to construct and operate the golf course upon its land zoned and shown on its future land use plan as "Industrial", at and adjacent to the Fernandina Beach Municipal Airport;

NOW, THEREFORE, for and in consideration of the foregoing recitals which are incorporated herein by reference, and in further consideration of the mutual covenants, agreements and conditions contained herein, City does hereby demise and let unto Lessee, and Lessee does hereby lease and hire from City, certain premises and facilities and City does hereby grant unto Lessee certain rights, licenses and privileges on and in connection with certain lands located at and adjacent to the Fernandina Beach Municipal Airport as follows:

ARTICLE I

LEASED PREMISES

1.01 Leased Premises

City hereby leases to Lessee and Lessee hereby agrees to lease from City the lands at and adjacent to the Fernandina Beach Municipal Airport as shown in the shaded area on Exhibit "A". Said land and all improvements shall hereinafter be referred to as "Leased Premises." The Leased Premises shall be more specifically described in a metes and bounds legal description to be furnished to City by Lessee in a form acceptable by City.

1.02 Improvement by Lessee

- (a) Lessee shall receive the Leased Premises in a nonimproved condition and shall as a minimum, perform the following improvements as capital investment:



INSTR # 2003-0063
OR BK 0185 PG 1106

(1) An eighteen (18) hole golf course to include cart paths, driving range, putting green, landscaping, perimeter fence and grows to be constructed on the shaded area of Exhibit "A" and whose cost is estimated at \$2,850,000. Lessee reserves the right to construct additional holes and facilities, as it sees fit under the same terms and conditions of this agreement provided Lessee complies with Article I, Sections 1.04 and 1.05 of this Agreement as to such additional holes and facilities.

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idea

(2) A clubhouse, cart barn, maintenance building, entry road, parking lot and landscaping with all required utilities, whose cost is estimated at \$1,100,000.

(b) In addition to the above improvements to the Leased Premises, Lessee further agrees to provide the following equipment, fixtures and furnishings.

(1) Golf course maintenance equipment, whose approximate cost will be \$250,000.

(2) Clubhouse furnishings and kitchen equipment, whose approximate costs will be \$200,000.

(c) The City shall bear no financial responsibility for development costs which may exceed the estimates provided herein.

1.03 Title to Improvements

(a) Lessee's title to all leasehold improvements and fixtures shall vest and be part of the realty owned by City and Lessee agrees that its sole interest in the leasehold improvements, and fixtures shall be that of Lessee. City and Lessee agree that in event of early termination of this Lease Agreement for any reason other than Lessee's default or breach of contract, City shall take possession of the Leased Premises and shall compensate Lessee for its fair market value of its investment in the leasehold improvements as determined by a mutually acceptable AIA appraiser. Nothing in this Lease Agreement shall be deemed to prohibit or restrict Lessee from leasing or financing any such leasehold improvements, fixtures, equipment and/or furnishings with a third party. In such event the third party financing arrangements of Lessee shall be unaffected by City's rights under this Lease Agreement.

INSR # 200340065
OR BK 01155 PG 1107

(b) Notwithstanding the above, City shall have no right to take possession, transfer, use, or in any form or manner deprive Lessee from the use and possession of the leasehold improvements except by reason of default, breach of contract or after financial compensation for its fair market value of its investment in the leasehold improvements, in the

event of early termination.

- (c) In the event of early termination for reasons other than default or breach of contract, or as provided by law, Lessee shall have the right to require immediate cash compensation for its fair market value of the improvements made by Lessee at the time of surrender of the Leased Premises.
- (d) Any compensation received by Lessee as a result of an early termination of this Lease Agreement for reasons other than default or breach of contract by Lessee, shall be utilized to the extent necessary to pay off any outstanding liens arising by, through or under Lessee for the purpose of making improvements to the Leased Premises. City reserves the right to make payments directly to lienholders at its option.

1.04 Design of Improvements

Lessee shall develop plans for constructing, erecting and installing the leasehold improvements on the Leased Premises which shall consist of: (1) working drawings, (2) technical specifications, (3) schedule for accomplishing improvements, (4) schedule of finishes and graphics, (5) cost estimates. Lessee shall submit all the foregoing documents to City for review and comments prior to construction of any improvements.

1.05 Approval by City

City shall have the prior right to approve, in writing, Lessee's plans for the leasehold improvements and the budgeted cost thereof. Said approval shall not be unreasonably withheld. City shall render appropriate assistance to the Lessee in its efforts to seek and obtain approvals and permits necessary to proceed with development and construction as provided herein.

1.06 Architectural Requirements

All construction, improvements, signs, equipment, or landscape must be made in accordance with the requirements stated in Sections 1.04 and 1.05 of this Lease Agreement and shall conform in all respects to applicable statutes, ordinances, building codes and rules and regulations. The approval given by City shall not constitute a representation or warranty as to such conformity; responsibility, therefore, shall at all times remain with Lessee.

1.07 Construction and Financing of Improvements

- (a) Upon the written approval of Lessee's plans and specifications by City, and approval of all construction permits, Lessee shall have the right and obligation to enter the Leased Premises and take possession

INSTR # 20034025
OF BK 01185 PG 1108

thereof and to commence construction of the leasehold improvements. City's approval shall not be unreasonably withheld.

- (b) Other than liens on the leasehold interest of Lessee for financing the construction and/or acquisition (including both construction financing and permanent financing), no leasehold improvements, fixtures or equipment shall be subject to any liens, whether created by operation of law or by agreement. All construction shall in all respects conform to and comply with applicable statutes, ordinances, building codes, rules and regulations of such authorities as may have jurisdiction over any aspect of said construction. Lessee, at its sole cost and expense, shall procure all building, fire, safety and other permits necessary for any construction. City hereby consents to construction and acquisition financing by Lessee in an amount up to one hundred percent (100%) of all hard and soft costs of such construction and acquisition. Nothing in this section shall be deemed to permit Lessee to encumber any interest in the Leased Premises other than the leasehold estate of Lessee under this Lease Agreement. Any mortgage or security agreement between Lessee and a third-party lender shall contain a clause to the effect that any lien or security interest acquired shall not be enforceable against City if City has terminated the Lease Agreement as a result of Lessee's default or breach of contract and the third-party lender, after proper written notification, has elected not to cure the default of Lessee or institute foreclosure or other proceedings against Lessee, or otherwise enforce its rights against Lessee or acquire the leasehold interest of Lessee.
- (c) Prior to commencement of construction, Lessee shall submit a performance bond in the amount of one hundred percent (100%) of the approved budgeted cost of leasehold improvements as to any contract or subcontract in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00), and liability insurance evidence of coverage satisfactory to City.
- (d) A memorandum of this Development and Lease Agreement shall be executed by the parties hereto in a form satisfactory for recording in the Official Records of the public records of Nassau County, Florida, and such memorandum shall provide that no mechanic's lien for labor, materials or supplies may be placed upon the Leased Premises without City's consent.
- (e) Any term or provision of this Lease Agreement to the contrary notwithstanding:
- (1) Lessee and every successor and assigns of Lessee, is hereby given the right by City, in addition to any other rights herein granted, to mortgage its interests in this Lease Agreement, or any part

INSTR # 200340085
DR BK 0185 PG 1109

Handwritten signature or initials

thereof, under one or more first Leasehold Mortgage(s) or under a purchase money first or second Leasehold mortgage(s) in connection with any sale of such interest, and assign this Lease Agreement, or any part thereof, and any sublease(s) as collateral security for such Mortgage(s). Provided however, and subject to the conditions contained herein, neither City's interest in this Lease Agreement nor its fee title to the lands demised hereunder, shall be subordinate to any Mortgage(s) secured by Lessee's interest in the Lease Agreement, and that all rights acquired under such Mortgage(s) secured by Lessee's interest in the Lease Agreement, and that all rights acquired under such Mortgage(s) shall be subject to all of the covenants, conditions and restrictions set forth in this Lease Agreement, and to all rights and interests of City herein, none of which covenants, conditions or restrictions is or shall be waived by City by reason of the right given so to mortgage, such, interest in this Lease Agreement.

- (2) This Lease Agreement shall not be modified or surrendered by City or cancelled or terminated by City and/or Lessee, nor shall City accept a surrender of this Lease Agreement except as expressly provided in this subparagraph (e).
- (3) So long as any Leasehold Mortgage shall remain a lien on Lessee's leasehold estate hereunder, City agrees, simultaneously with the giving of any notice to Lessee (i) of default, or (ii) of a matter on which a default may be predicated or claimed, to give duplicate copies thereof or of any process in any action or proceeding brought to in any way affect this Lease Agreement, to each Leasehold Mortgagee of record, by certified U. S. Mail or by private courier service, and no such notice to Lessee or process shall be effective unless a copy of such notice is given such Leasehold Mortgagees in the manner herein provided for. Each Leasehold Mortgagee will have the same period after receipt of the notice aforesaid to it for remedying the default or causing the same to be remedied as is given Lessee after notice to it plus thirty (30) days thereafter and City agrees to accept such performance on the part of the leasehold Mortgagees as though the same had been done or performed by Lessee.
- (4) For purposes of this sub-paragraph (e) it shall be the responsibility of any Leasehold Mortgagee to provide City with the current address and name of designated person to whom to address any notice required by this Agreement, and failure of any Leasehold Mortgagee to provide such information to City shall excuse City's requirement hereunder to provide such notice to that Leasehold Mortgagee.

INSTR # 200340005
DR BK 0115 PG 1110

- (5) No payment made to City by a Leasehold Mortgage shall constitute agreement that such payment was, in fact, due under the terms of this Lease Agreement; and a Leasehold Mortgagee having made any payment to City pursuant to City's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof.
- (6) City agrees that if Lessee for any reason shall fail, or shall not be entitled, to exercise its right to renew this Lease Agreement for any renewal term as herein provided, City shall notify each Leasehold Mortgagee that Lessee has failed as aforesaid, or is not entitled, to exercise its right to renew this Lease Agreement, as the case may be, and each Leasehold Mortgagee shall have the right, for a period of thirty (30) days after the receipt of such notice to elect that this Lease Agreement be renewed for such renewal term upon the same terms and conditions and with the same effect as though such right had been exercised by Lessee. If more than one Leasehold Mortgagee shall exercise the election provided for in this subparagraph (e) City shall only be required to execute the instrument certifying such renewal with the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien to any and all other Leasehold Mortgages, and the election of any Leasehold Mortgagee whose Leasehold Mortgage is subordinate in lien shall be null and void and of no force and effect.
- (7) If the Leasehold Mortgagee or any person claiming by, through or under it (including but not limited to a purchaser at foreclosure sale) shall become owner of the leasehold estate and if the improvements shall become materially damaged, then such Leasehold Mortgagee shall be obligated to repair, replace or reconstruct the improvements to their pre-existing condition prior to the casualty.
- (8) Any assignment of rents and/or leases contained in any Leasehold Mortgage shall be fully effective as between mortgagor and mortgagee but shall be subordinate to the rights of City to the extent necessary to secure payment to City of any sums due it under this Lease Agreement.
- (9) Wherever the term "Leasehold Mortgage" is used, it shall mean any mortgage which at the time in question is a lien on Lessee's leasehold estate and upon the interest of Lessee in this Lease Agreement and any supplement to, modification, renewal, consolidation, replacement or extension thereof. The term "Leasehold Mortgage" shall mean the holder of such Leasehold

Mortgage, its successors and assigns, and any successful bidder at foreclosure sale under any Leasehold Mortgage.

- (10) The rights of Leasehold Mortgagees contained in this subparagraph (e) are for the benefit of Leasehold Mortgagees and shall be enforceable by them.

1.08 Lessee's Cost for Leasehold Improvements, Fixtures and Equipment

The cost of all leasehold improvements, fixtures and equipment related to the golf course project shall be borne by Lessee. Upon completion of the leasehold improvements of Leased Premises, Lessee will furnish City a statement of all improvement costs, and that the same have been satisfactorily paid in full.

1.09 Encumbrances on Leased Premises

Subject to title evidence acceptable to Lessee evidencing marketable fee simple title and the right of City to enter into this Lease Agreement, the Leased Premises shall be accepted by Lessee subject to any and all then existing easements or other encumbrances. City shall have the right to obtain any excess fill material from the proposed golf course lakes not required for development by Lessee and to have it deposited or stored by Lessee in a predetermined area owned by City outside the Leased Premises. No right of City provided for in this paragraph shall be so exercised as to interfere unreasonably with Lessee's operations hereunder nor result in substantially added expense to Lessee in conducting operations hereunder.

1.10 City's Right to Enter and Inspect

City shall have the right to enter any part of the Leased Premises at reasonable times for the purpose of inspection, protection or exercising any rights under this Lease Agreement.

ARTICLE II

LEASED TERM AND CONDITIONS

2.01 Term

This Lease Agreement shall become effective upon signing by both City and Lessee. The base term of this Lease Agreement shall begin and run a period of thirty (30) years commencing with the certification of completion of all leasehold improvements or October 1, 1996 whichever shall first occur. The first payment of \$21,600, made upon the execution of this Lease Agreement shall constitute the total consideration paid by Lessee until the completion of the improvements or October 1, 1996, whichever shall first occur.

INSTR # 200534903
DR BK 01185 PS 1112

2.02 Options

- (a) Provided Lessee is not in default of any provisions of this Agreement at the time of its exercise of a renewal option, Lessee shall have the right to exercise two successive twenty (20) year lease renewal options of the Leased Premises before the expiration of each preceding lease term or renewal.
- (b) Each renewal option shall be exercised by written notice of such exercise signed by an authorized representative of Lessee and shall be deemed as given at the time such notice sent by registered or certified U. S. Mail is received by City. Each renewal option shall be exercised no later than twelve (12) months prior to the expiration of the term of the then existing Agreement.

2.03 Early Termination

Lessee shall have the right to terminate this Lease Agreement if Lessee, acting in good faith and with due diligence, is unable to obtain all required clearances, permits and/or approvals from all required local, state and federal entities or agencies, or if both Lessee and City mutually agree to such termination. In the event of early termination under this provision only, City shall not be liable for reimbursement of any costs incurred by Lessee. However, Lessee shall be entitled to reimbursement of first lease payment. If a phase one environmental study or other environmental investigation reveals a potential environmentally hazardous condition Lessee shall have the option to terminate this lease agreement and Lessee shall be entitled to reimbursement of first lease payment. Lessee shall have 90 days from the execution of this agreement to conduct said environmental study and investigation.

2.04 Restriction on Use

The Leased Premises and the leasehold improvements and all other property located thereon shall be used solely and exclusively for the purposes of operating a golf course and related facilities and for no other use whatsoever without written permission of City which shall not be unreasonably withheld.

ARTICLE III

RENT, FEES AND CHARGES

3.01 Ground Rent

For the use of the Leased Premises and privileges granted hereunder Lessee shall pay a monthly ground rent of one-twelfth (1/12) of the annual payment set forth on the attached schedule marked Exhibit "B". Said rental shall be paid in advance without demand, on the first day of each calendar month. Said rent

schedule shall begin on October 1, 1995 or the opening of the golf course whichever shall first occur. However, if the opening date of the golf course occurs prior to October 1st, 1995, as referred to in Article 2.02, said first monthly payment shall begin on such opening date and the rent shall be pro-rated for the fractional portion of the first month of operation.

3.02 Percentage Rent

In addition to the ground rental fees stated in Section 3.01, Lessee shall also pay a monthly percentage of all gross revenues per attached schedule marked Exhibit "B", and made a part hereof. Said percentage rent shall be paid each month two months in arrears, on the first day of the month, two months subsequent to the month for which percentage rent is due.

3.03 Gross Revenues

The term "gross sales," "gross receipts" or "gross revenues" shall mean the total sum of money paid to Lessee for and in connection with the operation of the clubhouse, restaurant, store, golf cart rental, driving range and green fees, or any other type of activity with the exclusive exception of golf club memberships fees. Such memberships shall be limited to 1,000 members.

3.04 Commencement of Rent and Rental Adjustments

Ground rent shall commence upon execution of this Agreement. Monthly rent due from the date of the execution of this Agreement to October 1, 1995, or until the golf course opens, whichever shall first occur, shall be \$21,600.00. Upon October 1, 1995, or the opening of the golf course, whichever shall first occur, the monthly rental shall be pursuant to the attached schedule B.

3.05 Late Charges

Lessee shall pay to City a late payment fee of one and one-half percent (1.5%) per month or fraction thereof of any amounts that are more than ten (10) days past due under this Lease Agreement; provided, however, such late charges shall not accrue with respect to disputed items being contested in good faith by Lessee, in which event the legal rate of interest shall be charged from the due date on all disputed items determined to have been due to City.

3.06 Books of Account and Auditing

Lessee shall keep within Fernandina Beach true and complete records and accounts of all gross receipts from the golf course operation. All rental contracts or transactions shall be prenumbered and Lessee shall maintain records and controls insuring that the transactions accurately reflect all gross receipts of Lessee. Beginning in the eighth year Lessee shall provide annually, within ninety (90) days after the end of each lease year, statement of all such receipts for the preceding

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lease year. Such statement shall be reviewed by an independent certified public accountant with a related opinion of special procedures performed. Lessee agrees to give to City access, during reasonable hours for inspection, Lessee's books and records, and Lessee agrees that it will keep and preserve for at least five (5) years all rental contracts and other evidence of gross receipts for such period. City shall have the right at any time and from time to time to audit all of the records of Lessee relating to business transacted at the golf course including, but not limited to, gross receipts, and Lessee upon request shall make all such information available for such examination at the Leased Premises. Notwithstanding the foregoing, no request by the City may infringe on Lessee's quiet enjoyment of the premises.

3.07 Licenses, Fees and Taxes

Lessee agrees to pay, when due, all licenses, fees, taxes, ad valorem taxes and assessments charged, assessed or levied by any governmental authority on either Lessee's business, any activity necessary for Lessee's business or on the Leased Premises, leasehold improvements, equipment or material, including any fines, penalties, fees or costs of remediation imposed or required by any regulatory authority or governmental unit as a result of the operation of the Leased Premises by Lessee and for events occurring during this Lease Agreement or any renewal thereof. No such payment shall be considered a payment of rent entitling Lessee to a credit under any other provision of this Lease Agreement. The failure of Lessee to pay any items enumerated in this sub-paragraph, the validity of which shall be contested in good faith and with reasonable promptness, shall not be interpreted as a violation of this covenant until such contest shall have been abandoned or the time for objection or appeal has expired.

3.08 Revenue Control Equipment

Lessee shall install and use, or cause to be installed and used, cash registers, sales slips, invoicing machines and other automatic accounting equipment or devices required to properly and accurately record the Gross Sales or Revenues made by Lessee under this Lease Agreement.

ARTICLE IV

OPERATIONAL STANDARDS

4.01 Lessee shall provide the highest standard of service within the golf course industry to include but not necessarily limited to:

- (a) Hours of Operation: Subject to normal course maintenance requirements the golf course must be open seven days a week with hours of operation consistent with comparable public and private courses.

- (b) Membership: The golf course shall be open to the public on a space available basis in compliance with all covenants, conditions, laws or regulations imposed upon City by any federal, state or local government and in full compliance with Article XII, paragraph 12.02, hereof.
- (c) Maintenance and Operation: Golf course maintenance and operation shall be of the highest industry standards.
- (d) Food and Beverage Operation: All items served at this golf course food and beverage facility shall be of the best quality and shall conform to all regulations as it relates to safety, health and cleanliness.
- (e) Supervision: All activities herein authorized shall be supervised at all times by an active, qualified, competent manager or a qualified subordinate in the manager's absence. The manager or his qualified representative shall be available at the Leased Premises during normal business hours.
- (f) Employees: All employees of Lessee shall be properly trained, and be of the highest professional and moral standards.
- (g) Operational Standards: Lessee shall maintain operational standards equal to the highest within the industry.

4.02 City shall have the right to evaluate the operational performance of Lessee at any time there is reasonable indication that the level of service is below the highest industry standards. Should City's evaluation reflect operational deficiencies, Lessee agrees to immediately correct the same.

ARTICLE V

MAINTENANCE AND REPAIRS

5.01 Maintenance and Repairs of Leased Premises

Lessee agrees to provide at its own expense such repairs, replacements, maintenance, custodial and cleaning services and supplies as may be necessary or required in the operation and maintenance of the Leased Premises and leasehold improvements including maintaining clear zones so as to comply with FAA or any other regulatory requirements. All such repairs, replacements shall be of quality equal to the original in materials and workmanship.

5.02 Condition and Termination

Lessee agrees to surrender and deliver the Leased Premises and leasehold improvements at the termination of this Lease Agreement in good order and

condition, reasonable wear and tear excepted...

6.03 Alterations to Leased Premises and/or Leasehold Improvements

Lessee shall make only reasonable alterations to the Leased Premises or leasehold improvements that are consistent with plans approved by the City of Fernandina Beach and this Agreement.

6.04 City's Inspection Rights

The duly authorized representative of City shall have the right to enter the Leased Premises areas to:

- (a) inspect the areas at reasonable intervals during Lessee's regular business hours or at any time in case of emergency, to determine whether Lessee has complied with and is complying with the terms and conditions of this Lease Agreement;
- (b) perform any and all things which Lessee is obligated by law or this agreement, to perform and has failed to commence within thirty (30) days after written notice to act. The cost of all labor, materials and overhead charges required for performance of such work will be paid by Lessee to City within fifteen (15) days following receipt of the invoice by Lessee.

ARTICLE VI

LIABILITY, INDEMNITY AND INSURANCE

6.01 Indemnification

Lessee shall indemnify, hold harmless, and defend City, its officials, agents and employees, its successors and assigns, individually or collectively, from and against any claim, action, loss, damage, injury, liability and the cost and expense whatsoever kind of nature (included but not limited to, attorneys' fees, court costs, and expert fees) based upon injury to persons, including death or damage to property arising out of, resulting from, or incident to this Lease Agreement, and/or in conjunction with Lessee's use and occupancy of Leased Premises unless occasioned by the negligence of City.

Lessee shall indemnify, save, hold harmless, and defend City, its agents and employees, its successors and assigns, individually or collectively, from and against any liability for any claims and actions and all expenses incidental to the investigation and defense thereof, in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, ordinances, resolutions,

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or regulations, by Lessee, its agents, employees, licensees, successors and assigns, or those under its control,

6.02. Insurance

Lessee shall procure and maintain at his own expense, the following types and amounts of insurance for the term of this Lease Agreement.

- (a) Comprehensive General Liability Insurance: Coverage shall include automobiles for owned, hired and nonowned vehicles; premises-operations; independent contractors; personal injury (deleting any exclusions related to its employees); product and contractual liability, including but not limited to the liability assumed by Lessee under the hold harmless provisions of this Lease Agreement. Said policy or policies shall cover loss or liability for damages in an amount not less than One Million Dollars (\$1,000,000), combined single limits for each occurrence for bodily injury, death or property damage occurring by reason of Lessee's operation in, on, or about the Leased Premises.
- (b) Worker Compensation and Employers Liability Insurance: In the amount and form required by Worker's Compensation Act and insurance laws of the State of Florida.
- (c) Fire Insurance: Lessee shall insure against the perils of fire, extended coverage, and other perils on any and all of Lessee's improvements on the Leased Premises. Such insurance shall be in an amount equal to the full insurable replacement value of such improvements. The coverage shall begin from the initiation of construction through a "Builder's Risk" insurance for the period of time the construction of the improvements covered herein shall have commenced to the time when such construction shall become insurable under the policy or policies herein described.

Such "Builder's Risk" insurance policy or policies shall cover all work incorporated in the building and all material for the same in, on, or about the Leased Premises and shall be written on the "Completed Value Form." City shall be named as additional insured under the policy or policies herein described. On completion of the improvements, Lessee shall then insure such improvements. All property damage insurance policies shall contain loss payable endorsements in favor of the parties as their respective interest may appear hereunder. City agrees that any payments received by it from such insurance companies by reason of loss under such policy or policies shall be applied toward repair and reconstruction of said improvements; if in the event that such repairs and reconstruction can be completed prior to the termination of this Lease Agreement.

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FOR BK 0185 PS 1118

The insurance specified above shall, either by provision in the policies or by special endorsements attached thereto, insure City against the risks to which it is exposed as the owner of the Leased Premises and as the grantor of the right to operate the concession business authorized to be conducted under this Lease Agreement. Except for Worker's Compensation and Employers' Liability coverage, all policies shall include City and all of its officers, employees and agents as an additional insured and shall contain a standard cross-liability provision and shall stipulate that no insurance held by City will be called on to contribute to a loss covered thereunder. City shall have no liability for any premiums charged for such coverage, and the inclusion of City as an additional insured is not intended to, and shall not, make City a partner or joint venturer with Lessee in Lessee's operations on the Leased Premises. Such policies shall also insure Lessee against the risks to which it is exposed as the operator of the concession business authorized under this Lease Agreement, and shall be for a full coverage with any deductibles and/or retentions subject to approval by City and shall contain provisions on the part of the respective insurers waiving the right of such insurers to subrogation.

The original or a certified copy of above policy or policies, plus certificates evidencing the existence thereof, all in such form as the City Manager, or his designee may require, or binder, shall be delivered to said Manager upon the execution of this Lease Agreement. In the event a binder is delivered, it shall be replaced within ten (10) days by the original or a certified copy of the policy. Each such policy or certificate shall contain a valid provision or endorsement that "This policy will not be cancelled or materially changed or altered without first giving City (60) days written notice in advance thereof to the City Manager, or his designee, City of Fernandina Beach, Post Office Box 668, Fernandina Beach, Florida 32034" sent by certified U. S. mail, return receipt requested.

A renewal policy shall be delivered to the City Manager, or his designee, at least thirty (30) days prior to a policy's expiration date, except for any policy expiring on the expiration date of this Lease Agreement or thereafter.

Lessee may require that any contractor or contractors who perform the work contemplated herein under a contract in excess of One Hundred Thousand and No./100 Dollars (\$100,000.00) furnish a good and sufficient performance bond in an amount not less than the full amount of the contract price for completing the improvements of the Leased Premises, as surety for the faithful performance of the contract by contractor, and for the payment of all persons performing labor and furnishing material in connection with the work.

City reserves the right to review once every five (5) years, the insurance provisions stated herein as to the amount of coverage, new types of insurance and new terms (such as combined single limit coverage). If such review indicates that Lessee's insurance coverage is below the recommended minimums of the prevailing standards of the insurance industry, the City reserves the right to require modification of the insurance coverage under this Agreement.

ARTICLE VII

DAMAGE OR DESTRUCTION TO LEASED PREMISES

Lessee shall be responsible to replace or repair the Leased Premises in the event of damage or casualty to any or part of the same. Insurance proceeds received by reason of any such damage or destruction shall be applied to such replacement or repair to the extent necessary to restore the damaged property to its pre-damaged condition.

ARTICLE VIII

ASSIGNMENT AND SUBLETTING

Lessee shall neither assign nor transfer this Lease Agreement or any right or leasehold interest granted to it by this Lease Agreement without the consent of City, such consent not to be unreasonably withheld. Provided, however, Lessee may assign and transfer this Lease Agreement in its entirety without such consent to any successor-in-interest of Lessee with or into which Lessee may merge or consolidate or which may succeed to the assets of Lessee or a major portion thereof. No such assignment or sublease shall serve to release Lessee from any of its obligations, duties or responsibilities under this Lease Agreement unless City agrees thereto in writing. Any such assignment or transfer shall be in writing and promptly upon the execution thereof, Lessee shall furnish a copy to City.

ARTICLE IX

BREACH BY CITY

In addition to all other remedies available to Lessee, this Lease Agreement shall be subject to cancellation by Lessee by giving a thirty (30) day written notice to City, should any one or more of the following events occur:

- (a) The breach by City in the performance of any covenant or any agreement required to be performed by City and the failure of City to commence to remedy such breach for a period of thirty (30) days after receipt of notice of breach of City, unless there is a good faith controversy as to whether a breach has been committed by City, in which event resolution of this issue prior to cancellation of the Lease Agreement must occur.
- (b) The assumption by the United States government, or any authorized agency thereof, of the operation, control or use of the City's Municipal Airport in such manner as to substantially restrict Lessee from operating upon the Leased Premises for a period of at least ninety (90) consecutive days.

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- (c) Failure of City to approve Lessee's plans, specifications or construction when the same were performed in accordance with City's direction or approvals, and met all architectural and engineering requirements.

ARTICLE X

BREACH BY LESSEE

10.01 In addition to all other remedies provided herein or at law, City may cancel this Lease Agreement by giving thirty (30) days written notice to Lessee should any one or more of the following events occur:

- (a) The breach by Lessee in the performance of any covenant or any agreement required to be performed by Lessee and the failure of Lessee to commence to remedy such breach for a period of thirty (30) days after receipt of notice of breach by Lessee except as follows:
 - (1) Lessee's failure to make payments required hereunder when due to city or within thirty (30) days after receipt of written notice from City of nonpayment, in which case Lease Agreement cancellation shall be within thirty (30) days of written notice.
 - (2) Lessee's failure to correct an unsanitary, hazardous or safety condition within ten (10) days after receipt of written notice from City, if such can be corrected or reasonably improved within ten days, in which case Lease Agreement cancellation shall be within thirty (30) days of written notice.
- (b) The interest of Lessee under this Lease Agreement is transferred, passes to or devolves upon, by operation of law or otherwise, any other person, firm or corporation without the written consent of City, except as provided in Article VIII.
- (c) The levy of any attachment or execution, or the appointment of any receiver, or the execution of any other process of any court of competent jurisdiction which is not vacated, dismissed, set aside or bonded to the satisfaction of a reputable title insurer, within a period of one hundred twenty (120) days and which does, or as a direct consequent of such process will, interfere with Lessee's use of the Leased Premises or with its operations under this Lease Agreement.
- (d) Lessee becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the Federal bankruptcy laws or under any

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other law or statute of the United States, or under any state law, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property or the property located within the Leased Premises.

- (e) A petition under any part of the Federal bankruptcy laws, or an action under any present or future insolvency law or statute is filed against Lessee and is not dismissed within ninety (90) days.
- (f) By or pursuant to, or under authority of, any legislative act, resolution or rule, order or decree of any court, government board, agency or officer having jurisdiction, a receiver, trustee or liquidator takes possession or control of all or substantially all of the property of Lessee, and such possession or control continues in effect for a period of ninety (90) days.
- (g) Any lien not specifically authorized by this Lease Agreement is filed against the Leased Premises because of any act or omission of Lessee and such lien is not removed, enjoined or a bond for satisfaction of such lien is not posted within ninety (90) days.
- (h) Lessee abandons, deserts, vacates or discontinues its operation of the business herein authorized for a period of thirty (30) days without prior written consent of City.

10.02 Waiver

No waiver by City of default by Lessee of any of the terms, covenants, or conditions hereof to be performed, kept and preserved by Lessee shall be construed to be a waiver of any subsequent default. The acceptance of rental or the performance of all or any part of this Lease Agreement by City for or during any period after default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee, shall not be deemed a waiver of any right on the part of City to declare a default or cancel this Lease Agreement for a subsequent breach thereof.

ARTICLE XI
EFFECT OF DEFAULT

11.01 Upon the happening of any event of default by Lessee and the failure of Lessee to cure such default in the time period set forth herein, City shall have the right to cancel the term of this Lease Agreement by written notice from City to Lessee, which cancellation shall be effective as of the date of such written notice. Upon the cancellation of the term hereof, whether by lapse of time or otherwise, Lessee shall promptly surrender possession and vacate the Leased Premises and delivery possession thereof to City, including all leasehold improvements, and

Lessee hereby grants to City a full and free license to enter into and upon the Leased Premises in such event and with process to expel or remove Lessee and any others who may be occupying the Leased Premises and to remove therefrom any and all property.

11.02 In the event this Lease Agreement is cancelled by City, or in the event City re-enters, regains or resumes possession of Lessor's Premises, then City shall have all rights and remedies against Lessee as City may be entitled under Florida law or under applicable federal law. All remedies shall be cumulative.

11.03 Upon the happening of any event of default by City under this Lease Agreement, then Lessee shall have all rights and remedies afforded under Florida law, or under federal law as applicable, including but not limited to the right to require specific performance to the full extent allowed by law by City, its successors or assigns. All remedies shall be cumulative.

ARTICLE XII

GENERAL PROVISIONS

12.01 Subordination to Agreements with the City of Fernandina Beach and the United States Government

This Lease Agreement is subject to the provisions of any agreement heretofore or hereafter made between City and the United States Government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport. City covenants that it has not entered into any existing agreements with the United States Government in conflict with the express provisions hereof. Should City hereafter enter into any agreement which restricts or prohibits the use of the Leased Premises for its intended use then Lessee shall be entitled to just compensation for any loss incurred by Lessee.

12.02 Nondiscrimination

Lessee, for itself, its personal representatives, successor in interest, suboperators, and assigns, as part of the consideration hereof, does hereby covenant and agree; (1) that no person, on the grounds of race, color, creed, political ideas, sex, age or physical or mental handicap (for which reasonable accommodations may be made), shall be excluded from participation, denied the benefits or, be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements and the furnishings of services, no person on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicaps (for which reasonable accommodations may be made), shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; that Lessee shall use the Leased Premises in compliance with all other

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requirements imposed by any State, Federal or local laws or regulations, as amended from time to time, applicable to the Leased Premises including, but not limited to, Title 48, Code of Federal Regulation, Department of Transportation, Subtitle A, Office of the Secretary Part 21, Nondiscrimination in Federal Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Acts of 1964, and said Regulations may be amended.

12.03 Nonwaiver of Rights.

No waiver of breach by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent breach of any of the terms, covenants, or conditions herein contained, to be performed, kept and observed by the other party.

12.04 Time is Essence

Time is expressed to be of the essence in this Lease Agreement

12.05 Successor and Assigns Bond

This Lease Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, where permitted by this Lease Agreement.

12.06 Governing Law

This Lease Agreement is governed by the laws of the State of Florida. Any disputes relating to this Lease Agreement must be resolved in accordance with the laws of the State of Florida.

12.07 Force Majeure

Neither party hereto shall be liable to the other for any failure, delay, or interruption in the performance of any of the terms, covenants, or conditions of this Lease Agreement due to causes beyond the control of that party, including, but not limited to, strikes, boycotts, labor disputes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or other circumstances for which such party is not responsible or which are not in its power to control.

12.08 Toxic Waste

Lessee, for itself and on behalf of its officers, agents, employees, assigns, and contractors, does agree to protect, defend, ensure and indemnify City for any manner of loss, damage, cost or assessment which may result from or in any manner be related to the presence, use, distribution or disposition of any dangerous

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DR BR 01183 PS 1124

toxic waste, or any other substance or derivative. This provision shall survive the expiration of this lease. This shall not apply to conditions which pre-exist the date this lease. By execution of these presents, City mutually agrees that there is no known condition constituting a violation of this paragraph at the inception of this lease.

12.09 Quiet Enjoyment

City agrees that Lessee, upon payment of all fees, charges and other payments required under the terms of this Lease Agreement and observing the keeping of the conditions and covenants of this Lease Agreement on its part to be observed and kept, shall lawfully acquire, hold use and enjoy the Leased Premises during the term of this Lease Agreement.

12.10 Lessee's Dealings with City

Whenever in this Lease Agreement, Lessee is required or permitted to obtain the approval of, consult with, give notice to, or otherwise deal with City, Lessee shall deal with City's authorized representative, and unless or until City shall give Lessee written notice to the contrary, City's authorized representative shall be the City Manager or his designee.

12.11 Approvals and Notices

(a) All notices, consents and approvals required to authorized by this Lease Agreement to be given by or on behalf of either party to the other shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given, and shall be deemed given at the time a registered or certified letter properly addressed, postage prepaid, deposited in any United States post office or delivered to a private courier service, is received by the addressee.

(b) Notice to City shall be addressed to it and delivered at the office of:

CITY: City Manager
City of Fernandina Beach
Post Office Box 668
Fernandina Beach, Florida 32034

(c) Notice to Lessee shall be addressed to the attention of:

LESSEE: President
Nassau Sound Land Company, Inc.
401 Centre Street, Second Floor
Fernandina Beach, Florida 32034

12.12 Independent Contractor

The parties hereto agree that Lessee is an independent contractor and not subject to direction or control of City, except as specified in this Lease Agreement.

12.13 Interpretation

The language of this Lease Agreement shall be construed according to its plain meaning; the section headings appearing herein are for the convenience of the parties and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of provisions of this Lease Agreement. If any provision of this Lease Agreement is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease Agreement and all such other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this Lease Agreement is capable of two constructions, one which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

12.14 Right to Develop Airport

It is further covenanted and agreed that City reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Lessee and without interference or hindrance. Lessee agrees that it shall have no claim against City for damages arising out of the development and normal operations conducted by City at its Municipal Airport. Provided the parties mutually agree, City may re-acquire from the leasehold estate granted herein, undeveloped lands of the Leased Premises if such lands are necessary for future development of the City's Municipal Airport. If the City decides to grant an access easement to the developers of Crane Island, it shall have the right to designate and grant such easement through the undeveloped portion of Parcel I of the Leased Premises as depicted on Exhibit "A".

12.15 Incorporation of Exhibits

All exhibits referred to in this Lease Agreement are intended to be and hereby are specifically made part of this Lease Agreement.

ARTICLE XIII

DISPUTE RESOLUTION AND ATTORNEYS' FEES

Any controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, shall be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over the matter. Notwithstanding any provision contained herein to the contrary, a cause

of action for eviction and/or for injunctive relief and any issues related to these causes of action may be brought by City directly in a court of competent jurisdiction without having to first resort to the arbitration process as provided herein for dispute resolution. Lessee may bring a cause of action for injunctive relief and related issues directly in a court of competent jurisdiction.

Attorneys' Fees and Costs

If any action at law or in equity or any arbitration proceeding is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which that party may be entitled.

ARTICLE XIV

ENTIRE AGREEMENT

The parties hereto understand and agree that this instrument contains the entire agreement between the parties. The parties further understand and agree that neither party nor its agents have made representations or promises with respect to this lease Agreement except as expressly set forth herein; and that no claim or liability shall arise for any representations or promises not expressly stated in this Lease Agreement. Any other writing or parol agreement with the other party being expressly waived.

ARTICLE XV

COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one and the same instrument.

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

Signed, sealed and delivered
in the presence of

Marymerca
Caroline Mitchell

"CITY"

CITY OF FERNANDINA BEACH

By: Charles L. Albert
Its: Mayor

Attest: Vicki P. Cannon
Its: Clerk

INSTR # 200534903
OR BR 01185 PS 1187

"LESSEE"
NASSAU SOUND LAND CO. INC.

Vicki P. Cannon By: [Signature]
Mary Mercer Its: President
Attest: [Signature]
Its: Sec

APPROVED AS TO FORM:

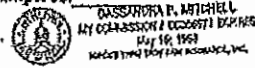
[Signature]
Counsel, [Signature] City Attorney

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 7 day of July 1994, by Charles A. Albert, Jr. and Vicki P. Cannon, the (title) Mayor and the (title) City Attorney, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

Cassandra Mitchell
Notary Public, State of Florida
at Large

My Commission Expires:



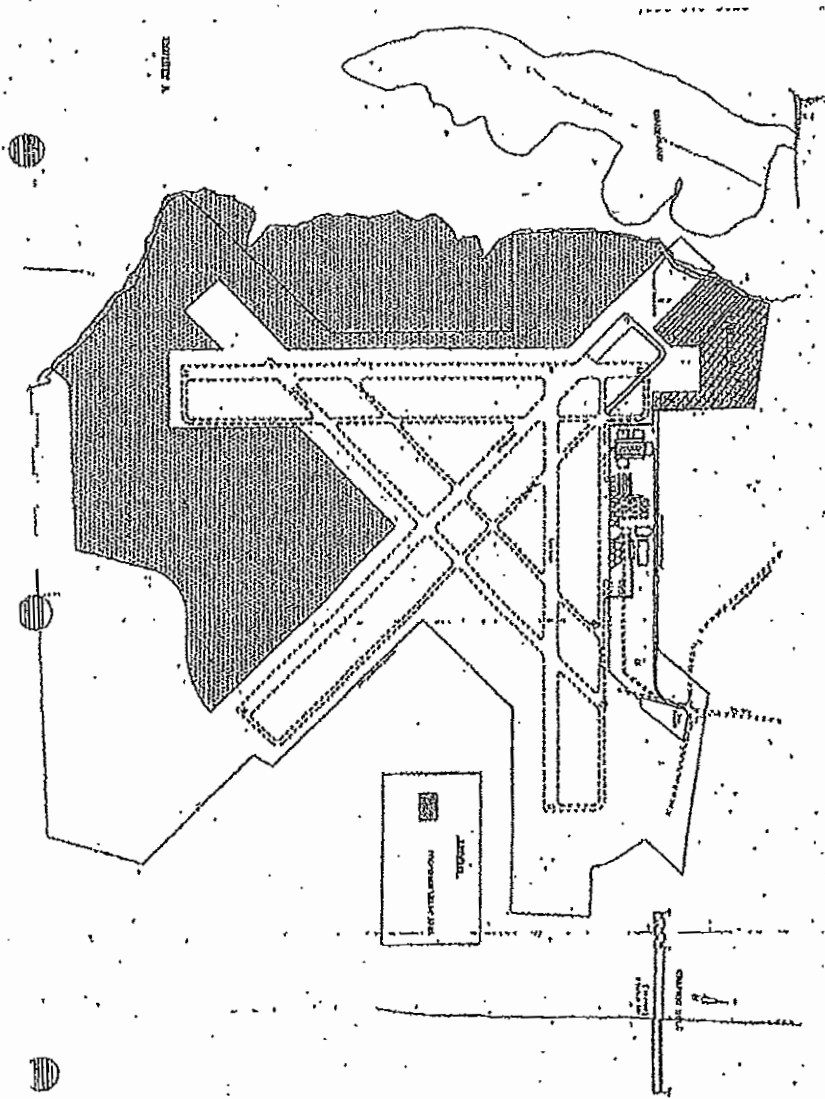
STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 6th day of July 1994, by Scott Brian Parlant and Alfred Kovanough, the (title) President and the (title) Secretary, respectively, of NASSAU SOUND LAND CO., INC., a Florida corporation.

Mary Mercer
Notary Public, State of Florida
at Large
#192641 CC

My Commission Expires: [Signature]
NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES: [Signature]
NOTARY PUBLIC UNDER

INSTR # 200340053
OR BK 01185 PG 1128



INSTR # 200240855
 OR BK 01185 PG 1129

TERMINAL B EAST MUNICIPAL AIRPORT
 TERMINAL B EAST, PORTLAND
 HOYLE, TAMAR & ASSOCIATES, INC. 1992

Golf Course Land Lease Schedule

City of Fernandina Beach

Year	Annual Land Rental	% of Gross
1	43,200	0.00%
2	43,200	0.00%
3	88,400	0.00%
4	100,800	0.00%
5	115,200	0.00%
6	129,800	0.00%
7	144,000	0.00%
8	149,760	0.00%
9	149,760	1.50%
10	149,760	1.50%
11	149,760	1.50%
12	149,760	1.50%
13	155,780	1.50%
14	155,780	1.50%
15	155,780	1.50%
16	155,780	1.50%
17	155,780	1.50%
18	161,980	2.50%
19	161,980	2.50%
20	161,980	2.50%
21	161,980	2.50%
22	161,980	2.50%
23	168,460	2.50%
24	168,460	2.50%
25	168,460	2.50%
26	168,460	2.50%
27	168,460	2.50%
28	175,198	2.50%
29	175,198	2.50%
30	175,198	2.50%

INSTR # 200340085
DR BK 0185 PG 1130

EXHIBIT B

Golf Course Land Lease Schedule

City of Fernandina Beach

Year	Annual Land Rental	% of Gross
31	176,198	2.50%
32	176,198	2.50%
33	182,208	2.50%
34	182,208	2.50%
35	182,208	2.50%
36	182,208	2.50%
37	182,208	2.50%
38	189,494	2.50%
39	189,494	2.50%
40	189,494	2.50%
41	189,494	2.50%
42	189,494	2.50%
43	187,074	2.50%
44	187,074	2.50%
45	187,074	2.50%
46	187,074	2.50%
47	187,074	2.50%
48	204,957	2.50%
49	204,957	2.50%
50	204,957	2.50%

INSTR # 200240865
DR BK 01195 PG 1131

EXHIBIT B

Golf Course Land Lease Schedule

City of Fernandina Beach

Year	Annual Land Rental	% of Gross
81	204,867	2.50%
82	204,967	2.50%
83	213,188	2.80%
84	213,155	2.50%
85	213,155	2.50%
86	213,155	2.50%
87	213,185	2.50%
88	221,681	2.50%
89	221,681	2.80%
90	221,681	2.50%
91	221,681	2.50%
92	221,681	2.50%
93	230,549	2.50%
94	230,549	2.80%
95	230,549	2.50%
96	230,549	2.50%
97	230,549	2.50%
98	239,771	2.50%
99	239,771	2.50%
70	239,771	2.80%

DISTR # 800349055
OR BK 01285 PS 1132

FINCHIT B

AUG 9 1995

MEMORANDUM OF DEVELOPMENT AND LEASE AGREEMENT ^{BK 0736 PG 0178}
OFFICIAL RECORDS

On July 7, 1994, a Development and Lease Agreement was entered into between the City of Fernandina Beach and Nasseau Sound Land Co., Inc.. This memorandum of that Development and Lease Agreement is presented for recording:

ARR 12.50

1. Name of lessor in Lease Agreement: City of Fernandina Beach
2. Name of lessee therein: Nasseau Sound Land Co., Inc.
3. Address set forth in Development and Lease Agreement as addresses of lessor and lessee:

Lessor: Post Office Box 860
Fernandina Beach, Florida 32034

Lessee: 401 Centro Street, Second Floor
Fernandina Beach, Florida 32034
4. Date of Development and Lease Agreement: July 7, 1994
5. Description of leased premises as set forth in Development and Lease Agreement: As depicted in Exhibit "A", attached hereto and made a part hereof.
6. The date on which the Development and Lease Agreement became effective: July 7, 1994.
7. Term of Development and Lease Agreement: From October 1, 1995, to September 30, 2025.
8. Date of expiration of final period for which the Development and Lease Agreement may be renewed: September 30, 2065.

BK0736PG0179

- 9. The Development and Lease Agreement referred to in the previous was amended by the First Amendment to City of Fernandina Beach Golf Course License and Lease Agreement dated March 7, 1995, whereby the description of the Leased Premises was modified as shown on Exhibit "A" attached hereto.
- 10. No mechanic's lien for labor, materials, supplies or professional services may be placed upon the Leased Premises without the consent of the Lessor, the City of Fernandina Beach, Florida.

Executed on August 8, 1995.

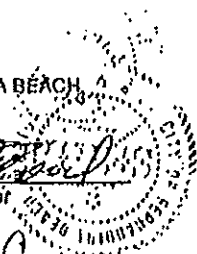
Signed, sealed and delivered
in the presence of:

Lisa R. Burch
Brian Y. Meyer

"CITY"
CITY OF FERNANDINA BEACH

By: Anthony P. ...
Its: City Manager

Attest: Vicki P. Cannon
Its: Clerk



Signed, sealed and delivered
in the presence of:

Sharon E. Swift
Anthony J. Liggio

"LESSEE"
NASSAU SOUND LAND CO., INC.

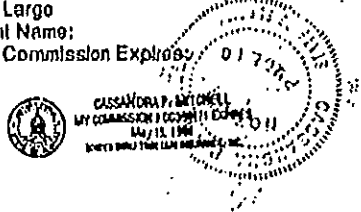
By: [Signature]
Its: Vice President and Secretary

BK0736PG0180
OFFICIAL RECORDS

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 8th day of August, 1995, by Zachary Z. Zoul and Vickie Cannon, the City Manager and the City Clerk, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

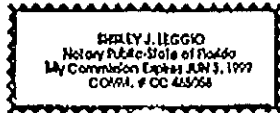
Cassandra P. Mitchell
Notary Public, State of Florida
at Largo
Print Name:
My Commission Expires:



STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 8th day of August, 1995, by Clinch Kavanaugh, the Vice-President and the Secretary, of NASSAU SOUND LAND CO., INC., a Florida corporation, on behalf of the corporation. He is personally known to me.

Shirley J. Leggio
Notary Public, State of Florida
at Largo
Print Name: Shirley J. Leggio
My Commission Expires: 6/18/99



This document prepared by Anthony J. Leggio, Esquire, 303 Centro Street, Suite 102, Fernandina Beach, Florida 32034.

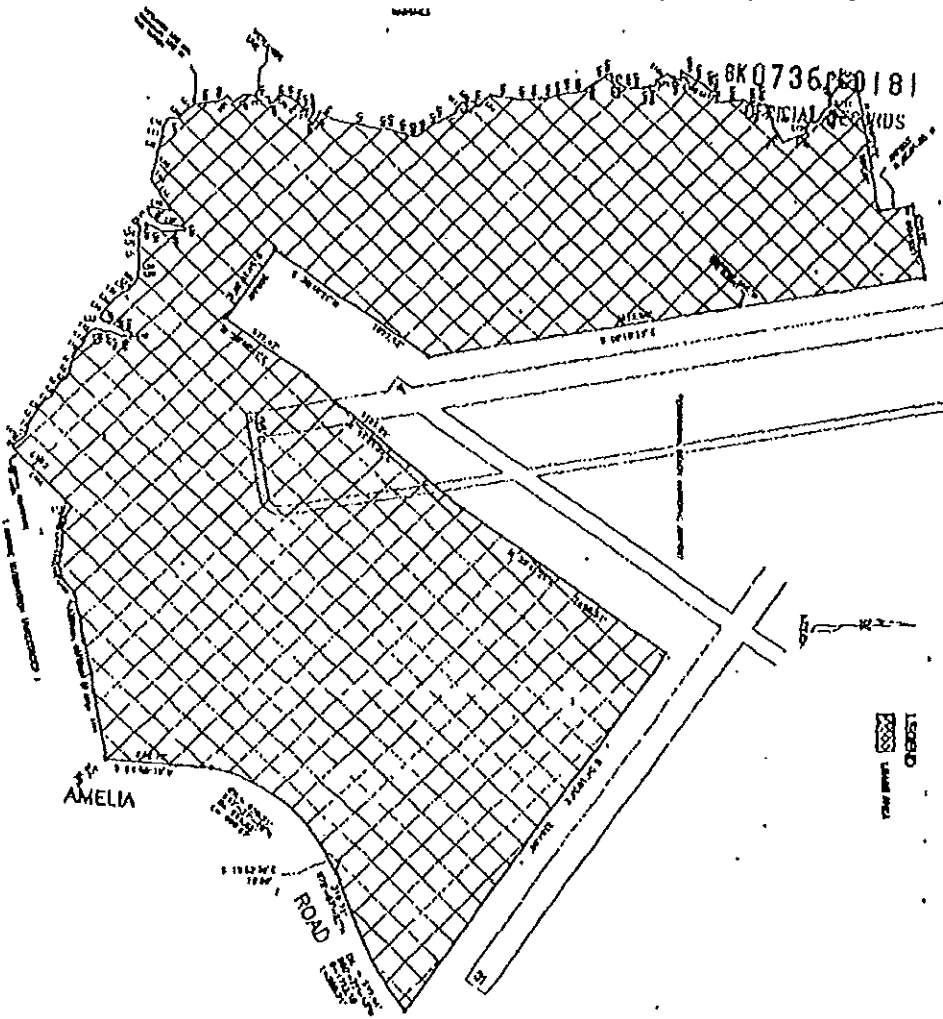
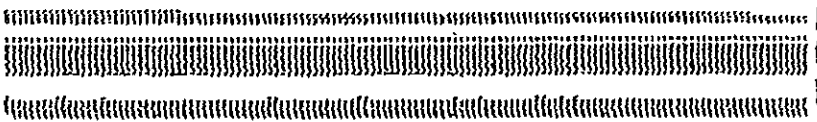
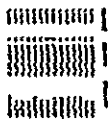


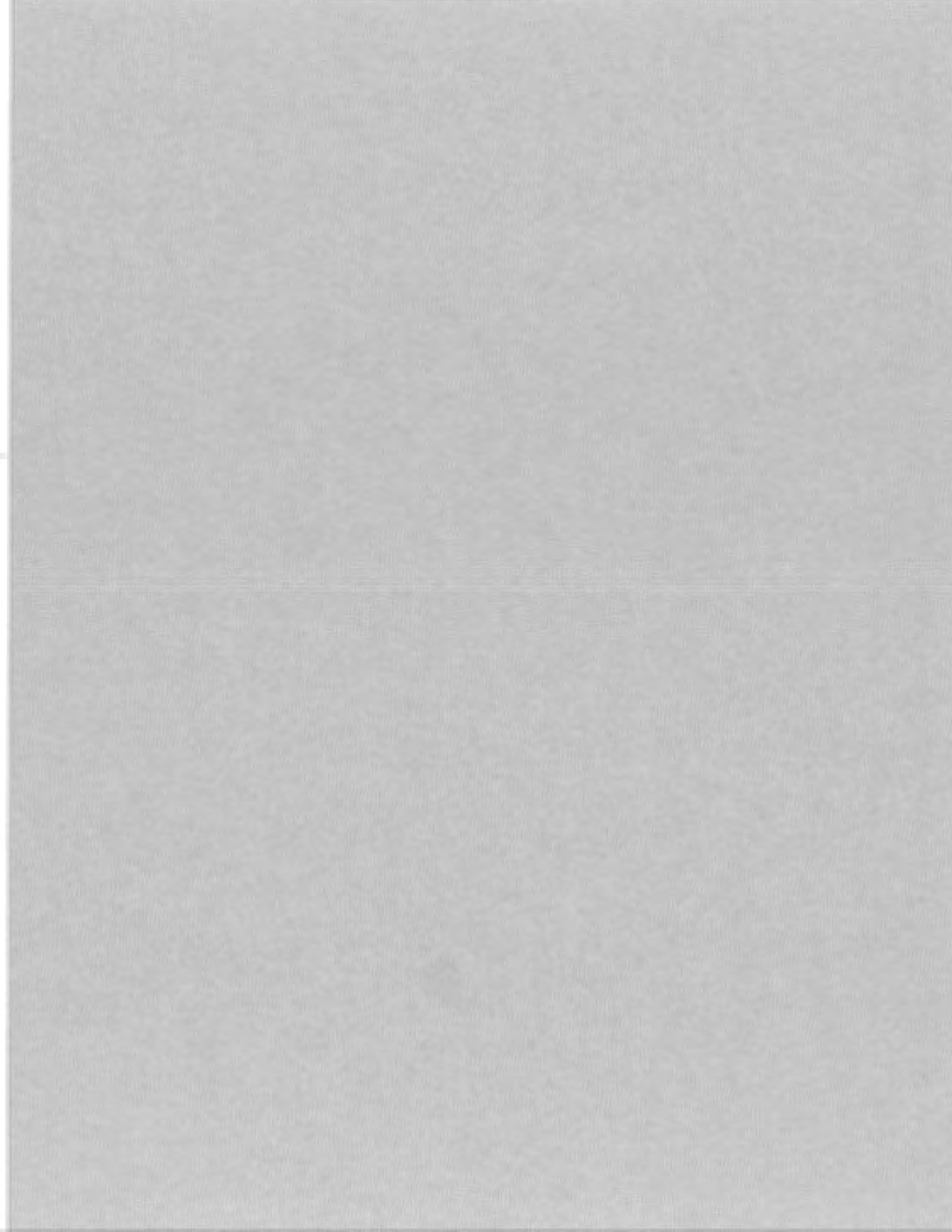
EXHIBIT A-1 PROPOSED AMENDED LEASE AREA



9513444

FILED RECORDS DEPT. 1
 RECORDS OF MASSACHUSETTS
 REC'D 1955
 05 AUG -9 AM 11:55
[Signature]
 CLERK OF COURTS
 MASSACHUSETTS





FIRST AMENDMENT TO
CITY OF FERNANDINA BEACH
GOLF COURSE LICENSE AND LEASE AGREEMENT

THE GOLF COURSE LICENSE AND LEASE AGREEMENT, (hereinafter referred to as "the Agreement") was made and entered into on or about the 7th day of July, 1994, by and between the CITY OF FERNANDINA BEACH, (hereinafter referred to as "City"), a body politic and corporate existing under the Laws of Florida, as amended, and NASSAU SOUND LAND CO., INC., a corporation organized under the laws of the State of Florida (hereinafter referred to as "Lessee").

WITNESSETH

WHEREAS, Lessee desires to amend the Agreement to exclude from the leased Premises certain lands adjoining the Fernandina Beach Municipal Airport in exchange for the inclusion of other lands adjoining the Fernandina Beach Municipal Airport, and Lessor is willing to effectuate this amendment to the Agreement as an even exchange without any cost adjustment.

NOW, THEREFORE, for and in consideration of the foregoing recitals which are incorporated herein by reference, and in further consideration of the mutual covenants, agreements and conditions contained herein, the undersigned parties agree that the Agreement is hereby amended as it relates to the definition of the leased Premises; any and all references to Exhibit "A" contained in the Agreement are hereby replaced with references to Exhibit A-1; the attachment to the Agreement of "Exhibit "A" is hereby replaced with Exhibit "A-1"; and all other provisions of the Agreement, except as amended by the provisions of this First Amendment to City of Fernandina Beach Golf Course Lease and License Agreement, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective duly authorized officers this 7th day of March, 1995.

INSTR # 200349035
DR BK 0185 PG 1133

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 7th day of March, 1995, by Charles L. Albert, Jr. and Mary Mercer, the (title) Mayor, and the (title) City Clerk, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

Charles L. Albert, Jr. 4/3/95 Mary Mercer #192671
Charles L. Albert, Jr., Mayor, DATE Notary Public, State of Florida
at Large

ATTEST:
Mary Mercer 4/3/95
Mary Mercer, Deputy Clerk DATE

My Commission Expires:
NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES: Dec. 24, 1996
LONGER THAN NOTARY PUBLIC OATH EXPIRES.

STATE OF FLORIDA
COUNTY OF NASSAU

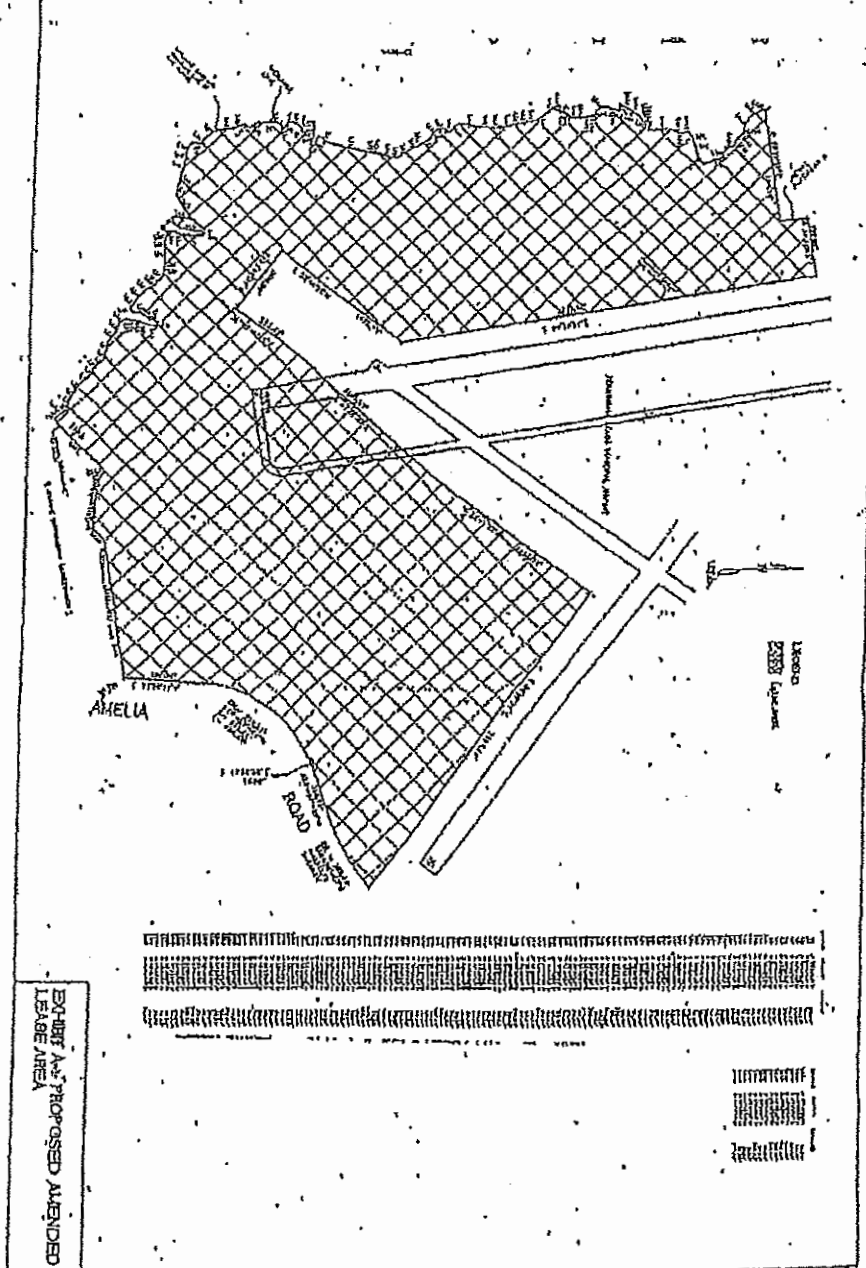
The foregoing instrument was acknowledged before me this 7th day of March, 1995, by Scott-Brian Parliament and ^{vice}Clinch Kavanaugh, the (title) President, and the (title) Secretary, respectively, of NASSAU SOUND LAND CO., INC., a Florida corporation.

[Signature]
Clinch Kavanaugh, Vice President DATE

Mary Mercer #192671
Notary Public, State of Florida
at Large

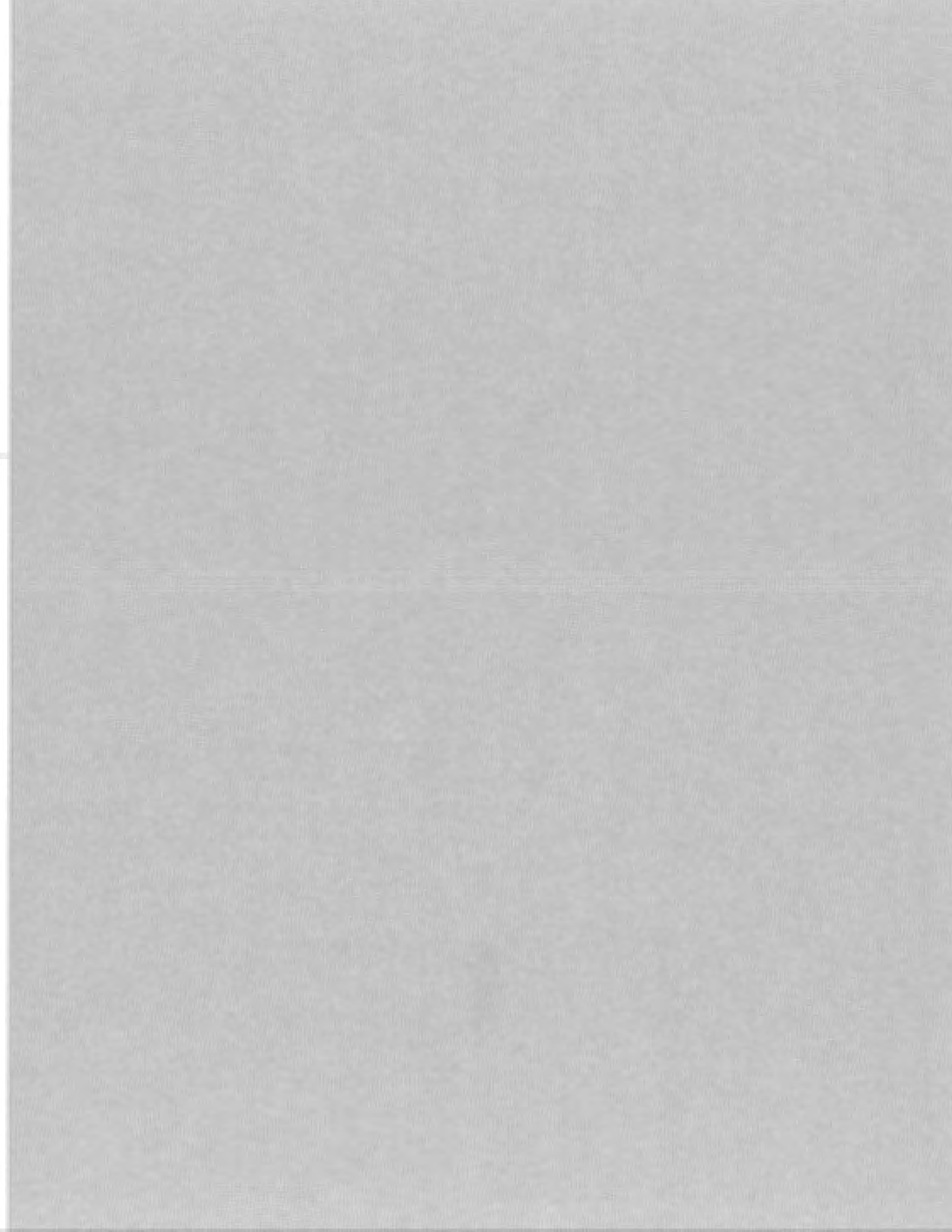
My Commission Expires:
NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES: Dec. 24, 1996
LONGER THAN NOTARY PUBLIC OATH EXPIRES.

INSTR # 20034903
DR BK 0185 PS 1134



EXISTING AND PROPOSED AMENDED LEASE AREA

INSTR # 200340075
DR BK 01485 PG 1135



'AUG - 6 1996

ASSIGNMENT AND ASSUMPTION OF LEASE

BK0767PG1058
OFFICIAL RECORDS

RICSO

THIS ASSIGNMENT AND ASSUMPTION OF LEASE is dated as of July 1, 1996 by and between NASSAU SOUND LAND CO., INC., a Florida corporation ("Assignor"), and KINGSLEY CREEK DEVELOPMENT COMPANY, a Florida corporation ("Assignee").

Assignor has entered into that certain Lease dated as of July 1, 1995, as amended (the "Lease") with The City of Fernandina Beach, Florida ("Landlord"), for premises adjacent to the Fernandina Beach Municipal Airport, as more particularly described in the Lease (the "Leased Premises"). In consideration of the entry by the parties hereto into a Lease Acquisition Agreement dated January of 1996, as amended on even date herewith relating to the Lease, the Leased Premises and other assets to be acquired by Assignee (the "Acquisition Agreement") and other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Assignment. Assignor hereby assigns, transfers and sets over to Assignee all of Assignor's right, title and interest in, to and under the Lease and the Leased Premises.

2. Assumption. Assignee hereby assumes all of the obligations and duties of Assignor under the Lease and with respect to the Leased Premises.

3. SUCCESSORS. This Agreement shall ^{pending} ~~be~~ binding upon and shall inure to the benefit of the heirs, successors and assigns, respectively, of Assignor and Assignee.

4. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Florida.

5. Acquisition Agreement. This Assignment shall be deemed to incorporate, and shall be subject to the terms and conditions of, the Acquisition Agreement.

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

ASSIGNOR:

NASSAU SOUND LAND CO., INC.

By: [Signature]

Attest: [Signature]

ASSIGNEE:

KINGSLEY CREEK DEVELOPMENT COMPANY

SKC

By: [Signature]

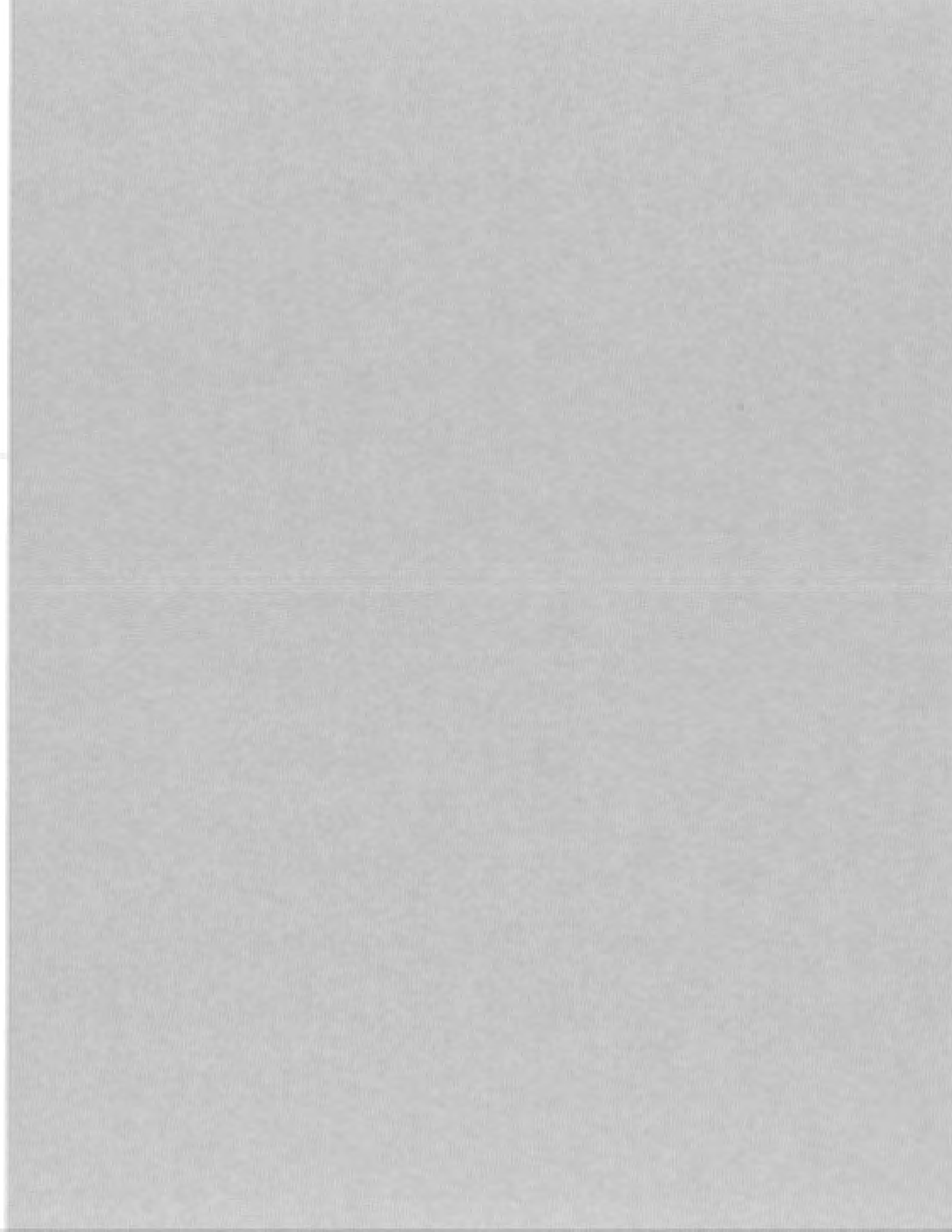
Attest: [Signature]



9616475

96 AUG -6 AM 10:48

[Signature]
CLERK OF THE COURT
STATE OF FLORIDA



Prepared by and Record and Return to:
David Otero, Esq. and Cynthia Montgomery, Esq.
Akeman Senterfitt
50 North Laura Street, Suite 2500
Jacksonville, FL 32202

10/31/2003 03:11:38 PM

1. /R # 200340065
OR BK 01185 PGS 1103-1150
RECORDED 10/31/2003 03:11:38 PM
J. M. OXLEY JR
CLERK OF CIRCUIT COURT
ASSIGNMENT AND ASSUMPTION OF LEASE
RECORDING FEES 217.50

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (Assignment) is made and entered into as of October 16, 2003, by and among KINGSLEY DEVELOPMENT COMPANY, a Florida corporation ("Assignor"), THE SUMMERTON INN, INC., A WHOLLY OWNED SUBSIDIARY OF THE NATIONAL BANK OF SOUTH CAROLINA, a national banking association ("Assignee"), and THE CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida ("Landlord").

WITNESSETH:

WHEREAS, Assignor is the tenant under that certain Golf Course Development and Lease Agreement dated as of July 7, 1994 by and between Nassau Sound Land Co., Inc. and Landlord, as assigned to Assignor pursuant to that certain Assignment and Assumption of Lease dated as of July 1, 1996 (the "Lease") for premises located adjacent to the Fernandina Beach Municipal Airport, as more particularly described in the Lease, a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, Assignor desires to assign the Lease to Assignee and Assignee desires to accept such assignment and assume Assignor's obligations thereunder as of the date hereof.

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Assignee, Assignor, intending to be legally bound, does hereby grant, bargain, sell, assign, transfer and deliver unto Assignee all of Assignor's right, title and interest in and to the Lease as heretofore assigned.

TO HAVE AND TO HOLD the same for the remainder of said term for use as permitted thereunder.

- Assignment. Assignor hereby assigns to the Assignee all of its right, title and interest in and to the Lease for and during the remainder of the term of such Lease, including any options to renew the Lease, subject to the covenants and conditions of said Lease.
- Assumption. Assignee hereby accepts this Assignment and acknowledges and agrees to assume, observe, fulfill, perform and keep all the covenants, obligations, terms and conditions of Assignor, as tenant only, which are set forth in the Lease and arise from and after the date of this Assignment, but not before.
- Consent. Landlord hereby consents to the foregoing assignment and assumption of the Lease subject to all the terms and conditions of this Assignment.
- Binding Effect. This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns and may be executed in any number of counterparts, each of which shall be considered an original document and together, all of which shall be considered one whole and complete document.

Exhibit "A"

5. Notices. All notices to be given pursuant to this Assignment shall be in writing and shall either be served personally or sent by telefax, hand delivery, a nationally recognized overnight delivery service or certified or registered mail, postage prepaid, to the address of the parties below specified or that such other address as may be given by written notice in the manner prescribed in this paragraph. Notice shall be deemed to be given when received as specified on a written telefax confirmation, delivered personally, if delivered, the day following delivery to an authorized overnight delivery service or on the third day after the date mailed as provided above, if mailed. Any notices may be sent to the following addresses unless notice of another address is given under this paragraph 5.

To Landlord: The City of Fernandina Beach
Post Office Box 668
Fernandina Beach, Florida 32034
Attention: City Attorney

To Assignee: The Summerton Inn, Inc.
c/o David E. Otero, Esquire
Akerman Senterfitt
50 North Laura Street, Suite 2500
Jacksonville, Florida 32202

To Assignor: Kingsley Creek Development Company
c/o James H. Post, Esquire
Smith Hulsey & Busey
225 Water Street, Suite 1800
Jacksonville, Florida 32202

6. Legal Expenses. If any party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, court reporters and others) incurred in connection therewith including all such costs and expenses incurred: (a) in trial and appellate court proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another where such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

7. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

8. Jurisdiction and Governing Law. This Assignment, and the interpretation and enforcement thereof, shall be governed by the laws of the State of Florida and venue shall be in Nassau County, Florida.

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

Witnesses

David E. Otero
Print Name: David E. Otero

George W. Lindsay
Print Name: GEORGE LINDSAY

Witnesses

[Signature]
Print Name: DAN HITE

David E. Otero
Print Name: David E. Otero

Witnesses

Debra A. Braga
Print Name: DEBRA A. BRAGA

[Signature]
Print Name: FRAN MIDDLETON

ASSIGNOR:

KINGSLEY CREEK DEVELOPMENT COMPANY, a Florida corporation

By: [Signature]
Print Name: DAN HITE
Title: PRESIDENT

ASSIGNEE:

THE SUMMERTON INN, INC., a South Carolina corporation

By: [Signature]
Print Name: GEORGE LINDSAY
Title: Vice President

LANDLORD:

THE CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida

By: [Signature]
Print Name: Robert T. MEARNS
Title: City Manager

CITY OF FERNANDINA BEACH
GOLF COURSE DEVELOPMENT AND LEASE AGREEMENT

THIS AGREEMENT AND LEASE AGREEMENT, made and entered into as of the 7th day of July, 1994, by and between the CITY OF FERNANDINA BEACH, (hereinafter referred to as "City"), a body politic and corporate existing under the laws of the State of Florida, as amended, and NASSAU SOUND LAND CO., INC., a corporation organized under the laws of the State of Florida (hereinafter referred to as "Lessee")

WITNESSETH:

WHEREAS, City owns and operates an airport known as Fernandina Beach Municipal Airport; and

WHEREAS, City is desirous of giving Lessee the right to construct and operate the golf course upon its land zoned and shown on its future land use plan as "Industrial", at and adjacent to the Fernandina Beach Municipal Airport;

NOW, THEREFORE, for and in consideration of the foregoing recitals which are incorporated herein by reference, and in further consideration of the mutual covenants, agreements and conditions contained herein, City does hereby demise and let unto Lessee, and Lessee does hereby lease and hire from City, certain premises and facilities and City does hereby grant unto Lessee certain rights, licenses and privileges on and in connection with certain lands located at and adjacent to the Fernandina Beach Municipal Airport as follows:

ARTICLE I

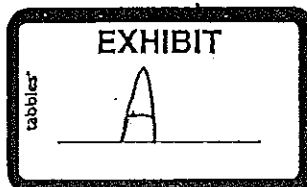
LEASED PREMISES

1.01 Leased Premises

City hereby leases to Lessee and Lessee hereby agrees to lease from City the lands at and adjacent to the Fernandina Beach Municipal Airport as shown in the shaded area on Exhibit "A". Said land and all improvements shall hereinafter be referred to as "Leased Premises." The Leased Premises shall be more specifically described in a metes and bounds legal description to be furnished to City by Lessee in a form acceptable by City.

1.02 Improvement by Lessee

- (a) Lessee shall receive the Leased Premises in a nonimproved condition and shall as a minimum, perform the following improvements as capital investment:



(1) An eighteen (18) hole golf course to include cart paths, driving range, putting green, landscaping, perimeter fence and growing to be constructed on the shaded area of Exhibit "A" and whose cost is estimated at \$2,850,000. Lessee reserves the right to construct additional holes and facilities as it sees fit under the same terms and conditions of this agreement provided Lessee complies with Article I, Sections 1.04 and 1.05 of this Agreement as to such additional holes and facilities.

(2) A clubhouse, cart barn, maintenance building, entry road, parking lot and landscaping with all required utilities, whose cost is estimated at \$1,100,000.

(b) In addition to the above improvements to the Leased Premises, Lessee further agrees to provide the following equipment, fixtures and furnishings.

(1) Golf course maintenance equipment, whose approximate cost will be \$250,000.

(2) Clubhouse furnishings and kitchen equipment, whose approximate costs will be \$200,000.

(c) The City shall bear no financial responsibility for development costs which may exceed the estimates provided herein.

1.03 Title to Improvements

(a) Lessee's title to all leasehold improvements and fixtures shall vest and be part of the realty owned by City and Lessee agrees that its sole interest in the leasehold improvements, and fixtures shall be that of Lessee. City and Lessee agree that in event of early termination of this Lease Agreement for any reason other than Lessee's default or breach of contract, City shall take possession of the Leased Premises and shall compensate Lessee for its fair market value of its investment in the leasehold improvements as determined by a mutually acceptable AIA appraiser. Nothing in this Lease Agreement shall be deemed to prohibit or restrict Lessee from leasing or financing any such leasehold improvements, fixtures, equipment and/or furnishings with a third party. In such event the third party financing arrangements of Lessee shall be unaffected by City's rights under this Lease Agreement.

(b) Notwithstanding the above, City shall have no right to take possession, transfer, use, or in any form or manner deprive Lessee from the use and possession of the leasehold improvements except by reason of default, breach of contract or after financial compensation for its fair market value of its investment in the leasehold improvements, in the

event of early termination.

- (c) In the event of early termination for reasons other than default or breach of contract, or as provided by law, Lessee shall have the right to require immediate cash compensation for its fair market value of the improvements made by Lessee at the time of surrender of the Leased Premises.
- (d) Any compensation received by Lessee as a result of an early termination of this Lease Agreement for reasons other than default or breach of contract by Lessee, shall be utilized to the extent necessary to pay off any outstanding liens arising by, through or under Lessee for the purpose of making improvements to the Leased Premises. City reserves the right to make payments directly to lienholders at its option.

1.04 Design of Improvements

Lessee shall develop plans for constructing, erecting and installing the leasehold improvements on the Leased Premises which shall consist of: (1) working drawings, (2) technical specifications, (3) schedule for accomplishing improvements, (4) schedule of finishes and graphics, (5) cost estimates. Lessee shall submit all the foregoing documents to City for review and comments prior to construction of any improvements.

1.05 Approval by City

City shall have the prior right to approve, in writing, Lessee's plans for the leasehold improvements and the budgeted cost thereof. Said approval shall not be unreasonably withheld. City shall render appropriate assistance to the Lessee in its efforts to seek and obtain approvals and permits necessary to proceed with development and construction as provided herein.

1.06 Architectural Requirements

All construction, improvements, signs, equipment, or landscape must be made in accordance with the requirements stated in Sections 1.04 and 1.05 of this Lease Agreement and shall conform in all respects to applicable statutes, ordinances, building codes and rules and regulations. The approval given by City shall not constitute a representation or warranty as to such conformity; responsibility, therefore, shall at all times remain with Lessee.

1.07 Construction and Financing of Improvements

- (a) Upon the written approval of Lessee's plans and specifications by City, and approval of all construction permits, Lessee shall have the right and obligation to enter the Leased Premises and take possession

thereof and to commence construction of the leasehold improvements. City's approval shall not be unreasonably withheld.

- (b) Other than liens on the leasehold interest of Lessee for financing the construction and/or acquisition (including both construction financing and permanent financing), no leasehold improvements, fixtures or equipment shall be subject to any liens, whether created by operation of law or by agreement. All construction shall in all respects conform to and comply with applicable statutes, ordinances, building codes, rules and regulations of such authorities as may have jurisdiction over any aspect of said construction. Lessee, at its sole cost and expense, shall procure all building, fire, safety and other permits necessary for any construction. City hereby consents to construction and acquisition financing by Lessee in an amount up to one hundred percent (100%) of all hard and soft costs of such construction and acquisition. Nothing in this section shall be deemed to permit Lessee to encumber any interest in the Leased Premises other than the leasehold estate of Lessee under this Lease Agreement. Any mortgage or security agreement between Lessee and a third-party lender shall contain a clause to the effect that any lien or security interest acquired shall not be enforceable against City if City has terminated the Lease Agreement as a result of Lessee's default or breach of contract and the third-party lender, after proper written notification, has elected not to cure the default of Lessee or institute foreclosure or other proceedings against Lessee, or otherwise enforce its rights against Lessee or acquire the leasehold interest of Lessee.
- (c) Prior to commencement of construction, Lessee shall submit a performance bond in the amount of one hundred percent (100%) of the approved budgeted cost of leasehold improvements as to any contract or subcontract in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00), and liability insurance evidence of coverage satisfactory to City.
- (d) A memorandum of this Development and Lease Agreement shall be executed by the parties hereto in a form satisfactory for recording in the Official Records of the public records of Nassau County, Florida, and such memorandum shall provide that no mechanic's lien for labor, materials or supplies may be placed upon the Leased Premises without City's consent.
- (e) Any term or provision of this Lease Agreement to the contrary notwithstanding:
- (1) Lessee and every successor and assigns of Lessee, is hereby given the right by City, in addition to any other rights herein granted, to mortgage its interests in this Lease Agreement, or any part

11-15-11

thereof, under one or more first Leasehold Mortgage(s) or under a purchase money first or second Leasehold mortgage(s) in connection with any sale of such interest, and assign this Lease Agreement, or any part thereof, and any sublease(s) as collateral security for such Mortgage(s). Provided however, and subject to the conditions contained herein, neither City's interest in this Lease Agreement nor its fee title to the lands demised hereunder, shall be subordinate to any Mortgage(s) secured by Lessee's interest in the Lease Agreement, and that all rights acquired under such Mortgage(s) secured by Lessee's interest in the Lease Agreement, and that all rights acquired under such Mortgage(s) shall be subject to all of the covenants, conditions and restrictions set forth in this Lease Agreement, and to all rights and interests of City herein, none of which covenants, conditions or restrictions is or shall be waived by City by reason of the right given so to mortgage, such interest in this Lease Agreement.

(2) This Lease Agreement shall not be modified or surrendered by City or cancelled or terminated by City and/or Lessee, nor shall City accept a surrender of this Lease Agreement except as expressly provided in this subparagraph (e).

(3) So long as any Leasehold Mortgage shall remain a lien on Lessee's leasehold estate hereunder, City agrees, simultaneously with the giving of any notice to Lessee (i) of default, or (ii) of a matter on which a default may be predicated or claimed, to give duplicate copies thereof or of any process in any action or proceeding brought to in any way affect this Lease Agreement, to each Leasehold Mortgagee of record, by certified U. S. Mail or by private courier service, and no such notice to Lessee or process shall be effective unless a copy of such notice is given such Leasehold Mortgagee in the manner herein provided for. Each Leasehold Mortgagee will have the same period after receipt of the notice aforesaid to it for remedying the default or causing the same to be remedied as is given Lessee after notice to it plus thirty (30) days thereafter and City agrees to accept such performance on the part of the leasehold Mortgagee as though the same had been done or performed by Lessee.

(4) For purposes of this sub-paragraph (e) it shall be the responsibility of any Leasehold Mortgagee to provide City with the current address and name of designated person to whom to address any notice required by this Agreement, and failure of any Leasehold Mortgagee to provide such information to City shall excuse City's requirement hereunder to provide such notice to that Leasehold Mortgagee.

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- (5) No payment made to City by a Leasehold Mortgage shall constitute agreement that such payment was, in fact, due under the terms of this Lease Agreement; and a Leasehold Mortgagee having made any payment to City pursuant to City's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof.
- (6) City agrees that if Lessee for any reason shall fail, or shall not be entitled, to exercise its right to renew this Lease Agreement for any renewal term as herein provided, City shall notify each Leasehold Mortgagee that Lessee has failed as aforesaid, or is not entitled, to exercise its right to renew this Lease Agreement, as the case may be, and each Leasehold Mortgagee shall have the right, for a period of thirty (30) days after the receipt of such notice to elect that this Lease Agreement be renewed for such renewal term upon the same terms and conditions and with the same effect as though such right had been exercised by Lessee. If more than one Leasehold Mortgagee shall exercise the election provided for in this subparagraph (e) City shall only ~~be required to execute the instrument certifying such renewal~~ with the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien to any and all other Leasehold Mortgages, and the election of any Leasehold Mortgagee whose Leasehold Mortgage is subordinate in lien shall be null and void and of no force and effect.
- (7) If the Leasehold Mortgagee or any person claiming by, through or under it (including but not limited to a purchaser at foreclosure sale) shall become owner of the leasehold estate and if the improvements shall become materially damaged, then such Leasehold Mortgagee shall be obligated to repair, replace or reconstruct the improvements to their pre-existing condition prior to the casualty.
- (8) Any assignment of rents and/or leases contained in any Leasehold Mortgage shall be fully effective as between mortgagor and mortgagee but shall be subordinate to the rights of City to the extent necessary to secure payment to City of any sums due it under this Lease Agreement.
- (9) Wherever the term "Leasehold Mortgage" is used, it shall mean any mortgage which at the time in question is a lien on Lessee's leasehold estate and upon the interest of Lessee in this Lease Agreement and any supplement to, modification, renewal, consolidation, replacement or extension thereof. The term "Leasehold Mortgagee" shall mean the holder of such Leasehold

Mortgage, its successors and assigns, and any successful bidder at foreclosure sale under any Leasehold Mortgage.

- (10) The rights of Leasehold Mortgagees contained in this subparagraph (e) are for the benefit of Leasehold Mortgagees and shall be enforceable by them.

1.08 Lessee's Cost for Leasehold Improvements, Fixtures and Equipment

The cost of all leasehold improvements, fixtures and equipment related to the golf course project shall be borne by Lessee. Upon completion of the leasehold improvements of Leased Premises, Lessee will furnish City a statement of all improvement costs, and that the same have been satisfactorily paid in full.

1.09 Encumbrances on Leased Premises

Subject to title evidence acceptable to Lessee evidencing marketable fee simple title and the right of City to enter into this Lease Agreement, the Leased Premises shall be accepted by Lessee subject to any and all then existing easements or other encumbrances. City shall have the right to obtain any excess fill material from the proposed golf course lakes not required for development by Lessee and to have it deposited or stored by Lessee in a predetermined area owned by City outside the Leased Premises. No right of City provided for in this paragraph shall be so exercised as to interfere unreasonably with Lessee's operations hereunder nor result in substantially added expense to Lessee in conducting operations hereunder.

1.10 City's Right to Enter and Inspect

City shall have the right to enter any part of the Leased Premises at reasonable times for the purpose of inspection, protection or exercising any rights under this Lease Agreement.

ARTICLE II

LEASED TERM AND CONDITIONS

2.01 Term

This Lease Agreement shall become effective upon signing by both City and Lessee. The base term of this Lease Agreement shall begin and run a period of thirty (30) years commencing with the certification of completion of all leasehold improvements or October 1, 1995 whichever shall first occur. The first payment of \$21,600, made upon the execution of this Lease Agreement shall constitute the total consideration paid by Lessee until the completion of the improvements or October 1, 1995, whichever shall first occur.

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2.02 Options

- (a) Provided Lessee is not in default of any provisions of this Agreement at the time of its exercise of a renewal option, Lessee shall have the right to exercise two successive twenty (20) year lease renewal options of the Leased Premises before the expiration of each preceding lease term or renewal.
- (b) Each renewal option shall be exercised by written notice of such exercise signed by an authorized representative of Lessee and shall be deemed as given at the time such notice sent by registered or certified U. S. Mail is received by City. Each renewal option shall be exercised no later than twelve (12) months prior to the expiration of the term of the then existing Agreement.

2.03 Early Termination

Lessee shall have the right to terminate this Lease Agreement if Lessee, acting in good faith and with due diligence, is unable to obtain all required clearances, permits and/or approvals from all required local, state and federal entities or agencies, or if both Lessee and City mutually agree to such termination. In the event of early termination under this provision only, City shall not be liable for reimbursement of any costs incurred by Lessee. However, Lessee shall be entitled to reimbursement of first lease payment. If a phase one environmental study or other environmental investigation reveals a potential environmentally hazardous condition Lessee shall have the option to terminate this lease agreement and Lessee shall be entitled to reimbursement of first lease payment. Lessee shall have 90 days from the execution of this agreement to conduct said environmental study and investigation.

2.04 Restriction on Use

The Leased Premises and the leasehold improvements and all other property located thereon shall be used solely and exclusively for the purposes of operating a golf course and related facilities and for no other use whatsoever without written permission of City which shall not be unreasonably withheld.

ARTICLE III

RENT, FEES AND CHARGES

3.01 Ground Rent

For the use of the Leased Premises and privileges granted hereunder Lessee shall pay a monthly ground rent of one-twelfth (1/12) of the annual payment set forth on the attached schedule marked Exhibit "B". Said rental shall be paid in advance without demand, on the first day of each calendar month. Said rent

schedule shall begin on October 1, 1995 or the opening of the golf course whichever shall first occur. However, if the opening date of the golf course occurs prior to October 1st, 1995, as referred to in Article 2.02, said first monthly payment shall begin on such opening date and the rent shall be pro-rated for the fractional portion of the first month of operation.

3.02 Percentage Rent

In addition to the ground rental fees stated in Section 3.01, Lessee shall also pay a monthly percentage of all gross revenues per attached schedule marked Exhibit "B", and made a part hereof. Said percentage rent shall be paid each month two months in arrears, on the first day of the month, two months subsequent to the month for which percentage rent is due.

3.03 Gross Revenues

The term "gross sales," "gross receipts" or "gross revenues" shall mean the total sum of money paid to Lessee for and in connection with the operation of the clubhouse, restaurant, store, golf cart rental, driving range and green fees, or any other type of activity with the exclusive exception of golf club memberships fees. Such memberships shall be limited to 1,000 members.

3.04 Commencement of Rent and Rental Adjustments

Ground rent shall commence upon execution of this Agreement. Monthly rent due from the date of the execution of this Agreement to October 1, 1995, or until the golf course opens, whichever shall first occur, shall be \$21,600.00. Upon October 1, 1995, or the opening of the golf course, whichever shall first occur, the monthly rental shall be pursuant to the attached schedule B.

3.05 Late Charges

Lessee shall pay to City a late payment fee of one and one-half percent (1.5%) per month or fraction thereof of any amounts that are more than ten (10) days past due under this Lease Agreement; provided, however, such late charges shall not accrue with respect to disputed items being contested in good faith by Lessee, in which event the legal rate of interest shall be charged from the due date on all disputed items determined to have been due to City.

3.06 Books of Account and Auditing

Lessee shall keep within Fernandina Beach true and complete records and accounts of all gross receipts from the golf course operation. All rental contracts or transactions shall be prenumbered and Lessee shall maintain records and controls insuring that the transactions accurately reflect all gross receipts of Lessee. Beginning in the eighth year Lessee shall provide annually, within ninety (90) days after the end of each lease year, statement of all such receipts for the preceding

lease year. Such statement shall be reviewed by an independent certified public accountant with a related opinion of special procedures performed. Lessee agrees to give to City access, during reasonable hours for inspection, Lessee's books and records, and Lessee agrees that it will keep and preserve for at least five (5) years all rental contracts and other evidence of gross receipts for such period. City shall have the right at any time and from time to time to audit all of the records of Lessee relating to business transacted at the golf course including, but not limited to, gross receipts, and Lessee upon request shall make all such information available for such examination at the Leased Premises. Notwithstanding the foregoing, no request by the City may infringe on Lessee's quiet enjoyment of the premises.

3.07 Licenses, Fees and Taxes

Lessee agrees to pay, when due, all licenses, fees, taxes, ad valorem taxes and assessments charged, assessed or levied by any governmental authority on either Lessee's business, any activity necessary for Lessee's business or on the Leased Premises, leasehold improvements, equipment or material, including any fines, penalties, fees or costs of remediation imposed or required by any regulatory authority or governmental unit as a result of the operation of the Leased Premises by Lessee and for events occurring during this Lease Agreement or any renewal thereof. No such payment shall be considered a payment of rent entitling Lessee to a credit under any other provision of this Lease Agreement. The failure of Lessee to pay any items enumerated in this sub-paragraph, the validity of which all be contested in good faith and with reasonable promptness, shall not be interpreted as a violation of this covenant until such contest shall have been abandoned or the time for objection or appeal has expired.

3.08 Revenue Control Equipment

Lessee shall install and use, or cause to be installed and used, cash registers, sales slips, invoicing machines and other automatic accounting equipment or devices required to properly and accurately record the Gross Sales or Revenues made by Lessee under this Lease Agreement.

ARTICLE IV

OPERATIONAL STANDARDS

4.01 Lessee shall provide the highest standard of service within the golf course industry to include but not necessarily limited to:

- (a) Hours of Operation: Subject to normal course maintenance requirements the golf course must be open seven days a week with hours of operation consistent with comparable public and private courses.

- (b) Membership: The golf course shall be open to the public on a space available basis in compliance with all covenants, conditions, laws or regulations imposed upon City by any federal, state or local government and in full compliance with Article XII, paragraph 12.02, hereof.
- (c) Maintenance and Operation: Golf course maintenance and operation shall be of the highest industry standards.
- (d) Food and Beverage Operation: All items served at the golf course food and beverage facility shall be of the best quality and shall conform to all regulations as it relates to safety, health and cleanliness.
- (e) Supervision: All activities herein authorized shall be supervised at all times by an active, qualified, competent manager or a qualified subordinate in the manager's absence. The manager or his qualified representative shall be available at the Leased Premises during normal business hours.
- (f) Employees: All employees of Lessee shall be properly trained, and be of the highest professional and moral standards.
- (g) Operational Standards: Lessee shall maintain operational standards equal to the highest within the industry.

4.02 City shall have the right to evaluate the operational performance of Lessee at any time there is reasonable indication that the level of service is below the highest industry standards. Should City's evaluation reflect operational deficiencies, Lessee agrees to immediately correct the same.

ARTICLE V

MAINTENANCE AND REPAIRS

5.01 Maintenance and Repairs of Leased Premises

Lessee agrees to provide at its own expense such repairs, replacements, maintenance, custodial and cleaning services and supplies as may be necessary or required in the operation and maintenance of the Leased Premises and leasehold improvements including maintaining clear zones so as to comply with FAA or any other regulatory requirements. All such repairs, replacements shall be of quality equal to the original in materials and workmanship.

5.02 Condition and Termination

Lessee agrees to surrender and deliver the Leased Premises and leasehold improvements at the termination of this Lease Agreement in good order and

condition, reasonable wear and tear excepted..

03 Alterations to Leased Premises and/or Leasehold Improvements

Lessee shall make only reasonable alterations to the Leased Premises or leasehold improvements that are consistent with plans approved by the City of Fernandina Beach and this Agreement.

5.04 City's Inspection Rights

The duly authorized representative of City shall have the right to enter the Leased Premises areas to:

- (a) inspect the areas at reasonable intervals during Lessee's regular business hours or at any time in case of emergency, to determine whether Lessee has complied with and is complying with the terms and conditions of this Lease Agreement;
- (b) perform any and all things which Lessee is obligated by law or this agreement, to perform and has failed to commence within thirty (30) days after written notice to act. The cost of all labor, materials and overhead charges required for performance of such work will be paid by Lessee to City within fifteen (15) days following receipt of the invoice by Lessee.

ARTICLE VI

LIABILITY, INDEMNITY AND INSURANCE

6.01 Indemnification

Lessee shall indemnify, hold harmless, and defend City, its officials, agents and employees, its successors and assigns, individually or collectively, from and against any claim, action, loss, damage, injury, liability and the cost and expense whatsoever kind of nature (included but not limited to, attorneys' fees, court costs, and expert fees) based upon injury to persons, including death or damage to property arising out of, resulting from, or incident to this Lease Agreement, and/or in conjunction with Lessee's use and occupancy of Leased Premises unless occasioned by the negligence of City.

Lessee shall indemnify, save, hold harmless, and defend City, its agents and employees, its successors and assigns, individually or collectively, from and against any liability for any claims and actions and all expenses incidental to the investigation and defense thereof, in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, ordinances, resolutions,

or regulations, by Lessee, its agents, employees, licensees, successors and assigns, or those under its control.

6.02 Insurance

Lessee shall procure and maintain at his own expense, the following types and amounts of insurance for the term of this Lease Agreement.

- (a) Comprehensive General Liability Insurance: Coverage shall include automobile for owned, hired and nonowned vehicles; premises-operations; independent contractors; personal injury (deleting any exclusions related to its employees); product and contractual liability, including but not limited to the liability assumed by Lessee under the hold harmless provisions of this Lease Agreement. Said policy or policies shall cover loss or liability for damages in an amount not less than One Million Dollars (\$1,000,000), combined single limits for each occurrence for bodily injury, death or property damage occurring by reason of Lessee's operation in, on, or about the Leased Premises.
- (b) Worker' Compensation and Employers Liability Insurance: ~~In the amount and form required by Worker's Compensation Act and insurance laws of the State of Florida.~~
- (c) Fire Insurance: Lessee shall insure against the perils of fire, extended coverage, and other perils on any and all of Lessee's improvements on the Leased Premises. Such insurance shall be in an amount equal to the full insurable replacement value of such improvements. The coverage shall begin from the initiation of construction through a "Builder's Risk" insurance for the period of time the construction of the improvements covered herein shall have commenced to the time when such construction shall become insurable under the policy or policies herein described.

Such "Builder's Risk" insurance policy or policies shall cover all work incorporated in the building and all material for the same in, on, or about the Leased Premises and shall be written on the "Completed Value Form." City shall be named as additional insured under the policy or policies herein described. On completion of the improvements, Lessee shall then insure such improvements. All property damage insurance policies shall contain loss payable endorsements in favor of the parties as their respective interest may appear hereunder. City agrees that any payments received by it from such insurance companies by reason of loss under such policy or policies shall be applied toward repair and reconstruction of said improvements, if in the event that such repairs and reconstruction can be completed prior to the termination of this Lease Agreement.

The insurance specified above shall, either by provision in the policies or by special endorsements attached thereto, insure City against the risks to which it is exposed as the owner of the Leased Premises and as the grantor of the right to operate the concession business authorized to be conducted under this Lease Agreement. Except for Worker's Compensation and Employers' Liability coverage, all policies shall include City and all of its officers, employees and agents as an additional insured and shall contain a standard cross-liability provision and shall stipulate that no insurance held by City will be called on to contribute to a loss covered thereunder. City shall have no liability for any premiums charged for such coverage, and the inclusion of City as an additional insured is not intended to, and shall not, make City a partner or joint venturer with Lessee in Lessee's operations on the Leased Premises. Such policies shall also insure Lessee against the risks to which it is exposed as the operator of the concession business authorized under this Lease Agreement, and shall be for a full coverage with any deductibles and/or retentions subject to approval by City and shall contain provisions on the part of the respective insurers waiving the right of such insurers to subrogation.

The original or a certified copy of above policy or policies, plus certificates evidencing the existence thereof, all in such form as the City Manager, or his designee may require, or binder, shall be delivered to said Manager upon the execution of this Lease Agreement. In the event a binder is delivered, it shall be replaced within ten (10) days by the original or a certified copy of the policy. Each such policy or certificate shall contain a valid provision or endorsement that "This policy will not be cancelled or materially changed or altered without first giving sixty (60) days written notice in advance thereof to the City Manager, or his designee, City of Fernandina Beach, Post Office Box 668, Fernandina Beach, Florida 32034" sent by certified U. S. mail, return receipt requested.

A renewal policy shall be delivered to the City Manager, or his designee, at least thirty (30) days prior to a policy's expiration date, except for any policy expiring on the expiration date of this Lease Agreement or thereafter.

Lessee may require that any contractor or contractors who perform the work contemplated herein under a contract in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) furnish a good and sufficient performance bond in an amount not less than the full amount of the contract price for completing the improvements of the Leased Premises, as surety for the faithful performance of the contract by contractor, and for the payment of all persons performing labor and furnishing material in connection with the work.

City reserves the right to review once every five (5) years, the insurance provisions stated herein as to the amount of coverage, new types of insurance and new terms (such as combined single limit coverage). If such review indicates that Lessee's insurance coverage is below the recommended minimums of the prevailing standards of the insurance industry, the City reserves the right to require modification of the insurance coverage under this Agreement.

ARTICLE VII

DAMAGE OR DESTRUCTION TO LEASED PREMISES

Lessee shall be responsible to replace or repair the Leased Premises in the event of damage or casualty to any or part of the same. Insurance proceeds received by reason of any such damage or destruction shall be applied to such replacement or repair to the extent necessary to restore the damaged property to its predamaged condition.

ARTICLE VIII

ASSIGNMENT AND SUBLETTING

Lessee shall neither assign nor transfer this Lease Agreement or any right or leasehold interest granted to it by this Lease Agreement without the consent of City, such consent not to be unreasonably withheld. Provided, however, Lessee may assign and transfer this Lease Agreement in its entirety without such consent to ~~any successor-in-interest of Lessee with or into which Lessee may merge or consolidate or which may succeed to the assets of Lessee or a major portion thereof.~~ No such assignment or sublease shall serve to release Lessee from any of its obligations, duties or responsibilities under this Lease Agreement unless City agrees thereto in writing. Any such assignment or transfer shall be in writing and promptly upon the execution thereof, Lessee shall furnish a copy to City.

ARTICLE IX

BREACH BY CITY

In addition to all other remedies available to Lessee, this Lease Agreement shall be subject to cancellation by Lessee by giving a thirty (30) day written notice to City, should any one or more of the following events occur:

- (a) The breach by City in the performance of any covenant or any agreement required to be performed by City and the failure of City to commence to remedy such breach for a period of thirty (30) days after receipt of notice of breach of City, unless there is a good faith controversy as to whether a breach has been committed by City, in which event resolution of this issue prior to cancellation of the Lease Agreement must occur.
- (b) The assumption by the United States government, or any authorized agency thereof, of the operation, control or use of the City's Municipal Airport in such manner as to substantially restrict Lessee from operating upon the Leased Premises for a period of at least ninety (90) consecutive days.

- (c) Failure of City to approve Lessee's plans, specifications or construction when the same were performed in accordance with City's direction or approvals, and met all architectural and engineering requirements.

ARTICLE X

BREACH BY LESSEE

10.01 In addition to all other remedies provided herein or at law, City may cancel this Lease Agreement by giving thirty (30) days written notice to Lessee should any one or more of the following events occur:

- (a) The breach by Lessee in the performance of any covenant or any agreement required to be performed by Lessee and the failure of Lessee to commence to remedy such breach for a period of thirty (30) days after receipt of notice of breach by Lessee except as follows:
- (1) Lessee's failure to make payments required hereunder when due to city or within thirty (30) days after receipt of written notice from City of nonpayment, in which case Lease Agreement cancellation shall be within thirty (30) days of written notice.
 - (2) Lessee's failure to correct an unsanitary, hazardous or safety condition within ten (10) days after receipt of written notice from City, if such can be corrected or reasonably improved within ten days, in which case Lease Agreement cancellation shall be within thirty (30) days of written notice.
- (b) The interest of Lessee under this Lease Agreement is transferred, passes to or devolves upon, by operation of law or otherwise, any other person, firm or corporation without the written consent of City, except as provided in Article VIII.
- (c) The levy of any attachment or execution, or the appointment of any receiver, or the execution of any other process of any court of competent jurisdiction which is not vacated, dismissed, set aside or bonded to the satisfaction of a reputable title insurer, within a period of one hundred twenty (120) days and which does, or as a direct consequent of such process will, interfere with Lessee's use of the Leased Premises or with its operations under this Lease Agreement.
- (d) Lessee becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the Federal bankruptcy laws or under any

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other law or statute of the United States, or under any state law, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property or the property located within the Leased Premises.

- (e) A petition under any part of the Federal bankruptcy laws, or an action under any present or future insolvency law or statute is filed against Lessee and is not dismissed within ninety (90) days.
- (f) By or pursuant to, or under authority of, any legislative act, resolution or rule, order or decree of any court, government board, agency or officer having jurisdiction, a receiver, trustee or liquidator takes possession or control of all or substantially all of the property of Lessee, and such possession or control continues in effect for a period of ninety (90) days.
- (g) Any lien not specifically authorized by this Lease Agreement is filed against the Leased Premises because of any act or omission of Lessee and such lien is not removed, enjoined or a bond for satisfaction of such lien is not posted within ninety (90) days.
- (h) Lessee abandons, deserts, vacates or discontinues its operation of the business herein authorized for a period of thirty (30) days without prior written consent of City.

10.02 Waiver

No waiver by City of default by Lessee of any of the terms, covenants, or conditions hereof to be performed, kept and preserved by Lessee shall be constructed to be a waiver of any subsequent default. The acceptance of rental or the performance of all or any part of this Lease Agreement by City for or during any period after default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee, shall not be deemed a waiver of any right on the part of City to declare a default or cancel this Lease Agreement for a subsequent breach thereof.

ARTICLE XI EFFECT OF DEFAULT

11.01 Upon the happening of any event of default by Lessee and the failure of Lessee to cure such default in the time period set forth herein, City shall have the right to cancel the term of this Lease Agreement by written notice from City to Lessee, which cancellation shall be effective as of the date of such written notice. Upon the cancellation of the term hereof, whether by lapse of time or otherwise, Lessee shall promptly surrender possession and vacate the Leased Premises and delivery possession thereof to City, including all leasehold improvements, and

Lessee hereby grants to City a full and free license to enter into and upon the Leased Premises in such event and with process to expel or remove Lessee and any others who may be occupying the Leased Premises and to remove therefrom any and all property.

11.02 In the event this Lease Agreement is cancelled by City, or in the event City re-enters, regains or resumes possession of Lessee's Premises, then City shall have all rights and remedies against Lessee as City may be entitled under Florida law or under applicable federal law. All remedies shall be cumulative.

11.03 Upon the happening of any event of default by City under this Lease Agreement, then Lessee shall have all rights and remedies afforded under Florida law, or under federal law as applicable, including but not limited to the right to require specific performance to the full extent allowed by law by City, its successors or assigns. All remedies shall be cumulative.

ARTICLE XII

GENERAL PROVISIONS

12.01 Subordination to Agreements with the City of Fernandina Beach and the United States Government

This Lease Agreement is subject to the provisions of any agreement heretofore or hereafter made between City and the United States Government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport. City covenants that it has not entered into any existing agreements with the United States Government in conflict with the express provisions hereof. Should City hereafter enter into any agreement which restricts or prohibits the use of the Leased Premises for its intended use then Lessee shall be entitled to just compensation for any loss incurred by Lessee.

12.02 Nondiscrimination

Lessee, for itself, its personal representatives, successor in interest, suboperators, and assigns, as part of the consideration hereof, does hereby covenant and agree; (1) that no person, on the grounds of race, color, creed, political ideas, sex, age or physical or mental handicap (for which reasonable accommodations may be made), shall be excluded from participation, denied the benefits or, be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements and the furnishings of services, no person on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicaps (for which reasonable accommodations may be made), shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; that Lessee shall use the Leased Premises in compliance with all other

requirements imposed by any State, Federal or local laws or regulations, as amended from time to time, applicable to the Leased Premises including, but not limited to, Title 49, Code of Federal Regulation, Department of Transportation, Subtitled A, Office of the Secretary Part 21, Nondiscrimination in Federal Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Acts of 1964, and said Regulations may be amended.

12.03 Nonwaiver of Rights

No waiver of breach by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent breach of any of the terms, covenants, or conditions herein contained, to be performed, kept and observed by the other party.

12.04 Time is Essence

Time is expressed to be of the essence in this Lease Agreement

12.05 Successor and Assigns Bond

This Lease Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, where permitted by this Lease Agreement.

12.06 Governing Law

This Lease Agreement is governed by the laws of the State of Florida. Any disputes relating to this Lease Agreement must be resolved in accordance with the laws of the State of Florida.

12.07 Force Majeure

Neither party hereto shall be liable to the other for any failure, delay, or interruption in the performance of any of the terms, covenants, or conditions of this Lease Agreement due to causes beyond the control of that party, including, but not limited to, strikes, boycotts, labor disputes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or other circumstances for which such party is not responsible or which are not in its power to control.

12.08 Toxic Waste

Lessee, for itself and on behalf of its officers, agents, employees, assigns, and contractors, does agree to protect, defend, ensure and indemnify City for any manner of loss, damage, cost or assessment which may result from or in any manner be related to the presence, use, distribution or disposition of any dangerous

toxic waste, or any other substance or derivative. This provision shall survive the expiration of this lease. This shall not apply to conditions which pre-exist the date this lease. By execution of these presents, City mutually agrees that there is no known condition constituting a violation of this paragraph at the inception of this lease.

12.09 Quiet Enjoyment

City agrees that Lessee, upon payment of all fees, charges and other payments required under the terms of this Lease Agreement and observing the keeping of the conditions and covenants of this Lease Agreement on its part to be observed and kept, shall lawfully acquire, hold use and enjoy the Leased Premises during the term of this Lease Agreement.

12.10 Lessee's Dealings with City

Whenever in this Lease Agreement, Lessee is required or permitted to obtain the approval of, consult with, give notice to, or otherwise deal with City, Lessee shall deal with City's authorized representative; and unless or until City shall give Lessee written notice to the contrary, City's authorized representative shall be the City Manager or his designee.

12.11 Approvals and Notices

(a) All notices, consents and approvals required to authorized by this Lease Agreement to be given by or on behalf of either party to the other shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given, and shall be deemed given at the time a registered or certified letter properly addressed, postage prepaid, deposited in any United States post office or delivered to a private courier service, is received by the addressee.

(b) Notice to City shall be addressed to it and delivered at the office of:

CITY: City Manager
City of Fernandina Beach
Post Office Box 668
Fernandina Beach, Florida 32034

(c) Notice to Lessee shall be addressed to the attention of:

LESSEE: President
Nassau Sound Land Company, Inc.
401 Centre Street, Second Floor
Fernandina Beach, Florida 32034

12.12 Independent Contractor

INSTR # 200340065
DR BK 0185 PG 125

The parties hereto agree that Lessee is an independent contractor and not subject to direction or control of City, except as specified in this Lease Agreement.

12.13 Interpretation

The language of this Lease Agreement shall be construed according to its plain meaning, the section headings appearing herein are for the convenience of the parties and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of provisions of this Lease Agreement. If any provision of this Lease Agreement is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease Agreement and all such other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this Lease Agreement is capable of two constructions, one which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

12.14 Right to Develop Airport

It is further covenanted and agreed that City reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Lessee and without interference or hindrance. Lessee agrees that it shall have no claim against City for damages arising out of the development and normal operations conducted by City at its Municipal Airport. Provided the parties mutually agree, City may re-acquire from the leasehold estate granted herein, undeveloped lands of the Leased Premises if such lands are necessary for future development of the City's Municipal Airport. If the City decides to grant an access easement to the developers of Crane Island, it shall have the right to designate and grant such easement through the undeveloped portion of Parcel I of the Leased Premises as depicted on Exhibit "A".

12.15 Incorporation of Exhibits

All exhibits referred to in this Lease Agreement are intended to be and hereby are specifically made part of this Lease Agreement.

ARTICLE XIII

DISPUTE RESOLUTION AND ATTORNEYS' FEES

Any controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, shall be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over the matter. Notwithstanding any provision contained herein to the contrary, a cause

of action for eviction and/or for injunctive relief and any issues related to these causes of action may be brought by City directly in a court of competent jurisdiction without having to first resort to the arbitration process as provided herein for dispute resolution. Lessee may bring a cause of action for injunctive relief and related issues directly in a court of competent jurisdiction.

Attorneys' Fees and Costs

If any action at law or in equity or any arbitration proceeding is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which that party may be entitled.

ARTICLE XIV

ENTIRE AGREEMENT

The parties hereto understand and agree that this instrument contains the entire agreement between the parties. The parties further understand and agree that neither party nor its agents have made representations or promises with respect to this lease Agreement except as expressly set forth herein; and that no claim or liability shall arise for any representations or promises not expressly stated in this Lease Agreement. Any other writing or parol agreement with the other party being expressly waived.

ARTICLE XV

COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one and the same instrument.

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

Signed, sealed and delivered
in the presence of:

Mary Mercer
Cassandra Mitchell

"CITY"
CITY OF FERNANDINA BEACH
By: Charles L. Alford, Jr.
Its: Mayor

Attest: Vicki P. Cannon
Its: Clerk

INSIK # 200340065
DR BK 01195 PG 1127

"LESSEE"
NASSAU SOUND LAND CO. INC.

Vicki P. Cannon
Mary Mercer

By: [Signature]
Its: PRESIDENT
Attest: [Signature]
Its: Sec.

APPROVED AS TO FORM:


[Signature]
Counsel [Signature] City Attorney

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 7 day of July, 1994, by Charles K. Albert, Jr. and Vicki P. Cannon, the (title) mailor, and the (title) City Clerk, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

Cassandra Mitchell
Notary Public, State of Florida
at Large

My Commission Expires:

 CASSANDRA P. MITCHELL
MY COMMISSION # 00366971 EXPIRES
May 15, 1998
BONDED THROUGH TRUST INSURANCE, INC.

STATE OF FLORIDA
COUNTY OF NASSAU

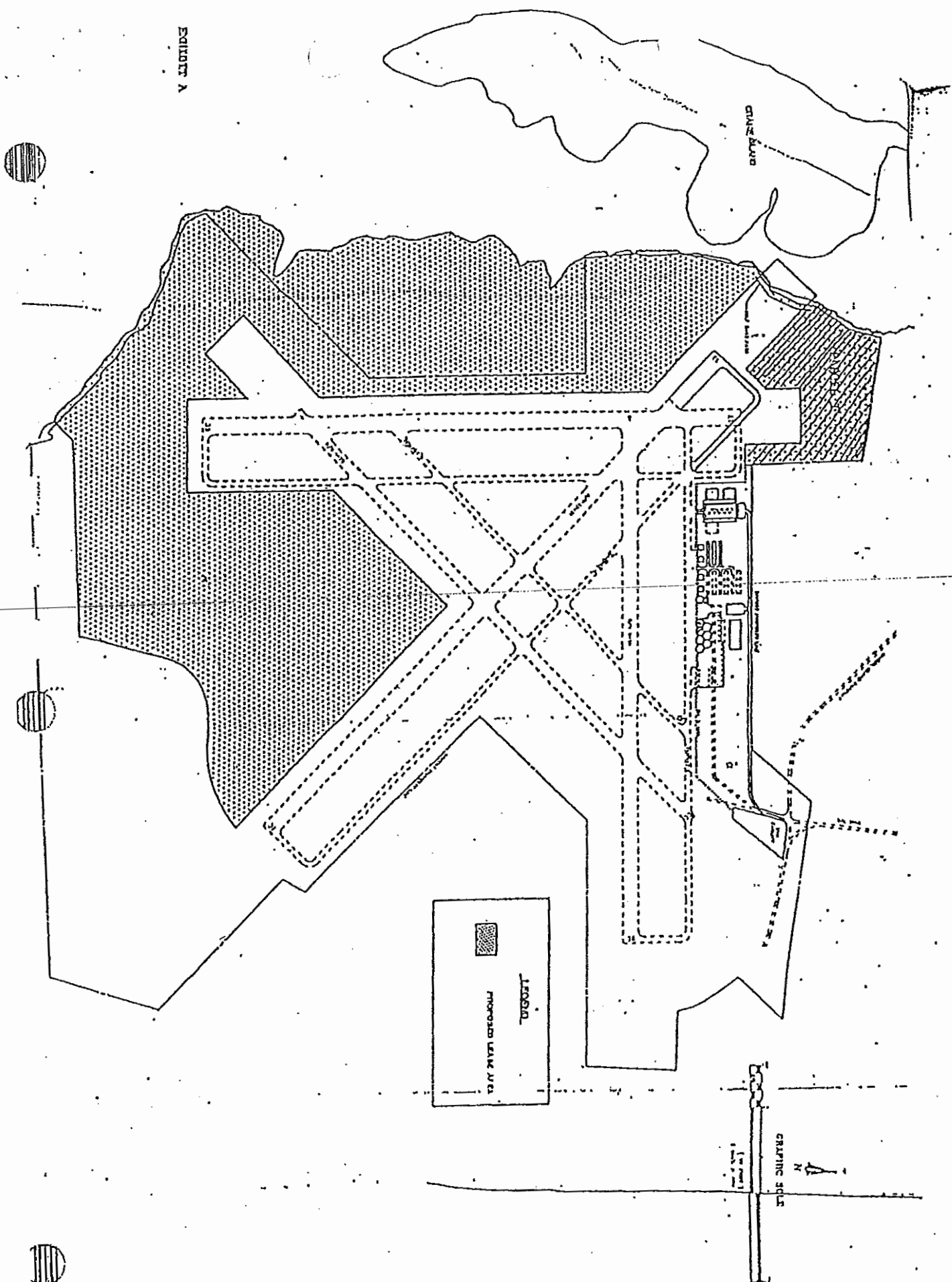
The foregoing instrument was acknowledged before me this 6th day of July, 1994, by Scott Brian Parliament and Clinch Kavanaugh, the (title) President, and the (title) Secretary, respectively, of NASSAU SOUND LAND CO., INC., a Florida corporation.

Mary Mercer Mary Mercer
Notary Public, State of Florida
at Large
#172641 CC

My Commission Expires: Dec. 31, 1998
NOTARY PUBLIC, STATE OF FLORIDA
BONDED THROUGH TRUST INSURANCE, INC.

INSTR # 200340065
BK 01185 PG 1128

EXHIBIT A



INSPIR # 200340065
OR BK 01185 PG 1129

Golf Course Land Lease Schedule

City of Fernandina Beach

Year	Annual Land Rental	% of Gross
1	43,200	0.00%
2	43,200	0.00%
3	86,400	0.00%
4	100,800	0.00%
5	115,200	0.00%
6	129,600	0.00%
7	144,000	0.00%
8	149,760	0.00%
9	149,760	1.50%
10	149,760	1.50%
11	149,760	1.50%
12	149,760	1.50%
13	155,750	1.50%
14	155,750	1.50%
15	155,750	1.50%
16	155,750	1.50%
17	155,750	1.50%
18	161,980	2.50%
19	161,980	2.50%
20	161,980	2.50%
21	161,980	2.50%
22	161,980	2.50%
23	168,460	2.50%
24	168,460	2.50%
25	168,460	2.50%
26	168,460	2.50%
27	168,460	2.50%
28	175,198	2.50%
29	175,198	2.50%
30	175,198	2.50%

EXHIBIT B

Golf Course Land Le Schedule

City of Fernandina Beach

<u>Year</u>	<u>Annual Land Rental</u>	<u>% of Gross</u>
31	175,198	2.50%
32	175,198	2.50%
33	182,206	2.50%
34	182,206	2.50%
35	182,206	2.50%
36	182,206	2.50%
37	182,206	2.50%
38	189,494	2.50%
39	189,494	2.50%
40	189,494	2.50%
41	189,494	2.50%
42	189,494	2.50%
43	197,074	2.50%
44	197,074	2.50%
45	197,074	2.50%
46	197,074	2.50%
47	197,074	2.50%
48	204,957	2.50%
49	204,957	2.50%
50	204,957	2.50%

INSTR # 200340065
OR BK 01185 PG 1131

EXHIBIT B

Golf Course Land Lease Schedule

City of Fernandina Beach

<u>Year</u>	<u>Annual Land Rental</u>	<u>% of Gross</u>
51	204,957	2.50%
52	204,957	2.50%
53	213,155	2.50%
54	213,155	2.50%
55	213,155	2.50%
56	213,155	2.50%
57	213,155	2.50%
58	221,681	2.50%
59	221,681	2.50%
60	221,681	2.50%
61	221,681	2.50%
62	221,681	2.50%
63	230,549	2.50%
64	230,549	2.50%
65	230,549	2.50%
66	230,549	2.50%
67	230,549	2.50%
68	239,771	2.50%
69	239,771	2.50%
70	239,771	2.50%

FIRST AMENDMENT TO
CITY OF FERNANDINA BEACH
GOLF COURSE LICENSE AND LEASE AGREEMENT

THE GOLF COURSE LICENSE AND LEASE AGREEMENT, (hereinafter referred to as "the Agreement" was made and entered into on or about the 7th day of July, 1994, by and between the CITY OF FERNANDINA BEACH, (hereinafter referred to as "City"), a body politic and corporate existing under the Laws of Florida, as amended, and NASSAU SOUND LAND CO., INC., a corporation organized under the laws of the State of Florida (hereinafter referred to as "Lessee").

WITNESSETH

WHEREAS, Lessee desires to amend the Agreement to exclude from the leased Premises certain lands adjoining the Fernandina Beach Municipal Airport in exchange for the inclusion of other lands adjoining the Fernandina Beach Municipal Airport, and Lessor is willing to effectuate this amendment to the Agreement as an even exchange without any cost adjustment.

NOW, THEREFORE, for and in consideration of the foregoing recitals which are incorporated herein by reference, and in further consideration of the mutual covenants, agreements and conditions contained herein, the undersigned parties agree that the Agreement is hereby amended as it relates to the definition of the leased Premises; any and all references to Exhibit "A" contained in the Agreement are hereby replaced with references to Exhibit A-1"; the attachment to the Agreement of "Exhibit "A" is hereby replaced with Exhibit "A-1"; and all other provisions of the Agreement, except as amended by the provisions of this First Amendment to City of Fernandina Beach Golf Course Lease and License Agreement, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective duly authorized officers this 7th day of March, 1995.

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 7th day of March, 1995, by Charles L. Albert, Jr. and Mary Mercer, the (title) Mayor, and the (title) City Clerk, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

Charles L. Albert, Jr. 4/3/95 Mary Mercer #172671
Charles L. Albert, Jr., Mayor, DATE Notary Public, State of Florida
at Large

ATTEST:
Mary Mercer 4/3/95
Mary Mercer, Deputy Clerk DATE

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: Dec. 30, 1995.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 7th day of March, 1995, by Scott Brian Parliament and Clinch Kavanaugh, the (title) President, and the (title) Secretary, respectively, of NASSAU SOUND LAND CO., INC., a Florida corporation.

Clinch Kavanaugh
Clinch Kavanaugh, Vice President DATE

Mary Mercer #172671
Notary Public, State of Florida
at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: Dec. 30, 1995.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

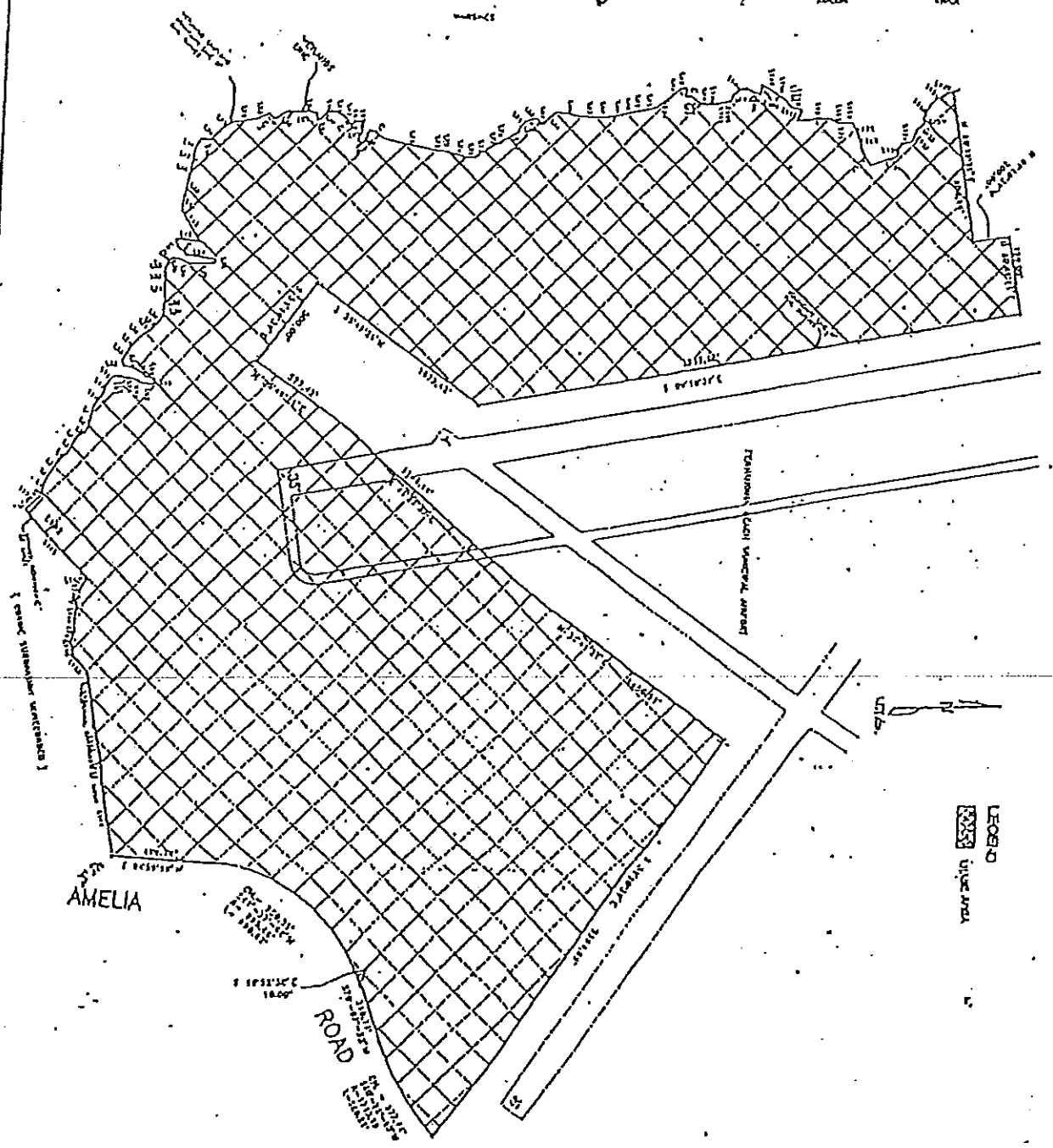


EXHIBIT A-1 PROPOSED AMENDED
LEASE AREA

INSTR # 200340065
OR BK 01185 PG 1135

7/25/95
VC

AUG 9 1995

MEMORANDUM OF DEVELOPMENT AND LEASE AGREEMENT BK 0736 PG 0178
OFFICIAL RECORDS

On July 7, 1994, a Development and Lease Agreement was entered into between the City of Fernandina Beach and Nassau Sound Land Co., Inc.. This memorandum of that Development and Lease Agreement is presented for recording:

1. Name of lessor in Lease Agreement: City of Fernandina Beach
2. Name of lessee therein: Nassau Sound Land Co., Inc.
3. Address set forth in Development and Lease Agreement as addresses of lessor and lessee:

Lessor: Post Office Box 668
Fernandina Beach, Florida 32034

Lessee: 401 Centre Street, Second Floor
Fernandina Beach, Florida 32034

4. Date of Development and Lease Agreement: July 7, 1994
5. Description of leased premises as set forth in Development and Lease Agreement: As depicted in Exhibit "A", attached hereto and made a part hereof.
6. The date on which the Development and Lease Agreement became effective: July 7, 1994...
7. Term of Development and Lease Agreement: From October 1, 1995, to September 30, 2025.
8. Date of expiration of final period for which the Development and Lease Agreement may be renewed: September 30, 2065.

INSIR # 200540063
OR BK 0185 PG 1136

OFFICIAL RECORDS

- 9. The Development and Lease Agreement referred to herein was amended by the First Amendment to City of Fernandina Beach Golf Course License and Lease Agreement dated March 7, 1995, whereby the description of the Leased Premises was modified as shown on Exhibit "A" attached hereto.
- 10. No mechanic's lien for labor, materials, supplies or professional services may be placed upon the Leased Premises without the consent of the Lessor, the City of Fernandina Beach, Florida.

Executed on August 8, 1995.

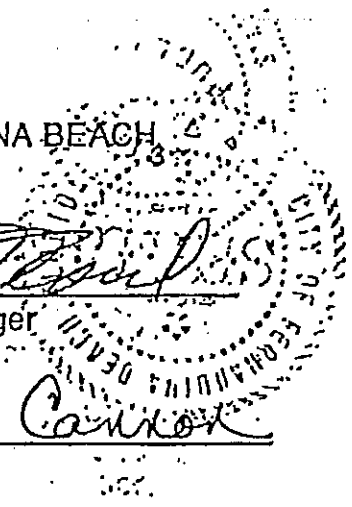
Signed, sealed and delivered in the presence of:

Lisa R. Burch
Bonnie L. Magee

"CITY"
CITY OF FERNANDINA BEACH

By Cherilyn [Signature]
 Its: City Manager

Attest: Vicki P. Cannon
 Its: Clerk



Signed, sealed and delivered in the presence of:

Diane E. Short
 Suzanne E. Short
Anthony J. Leggioni
 Anthony J. Leggioni

"LESSEE"
NASSAU SOUND LAND CO., INC.

By [Signature]
 Its: Vice President and Secretary

INSTR # 200340065
OR BK 01185 PG 1137

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 8th day of August, 1995, by Zachary Z. Zoul and Vickie Cannon, the City Manager and the City Clerk, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

Cassandra P. Mitchell

Notary Public, State of Florida
at Large
Print Name:
My Commission Expires:



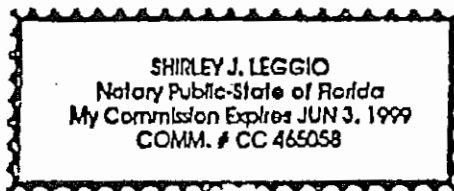
CASSANDRA P. MITCHELL
MY COMMISSION # CC366971 EXPIRES
May 15, 1998
BONDED THROUGH TROY FAHNS INSURANCE, INC.

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 8th day of August, 1995, by Clinch Kavanaugh, the Vice-President and the Secretary, of NASSAU SOUND LAND CO., INC., a Florida corporation, on behalf of the corporation. He is personally known to me.

Shirley J. Leggio

Notary Public, State of Florida
at Large
Print Name: Shirley J. Leggio
My Commission Expires: 6/12/99



This document prepared by Anthony J. Leggio, Esquire, 303 Centre Street, Suite 102, Fernandina Beach, Florida 32034.

AUG - 6 1996

ASSIGNMENT AND ASSUMPTION OF LEASE

BK 0767 PG 1058
OFFICIAL RECORDS

THIS ASSIGNMENT AND ASSUMPTION OF LEASE is dated as of July 1, 1996 by and between NASSAU SOUND LAND CO., INC., a Florida corporation ("Assignor"), and KINGSLEY CREEK DEVELOPMENT COMPANY, a Florida corporation ("Assignee").

Assignor has entered into that certain Lease dated as of July 1, 1995, as amended (the "Lease") with The City of Fernandina Beach, Florida ("Landlord"), for premises adjacent to the Fernandina Beach Municipal Airport, as more particularly described in the Lease (the "Leased Premises"). In consideration of the entry by the parties hereto into a Lease Acquisition Agreement dated January of 1996, as amended on even date herewith relating to the Lease, the Leased Premises and other assets to be acquired by Assignee (the "Acquisition Agreement") and other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Assignment. Assignor hereby assigns, transfers and sets over to Assignee all of Assignor's right, title and interest in, to and under the Lease and the Leased Premises.

2. Assumption. Assignee hereby assumes all of the obligations and duties of Assignor under the Lease and with respect to the Leased Premises.

86-0767 PA 059
OFFICIAL RECORDS

3. Successors. This Agreement shall be binding upon and shall inure to the benefit of the heirs, successors and assigns, respectively, of Assignor and Assignee.

4. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Florida.

5. Acquisition Agreement. This Assignment shall be deemed to incorporate, and shall be subject to the terms and conditions of, the Acquisition Agreement.

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

ASSIGNOR:

NASSAU SOUND LAND CO., INC.

By: [Signature]

Attest: [Signature]

ASSIGNEE:

KINGSLEY CREEK DEVELOPMENT COMPANY

By: [Signature]

Attest: [Signature]

SEAL

FILED & RECORDED IN PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA

9616475

96 AUG -6 AM 10:48

[Signature]
CLERK OF COURTS
NASSAU COUNTY, FLORIDA

JUN-25-99 16:34 FROM: JACOBS & PETERS PA

ID: B042617879

PAGE 1

RESOLUTION NO. 95-64

A RESOLUTION OF THE CITY COMMISSION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH TRANSFERRING DEVELOPMENT AND LEASE AGREEMENT WITH THE NASSAU SOUND LAND COMPANY TO THE KINGSLEY CREEK DEVELOPMENT COMPANY; PROVIDING FOR DEFERRAL OF RENT PAYMENT TIMETABLE; AND PROVIDING FOR TERMS.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA that:

- 1) The request of the Nassau Sound Land Company to transfer and assign the Development and Lease Agreement between the City and the Nassau Sound Land Company to the Kingsley Creek Development Company is approved.
- 2) The request of the Kingsley Creek Development Company for deferral of the timetable for the commencement of rent payments until March 1, 1999 or the completion of go course construction (whichever occurs first) is approved in consideration of a one-time payment of \$21,600.
- 3) The Agreement be further amended to provide that the Kingsley Creek Development Company shall provide the City with a written quarterly progress report.
- 4) The City's acceptance of these terms is contingent upon a closing of not later than March 1, 1996. In the interim, rent payments by the Nassau Sound Land Company shall continue pursuant to the existing Agreement.

ADOPTED this 2nd day of January, 1996.

CITY OF FERNANDINA BEACH

Charles L. Albert, Jr.
CHARLES L. ALBERT, JR.
Mayor-Commissioner

ATTEST:

Vicki P. Cannon
VICKI P. CANNON
City Clerk

RESOLUTION NO. 96-20

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING RESOLUTION NO. 95-64 BY EXTENDING THE CLOSING DATE FOR THE LEASE TRANSFER BETWEEN NASSAU SOUND LAND CO. AND KINGSLEY CREEK DEVELOPMENT COMPANY.

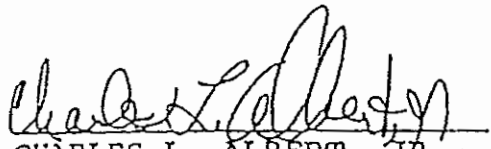
BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

Section One. That Paragraph 4 of Resolution No. 95-64 be amended to read as follows:

- 4) The City's acceptance of these terms is contingent upon a closing of not later than May 1, 1996. In the interim rent payments shall be suspended during the period from March 1, 1996 through May 1, 1996.

ADOPTED this 20th day of February, 1996

CITY OF FERNANDINA BEACH


CHARLES L. ALBERT, JR.
Mayor-Commissioner

ATTEST:


VICKI P. CANNON
City Clerk

RESOLUTION NO. 96-44

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING RESOLUTION NOS. 95-64 AND 96-20 BY EXTENDING THE CLOSING DATE FOR THE LEASE TRANSFER BETWEEN NASSAU SOUND LAND CO. AND KINGSLEY CREEK DEVELOPMENT COMPANY.

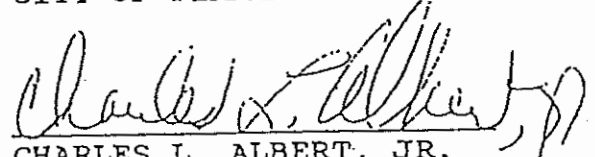
BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

Section One. That Paragraph 4 of Resolution No. 95-64, and as amended by Resolution No. 96-20, be amended to read as follows:


- 4) The City's acceptance of these terms is contingent upon a closing of not later than July 1, 1996. In the interim, rent payments shall be suspended during the period from March 1, 1996 through July 1, 1996.

ADOPTED this 16th day of April, 1996.

CITY OF FERNANDINA BEACH


CHARLES L. ALBERT, JR.
Mayor-Commissioner

ATTEST:


VICKI P. CANNON
City clerk

RESOLUTION NO. 99-21

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH REQUESTING THE FEDERAL AVIATION ADMINISTRATION TO RELEASE CERTAIN LANDS AT THE FERNANDINA BEACH MUNICIPAL AIRPORT ON WHICH A GOLF COURSE IS BEING CONSTRUCTED AS THE PROPERTY NO LONGER SERVES ANY AVIATION PURPOSES.

WHEREAS, on the 7th day of July, 1994, the City of Fernandina Beach entered into a development and construction lease agreement with the Nassau Sound Land Company, and

WHEREAS, the City determined that the use of this property is no longer necessary for aeronautical purposes, and

WHEREAS, on the 3rd day of April, 1995, the agreement was amended, and

WHEREAS, on the 1st day of July, 1996, the lease was transferred to Kingsley Creek Development Company, and

WHEREAS, Kingsley Creek Development Company has begun construction on an 18 hole golf course on said property, and

WHEREAS, the National Bank of South Carolina is the lender for Kingsley Creek Development Company to construct said golf course, and

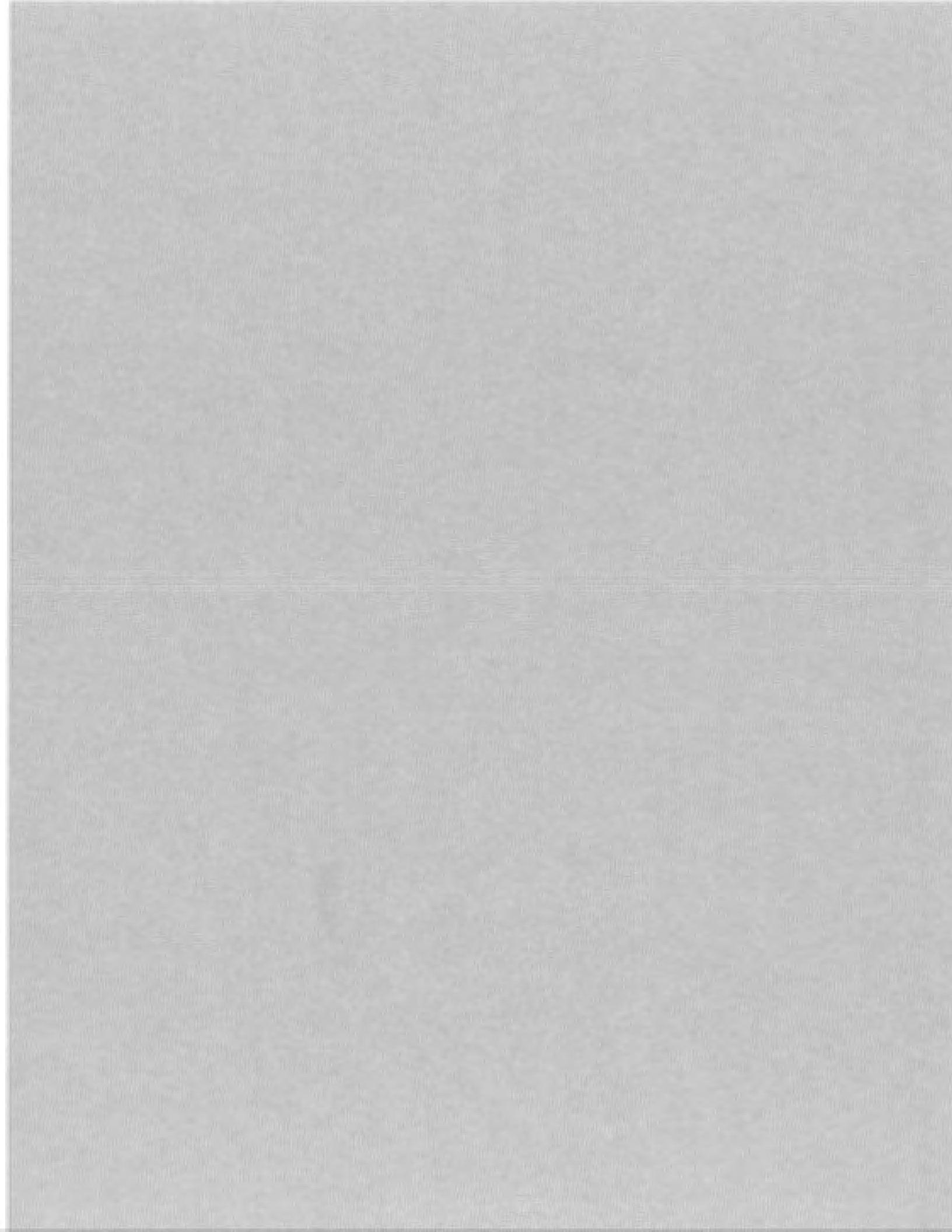
WHEREAS, the National bank of South Carolina, in order to finance the project, requires that the Federal Aviation Administration give the same or similar Release with Restrictions and Reservations as made between the United States of America and the City of Fernandina Beach on the 24th day of November, 1954, prior to completing the closing, and

WHEREAS, the attached legal description marked Exhibit "A" is the golf course property.

THEREFORE, be it resolved by the City Commission of the City of Fernandina Beach, Florida that:

- (1) The City of Fernandina Beach requests that the Federal Aviation Administration release or enter into an agreement with the City of Fernandina Beach that is the same or similar to the November 24, 1954 Release with Restrictions and Reservations recorded at Book 218 Page 148 of the Nassau County Public Records for those

INSTR # 200340065
OR BK 01185 PG 1145



RECORD & RETURN TO:
JACOBS & ASSOCIATES, P.A.
Post Office Box 1110
Fernandina Beach, Florida 32035-1110

INSTR # 200534899
DR BK 01352 PGS 0269-0319
RECORDED 09/23/2005 10:14:55 AM
JOHN A. CRAWFORD
CLERK OF CIRCUIT COURT
NASSAU COUNTY, FLORIDA
RECORDING FEES 435.00

PREPARED BY AND RETURN TO:

Cynthia M. Montgomery, Esquire
Akerman Senterfitt
50 North Laura Street, Suite 2500
Jacksonville, Florida 32202

COVER PAGE
FOR

ASSIGNMENT AND ASSUMPTION OF LEASE
DATED OCTOBER 16, 2003
BY AND BETWEEN
KINGSLEY CREEK DEVELOPMENT COMPANY,
THE SUMMERTON INN, INC. &
THE CITY OF FERNANDINA BEACH, FLORIDA

THIS ASSIGNMENT AND ASSUMPTION OF LEASE DATED OCTOBER 16, 2003 BY AND BETWEEN KINGSLEY CREEK DEVELOPMENT COMPANY, THE SUMMERTON INN, INC. AND THE CITY OF FERNANDINA BEACH, FLORIDA WHICH WAS FIRST RECORDED AT O.R. BOOK 1185, PAGE 1103, PUBLIC RECORDS IN AND FOR NASSAU COUNTY, FLORIDA, IS BEING RERECORDED TO ADD THE ACKNOWLEDGEMENT PAGES FOR EACH PARTY.

Prepared by and Record and Return to: *DeW*
David Otero, Esq. and Cynthia Montgomery, Esq.
Akerman Senterfitt
50 North Laura Street, Suite 2500
Jacksonville, FL 32202

INSTR # 200340065
OR BK 01185 PGS 1103-1150
RECORDED 10/31/2003 03:11:38 PM
J. M. OXLEY JR
CLERK OF CIRCUIT COURT

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (Assignment) is made and entered into as of October 16, 2003, by and among **KINGSLEY CREEK DEVELOPMENT COMPANY**, a Florida corporation ("Assignor"), **THE SUMMERTON INN, INC., A WHOLLY OWNED SUBSIDIARY OF THE NATIONAL BANK OF SOUTH CAROLINA**, a national banking association ("Assignee"), and **THE CITY OF FERNANDINA BEACH**, a body politic incorporated and existing under the laws of the State of Florida ("Landlord").

WITNESSETH:

WHEREAS, Assignor is the tenant under that certain Golf Course Development and Lease Agreement dated as of July 7, 1994 by and between Nassau Sound Land Co., Inc. and Landlord, as assigned to Assignor pursuant to that certain Assignment and Assumption of Lease dated as of July 1, 1996 (the "Lease") for premises located adjacent to the Fernandina Beach Municipal Airport, as more particularly described in the Lease, a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, Assignor desires to assign the Lease to Assignee and Assignee desires to accept such assignment and assume Assignor's obligations thereunder as of the date hereof.

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Assignee, Assignor, intending to be legally bound, does hereby grant, bargain, sell, assign, transfer and deliver unto Assignee all of Assignor's right, title and interest in and to the Lease as heretofore assigned.

TO HAVE AND TO HOLD the same for the remainder of said term for use as permitted thereunder.

1. Assignment. Assignor hereby assigns to the Assignee all of its right, title and interest in and to the Lease for and during the remainder of the term of such Lease, including any options to renew the Lease, subject to the covenants and conditions of said Lease.
2. Assumption. Assignee hereby accepts this Assignment and acknowledges and agrees to assume, observe, fulfill, perform and keep all the covenants, obligations, terms and conditions of Assignor, as tenant only, which are set forth in the Lease and arise from and after the date of this Assignment, but not before.
3. Consent. Landlord hereby consents to the foregoing assignment and assumption of the Lease subject to all the terms and conditions of this Assignment.
4. Binding Effect. This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns and may be executed in any number of counterparts, each of which shall be considered an original document and together, all of which shall be considered one whole and complete document.

5. Notices. All notices to be given pursuant to this Assignment shall be in writing and shall either be served personally or sent by telefax, hand delivery, a nationally recognized overnight delivery service or certified or registered mail, postage prepaid, to the address of the parties below specified or that such other address as may be given by written notice in the manner prescribed in this paragraph. Notice shall be deemed to be given when received as specified on a written telefax confirmation, delivered personally, if delivered, the day following delivery to an authorized overnight delivery service or on the third day after the date mailed as provided above, if mailed. Any notices may be sent to the following addresses unless notice of another address is given under this paragraph 5.

To Landlord:	The City of Fernandina Beach Post Office Box 668 Fernandina Beach, Florida 32034 Attention: City Attorney
To Assignee:	The Summerton Inn, Inc. c/o David E. Otero, Esquire Akerman Senterfitt 50 North Laura Street, Suite 2500 Jacksonville, Florida 32202
To Assignor:	Kingsley Creek Development Company c/o James H. Post, Esquire Smith Hulsey & Busey 225 Water Street, Suite 1800 Jacksonville, Florida 32202

6. Legal Expenses. If any party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, court reporters and others) incurred in connection therewith including all such costs and expenses incurred: (a) in trial and appellate court proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another where such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

7. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

8. Jurisdiction and Governing Law. This Assignment, and the interpretation and enforcement thereof, shall be governed by the laws of the State of Florida and venue shall be in Nassau County, Florida.

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

Witnesses

David E. Otero
Print Name: David E. Otero

George W. Lindsay
Print Name: GEORGE LINDSAY

Witnesses

[Signature]
Print Name: DAN HITE

David E. Otero
Print Name: David E. Otero

Witnesses

Debra A. Braga
Print Name: DEBRA A. BRAGA

[Signature]
Print Name: FRAN MIDDLETON

ASSIGNOR:

KINGSLEY CREEK DEVELOPMENT COMPANY, a Florida corporation

By: [Signature]
Print Name: DAN HITE
Title: PRESIDENT

ASSIGNEE:

THE SUMMERTON INN, INC., a South Carolina corporation

By: George W. Lindsay
Print Name: GEORGE LINDSAY
Title: Vice President

LANDLORD:

THE CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida

By: [Signature]
Print Name: Robert T. Mearens
Title: City Manager

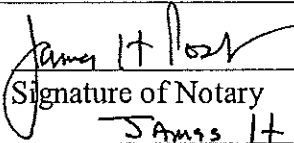
ACKNOWLEDGMENTS

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing Assignment and Assumption of Lease dated October 16, 2003 was acknowledged before me on the 16th day of October, 2003, by George W. Lindsay, the Vice President of The Summerton Inn, a South Carolina corporation, on behalf of the corporation. Such person did not take an oath and: *(notary must check applicable box)*

- is/are personally known to me.
- produced a current _____ driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}



 Signature of Notary
 James H Post

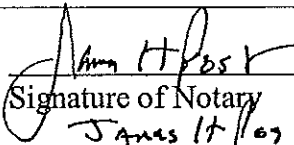
 Name of Notary (Typed, Printed or Stamped)
 Commission Number (if not legible on seal) **James H. Post**
 Commission # DD280542
 My Commission Expires (if not legible on seal) **Expires February 28, 2008**
 Bonded Troy Fah - Insurance, Inc. 800-385-7019

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing Assignment and Assumption of Lease dated October 16, 2003 was acknowledged before me on the 16th day of October, 2003, by Don Hite, the President of Kingsley Creek Development Company, a Florida corporation, on behalf of the corporation. Such person did not take an oath and: *(notary must check applicable box)*

- is/are personally known to me.
- produced a current _____ driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}



 Signature of Notary
 James H Post

 Name of Notary (Typed, Printed or Stamped)
 Commission Number (if not legible on seal) **James H. Post**
 Commission # DD280542
 My Commission Expires (if not legible on seal) **Expires February 28, 2008**
 Bonded Troy Fah - Insurance, Inc. 800-385-7019

ACKNOWLEDGMENTS (CONTINUED)

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing Assignment and Assumption of Lease dated October 16, 2003 was acknowledged before me on the 16th day of October, 2003, by Robert T. Mearns, the City Manager of The City of Fernandina Beach, a body politic incorporated and existing under the laws of the State of Florida, on behalf of the City. Such person did not take an oath and: *(notary must check applicable box)*

- is/are personally known to me.
- produced a current _____ driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}



Debra A. Braga
My Commission DD160277
Expires November 12, 2006

Debra A. Braga
Signature of Notary
DEBRA A. BRAGA
Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): _____

My Commission Expires (if not legible on seal): _____

CITY OF FERNANDINA BEACH
GOLF COURSE DEVELOPMENT AND LEASE AGREEMENT

THIS AGREEMENT AND LEASE AGREEMENT, made and entered into as of the 7th day of July, 1994, by and between the CITY OF FERNANDINA BEACH, (hereinafter referred to as "City"), a body politic and corporate existing under the laws of the State of Florida, as amended, and NASSAU SOUND LAND CO., INC., a corporation organized under the laws of the State of Florida (hereinafter referred to as "Lessee")

WITNESSETH:

WHEREAS, City owns and operates an airport known as Fernandina Beach Municipal Airport; and

WHEREAS, City is desirous of giving Lessee the right to construct and operate the golf course upon its land zoned and shown on its future land use plan as "Industrial", at and adjacent to the Fernandina Beach Municipal Airport;

NOW, THEREFORE, for and in consideration of the foregoing recitals which are incorporated herein by reference, and in further consideration of the mutual covenants, agreements and conditions contained herein, City does hereby demise and let unto Lessee, and Lessee does hereby lease and hire from City, certain premises and facilities and City does hereby grant unto Lessee certain rights, licenses and privileges on and in connection with certain lands located at and adjacent to the Fernandina Beach Municipal Airport as follows:

ARTICLE I

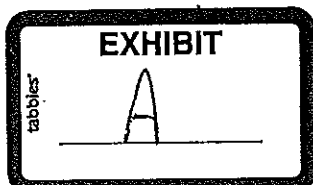
LEASED PREMISES

1.01 Leased Premises

City hereby leases to Lessee and Lessee hereby agrees to lease from City the lands at and adjacent to the Fernandina Beach Municipal Airport as shown in the shaded area on Exhibit "A". Said land and all improvements shall hereinafter be referred to as "Leased Premises." The Leased Premises shall be more specifically described in a metes and bounds legal description to be furnished to City by Lessee in a form acceptable by City.

1.02 Improvement by Lessee

- (a) Lessee shall receive the Leased Premises in a nonimproved condition and shall as a minimum; perform the following improvements as capital investment:



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- (1) An eighteen (18) hole golf course to include cart paths, driving range, putting green, landscaping, perimeter fence and growing to be constructed on the shaded area of Exhibit "A" and whose cost is estimated at \$2,850,000. Lessee reserves the right to construct additional holes and facilities as it sees fit under the same terms and conditions of this agreement provided Lessee complies with Article I, Sections 1.04 and 1.05 of this Agreement as to such additional holes and facilities.
- (2) A clubhouse, cart barn, maintenance building, entry road, parking lot and landscaping with all required utilities, whose cost is estimated at \$1,100,000.
- (b) In addition to the above improvements to the Leased Premises, Lessee further agrees to provide the following equipment, fixtures and furnishings.
- (1) Golf course maintenance equipment, whose approximate cost will be \$250,000.
- (2) Clubhouse furnishings and kitchen equipment, whose approximate costs will be \$200,000.
- (c) The City shall bear no financial responsibility for development costs which may exceed the estimates provided herein.

1.03 Title to Improvements

- (a) Lessee's title to all leasehold improvements and fixtures shall vest and be part of the realty owned by City and Lessee agrees that its sole interest in the leasehold improvements, and fixtures shall be that of Lessee. City and Lessee agree that in event of early termination of this Lease Agreement for any reason other than Lessee's default or breach of contract, City shall take possession of the Leased Premises and shall compensate Lessee for its fair market value of its investment in the leasehold improvements as determined by a mutually acceptable AIA appraiser. Nothing in this Lease Agreement shall be deemed to prohibit or restrict Lessee from leasing or financing any such leasehold improvements, fixtures, equipment and/or furnishings with a third party. In such event the third party financing arrangements of Lessee shall be unaffected by City's rights under this Lease Agreement.
- (b) Notwithstanding the above, City shall have no right to take possession, transfer, use, or in any form or manner deprive Lessee from the use and possession of the leasehold improvements except by reason of default, breach of contract or after financial compensation for its fair market value of its investment in the leasehold improvements, in the

event of early termination.

- (c) In the event of early termination for reasons other than default or breach of contract, or as provided by law, Lessee shall have the right to require immediate cash compensation for its fair market value of the improvements made by Lessee at the time of surrender of the Leased Premises.
- (d) Any compensation received by Lessee as a result of an early termination of this Lease Agreement for reasons other than default or breach of contract by Lessee, shall be utilized to the extent necessary to pay off any outstanding liens arising by, through or under Lessee for the purpose of making improvements to the Leased Premises. City reserves the right to make payments directly to lienholders at its option.

1.04 Design of Improvements

Lessee shall develop plans for constructing, erecting and installing the leasehold improvements on the Leased Premises which shall consist of: (1) working drawings, (2) technical specifications, (3) schedule for accomplishing improvements, (4) schedule of finishes and graphics, (5) cost estimates. Lessee shall submit all the foregoing documents to City for review and comments prior to construction of any improvements.

1.05 Approval by City

City shall have the prior right to approve, in writing, Lessee's plans for the leasehold improvements and the budgeted cost thereof. Said approval shall not be unreasonably withheld. City shall render appropriate assistance to the Lessee in its efforts to seek and obtain approvals and permits necessary to proceed with development and construction as provided herein.

1.06 Architectural Requirements

All construction, improvements, signs, equipment, or landscape must be made in accordance with the requirements stated in Sections 1.04 and 1.05 of this Lease Agreement and shall conform in all respects to applicable statutes, ordinances, building codes and rules and regulations. The approval given by City shall not constitute a representation or warranty as to such conformity; responsibility, therefore, shall at all times remain with Lessee.

1.07 Construction and Financing of Improvements

- (a) Upon the written approval of Lessee's plans and specifications by City, and approval of all construction permits, Lessee shall have the right and obligation to enter the Leased Premises and take possession

thereof and to commence construction of the leasehold improvements. City's approval shall not be unreasonably withheld.

- (b) Other than liens on the leasehold interest of Lessee for financing the construction and/or acquisition (including both construction financing and permanent financing), no leasehold improvements, fixtures or equipment shall be subject to any liens, whether created by operation of law or by agreement. All construction shall in all respects conform to and comply with applicable statutes, ordinances, building codes, rules and regulations of such authorities as may have jurisdiction over any aspect of said construction. Lessee, at its sole cost and expense, shall procure all building, fire, safety and other permits necessary for any construction. City hereby consents to construction and acquisition financing by Lessee in an amount up to one hundred percent (100%) of all hard and soft costs of such construction and acquisition. Nothing in this section shall be deemed to permit Lessee to encumber any interest in the Leased Premises other than the leasehold estate of Lessee under this Lease Agreement. Any mortgage or security agreement between Lessee and a third-party lender shall contain a clause to the effect that any lien or security interest acquired shall not be enforceable against City if City has terminated the Lease Agreement as a result of Lessee's default or breach of contract and the third-party lender, after proper written notification, has elected not to cure the default of Lessee or institute foreclosure or other proceedings against Lessee, or otherwise enforce its rights against Lessee or acquire the leasehold interest of Lessee.
- (c) Prior to commencement of construction, Lessee shall submit a performance bond in the amount of one hundred percent (100%) of the approved budgeted cost of leasehold improvements as to any contract or subcontract in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00), and liability insurance evidence of coverage satisfactory to City.
- (d) A memorandum of this Development and Lease Agreement shall be executed by the parties hereto in a form satisfactory for recording in the Official Records of the public records of Nassau County, Florida, and such memorandum shall provide that no mechanic's lien for labor, materials or supplies may be placed upon the Leased Premises without City's consent.
- (e) Any term or provision of this Lease Agreement to the contrary notwithstanding.
- (1) Lessee and every successor and assigns of Lessee, is hereby given the right by City, in addition to any other rights herein granted, to mortgage its interests in this Lease Agreement, or any part

ASSIGN

thereof, under one or more first Leasehold Mortgage(s) or under a purchase money first or second Leasehold mortgage(s) in connection with any sale of such interest, and assign this Lease Agreement, or any part thereof, and any sublease(s) as collateral security for such Mortgage(s). Provided however, and subject to the conditions contained herein, neither City's interest in this Lease Agreement nor its fee title to the lands demised hereunder, shall be subordinate to any Mortgage(s) secured by Lessee's interest in the Lease Agreement, and that all rights acquired under such Mortgage(s) secured by Lessee's interest in the Lease Agreement, and that all rights acquired under such Mortgage(s) shall be subject to all of the covenants, conditions and restrictions set forth in this Lease Agreement, and to all rights and interests of City herein, none of which covenants, conditions or restrictions is or shall be waived by City by reason of the right given so to mortgage, such interest in this Lease Agreement.

- (2) This Lease Agreement shall not be modified or surrendered by City or cancelled or terminated by City and/or Lessee, nor shall City accept a surrender of this Lease Agreement except as expressly provided in this subparagraph (e).
- (3) So long as any Leasehold Mortgage shall remain a lien on Lessee's leasehold estate hereunder, City agrees, simultaneously with the giving of any notice to Lessee (i) of default, or (ii) of a matter on which a default may be predicated or claimed, to give duplicate copies thereof or of any process in any action or proceeding brought to in any way affect this Lease Agreement, to each Leasehold Mortgagee of record, by certified U. S. Mail or by private courier service, and no such notice to Lessee or process shall be effective unless a copy of such notice is given such Leasehold Mortgagee in the manner herein provided for. Each Leasehold Mortgagee will have the same period after receipt of the notice aforesaid to it for remedying the default or causing the same to be remedied as is given Lessee after notice to it plus thirty (30) days thereafter and City agrees to accept such performance on the part of the leasehold Mortgagee as though the same had been done or performed by Lessee.
- (4) For purposes of this sub-paragraph (e) it shall be the responsibility of any Leasehold Mortgagee to provide City with the current address and name of designated person to whom to address any notice required by this Agreement, and failure of any Leasehold Mortgagee to provide such information to City shall excuse City's requirement hereunder to provide such notice to that Leasehold Mortgagee.

INSTR # 200340065
OR BK 01185 PG 1110

- (5) No payment made to City by a Leasehold Mortgage shall constitute agreement that such payment was, in fact, due under the terms of this Lease Agreement; and a Leasehold Mortgagee having made any payment to City pursuant to City's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof.
- (6) City agrees that if Lessee for any reason shall fail, or shall not be entitled, to exercise its right to renew this Lease Agreement for any renewal term as herein provided, City shall notify each Leasehold Mortgagee that Lessee has failed as aforesaid, or is not entitled, to exercise its right to renew this Lease Agreement, as the case may be, and each Leasehold Mortgagee shall have the right, for a period of thirty (30) days after the receipt of such notice to elect that this Lease Agreement be renewed for such renewal term upon the same terms and conditions and with the same effect as though such right had been exercised by Lessee. If more than one Leasehold Mortgagee shall exercise the election provided for in this subparagraph (e) City shall only be required to execute the instrument certifying such renewal with the Leasehold Mortgagee whose Leasehold Mortgage is prior in lien to any and all other Leasehold Mortgages, and the election of any Leasehold Mortgagee whose Leasehold Mortgage is subordinate in lien shall be null and void and of no force and effect.
- (7) If the Leasehold Mortgagee or any person claiming by, through or under it (including but not limited to a purchaser at foreclosure sale) shall become owner of the leasehold estate and if the improvements shall become materially damaged, then such Leasehold Mortgagee shall be obligated to repair, replace or reconstruct the improvements to their pre-existing condition prior to the casualty.
- (8) Any assignment of rents, and/or leases contained in any Leasehold Mortgage shall be fully effective as between mortgagor and mortgagee but shall be subordinate to the rights of City to the extent necessary to secure payment to City of any sums due it under this Lease Agreement.
- (9) Wherever the term "Leasehold Mortgage" is used, it shall mean any mortgage which at the time in question is a lien on Lessee's leasehold estate and upon the interest of Lessee in this Lease Agreement and any supplement to, modification, renewal, consolidation, replacement or extension thereof. The term "Leasehold Mortgagee" shall mean the holder of such Leasehold

Mortgage, its successors and assigns, and any successful bidder at foreclosure sale under any Leasehold Mortgage.

(10) The rights of Leasehold Mortgagees contained in this subparagraph (e) are for the benefit of Leasehold Mortgagees and shall be enforceable by them.

1.08 Lessee's Cost for Leasehold Improvements, Fixtures and Equipment

The cost of all leasehold improvements, fixtures and equipment related to the golf course project shall be borne by Lessee. Upon completion of the leasehold improvements of Leased Premises, Lessee will furnish City a statement of all improvement costs, and that the same have been satisfactorily paid in full.

1.09 Encumbrances on Leased Premises

Subject to title evidence acceptable to Lessee evidencing marketable fee simple title and the right of City to enter into this Lease Agreement, the Leased Premises shall be accepted by Lessee subject to any and all then existing easements or other encumbrances. City shall have the right to obtain any excess fill material from the proposed golf course lakes not required for development by Lessee and to have it deposited or stored by Lessee in a predetermined area owned by City outside the Leased Premises. No right of City provided for in this paragraph shall be so exercised as to interfere unreasonably with Lessee's operations hereunder nor result in substantially added expense to Lessee in conducting operations hereunder.

1.10 City's Right to Enter and Inspect

City shall have the right to enter any part of the Leased Premises at reasonable times for the purpose of inspection, protection or exercising any rights under this Lease Agreement.

ARTICLE II

LEASED TERM AND CONDITIONS

2.01 Term

This Lease Agreement shall become effective upon signing by both City and Lessee. The base term of this Lease Agreement shall begin and run a period of thirty (30) years commencing with the certification of completion of all leasehold improvements or October 1, 1995 whichever shall first occur. The first payment of \$21,600, made upon the execution of this Lease Agreement shall constitute the total consideration paid by Lessee until the completion of the improvements or October 1, 1995, whichever shall first occur.

INSTR # 200340065
OR BK 01185 PG 1112

2.02 Options

- (a) Provided Lessee is not in default of any provisions of this Agreement at the time of its exercise of a renewal option, Lessee shall have the right to exercise two successive twenty (20) year lease renewal options of the Leased Premises before the expiration of each preceding lease term or renewal.
- (b) Each renewal option shall be exercised by written notice of such exercise signed by an authorized representative of Lessee and shall be deemed as given at the time such notice sent by registered or certified U. S. Mail is received by City. Each renewal option shall be exercised no later than twelve (12) months prior to the expiration of the term of the then existing Agreement.

2.03 Early Termination

Lessee shall have the right to terminate this Lease Agreement if Lessee, acting in good faith and with due diligence, is unable to obtain all required clearances, permits and/or approvals from all required local, state and federal entities or agencies, or if both Lessee and City mutually agree to such termination. In the event of early termination under this provision only, City shall not be liable for reimbursement of any costs incurred by Lessee. However, Lessee shall be entitled to reimbursement of first lease payment. If a phase one environmental study or other environmental investigation reveals a potential environmentally hazardous condition Lessee shall have the option to terminate this lease agreement and Lessee shall be entitled to reimbursement of first lease payment. Lessee shall have 90 days from the execution of this agreement to conduct said environmental study and investigation.

2.04 Restriction on Use

The Leased Premises and the leasehold improvements and all other property located thereon shall be used solely and exclusively for the purposes of operating a golf course and related facilities and for no other use whatsoever without written permission of City which shall not be unreasonably withheld.

ARTICLE III

RENT, FEES AND CHARGES

3.01 Ground Rent

For the use of the Leased Premises and privileges granted hereunder Lessee shall pay a monthly ground rent of one-twelfth (1/12) of the annual payment set forth on the attached schedule marked Exhibit "B". Said rental shall be paid in advance without demand, on the first day of each calendar month. Said rent

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 DR BK 01185 PG 1113

schedule shall begin on October 1, 1995 or the opening of the golf course whichever shall first occur. However, if the opening date of the golf course occurs prior to October 1st, 1995, as referred to in Article 2.02, said first monthly payment shall begin on such opening date and the rent shall be pro-rated for the fractional portion of the first month of operation.

3.02 Percentage Rent

In addition to the ground rental fees stated in Section 3.01, Lessee shall also pay a monthly percentage of all gross revenues per attached schedule marked Exhibit "B", and made a part hereof. Said percentage rent shall be paid each month two months in arrears, on the first day of the month, two months subsequent to the month for which percentage rent is due.

3.03 Gross Revenues

The term "gross sales," "gross receipts" or "gross revenues" shall mean the total sum of money paid to Lessee for and in connection with the operation of the clubhouse, restaurant, store, golf cart rental, driving range and green fees, or any other type of activity with the exclusive exception of golf club memberships fees. Such memberships shall be limited to 1,000 members.

3.04 Commencement of Rent and Rental Adjustments

Ground rent shall commence upon execution of this Agreement. Monthly rent due from the date of the execution of this Agreement to October 1, 1995, or until the golf course opens, whichever shall first occur, shall be \$21,600.00. Upon October 1, 1995, or the opening of the golf course, whichever shall first occur, the monthly rental shall be pursuant to the attached schedule B.

3.05 Late Charges

Lessee shall pay to City a late payment fee of one and one-half percent (1.5%) per month or fraction thereof of any amounts that are more than ten (10) days past due under this Lease Agreement; provided, however, such late charges shall not accrue with respect to disputed items being contested in good faith by Lessee, in which event the legal rate of interest shall be charged from the due date on all disputed items determined to have been due to City.

3.06 Books of Account and Auditing

Lessee shall keep within Fernandina Beach true and complete records and accounts of all gross receipts from the golf course operation. All rental contracts or transactions shall be prenumbered and Lessee shall maintain records and controls insuring that the transactions accurately reflect all gross receipts of Lessee. Beginning in the eighth year Lessee shall provide annually, within ninety (90) days after the end of each lease year, statement of all such receipts for the preceding

lease year. Such statement shall be reviewed by an independent certified public accountant with a related opinion of special procedures performed. Lessee agrees to give to City access, during reasonable hours for inspection, Lessee's books and records, and Lessee agrees that it will keep and preserve for at least five (5) years all rental contracts and other evidence of gross receipts for such period. City shall have the right at any time and from time to time to audit all of the records of Lessee relating to business transacted at the golf course including, but not limited to, gross receipts, and Lessee upon request shall make all such information available for such examination at the Leased Premises. Notwithstanding the foregoing, no request by the City may infringe on Lessee's quiet enjoyment of the premises.

3.07 Licenses, Fees and Taxes

Lessee agrees to pay, when due, all licenses, fees, taxes, ad valorem taxes and assessments charged, assessed or levied by any governmental authority on either Lessee's business, any activity necessary for Lessee's business or on the Leased Premises, leasehold improvements, equipment or material, including any fines, penalties, fees or costs of remediation imposed or required by any regulatory authority or governmental unit as a result of the operation of the Leased Premises by Lessee and for events occurring during this Lease Agreement or any renewal thereof. No such payment shall be considered a payment of rent entitling Lessee to a credit under any other provision of this Lease Agreement. The failure of Lessee to pay any items enumerated in this sub-paragraph, the validity of which all be contested in good faith and with reasonable promptness, shall not be interpreted as a violation of this covenant until such contest shall have been abandoned or the time for objection or appeal has expired.

3.08 Revenue Control Equipment

Lessee shall install and use, or cause to be installed and used, cash registers, sales slips, invoicing machines and other automatic accounting equipment or devices required to properly and accurately record the Gross Sales or Revenues made by Lessee under this Lease Agreement.

ARTICLE IV

OPERATIONAL STANDARDS

4.01 Lessee shall provide the highest standard of service within the golf course industry to include but not necessarily limited to:

- (a) Hours of Operation: Subject to normal course maintenance requirements the golf course must be open seven days a week with hours of operation consistent with comparable public and private courses.

- (b) Membership: The golf course shall be open to the public on a space available basis in compliance with all covenants, conditions, laws or regulations imposed upon City by any federal, state or local government and in full compliance with Article XII, paragraph 12.02, hereof.
- (c) Maintenance and Operation: Golf course maintenance and operation shall be of the highest industry standards.
- (d) Food and Beverage Operation: All items served at the golf course food and beverage facility shall be of the best quality and shall conform to all regulations as it relates to safety, health and cleanliness.
- (e) Supervision: All activities herein authorized shall be supervised at all times by an active, qualified, competent manager or a qualified subordinate in the manager's absence. The manager or his qualified representative shall be available at the Leased Premises during normal business hours.
- (f) Employees: All employees of Lessee shall be properly trained, and be of the highest professional and moral standards.
- (g) Operational Standards: Lessee shall maintain operational standards equal to the highest within the industry.

4.02 City shall have the right to evaluate the operational performance of Lessee at any time there is reasonable indication that the level of service is below the highest industry standards. Should City's evaluation reflect operational deficiencies, Lessee agrees to immediately correct the same.

ARTICLE V

MAINTENANCE AND REPAIRS

5.01 Maintenance and Repairs of Leased Premises

Lessee agrees to provide at its own expense such repairs, replacements, maintenance, custodial and cleaning services and supplies as may be necessary or required in the operation and maintenance of the Leased Premises and leasehold improvements including maintaining clear zones so as to comply with FAA or any other regulatory requirements. All such repairs, replacements shall be of quality equal to the original in materials and workmanship.

5.02 Condition and Termination

Lessee agrees to surrender and deliver the Leased Premises and leasehold improvements at the termination of this Lease Agreement in good order and

condition, reasonable wear and tear excepted...

.03 Alterations to Leased Premises and/or Leasehold Improvements

Lessee shall make only reasonable alterations to the Leased Premises or leasehold improvements that are consistent with plans approved by the City of Fernandina Beach and this Agreement.

5.04 City's Inspection Rights

The duly authorized representative of City shall have the right to enter the Leased Premises areas to:

- (a) inspect the areas at reasonable intervals during Lessee's regular business hours or at any time in case of emergency, to determine whether Lessee has complied with and is complying with the terms and conditions of this Lease Agreement;
- (b) perform any and all things which Lessee is obligated by law or this agreement, to perform and has failed to commence within thirty (30) days after written notice to act. The cost of all labor, materials and overhead charges required for performance of such work will be paid by Lessee to City within fifteen (15) days following receipt of the invoice by Lessee.

ARTICLE VI

LIABILITY, INDEMNITY AND INSURANCE

6.01 Indemnification

Lessee shall indemnify, hold harmless, and defend City, its officials, agents and employees, its successors and assigns, individually or collectively, from and against any claim, action, loss, damage, injury, liability and the cost and expense whatsoever kind of nature (included but not limited to, attorneys' fees, court costs, and expert fees) based upon injury to persons, including death or damage to property arising out of, resulting from, or incident to this Lease Agreement, and/or in conjunction with Lessee's use and occupancy of Leased Premises unless occasioned by the negligence of City.

Lessee shall indemnify, save, hold harmless, and defend City, its agents and employees, its successors and assigns, individually or collectively, from and against any liability for any claims and actions and all expenses incidental to the investigation and defense thereof, in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, ordinances, resolutions,

INSTR # 200340065
OR BK 0185 PG 1117

or regulations, by Lessee, its agents, employees, licensees, successors and assigns, or those under its control.

6.02 Insurance

Lessee shall procure and maintain at his own expense, the following types and amounts of insurance for the term of this Lease Agreement.

- (a) Comprehensive General Liability Insurance: Coverage shall include automobile for owned, hired and nonowned vehicles; premises-operations; independent contractors; personal injury (deleting any exclusions related to its employees); product and contractual liability, including but not limited to the liability assumed by Lessee under the hold harmless provisions of this Lease Agreement. Said policy or policies shall cover loss or liability for damages in an amount not less than One Million Dollars (\$1,000,000), combined single limits for each occurrence for bodily injury, death or property damage occurring by reason of Lessee's operation in, on or about the Leased Premises.
- (b) Worker' Compensation and Employers Liability Insurance: In the amount and form required by Worker's Compensation Act and insurance laws of the State of Florida.
- (c) Fire Insurance: Lessee shall insure against the perils of fire, extended coverage, and other perils on any and all of Lessee's improvements on the Leased Premises. Such insurance shall be in an amount equal to the full insurable replacement value of such improvements. The coverage shall begin from the initiation of construction through a "Builder's Risk" insurance for the period of time the construction of the improvements covered herein shall have commenced to the time when such construction shall become insurable under the policy or policies herein described.

Such "Builder's Risk" insurance policy or policies shall cover all work incorporated in the building and all material for the same in, on, or about the Leased Premises and shall be written on the "Completed Value Form." City shall be named as additional insured under the policy or policies herein described. On completion of the improvements, Lessee shall then insure such improvements. All property damage insurance policies shall contain loss payable endorsements in favor of the parties as their respective interest may appear hereunder. City agrees that any payments received by it from such insurance companies by reason of loss under such policy or policies shall be applied toward repair and reconstruction of said improvements, if in the event that such repairs and reconstruction can be completed prior to the termination of this Lease Agreement.

The insurance specified above shall, either by provision in the policies or by special endorsements attached thereto, insure City against the risks to which it is exposed as the owner of the Leased Premises and as the grantor of the right to operate the concession business authorized to be conducted under this Lease Agreement. Except for Worker's Compensation and Employers' Liability coverage, all policies shall include City and all of its officers, employees and agents as an additional insured and shall contain a standard cross-liability provision and shall stipulate that no insurance held by City will be called on to contribute to a loss covered thereunder. City shall have no liability for any premiums charged for such coverage, and the inclusion of City as an additional insured is not intended to, and shall not, make City a partner or joint venturer with Lessee in Lessee's operations on the Leased Premises. Such policies shall also insure Lessee against the risks to which it is exposed as the operator of the concession business authorized under this Lease Agreement, and shall be for a full coverage with any deductibles and/or retentions subject to approval by City and shall contain provisions on the part of the respective insurers waiving the right of such insurers to subrogation.

The original or a certified copy of above policy or policies, plus certificates evidencing the existence thereof, all in such form as the City Manager, or his designee may require, or binder, shall be delivered to said Manager upon the execution of this Lease Agreement. In the event a binder is delivered, it shall be replaced within ten (10) days by the original or a certified copy of the policy. Each such policy or certificate shall contain a valid provision or endorsement that "This policy will not be cancelled or materially changed or altered without first giving sixty (60) days written notice in advance thereof to the City Manager, or his designee, City of Fernandina Beach, Post Office Box 668, Fernandina Beach, Florida 32034" sent by certified U. S. mail, return receipt requested.

A renewal policy shall be delivered to the City Manager, or his designee, at least thirty (30) days prior to a policy's expiration date, except for any policy expiring on the expiration date of this Lease Agreement or thereafter.

Lessee may require that any contractor or contractors who perform the work contemplated herein under a contract in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) furnish a good and sufficient performance bond in an amount not less than the full amount of the contract price for completing the improvements of the Leased Premises, as surety for the faithful performance of the contract by contractor, and for the payment of all persons performing labor and furnishing material in connection with the work.

City reserves the right to review once every five (5) years, the insurance provisions stated herein as to the amount of coverage, new types of insurance and new terms (such as combined single limit coverage). If such review indicates that Lessee's insurance coverage is below the recommended minimums of the prevailing standards of the insurance industry, the City reserves the right to require modification of the insurance coverage under this Agreement.

ARTICLE VII

DAMAGE OR DESTRUCTION TO LEASED PREMISES

Lessee shall be responsible to replace or repair the Leased Premises in the event of damage or casualty to any or part of the same. Insurance proceeds received by reason of any such damage or destruction shall be applied to such replacement or repair to the extent necessary to restore the damaged property to its predamaged condition.

ARTICLE VIII

ASSIGNMENT AND SUBLETTING

Lessee shall neither assign nor transfer this Lease Agreement or any right or leasehold interest granted to it by this Lease Agreement without the consent of City, such consent not to be unreasonably withheld. Provided, however, Lessee may assign and transfer this Lease Agreement in its entirety without such consent to any successor-in-interest of Lessee with or into which Lessee may merge or consolidate or which may succeed to the assets of Lessee or a major portion thereof. No such assignment or sublease shall serve to release Lessee from any of its obligations, duties or responsibilities under this Lease Agreement unless City agrees thereto in writing. Any such assignment or transfer shall be in writing and promptly upon the execution thereof, Lessee shall furnish a copy to City.

ARTICLE IX

BREACH BY CITY

In addition to all other remedies available to Lessee, this Lease Agreement shall be subject to cancellation by Lessee by giving a thirty (30) day written notice to City, should any one or more of the following events occur:

- (a) The breach by City in the performance of any covenant or any agreement required to be performed by City and the failure of City to commence to remedy such breach for a period of thirty (30) days after receipt of notice of breach of City, unless there is a good faith controversy as to whether a breach has been committed by City, in which event resolution of this issue prior to cancellation of the Lease Agreement must occur.
- (b) The assumption by the United States government, or any authorized agency thereof, of the operation, control or use of the City's Municipal Airport in such manner as to substantially restrict Lessee from operating upon the Leased Premises for a period of at least ninety (90) consecutive days.

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- (c) Failure of City to approve Lessee's plans, specifications or construction when the same were performed in accordance with City's direction or approvals, and met all architectural and engineering requirements.

ARTICLE X

BREACH BY LESSEE

10.01 In addition to all other remedies provided herein or at law, City may cancel this Lease Agreement by giving thirty (30) days written notice to Lessee should any one or more of the following events occur:

- (a) The breach by Lessee in the performance of any covenant or any agreement required to be performed by Lessee and the failure of Lessee to commence to remedy such breach for a period of thirty (30) days after receipt of notice of breach by Lessee except as follows:
- (1) Lessee's failure to make payments required hereunder when due to city or within thirty (30) days after receipt of written notice from City of nonpayment, in which case Lease Agreement cancellation shall be within thirty (30) days of written notice.
 - (2) Lessee's failure to correct an unsanitary, hazardous or safety condition within ten (10) days after receipt of written notice from City, if such can be corrected or reasonably improved within ten days, in which case Lease Agreement cancellation shall be within thirty (30) days of written notice.
- (b) The interest of Lessee under this Lease Agreement is transferred, passes to or devolves upon, by operation of law or otherwise, any other person, firm or corporation without the written consent of City, except as provided in Article VIII.
- (c) The levy of any attachment or execution, or the appointment of any receiver, or the execution of any other process of any court of competent jurisdiction which is not vacated, dismissed, set aside or bonded to the satisfaction of a reputable title insurer, within a period of one hundred twenty (120) days and which does, or as a direct consequent of such process will, interfere with Lessee's use of the Leased Premises or with its operations under this Lease Agreement.
- (d) Lessee becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the Federal bankruptcy laws or under any

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other law or statute of the United States, or under any state law, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property or the property located within the Leased Premises.

- (e) A petition under any part of the Federal bankruptcy laws, or an action under any present or future insolvency law or statute is filed against Lessee and is not dismissed within ninety (90) days.
- (f) By or pursuant to, or under authority of, any legislative act, resolution or rule, order or decree of any court, government board, agency or officer having jurisdiction, a receiver, trustee or liquidator takes possession or control of all or substantially all of the property of Lessee, and such possession or control continues in effect for a period of ninety (90) days.
- (g) Any lien not specifically authorized by this Lease Agreement is filed against the Leased Premises because of any act or omission of Lessee and such lien is not removed, enjoined or a bond for satisfaction of such lien is not posted within ninety (90) days.
- (h) Lessee abandons, deserts, vacates or discontinues its operation of the business herein authorized for a period of thirty (30) days without prior written consent of City.

10.02 Waiver

No waiver by City of default by Lessee of any of the terms, covenants, or conditions hereof to be performed, kept and preserved by Lessee shall be constructed to be a waiver of any subsequent default. The acceptance of rental or the performance of all or any part of this Lease Agreement by City for or during any period after default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee, shall not be deemed a waiver of any right on the part of City to declare a default or cancel this Lease Agreement for a subsequent breach thereof.

ARTICLE XI EFFECT OF DEFAULT

11.01 Upon the happening of any event of default by Lessee and the failure of Lessee to cure such default in the time period set forth herein, City shall have the right to cancel the term of this Lease Agreement by written notice from City to Lessee, which cancellation shall be effective as of the date of such written notice. Upon the cancellation of the term hereof, whether by lapse of time or otherwise, Lessee shall promptly surrender possession and vacate the Leased Premises and delivery possession thereof to City, including all leasehold improvements, and

Lessee hereby grants to City a full and free license to enter into and upon the Leased Premises in such event and with process to expel or remove Lessee and any others who may be occupying the Leased Premises and to remove therefrom any and all property.

11.02 In the event this Lease Agreement is cancelled by City, or in the event City re-enters, regains or resumes possession of Lessee's Premises, then City shall have all rights and remedies against Lessee as City may be entitled under Florida law or under applicable federal law. All remedies shall be cumulative.

11.03 Upon the happening of any event of default by City under this Lease Agreement, then Lessee shall have all rights and remedies afforded under Florida law, or under federal law as applicable, including but not limited to the right to require specific performance to the full extent allowed by law by City, its successors or assigns. All remedies shall be cumulative.

ARTICLE XII

GENERAL PROVISIONS

12.01 Subordination to Agreements with the City of Fernandina Beach and the United States Government

This Lease Agreement is subject to the provisions of any agreement heretofore or hereafter made between City and the United States Government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to City for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport. City covenants that it has not entered into any existing agreements with the United States Government in conflict with the express provisions hereof. Should City hereafter enter into any agreement which restricts or prohibits the use of the Leased Premises for its intended use then Lessee shall be entitled to just compensation for any loss incurred by Lessee.

12.02 Nondiscrimination

Lessee, for itself, its personal representatives, successor in interest, suboperators, and assigns, as part of the consideration hereof, does hereby covenant and agree; (1) that no person, on the grounds of race, color, creed, political ideas, sex, age or physical or mental handicap (for which reasonable accommodations may be made), shall be excluded from participation, denied the benefits or, be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements and the furnishings of services, no person on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicaps (for which reasonable accommodations may be made), shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that Lessee shall use the Leased Premises in compliance with all other

requirements imposed by any State, Federal or local laws or regulations, as amended from time to time, applicable to the Leased Premises including, but not limited to, Title 49, Code of Federal Regulation, Department of Transportation, Subtitled A, Office of the Secretary Part 21, Nondiscrimination in Federal Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Acts of 1964, and said Regulations may be amended.

12.03 Nonwaiver of Rights

No waiver of breach by either party of any of the terms, covenants, and conditions hereof to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent breach of any of the terms, covenants, or conditions herein contained, to be performed, kept and observed by the other party.

12.04 Time is Essence

Time is expressed to be of the essence in this Lease Agreement

12.05 Successor and Assigns Bond

This Lease Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, where permitted by this Lease Agreement.

12.06 Governing Law

This Lease Agreement is governed by the laws of the State of Florida. Any disputes relating to this Lease Agreement must be resolved in accordance with the laws of the State of Florida.

12.07 Force Majeure

Neither party hereto shall be liable to the other for any failure, delay, or interruption in the performance of any of the terms, covenants, or conditions of this Lease Agreement due to causes beyond the control of that party, including, but not limited to, strikes, boycotts, labor disputes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, sabotage, or other circumstances for which such party is not responsible or which are not in its power to control.

12.08 Toxic Waste

Lessee, for itself and on behalf of its officers, agents, employees, assigns, and contractors, does agree to protect, defend, ensure and indemnify City for any manner of loss, damage, cost or assessment which may result from or in any manner be related to the presence, use, distribution or disposition of any dangerous

toxic waste, or any other substance or derivative. This provision shall survive the expiration of this lease. This shall not apply to conditions which pre-exist the date this lease. By execution of these presents, City mutually agrees that there is no known condition constituting a violation of this paragraph at the inception of this lease.

12.09 Quiet Enjoyment

City agrees that Lessee, upon payment of all fees, charges and other payments required under the terms of this Lease Agreement and observing the keeping of the conditions and covenants of this Lease Agreement on its part to be observed and kept, shall lawfully acquire, hold use and enjoy the Leased Premises during the term of this Lease Agreement.

12.10 Lessee's Dealings with City

Whenever in this Lease Agreement, Lessee is required or permitted to obtain the approval of, consult with, give notice to, or otherwise deal with City, Lessee shall deal with City's authorized representative; and unless or until City shall give Lessee written notice to the contrary, City's authorized representative shall be the City Manager or his designee.

12.11 Approvals and Notices

(a) All notices, consents and approvals required to authorized by this Lease Agreement to be given by or on behalf of either party to the other shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given, and shall be deemed given at the time a registered or certified letter properly addressed, postage prepaid, deposited in any United States post office or delivered to a private courier service, is received by the addressee.

(b) Notice to City shall be addressed to it and delivered at the office of:

CITY: City Manager
City of Fernandina Beach
Post Office Box 668
Fernandina Beach, Florida 32034

(c) Notice to Lessee shall be addressed to the attention of:

LESSEE: President
Nassau Sound Land Company, Inc.
401 Centre Street, Second Floor
Fernandina Beach, Florida 32034

12.12 Independent Contractor

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The parties hereto agree that Lessee is an independent contractor and not subject to direction or control of City, except as specified in this Lease Agreement.

12.13 Interpretation

The language of this Lease Agreement shall be construed according to its plain meaning; the section headings appearing herein are for the convenience of the parties and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of provisions of this Lease Agreement. If any provision of this Lease Agreement is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this Lease Agreement and all such other provisions shall remain in full force and effect; and it is the intention of the parties hereto that if any provision of this Lease Agreement is capable of two constructions, one which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

12.14 Right to Develop Airport

It is further covenanted and agreed that City reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Lessee and without interference or hindrance. Lessee agrees that it shall have no claim against City for damages arising out of the development and normal operations conducted by City at its Municipal Airport. Provided the parties mutually agree, City may re-acquire from the leasehold estate granted herein, undeveloped lands of the Leased Premises if such lands are necessary for future development of the City's Municipal Airport. If the City decides to grant an access easement to the developers of Crane Island, it shall have the right to designate and grant such easement through the undeveloped portion of Parcel I of the Leased Premises as depicted on Exhibit "A".

12.15 Incorporation of Exhibits

All exhibits referred to in this Lease Agreement are intended to be and hereby are specifically made part of this Lease Agreement.

ARTICLE XIII

DISPUTE RESOLUTION AND ATTORNEYS' FEES

Any controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, shall be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over the matter. Notwithstanding any provision contained herein to the contrary, a cause

of action for eviction and/or for injunctive relief and any issues related to these causes of action may be brought by City directly in a court of competent jurisdiction without having to first resort to the arbitration process as provided herein for dispute resolution. Lessee may bring a cause of action for injunctive relief and related issues directly in a court of competent jurisdiction.

Attorneys' Fees and Costs

If any action at law or in equity or any arbitration proceeding is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which that party may be entitled.

ARTICLE XIV

ENTIRE AGREEMENT

The parties hereto understand and agree that this instrument contains the entire agreement between the parties. The parties further understand and agree that neither party nor its agents have made representations or promises with respect to this lease Agreement except as expressly set forth herein; and that no claim or liability shall arise for any representations or promises not expressly stated in this Lease Agreement. Any other writing or parol agreement with the other party being expressly waived.

ARTICLE XV

COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one and the same instrument.

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

Signed, sealed and delivered in the presence of:

Mary Mercer
Cassandra Mitchell

"CITY"
CITY OF FERNANDINA BEACH
By: Charles L. Alford
Its: Mayor

Attest: Vicki P. Cannon
Its: Clerk

INSTR # 200340065
OR BK 01185 PG 1127

"LESSEE"
NASSAU SOUND LAND CO. INC.

Vicki P. Cannon
Mary Mercer

By: [Signature]
Its: PRESIDENT

Attest: [Signature]
Its: Sec.

APPROVED AS TO FORM:

[Signature]
Counsel [Signature] City Attorney

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 7 day of July, 1994, by Charles H. Albert, Jr. and Vicki P. Cannon, the (title) mayor, and the (title) City Clerk, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

Cassandra Mitchell
Notary Public, State of Florida
at Large

My Commission Expires:



CASSANDRA P. MITCHELL
MY COMMISSION # CC366971 EXPIRES
May 15, 1998
BONDED THRU TROY FARM INSURANCE, INC.

STATE OF FLORIDA
COUNTY OF NASSAU

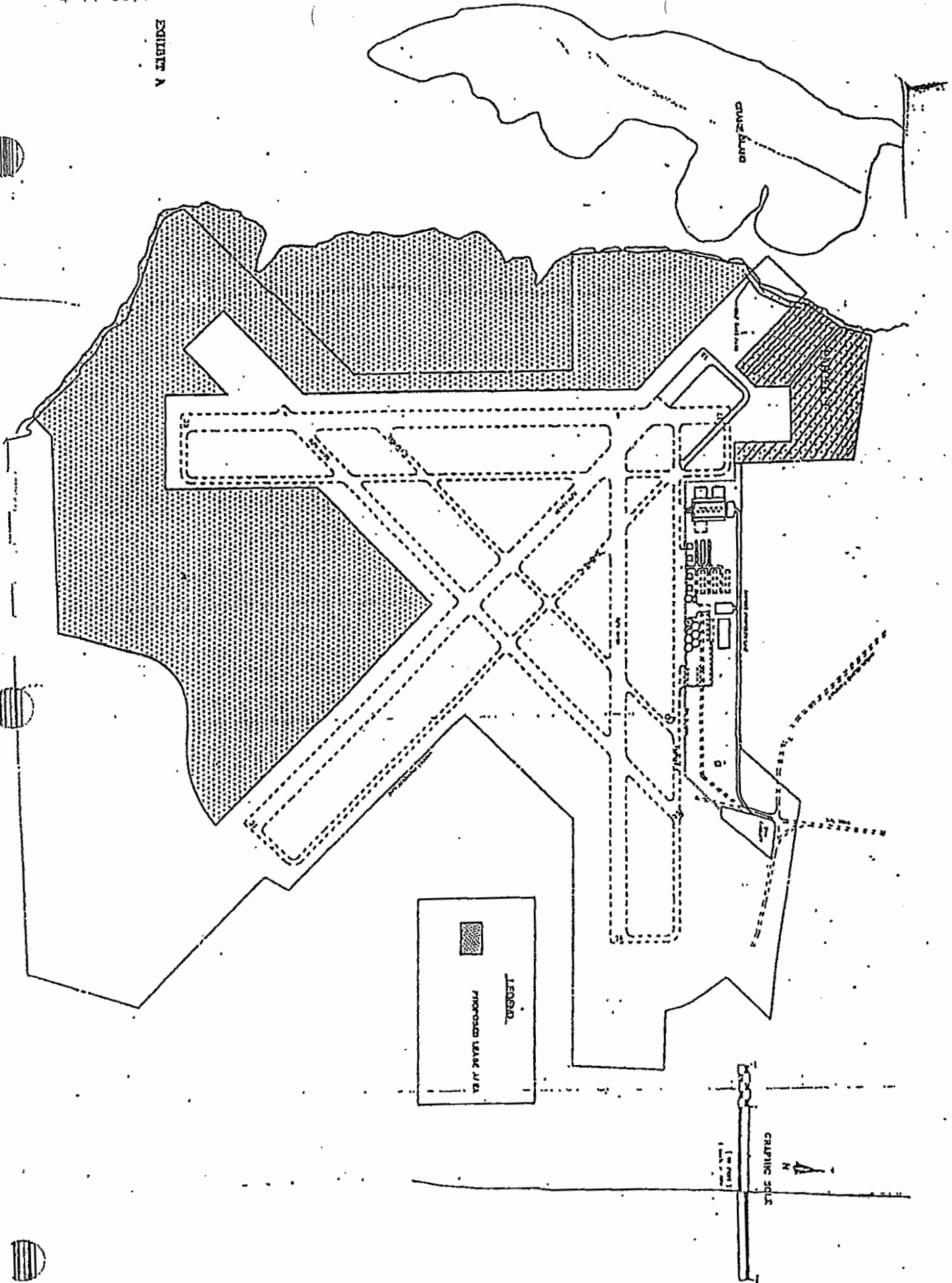
The foregoing instrument was acknowledged before me this 6th day of July, 1994, by Scott Brian Parliament and Clinch Kavanaugh, the (title) President, and the (title) Secretary, respectively, of NASSAU SOUND LAND CO., INC., a Florida corporation.

Mary Mercer Mary Mercer
Notary Public, State of Florida
at Large
#172641 CC

My Commission Expires: NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES: Dec. 31, 1998
BONDED THRU NOTARY PUBLIC UNDER

INSTR # 200340065
OR BK 01185 PG 1128

EXHIBIT A



INSTR # 200340065
OR BK 01185 PG 1129

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Golf Course and Lease Schedule

City of Fernandina Beach

Year	Annual Land Rental	% of Gross
1	43,200	0.00%
2	43,200	0.00%
3	86,400	0.00%
4	100,800	0.00%
5	115,200	0.00%
6	129,600	0.00%
7	144,000	0.00%
8	149,760	0.00%
9	149,760	1.50%
10	149,760	1.50%
11	149,760	1.50%
12	149,760	1.50%
13	155,750	1.50%
14	155,750	1.50%
15	155,750	1.50%
16	155,750	1.50%
17	155,750	1.50%
18	161,980	2.50%
19	161,980	2.50%
20	161,980	2.50%
21	161,980	2.50%
22	161,980	2.50%
23	168,460	2.50%
24	168,460	2.50%
25	168,460	2.50%
26	168,460	2.50%
27	168,460	2.50%
28	175,198	2.50%
29	175,198	2.50%
30	175,198	2.50%

INSTR # 200340065
DR BK 01185 PG 1130

EXHIBIT B

Golf Course Land Lease Schedule

City of Fernandina Beach

<u>Year</u>	<u>Annual Land Rental</u>	<u>% of Gross</u>
31	175,198	2.50%
32	175,198	2.50%
33	182,206	2.50%
34	182,206	2.50%
35	182,206	2.50%
36	182,206	2.50%
37	182,206	2.50%
38	189,494	2.50%
39	189,494	2.50%
40	189,494	2.50%
41	189,494	2.50%
42	189,494	2.50%
43	197,074	2.50%
44	197,074	2.50%
45	197,074	2.50%
46	197,074	2.50%
47	197,074	2.50%
48	204,957	2.50%
49	204,957	2.50%
50	204,957	2.50%

INSTR # 200340065
OR BK 01185 PG 1131

EXHIBIT B

Golf Course Land Lease Schedule

City of Fernandina Beach

<u>Year</u>	<u>Annual Land Rental</u>	<u>% of Gross.</u>
51	204,957	2.50%
52	204,957	2.50%
53	213,155	2.50%
54	213,155	2.50%
55	213,155	2.50%
56	213,155	2.50%
57	213,155	2.50%
58	221,681	2.50%
59	221,681	2.50%
60	221,681	2.50%
61	221,681	2.50%
62	221,681	2.50%
63	230,549	2.50%
64	230,549	2.50%
65	230,549	2.50%
66	230,549	2.50%
67	230,549	2.50%
68	239,771	2.50%
69	239,771	2.50%
70	239,771	2.50%

INSTR # 200340065
OR BK 01185 PG 1132

EXHIBIT B

FIRST AMENDMENT TO
CITY OF FERNANDINA BEACH
GOLF COURSE LICENSE AND LEASE AGREEMENT

THE GOLF COURSE LICENSE AND LEASE AGREEMENT, (hereinafter referred to as "the Agreement" was made and entered into on or about the 7th day of July, 1994, by and between the CITY OF FERNANDINA BEACH, (hereinafter referred to as "City"), a body politic and corporate existing under the Laws of Florida, as amended, and NASSAU SOUND LAND CO., INC., a corporation organized under the laws of the State of Florida (hereinafter referred to as "Lessee").

WITNESSETH

WHEREAS, Lessee desires to amend the Agreement to exclude from the leased Premises certain lands adjoining the Fernandina Beach Municipal Airport in exchange for the inclusion of other lands adjoining the Fernandina Beach Municipal Airport, and Lessor is willing to effectuate this amendment to the Agreement as an even exchange without any cost adjustment.

NOW, THEREFORE, for and in consideration of the foregoing recitals which are incorporated herein by reference, and in further consideration of the mutual covenants, agreements and conditions contained herein, the undersigned parties agree that the Agreement is hereby amended as it relates to the definition of the leased Premises; any and all references to Exhibit "A" contained in the Agreement are hereby replaced with references to Exhibit A-1"; the attachment to the Agreement of "Exhibit "A" is hereby replaced with Exhibit "A-1"; and all other provisions of the Agreement, except as amended by the provisions of this First Amendment to City of Fernandina Beach Golf Course Lease and License Agreement, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their respective duly authorized officers this 7th day of March, 1995.

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 7th day of March, 1995, by Charles L. Albert, Jr. and Mary Mercer, the (title) Mayor, and the (title) City Clerk, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

Charles L. Albert, Jr.
Charles L. Albert, Jr., Mayor, DATE

Mary Mercer #172671
Notary Public, State of Florida
at Large

ATTEST:

Mary Mercer 4/3/95
Mary Mercer, Deputy Clerk DATE

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: Dec 30, 1995.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 7th day of March, 1995, by Scott Brian Parliament and Clinch Kavanaugh, the (title) ^{Vice} President, and the (title) Secretary, respectively, of NASSAU SOUND LAND CO., INC., a Florida corporation.

Clinch Kavanaugh
Clinch Kavanaugh, Vice President DATE

Mary Mercer #172671
Notary Public, State of Florida
at Large

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: Dec 30, 1995.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

INSTR # 200340065
OR BK 0185 PG 1134

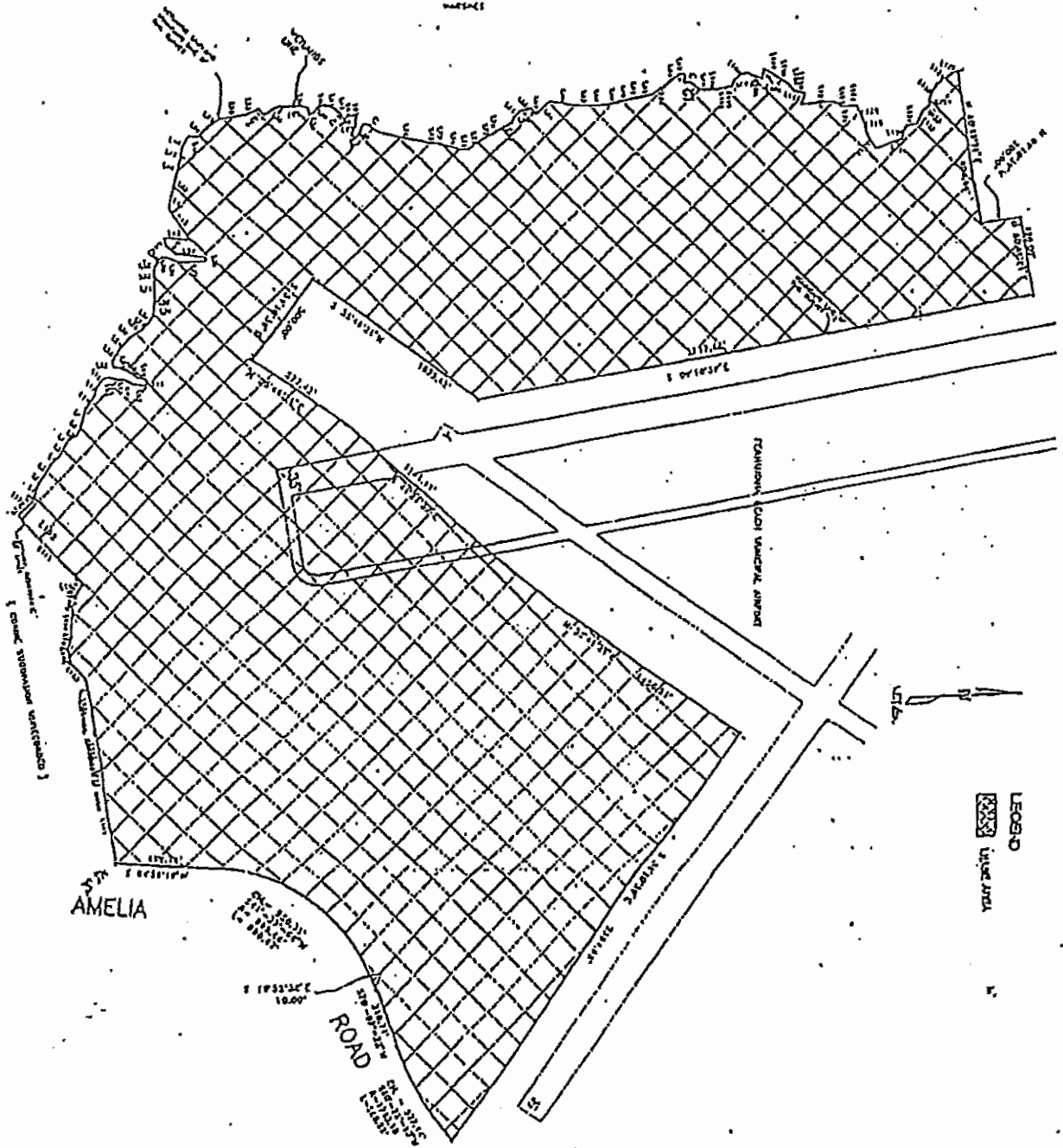


EXHIBIT A-1 PROPOSED AMENDED
LEASE AREA

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7/25/95

AUG 9 1995

**MEMORANDUM OF DEVELOPMENT
AND LEASE AGREEMENT**

BK 0736 PG 0178
OFFICIAL RECORDS

On July 7, 1994, a Development and Lease Agreement was entered into between the City of Fernandina Beach and Nassau Sound Land Co., Inc.. This memorandum of that Development and Lease Agreement is presented for recording:

1. Name of lessor in Lease Agreement: City of Fernandina Beach
2. Name of lessee therein: Nassau Sound Land Co., Inc.
3. Address set forth in Development and Lease Agreement as addresses of lessor and lessee:

Lessor: Post Office Box 668
Fernandina Beach, Florida 32034

Lessee: 401 Centre Street, Second Floor
Fernandina Beach, Florida 32034

4. Date of Development and Lease Agreement: July 7, 1994
5. Description of leased premises as set forth in Development and Lease Agreement: As depicted in Exhibit "A", attached hereto and made a part hereof.
6. The date on which the Development and Lease Agreement became effective: July 7, 1994.
7. Term of Development and Lease Agreement: From October 1, 1995, to September 30, 2025.
8. Date of expiration of final period for which the Development and Lease Agreement may be renewed: September 30, 2065.

INSTR # 200340065
OR BK 01185 PG 1136

BK 0736 PG 0179
OFFICIAL RECORDS

- 9. The Development and Lease Agreement referred to herein was amended by the First Amendment to City of Fernandina Beach Golf Course License and Lease Agreement dated March 7, 1995, whereby the description of the Leased Premises was modified as shown on Exhibit "A" attached hereto.
- 10. No mechanic's lien for labor, materials, supplies or professional services may be placed upon the Leased Premises without the consent of the Lessor, the City of Fernandina Beach, Florida.

Executed on August 8, 1995.

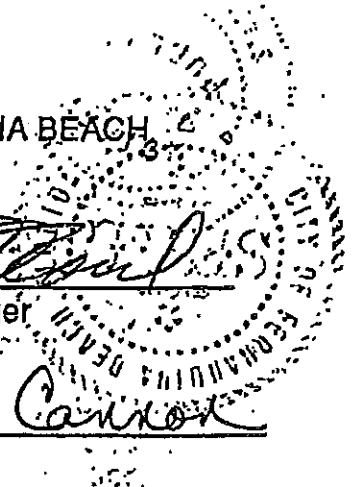
Signed, sealed and delivered
in the presence of:

Lisa R. Burch
Bonnie L. Magee

"CITY"
CITY OF FERNANDINA BEACH

By Anthony T. ...
 Its: City Manager

Attest: Vicki P. Cannon
 Its: Clerk



Signed, sealed and delivered
in the presence of:

Suzanne E. Short
 Suzanne E. Short
Anthony J. Leggio
 Anthony J. Leggio

"LESSEE"
NASSAU SOUND LAND CO., INC.

By [Signature]
 Its: Vice President and Secretary

INSTR # 200340065
OR BK 01185 PG 1137

BK0736PG0180

OFFICIAL RECORDS

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 8th day of August, 1995, by Zachary Z. Zoul and Vickie Cannon, the City Manager and the City Clerk, respectively, of the CITY OF FERNANDINA BEACH, a public body corporate and politic of the State of Florida, on behalf of the City.

Cassandra P. Mitchell

Notary Public, State of Florida

at Large

Print Name:

My Commission Expires:



CASSANDRA P. MITCHELL
MY COMMISSION # CC36671 EXPIRES
May 16, 1998
BONDED THROUGH TROY FARM INSURANCE, INC.

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 8th day of August, 1995, by Clinch Kavanaugh, the Vice-President and the Secretary, of NASSAU SOUND LAND CO., INC., a Florida corporation, on behalf of the corporation. He is personally known to me.

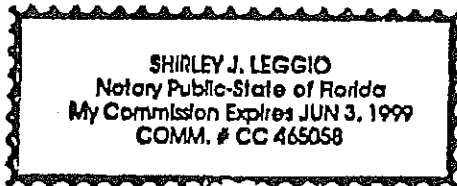
Shirley J. Leggio

Notary Public, State of Florida

at Large

Print Name: Shirley J. Leggio

My Commission Expires: 6/18/99



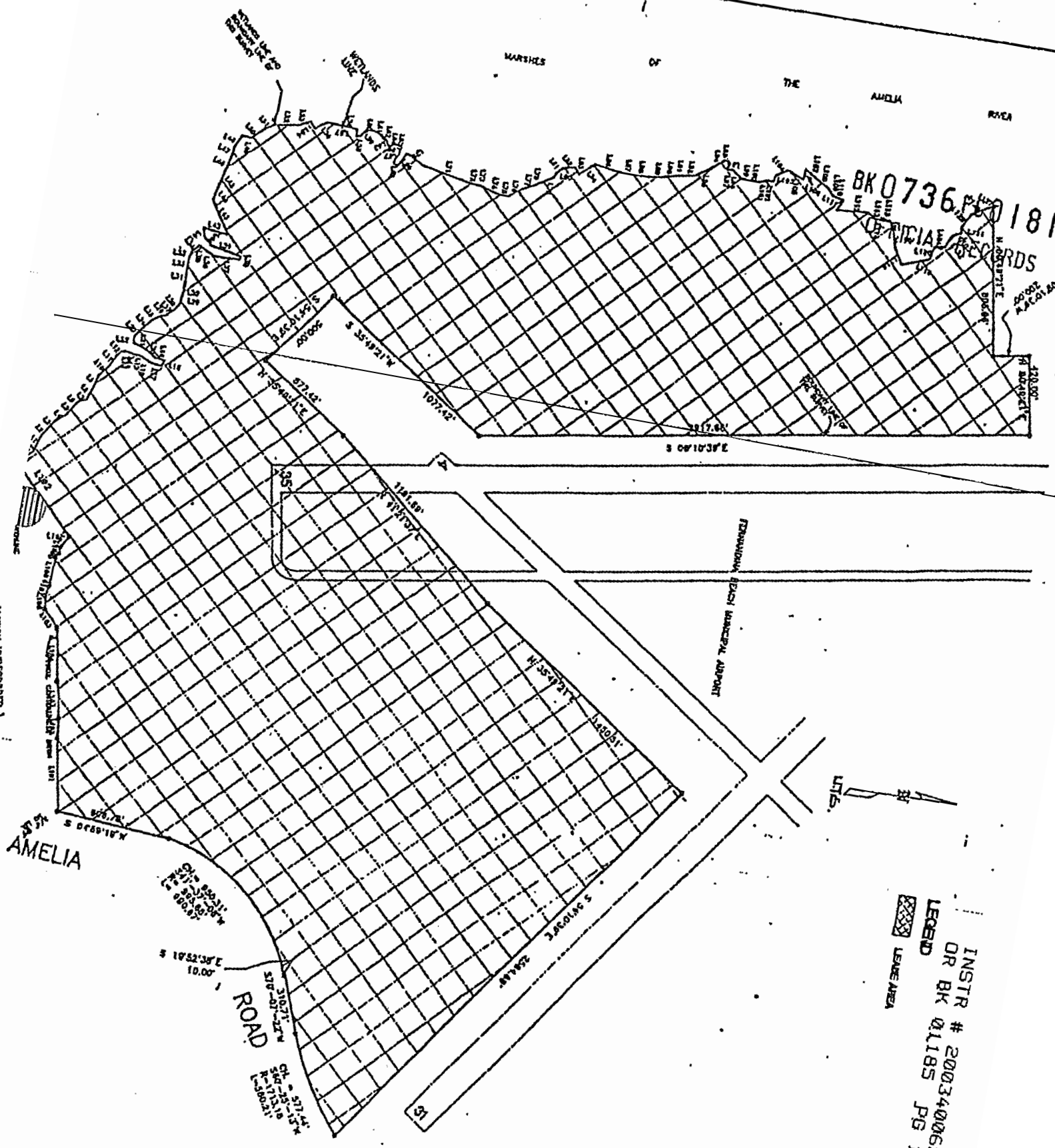
SHIRLEY J. LEGGIO
Notary Public-State of Florida
My Commission Expires JUN 3, 1999
COMM. # CC 465058


This document prepared by Anthony J. Leggio, Esquire, 303 Centre Street, Suite 102, Fernandina Beach, Florida 32034.

INSTR # 200340065
OR BK 01185 PG 1138

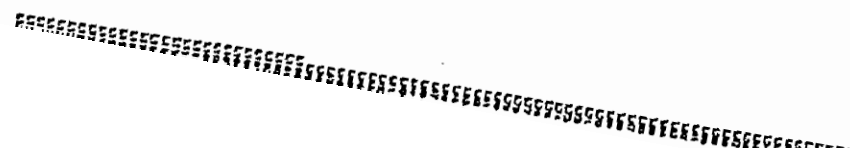
MARSHES OF THE AMELIA RIVER

BK 0736 181
OFFICIAL RECORDS



 LEASE AREA
 INSTR # 200340065
 OR BK 01185 PG 1139
 LEASD

(...on unrecorded)



AUG - 6 1996

ASSIGNMENT AND ASSUMPTION OF LEASEBK0767PG1058
OFFICIAL RECORDS

THIS ASSIGNMENT AND ASSUMPTION OF LEASE is dated as of July 1, 1996 by and between NASSAU SOUND LAND CO., INC., a Florida corporation ("Assignor"), and KINGSLEY CREEK DEVELOPMENT COMPANY, a Florida corporation ("Assignee").

Assignor has entered into that certain Lease dated as of July 1, 1995, as amended (the "Lease") with The City of Fernandina Beach, Florida ("Landlord"), for premises adjacent to the Fernandina Beach Municipal Airport, as more particularly described in the Lease (the "Leased Premises"). In consideration of the entry by the parties hereto into a Lease Acquisition Agreement dated January of 1996, as amended on even date herewith relating to the Lease, the Leased Premises and other assets to be acquired by Assignee (the "Acquisition Agreement") and other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Assignment. Assignor hereby assigns, transfers and sets over to Assignee all of Assignor's right, title and interest in, to and under the Lease and the Leased Premises.
2. Assumption. Assignee hereby assumes all of the obligations and duties of Assignor under the Lease and with respect to the Leased Premises.

INSTR # 200340065
OR BK 01185 PG 1140

IN
OR

96167 PG 1059
OFFICIAL RECORDS

3. Successors. This Agreement shall be binding upon and shall inure to the benefit of the heirs, successors and assigns, respectively, of Assignor and Assignee.

4. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Florida.

5. Acquisition Agreement. This Assignment shall be deemed to incorporate, and shall be subject to the terms and conditions of, the Acquisition Agreement.

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

ASSIGNOR:

NASSAU SOUND LAND CO., INC.

By: 

Attest: 

ASSIGNEE:

KINGSLEY CREEK DEVELOPMENT COMPANY

By: 

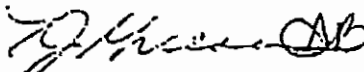
Attest: 



FILED & RECORDED IN PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA

9616475

96 AUG -6 AM 10:48


CLERK OF COURTS
NASSAU COUNTY, FLORIDA

JUN-25-98 16:34 FROM: JACOBS & PETERS PA.

ID: 5042617878

PAGE 1

RESOLUTION NO. 95-64

A RESOLUTION OF THE CITY COMMISSION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH TRANSFERRING DEVELOPMENT AND LEASE AGREEMENT WITH THE NASSAU SOUND LAND COMPANY TO THE KINGSLEY CREEK DEVELOPMENT COMPANY; PROVIDING FOR DEFERRAL OF RENT PAYMENT TIMETABLE; AND PROVIDING FOR TERMS.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA that:

- 1) The request of the Nassau Sound Land Company to transfer and assign the Development and Lease Agreement between the City and the Nassau Sound Land Company to the Kingsley Creek Development Company is approved.
- 2) The request of the Kingsley Creek Development Company for deferral of the timetable for the commencement of rent payments until March 1, 1999 or the completion of golf course construction (whichever occurs first) is approved in consideration of a one-time payment of \$21,600.
- 3) The Agreement be further amended to provide that the Kingsley Creek Development Company shall provide the City with a written quarterly progress report.
- 4) The City's acceptance of these terms is contingent upon a closing of not later than March 1, 1996. In the interim, rent payments by the Nassau Sound Land Company shall continue pursuant to the existing Agreement.

ADOPTED this 2nd day of January, 1996.

CITY OF FERNANDINA BEACH

Charles L. Albert, Jr.
CHARLES L. ALBERT, JR.
Mayor-Commissioner

ATTEST:

Vicki P. Cannon
VICKI P. CANNON
City Clerk

RESOLUTION NO. 96-20

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING RESOLUTION NO. 95-64 BY EXTENDING THE CLOSING DATE FOR THE LEASE TRANSFER BETWEEN NASSAU SOUND LAND CO. AND KINGSLEY CREEK DEVELOPMENT COMPANY.

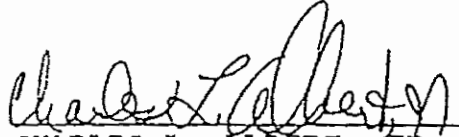
BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

Section One. That Paragraph 4 of Resolution No. 95-64 be amended to read as follows:


- 4) The City's acceptance of these terms is contingent upon a closing of not later than May 1, 1996. In the interim, rent payments shall be suspended during the period from March 1, 1996 through May 1, 1996.

ADOPTED this 20th day of February, 1996.

CITY OF FERNANDINA BEACH


CHARLES L. ALBERT, JR.
Mayor-Commissioner

ATTEST:


VICKI P. CANNON
City clerk

RESOLUTION NO. 96-44

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, AMENDING RESOLUTION NOS. 95-64 AND 96-20 BY EXTENDING THE CLOSING DATE FOR THE LEASE TRANSFER BETWEEN NASSAU SOUND LAND CO. AND KINGSLEY CREEK DEVELOPMENT COMPANY.

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

Section One. That Paragraph 4 of Resolution No. 95-64, and as amended by Resolution No. 96-20, be amended to read as follows:

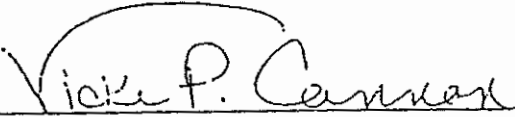
- 4) The City's acceptance of these terms is contingent upon a closing of not later than July 1, 1996. In the interim, rent payments shall be suspended during the period from March 1, 1996 through July 1, 1996.

ADOPTED this 16th day of April, 1996.

CITY OF FERNANDINA BEACH


CHARLES L. ALBERT, JR.
Mayor-Commissioner

ATTEST:


VICKI P. CANNON
City Clerk

RESOLUTION NO. 99-21

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH REQUESTING THE FEDERAL AVIATION ADMINISTRATION TO RELEASE CERTAIN LANDS AT THE FERNANDINA BEACH MUNICIPAL AIRPORT ON WHICH A GOLF COURSE IS BEING CONSTRUCTED AS THE PROPERTY NO LONGER SERVES ANY AVIATION PURPOSES.

WHEREAS, on the 7th day of July, 1994, the City of Fernandina Beach entered into a development and construction lease agreement with the Nassau Sound Land Company, and

WHEREAS, the City determined that the use of this property is no longer necessary for aeronautical purposes, and

WHEREAS, on the 3rd day of April, 1995, the agreement was amended, and

WHEREAS, on the 1st day of July, 1996, the lease was transferred to Kingsley Creek Development Company, and

WHEREAS, Kingsley Creek Development Company has begun construction on an 18 hole golf course on said property, and

WHEREAS, the National Bank of South Carolina is the lender for Kingsley Creek Development Company to construct said golf course, and

WHEREAS, the National bank of South Carolina, in order to finance the project, requires that the Federal Aviation Administration give the same or similar Release with Restrictions and Reservations as made between the United States of America and the City of Fernandina Beach on the 24th day of November, 1954, prior to completing the closing, and

WHEREAS, the attached legal description marked Exhibit "A" is the golf course property.

THEREFORE, be it resolved by the City Commission of the City of Fernandina Beach, Florida that:

- (1) The City of Fernandina Beach requests that the Federal Aviation Administration release or enter into an agreement with the City of Fernandina Beach that is the same or similar to the November 24, 1954 Release with Restrictions and Reservations recorded at Book 218 Page 148 of the Nassau County Public Records for those

INSTR # 200340065
OR BK 01185 PG 1145

certain lands leased by the Kingsley Creek Development Company for the construction of a golf course, more particularly described in the legal description attached hereto marked as Exhibit "A".

ADOPTED this 18th day of May, 1999.

CITY OF FERNANDINA BEACH

S/Ronald Sapp
RONALD SAPP
Mayor-Commissioner

ATTEST:

S/Vicki P. Cannon
VICKI P. CANNON
City Clerk

INSTR # 200340065
OR BK 01185 PG 1146

LANDLORD'S ESTOPPEL CERTIFICATE

April 14, 1999

LESSOR: City of Fernandina Beach, Florida

LESSEE: Kingsley Creek Development Company

LEASED PREMISES: 297.75 Acres, Amelia Road at Fernandina Beach
Airport, Fernandina Beach, Florida

DATE OF LEASE: July 7, 1999

The above-named Lessor acknowledges that it has been informed of the intention of the Lessee to mortgage its leasehold interest in the real property owned by Lessor to The National Bank of South Carolina, Sumter, South Carolina ("Lender") to provide construction and permanent financing for Royal Amelia Golf Course. In connection with that loan and pursuant to that certain Non-Disturbance and Attornment Agreement between Lessor, Lessee and Lender, Lender has required that Lessee obtain this Landlord's Estoppel Certificate from Lessor and Lender will make its loan to Lessee in reliance upon the representations contained herein. Lessor hereby Warrants and represents to Lender as follows:

1. That the copy attached hereto of the City of Fernandina Beach Golf Course Development and Lease Agreement dated July 7, 1994, as amended by a First Amendment thereto dated March 7, 1995, and that

certain Assignment and Assumption of Lease dated July 1, 1996, and recorded on August 6, 1996 in the Public Records of Nassau County, Florida in Book 767, p. 1058 (collectively, the "Lease") to which reference is hereinabove made is a true and complete copy of that Lease and any and all amendments thereto and that said Lease is in full force and effect.

2. That to the best of Lessor's knowledge and belief, there are not existing defaults with respect to such Lease upon the part of either Lessor or Lessee, nor are there in existence any facts or situations which would, upon the giving of notice, the passage of time, or otherwise constitute a default under such Lease except the issue of the contested real estate taxes for the years 1995, 1996, 1997 and 1998 which are currently being contested by Lessee in a lawsuit pending in The Circuit Court for Nassau County, Florida.

3. That there exists no security deposit under such Lease and that no other deposits have been paid by Lessee to Lessor under such Lease.

4. That rental payments by Lessee to Lessor have been made through April 30, 1999.

5. That the term of said Lease commenced on October 1, 1995 and the rental payments due Lessor by Lessee under said Lease commenced March 1, 1999.

6 4. That rental payments by Lessee to Lessor have been made through April 30, 1999.

5. That the term of said Lease commenced on October 1, 1995 and the rental payments due Lessor by Lessee under said Lease commenced March 1, 1999.

6. That Lessor has granted no other possessory interests in the real property which is the subject of said Lease except for easements recorded in the Public Records of Nassau County, Florida.

IN WITNESS WHEREOF Lessor has caused this instrument to be executed by its duly authorized City Manager the date first above written.

WITNESSES:

CITY OF FERNANDINA BEACH,
FLORIDA

Susan W. White
Karen J. Larr

Fred H. Hays
By: Fred H. Hays
Its: City Manager

APPROVED AS TO FORM:
Wesley R. Pool
CITY ATTORNEY

INSTR # 200340065
OR BK 01185 PG 1149

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

CERTIFICATION OF TRUE COPY
OF GROUND LEASE AND AMENDMENTS

IN RE: The National Bank of South Carolina \$4,860,000.00 loan to Kingsley Creek Development Company

The undersigned, Kingsley Creek Development Company by its duly authorized officer does hereby represent and warrant to The National Bank of South Carolina, its successors and assigns, that the copies of (1) the City of Fernandina Beach Golf Course Development and Lease Agreement dated July 7, 1994 as amended by (2) the First Amendment to the City of Fernandina Beach Golf Course License and Lease Agreement dated March 7, 1995 as evidenced by (3) the Memorandum of Development and Lease Agreement dated August 8, 1995 and recorded on August 9, 1995 in the Official Records of Nassau County, Florida in Book 736 at page 178 and with the Lessees rights thereunder being assigned from Nassau County Land Co., Inc. to Kingsley Creek Development Company by (4) an Assignment and Assumption of Lease dated as of July 1, 1996 and recorded in said Official Records on August 6, 1996 in Book 767 at page 1058, attached hereto and made a part hereof as Exhibit "A" are true, valid and accurate copies of said Lease Agreement, First Amendment, Memorandum and Assignment and that no other changes, modifications or amendments thereto have been made.

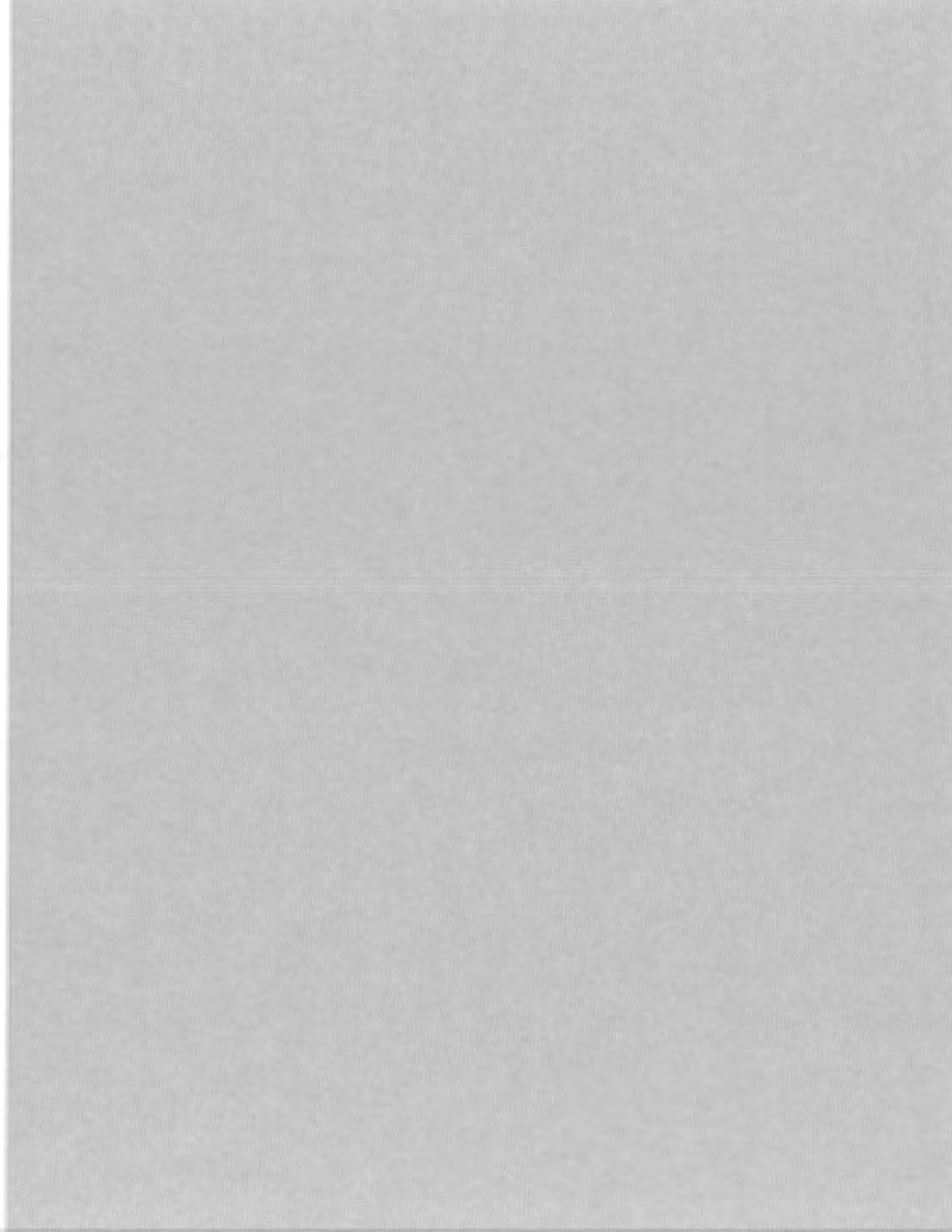
Dated at Columbia, South Carolina this _____ day of May, 1999.

WITNESSES:

KINGSLEY CREEK DEVELOPMENT
COMPANY

By: _____
Its: _____

INSTR # 200340065
DR BK 01185 PG 1150



COBS & ASSOCIATES, P.
Post Office Box 1110
Fernandina Beach, Florida 32035-1110
Prepared by and return to:

W. Christopher Rabil, Esq.
Foley & Lardner LLP
One Independent Drive
Suite 1300
Jacksonville, Florida 32202
073661/0296

INSTR # 200534900
OR BK 01352 PGS 0320-0329
RECORDED 09/23/2005 10:14:55 AM
JOHN A. CRAWFORD
CLERK OF CIRCUIT COURT
NASSAU COUNTY, FLORIDA
RECORDING FEES 86.50

(Reserved for Clerk)

MODIFICATION OF LEASE AGREEMENT

This **MODIFICATION OF LEASE AGREEMENT** (this "*Modification*") is made this 16th day of September, 2005 by and between **THE CITY OF FERNANDINA BEACH**, a body politic incorporated and existing under the laws of the State of Florida ("*City*") and **THE SUMMERTON INN, Inc.**, a South Carolina corporation ("*Lessee*").

WITNESSETH:

WHEREAS, Lessee is the tenant under that certain Golf Course Development and Lease Agreement dated July 7, 1994 between City and Nassau Sound Land Co., Inc, a Florida corporation, as amended by the First Amendment to Golf Course Development and Lease Agreement dated July 7, 1994, as evidenced by the Memorandum of Development and Lease Agreement recorded August 9, 1995, as assigned to Kingsley Creek Development Company, a Florida corporation, pursuant to that certain Assignment and Assumption of Lease dated as of July 1, 1996, and as subsequently assigned to Lessee pursuant to that certain Assignment and Assumption of Lease dated October 16, 2003 (as amended and assigned, the "*Lease*"), for the real property as described in the Lease (the "*Leased Premises*");

WHEREAS, Exhibit A-1 attached to the Lease contains a map depicting the Leased Premises but the written legal description of the Leased Premises was not attached. Section 1.01 of the Lease states that "The Leased Premises shall be more specifically described in a metes and bounds legal description to be furnished to City by Lessee in a form acceptable by City"; and

WHEREAS, City and Lessee wish to modify the Lease to confirm the metes and bounds legal description for the Leased Premises, as previously accepted by the City.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) paid by Lessee to City, the mutual promises contained herein and other good and valuable

consideration, the receipt and adequacy of which are hereby acknowledged, City and Lessee do hereby agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

2. Defined Terms. Terms in this Modification shall have the same meaning as such terms have in the Lease, unless otherwise noted in this Modification.

3. Legal Description. City and Lessee hereby agree that the legal description set forth on Exhibit A attached hereto is the legal description of the Leased Premises.

4. Full Force and Effect. The Lease shall remain in full force and effect to the extent it is not inconsistent herewith as if the terms of this Modification were included in the Lease at the time of its execution. This Modification shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns forever.

5. Ratification. In the event of any conflict or ambiguity between this Modification and the Lease, this Modification shall control. The parties hereby ratify and confirm their rights and obligations under the Lease as modified by this Modification.

6. Counterparts. This Modification may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, undersigned has executed this Modification as of the day and year first above written.

Signed, sealed and delivered in the presence of witnesses.

CITY

THE CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida

Debra A. Braga
DEBRA A. BRAGA
[Print or Type Name]

By: Ken Walker
KEN WALKER
[Print or Type Name]
Its MAYOR-COMMISSIONER

Robert T. Mearns
Robert T. Mearns
[Print or Type Name]

APPROVED AS TO FORM:

Debra A. Braga
CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 15th day of September, 2005, by Ken Walker the Mayor of The City of Fernandina Beach, a body politic incorporated and existing under the laws of the State of Florida, on behalf of the City. Such person did not take an oath and: (notary must check applicable box)

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced personally known as identification.

{Notary Seal must be affixed}

Kimberly S. Elliott
Signature of Notary

Name of Notary (Typed, Printed or Stamped) KIMBERLY S. ELLIOTT
 Notary Public, State of Florida
 My comm. expires Feb. 5, 2008
 Comm. No. DD 288038

Commission Number (if not legible on seal) [Seal]
 My Commission Expires (if not legible on seal): _____

IN WITNESS WHEREOF, undersigned has executed this Modification as of the day and year first above written.

Signed, sealed and delivered in the presence of witnesses.

LESSEE

THE SUMMERTON INN, ^{INC.} a South Carolina corporation

Kathryn S. Bourgon
Kathryn S. Bourgon
[Print or Type Name]

By: George Lindsay
GEORGE LINDSAY
[Print or Type Name]
Its Vice President

Cynthia M. Montgomery
Cynthia M. Montgomery
[Print or Type Name]

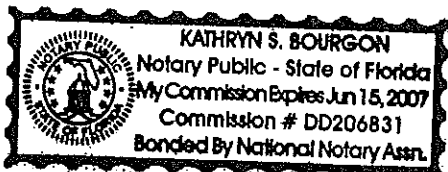
STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 16th day of September, 2005, by George Lindsay the V.P. of The Summerton Inn, a South Carolina corporation, on behalf of the corporation. Such person did not take an oath and: (notary must check applicable box)

- is/are personally known to me.
- produced a current S.C. driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}

Kathryn S. Bourgon
Signature of Notary
Kathryn S. Bourgon
Name of Notary (Typed, Printed or Stamped)



Commission Number (if not legible on seal): _____
My Commission Expires (if not legible on seal): _____

EXHIBIT "A"

A PORTION OF SECTION 6 AND 11, TOWNSHIP 2 NORTH, RANGE 28 EAST, NASSAU COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BK 0883 PG 1966

FOR A POINT OF REFERENCE COMMENCE AT AN IRON AT A POINT DETERMINED BY THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF AMELIA ROAD (A 60' RIGHT-OF-WAY) AND A LINE PARALLEL TO AND 282.60 FEET NORTHERLY FROM THE SOUTH LINE OF SAID SECTION 11; THENCE NORTH 04 DEGREES 59 MINUTES 19 SECONDS EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 66.52 FEET TO THE POINT OF BEGINNING;

- THENCE South 80 degrees 32 minutes 20 seconds West for a distance of 405.08 feet to a POINT;
- THENCE South 84 degrees 31 minutes 53 seconds West for a distance of 111.71 feet to a POINT;
- THENCE South 78 degrees 13 minutes 38 seconds West for a distance of 189.90 feet to a POINT;
- THENCE South 80 degrees 17 minutes 40 seconds West for a distance of 288.04 feet to a POINT;
- THENCE South 47 degrees 27 minutes 17 seconds West for a distance of 119.92 feet to a POINT;
- THENCE South 80 degrees 39 minutes 06 seconds West for a distance of 69.51 feet to a POINT;
- THENCE North 74 degrees 11 minutes 00 seconds West for a distance of 56.81 feet to a POINT;
- THENCE North 86 degrees 50 minutes 41 seconds West for a distance of 153.91 feet to a POINT;
- THENCE North 62 degrees 50 minutes 47 seconds West for a distance of 30.17 feet to a POINT;
- THENCE North 86 degrees 19 minutes 57 seconds West for a distance of 37.24 feet to a POINT;
- THENCE North 60 degrees 25 minutes 55 seconds West for a distance of 71.77 feet to a POINT;
- THENCE South 46 degrees 37 minutes 10 seconds West for a distance of 496.52 feet to a POINT;
- THENCE North 37 degrees 17 minutes 12 seconds West for a distance of 29.76 feet to a POINT;
- THENCE North 38 degrees 53 minutes 54 seconds West for a distance of 79.37 feet to a POINT;
- THENCE North 74 degrees 31 minutes 52 seconds West for a distance of 91.42 feet to a POINT;
- THENCE North 58 degrees 05 minutes 12 seconds West for a distance of 55.84 feet to a POINT;
- THENCE North 59 degrees 03 minutes 31 seconds West for a distance of 54.12 feet to a POINT;
- THENCE North 41 degrees 40 minutes 08 seconds West for a distance of 67.95 feet to a POINT;
- THENCE North 59 degrees 44 minutes 45 seconds West for a distance of 64.73 feet to a POINT;
- THENCE North 58 degrees 16 minutes 31 seconds West for a distance of 34.42 feet to a POINT;
- THENCE North 24 degrees 31 minutes 18 seconds West for a distance of 46.88 feet to a POINT;
- THENCE North 72 degrees 25 minutes 04 seconds West for a distance of 82.55 feet to a POINT;
- THENCE North 76 degrees 36 minutes 34 seconds West for a distance of 59.36 feet to a POINT;
- THENCE North 53 degrees 02 minutes 57 seconds West for a distance of 86.56 feet to a POINT;

THENCE North 68 degrees 05 minutes 28 seconds West for a distance of 56.66 feet to a POINT;
THENCE North 47 degrees 53 minutes 05 seconds West for a distance of 42.05 feet to a POINT;
THENCE North 15 degrees 24 minutes 24 seconds West for a distance of 20.71 feet to a POINT;
THENCE North 13 degrees 26 minutes 41 seconds East for a distance of 39.84 feet to a POINT;
THENCE North 07 degrees 00 minutes 30 seconds East for a distance of 47.64 feet to a POINT;
THENCE North 25 degrees 36 minutes 14 seconds East for a distance of 57.56 feet to a POINT;
THENCE North 09 degrees 11 minutes 43 seconds East for a distance of 63.93 feet to a POINT;
THENCE North 69 degrees 16 minutes 47 seconds West for a distance of 34.22 feet to a POINT;
THENCE South 07 degrees 08 minutes 23 seconds West for a distance of 52.49 feet to a POINT;
THENCE South 35 degrees 19 minutes 56 seconds West for a distance of 68.98 feet to a POINT;
THENCE South 19 degrees 00 minutes 04 seconds West for a distance of 77.66 feet to a POINT;
THENCE South 76 degrees 03 minutes 50 seconds West for a distance of 25.19 feet to a POINT;
THENCE North 59 degrees 06 minutes 38 seconds West for a distance of 58.96 feet to a POINT;
THENCE North 48 degrees 19 minutes 50 seconds West for a distance of 73.78 feet to a POINT;
THENCE North 40 degrees 45 minutes 08 seconds West for a distance of 57.05 feet to a POINT;
THENCE North 21 degrees 08 minutes 21 seconds West for a distance of 33.90 feet to a POINT;
THENCE North 45 degrees 19 minutes 41 seconds West for a distance of 57.45 feet to a POINT;
THENCE North 58 degrees 00 minutes 34 seconds West for a distance of 43.25 feet to a POINT;
THENCE North 85 degrees 18 minutes 41 seconds West for a distance of 46.09 feet to a POINT;
THENCE North 85 degrees 34 minutes 42 seconds West for a distance of 51.07 feet to a POINT;
THENCE South 86 degrees 40 minutes 41 seconds West for a distance of 74.27 feet to a POINT;
THENCE South 89 degrees 37 minutes 09 seconds West for a distance of 69.85 feet to a POINT;
THENCE North 74 degrees 18 minutes 04 seconds West for a distance of 41.17 feet to a POINT;
THENCE North 45 degrees 22 minutes 07 seconds West for a distance of 49.39 feet to a POINT;

BK 0883 Pg 1967
OFFICIAL RECORDS

THENCE North 16 degrees 27 minutes 06 seconds East for a
 distance of 23.56 feet to a POINT;
 THENCE North 28 degrees 43 minutes 56 seconds East for a
 distance of 76.45 feet to a POINT;
 THENCE North 01 degrees 11 minutes 02 seconds West for a
 distance of 132.54 feet to a POINT;
 THENCE North 73 degrees 03 minutes 13 seconds West for a
 distance of 19.46 feet to a POINT;
 THENCE South 10 degrees 49 minutes 08 seconds West for a
 distance of 168.20 feet to a POINT;
 THENCE South 41 degrees 26 minutes 40 seconds West for a
 distance of 61.11 feet to a POINT;
 THENCE South 73 degrees 38 minutes 46 seconds West for a
 distance of 48.43 feet to a POINT;
 THENCE North 07 degrees 28 minutes 36 seconds East for a
 distance of 133.40 feet to a POINT;
 THENCE South 57 degrees 53 minutes 47 seconds West for a
 distance of 201.41 feet to a POINT;
 THENCE North 77 degrees 11 minutes 26 seconds West for a
 distance of 89.46 feet to a POINT;
 THENCE North 77 degrees 38 minutes 25 seconds West for a
 distance of 78.36 feet to a POINT;
 THENCE North 77 degrees 28 minutes 11 seconds West for a
 distance of 88.20 feet to a POINT;
 THENCE North 82 degrees 40 minutes 35 seconds West for a
 distance of 58.28 feet to a POINT;
 THENCE North 65 degrees 53 minutes 16 seconds West for a
 distance of 74.45 feet to a POINT;
 THENCE North 07 degrees 53 minutes 18 seconds East for a
 distance of 48.92 feet to a POINT;
 THENCE North 45 degrees 06 minutes 22 seconds West for a
 distance of 76.84 feet to a POINT;
 THENCE North 34 degrees 19 minutes 43 seconds West for a
 distance of 58.09 feet to a POINT;
 THENCE North 08 degrees 59 minutes 43 seconds West for a
 distance of 140.94 feet to a POINT;
 THENCE North 28 degrees 38 minutes 09 seconds West for a
 distance of 60.39 feet to a POINT;
 THENCE North 49 degrees 24 minutes 00 seconds East for a
 distance of 44.24 feet to a POINT;
 THENCE North 34 degrees 39 minutes 09 seconds West for a
 distance of 77.27 feet to a POINT;
 THENCE North 04 degrees 38 minutes 48 seconds East for a
 distance of 155.62 feet to a POINT;
 THENCE North 88 degrees 42 minutes 06 seconds East for a
 distance of 38.47 feet to a POINT;
 THENCE North 21 degrees 11 minutes 36 seconds West for a
 distance of 31.48 feet to a POINT;
 THENCE North 57 degrees 11 minutes 10 seconds West for a
 distance of 28.23 feet to a POINT;
 THENCE North 15 degrees 28 minutes 23 seconds West for a
 distance of 40.85 feet to a POINT;
 THENCE North 20 degrees 47 minutes 25 seconds East for a
 distance of 57.61 feet to a POINT;
 THENCE North 42 degrees 09 minutes 52 seconds East for a
 distance of 39.72 feet to a POINT;
 THENCE North 74 degrees 11 minutes 06 seconds East for a
 distance of 27.40 feet to a POINT;

BK 0883 Pg 1968
 ORIGINAL RECORDS

THENCE North 24 degrees 45 minutes 39 seconds West for a
 distance of 41.69 feet to a POINT;
 THENCE North 15 degrees 09 minutes 15 seconds East for a
 distance of 35.82 feet to a POINT;
 THENCE South 83 degrees 34 minutes 37 seconds East for a
 distance of 40.20 feet to a POINT;
 THENCE South 81 degrees 30 minutes 06 seconds East for a
 distance of 54.61 feet to a POINT;
 THENCE North 39 degrees 10 minutes 50 seconds East for
 distance of 33.95 feet to a POINT;
 THENCE North 64 degrees 06 minutes 07 seconds West for
 distance of 87.76 feet to a POINT;
 THENCE North 30 degrees 12 minutes 56 seconds East for
 distance of 101.06 feet to a POINT;
 THENCE North 12 degrees 05 minutes 56 seconds East for
 distance of 259.44 feet to a POINT;
 THENCE North 06 degrees 29 minutes 17 seconds East for a
 distance of 50.22 feet to a POINT;
 THENCE North 09 degrees 05 minutes 48 seconds East for a
 distance of 33.60 feet to a POINT;
 THENCE North 18 degrees 43 minutes 48 seconds East for a
 distance of 98.59 feet to a POINT;
 THENCE North 01 degrees 02 minutes 43 seconds West for a
 distance of 44.28 feet to a POINT;
 THENCE North 38 degrees 40 minutes 36 seconds West for a
 distance of 80.72 feet to a POINT;
 THENCE North 27 degrees 56 minutes 13 seconds West for a
 distance of 76.22 feet to a POINT;
 THENCE North 31 degrees 55 minutes 01 seconds West for a
 distance of 44.28 feet to a POINT;
 THENCE North 29 degrees 25 minutes 25 seconds West for a
 distance of 64.62 feet to a POINT;
 THENCE North 76 degrees 05 minutes 59 seconds West for a
 distance of 25.31 feet to a POINT;
 THENCE North 47 degrees 06 minutes 58 seconds West for a
 distance of 44.99 feet to a POINT;
 THENCE North 12 degrees 18 minutes 35 seconds West for a
 distance of 66.40 feet to a POINT;
 THENCE North 55 degrees 13 minutes 20 seconds East for a
 distance of 43.24 feet to a POINT;
 THENCE North 43 degrees 43 minutes 22 seconds West for a
 distance of 104.11 feet to a POINT;
 THENCE North 10 degrees 19 minutes 42 seconds East for a
 distance of 147.43 feet to a POINT;
 THENCE North 02 degrees 17 minutes 22 seconds East for a
 distance of 62.31 feet to a POINT;
 THENCE North 01 degrees 24 minutes 37 seconds West for a
 distance of 75.68 feet to a POINT;
 THENCE North 08 degrees 49 minutes 01 seconds West for a
 distance of 76.54 feet to a POINT;
 THENCE North 13 degrees 18 minutes 19 seconds West for a
 distance of 60.52 feet to a POINT;

BK0883PG1969
 OFFICIAL RECORDS

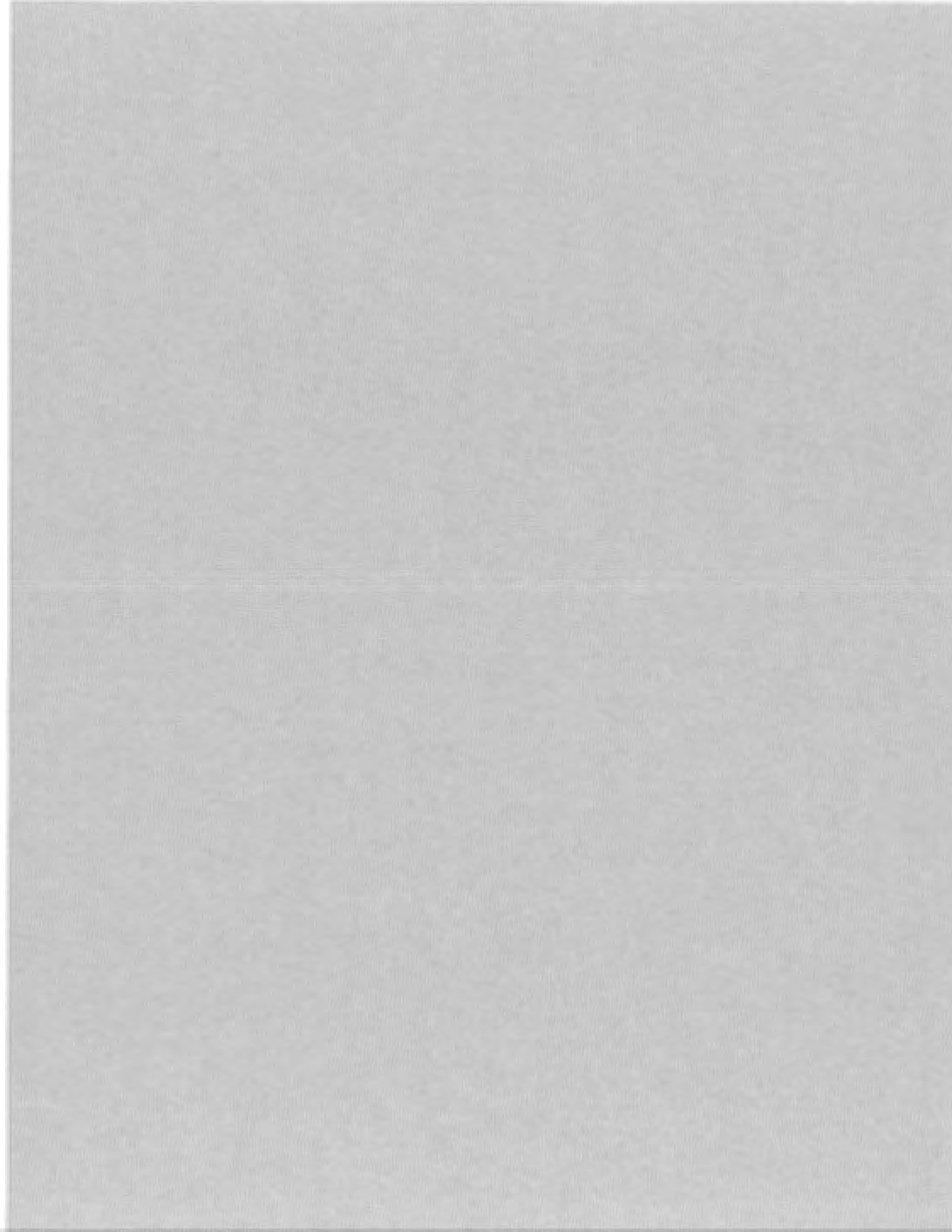
THENCE North 11 degrees 53 minutes 11 seconds West for a
 distance of 58.36 feet to a POINT; BX 0883761970
 THENCE North 07 degrees 54 minutes 09 seconds West for a
 distance of 60.02 feet to a POINT; OFFICIAL RECORDS
 THENCE North 33 degrees 55 minutes 19 seconds West for a
 distance of 85.15 feet to a POINT;
 THENCE North 38 degrees 01 minutes 52 seconds West for a
 distance of 84.32 feet to a POINT;
 THENCE North 06 degrees 33 minutes 23 seconds West for a
 distance of 25.86 feet to a POINT;
 THENCE South 89 degrees 23 minutes 05 seconds East for a
 distance of 47.03 feet to a POINT;
 THENCE North 05 degrees 27 minutes 22 seconds West for a
 distance of 31.69 feet to a POINT;
 THENCE North 38 degrees 37 minutes 54 seconds East for a
 distance of 59.25 feet to a POINT;
 THENCE North 07 degrees 24 minutes 35 seconds East for a
 distance of 49.08 feet to a POINT;
 THENCE North 01 degrees 01 minutes 30 seconds East for a
 distance of 48.90 feet to a POINT;
 THENCE North 17 degrees 44 minutes 19 seconds West for a
 distance of 47.59 feet to a POINT;
 THENCE North 01 degrees 26 minutes 23 seconds West for a
 distance of 35.00 feet to a POINT;
 THENCE North 75 degrees 01 minutes 38 seconds West for a
 distance of 35.68 feet to a POINT;
 THENCE North 32 degrees 09 minutes 12 seconds West for a
 distance of 71.17 feet to a POINT;
 THENCE North 25 degrees 21 minutes 53 seconds East for a
 distance of 92.79 feet to a POINT;
 THENCE North 85 degrees 21 minutes 55 seconds West for a
 distance of 57.70 feet to a POINT;
 THENCE North 33 degrees 01 minutes 43 seconds East for a
 distance of 58.66 feet to a POINT;
 THENCE North 32 degrees 40 minutes 06 seconds East for a
 distance of 89.38 feet to a POINT;
 THENCE North 49 degrees 55 minutes 44 seconds East for a
 distance of 43.24 feet to a POINT;
 THENCE North 14 degrees 27 minutes 23 seconds East for a
 distance of 63.66 feet to a POINT;
 THENCE South 64 degrees 25 minutes 11 seconds East for a
 distance of 65.70 feet to a POINT;
 THENCE North 05 degrees 39 minutes 21 seconds West for a
 distance of 171.64 feet to a POINT;
 THENCE North 39 degrees 34 minutes 25 seconds East for a
 distance of 51.91 feet to a POINT;
 THENCE North 06 degrees 24 minutes 29 seconds West for a
 distance of 42.13 feet to a POINT;
 THENCE North 00 degrees 23 minutes 44 seconds West for a
 distance of 37.70 feet to a POINT;
 THENCE North 65 degrees 40 minutes 08 seconds East for a
 distance of 68.35 feet to a POINT;

THENCE North 73 degrees 46 minutes 23 seconds East for a
 distance of 77.82 feet to a POINT;
 THENCE North 61 degrees 45 minutes 54 seconds East for a
 distance of 102.77 feet to a POINT;
 THENCE North 21 degrees 08 minutes 09 seconds West for a
 distance of 150.84 feet to a POINT;
 THENCE North 79 degrees 48 minutes 26 seconds West for a
 distance of 66.15 feet to a POINT;
 THENCE North 11 degrees 41 minutes 37 seconds West for a
 distance of 62.79 feet to a POINT;
 THENCE North 67 degrees 51 minutes 06 seconds West for a
 distance of 67.91 feet to a POINT;
 THENCE North 31 degrees 34 minutes 11 seconds West for a
 distance of 45.24 feet to a POINT;
 THENCE South 75 degrees 08 minutes 51 seconds West for a
 distance of 26.54 feet to a POINT;
 THENCE North 62 degrees 58 minutes 37 seconds West for a
 distance of 91.76 feet to a POINT;
 THENCE North 31 degrees 45 minutes 02 seconds West for a
 distance of 86.87 feet to a POINT;
 THENCE North 20 degrees 28 minutes 29 seconds West for a
 distance of 45.03 feet to a POINT;
 THENCE North 80 degrees 49 minutes 21 seconds East for a
 distance of 808.66 feet to a POINT;
 THENCE North 09 degrees 10 minutes 39 seconds West for a
 distance of 200.00 feet to a POINT;
 THENCE North 80 degrees 49 minutes 21 seconds East for a
 distance of 420.00 feet to a POINT;
 THENCE South 09 degrees 10 minutes 39 seconds East for a
 distance of 2917.68 feet to a POINT;
 THENCE South 35 degrees 49 minutes 21 seconds West for a
 distance of 1077.42 feet to a POINT;
 THENCE South 54 degrees 10 minutes 39 seconds East for a
 distance of 500.00 feet to a POINT;
 THENCE North 35 degrees 49 minutes 21 seconds East for a
 distance of 577.42 feet to a POINT;
 THENCE North 41 degrees 21 minutes 37 seconds East for a
 distance of 1191.69 feet to a POINT;
 THENCE North 35 degrees 49 minutes 21 seconds East for a
 distance of 1450.51 feet to a POINT;
 THENCE South 54 degrees 10 minutes 39 seconds East for a
 distance of 2584.68 feet TO A POINT ON THE WESTERLY RIGHT-OF-WAY
 LINE OF AMELIA ROAD AFOREMENTIONED;
 THENCE along a curve to the right having a radius of 1713.18
 feet and an arc length of 580.21 feet, being subtended by a chord
 of South 60 degrees 25 minutes 13 seconds West for a distance of
 577.44 feet to a POINT;
 THENCE South 70 degrees 07 minutes 28 seconds West for a
 distance of 310.71 feet TO A POINT;
 THENCE South 19 degrees 52 minutes 38 seconds East for a
 distance of 10.00 feet to a POINT;
 THENCE along a curve to the left having a radius of 995.68
 feet and an arc length of 990.67 feet, being subtended by a chord
 of South 41 degrees 37 minutes 08 seconds West for a distance of
 950.31 feet to a POINT;
 THENCE South 04 degrees 59 minutes 19 seconds West for a
 distance of 608.78 feet TO THE POINT OF BEGINNING.

BK 0883 PG 197
 OFFICIAL RECORDS

8978005

28 MAY 20 12 51 PM '05



MODIFICATION OF LEASE AGREEMENT

^{18th} This MODIFICATION OF LEASE AGREEMENT (this "Modification") is made this
day of May, 2009 by and between THE CITY OF FERNANDINA BEACH, a body
politely incorporated and existing under the laws of the State of Florida ("City") and the AMELIA
ISLAND COMPANY, a Delaware corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessee is the tenant under that certain Golf Course Development and Lease Agreement dated July 7, 1994 between City and Nassau Sound Land Co., Inc, a Florida corporation, as amended by the First Amendment to Golf Course Development and Lease Agreement dated July 7, 1994, as evidenced by the Memorandum of Development and Lease Agreement recorded August 9, 1995, as assigned to Kingsley Creek Development Company, a Florida corporation, pursuant to that certain Assignment and Assumption of Lease dated as of July 1, 1996, and as subsequently assigned to The Sumnerston Inn, Inc, pursuant to that certain Assignment and Assumption of Lease dated October 16, 2003, and as subsequently assigned to Amelia Island Company, a Delaware corporation, pursuant to that certain Assignment and Assumption of Lease dated September 16, 2005 (as amended and assigned, the "Lease"), for the real property as described in the Lease (the "Leased Premises");

WHEREAS, subsection 1.07(b) of the lease agreement prohibits any additional mortgage or lien against the leasehold improvements, fixtures or equipment, except for the initial mortgages obtained for construction and/or acquisition;

WHEREAS, Amelia Island Company, as lessee, and the City, as lessor, agree to a modification of the lease agreement to allow Amelia Island Company to reorganize its debt on the leasehold improvements at Royal Amelia and secure a loan that provides for a mortgage/lien against the leasehold interest and all leasehold improvements of the lessee, Amelia Island Company; and

WHEREAS, City and Lessee wish to modify subsection 1.07 (b) of the Lease Agreement to allow the Lessee to obtain a loan and provide for an additional mortgage/lien against the leasehold interest and all leasehold improvements.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) paid by Lessee to City, the mutual promises contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, City and Lessee do hereby agree as follows:

1. Recitals. The foregoing recitals are true and correct and are fully incorporated herein by this reference.

2. Defined Terms. Terms in this Modification shall have the same meaning as such terms have in the Lease, unless otherwise noted in this Modification.

3. Modification. Notwithstanding any provision of the Lease to the contrary, City and Lessee hereby agree that subsection 1.07(h) of the Lease Agreement shall be amended specifically to allow for an additional mortgage/lien against the leasehold interest and all leasehold improvements of Lessee in favor of the mortgagee(s), Redquartz Antella, LLC, a Florida limited liability company and/or Redquartz Atlanta, LLC, a Florida limited liability company.


4. Full Force and Effect. The Lease shall remain in full force and effect to the extent it is not inconsistent herewith as if the terms of this Modification were included in the Lease at the time of its execution. This Modification shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns forever.

5. Ratification. In the event of any conflict or ambiguity between this Modification and the Lease, this Modification shall control. The parties hereby ratify and confirm their rights and obligations under the Lease as modified by this Modification.


6. Counterparts. This Modification may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.



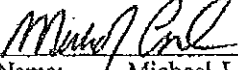
(Print or Type Name)



Nicola Bodnar
(Print or Type Name)

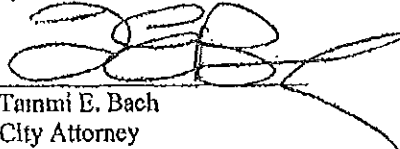
CITY:

CITY OF FERNANDINA BEACH, a body
body politic incorporated and existing
under the laws of the State of Florida.

By: 

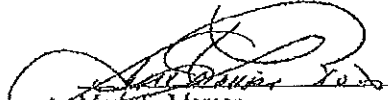
Print Name: Michael J. Czymbor
Title: City Manager

Approved As To Form:



Tammi E. Bach
City Attorney

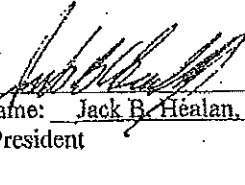
ATTEST:



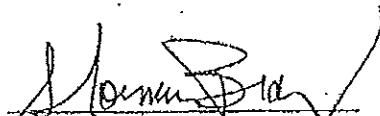
Mary L. Mercer
City Clerk

LESSEE:

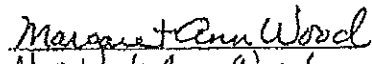
Amelia Island Company, a Delaware
Corporation

By: 

Print Name: Jack B. Healan, Jr.
Title: President



S. Norman Bray
(Print or Type Name)



Marahet Ann Wood
(Print or Type Name)

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 16th day of May, 2009, by Michael J. Czymbor, the City Manager of the City of Fernandina Beach, a body politic incorporated and existing under the laws of the State of Florida, on behalf of the City. Such person did not take an oath and: *(notary must check applicable box)*

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification

Notary Seal must be affixed

Kimberly S. Elliott
Signature of Notary



KIMBERLY S. ELLIOTT
Notary Public, State of Florida
My Comm. Expires Jan 2012
Commission No. DD 747600

Commission Number (if not legible on seal): _____

My Commission Expires (if not legible on seal): _____

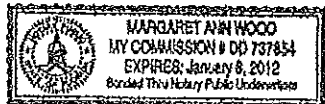
STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 18th day of May, 2009, by Jack B. Healan, the President of Amelia Island Company, a Delaware corporation, on behalf of the corporation. Such person did not take an oath and: *(notary must check applicable box)*

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification

Notary Seal must be affixed

Margaret Ann Wood
Signature of Notary

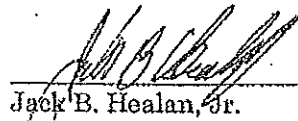


Margaret Ann Wood
Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): DD737854

My Commission Expires (if not legible on seal): 1-8-12

Dated: May 18, 2009.



Jack B. Healan, Jr.

Sworn to and subscribed before me this 18th day
of May, 2009, by Jack B. Healan, Jr., who is:

- personally known to me;
- produced a current _____ driver's license as identity;
- produced a _____ as identification.

Margaret Ann Wood

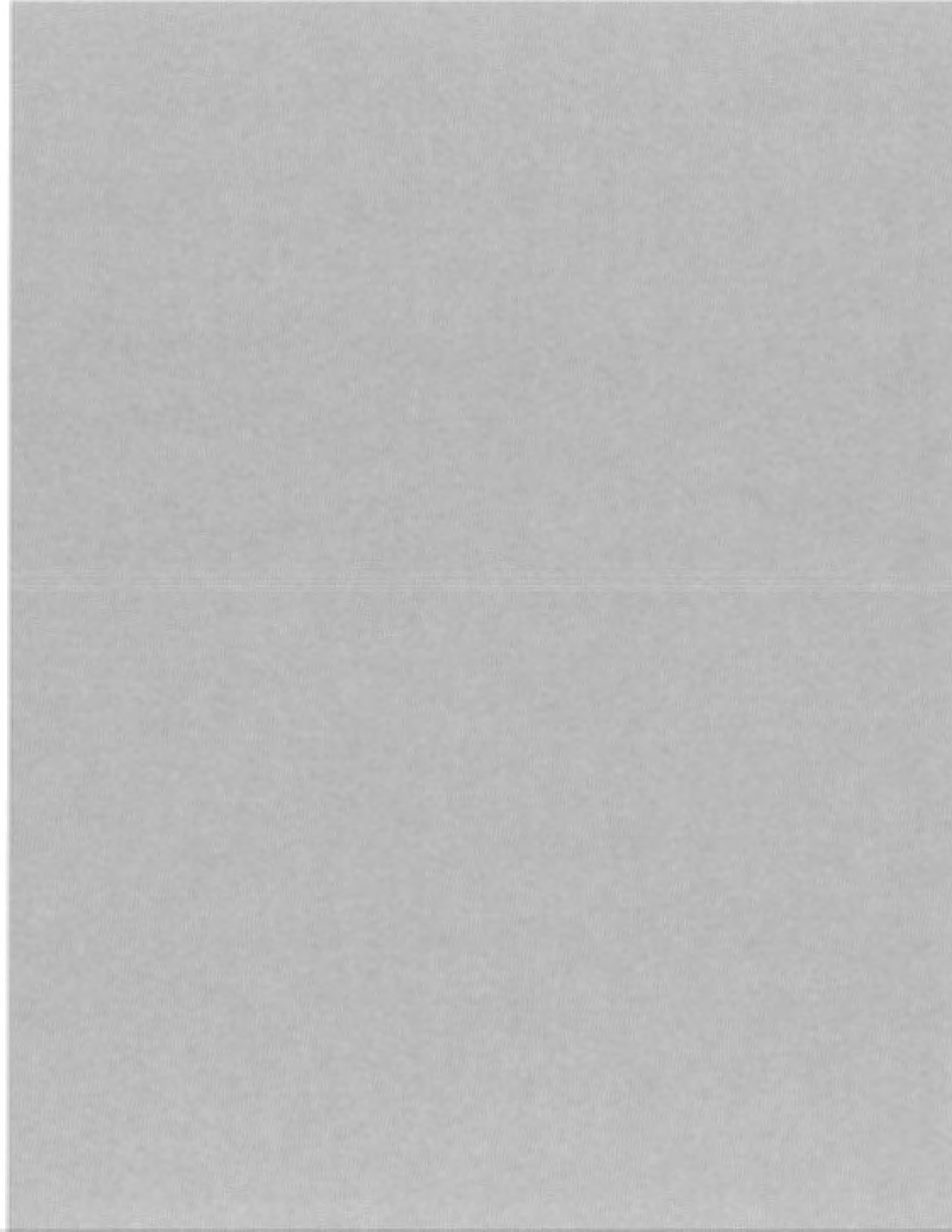
Signature of Notary
Margaret Ann Wood

Name of Notary (Typed, Printed or Stamped)
Commission Number: DD787854

My Commission Expires: 1-8-12

(Notary Seal)





**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION**

In re)	
AMELIA ISLAND COMPANY, ¹)	Case No. 09-bk-9601
a Delaware corporation,)	
Debtor.)	Chapter 11
<hr/>)	

**ORDER GRANTING MOTION TO ASSUME AND
ASSIGN UNEXPIRED LEASE OF NONRESIDENTIAL
REAL PROPERTY WITH THE CITY OF FERNANDINA
BEACH, FLORIDA (AMELIA RIVER GOLF COURSE LEASE)**

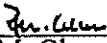
This Chapter 11 case is before the Court upon the motion of the debtor, Amelia Island Company (“AIC”), seeking authority to assume its Lease Agreement (as defined in the motion) with the City of Fernandina Beach, Florida (the “City”) and to assign the Lease Agreement to National Bank of South Carolina, or its designee, Summerton Inn, Inc. (“Summerton”), effective July 1, 2010. Upon the evidence presented, the Court finds that (i) assuming the Lease Agreement is an appropriate exercise of AIC’s business judgment and is in the best interests of the estate, (ii) that Summerton has agreed to cure all defaults under the Lease Agreement, and (iii) that Summerton has provided adequate assurance of future performance under the Lease Agreement. Accordingly, it is ORDERED:

1. The motion is granted.
2. The Lease Agreement is deemed assumed.

¹ The tax identification number of the Debtor is 57-0527665. The address of the principal office of the Debtor is 6800 First Coast Highway-South, Amelia Island, Florida 32034, Post Office Box 3000, Amelia Island, Florida 32035-1000.

3. Assignment of the Lease Agreement to Summerton is approved effective as of July 1, 2010.

DATED this 10 day of July 2010, in Jacksonville, Florida.



Paul M. Glenn
Chief United States Bankruptcy Judge

Copies furnished to:

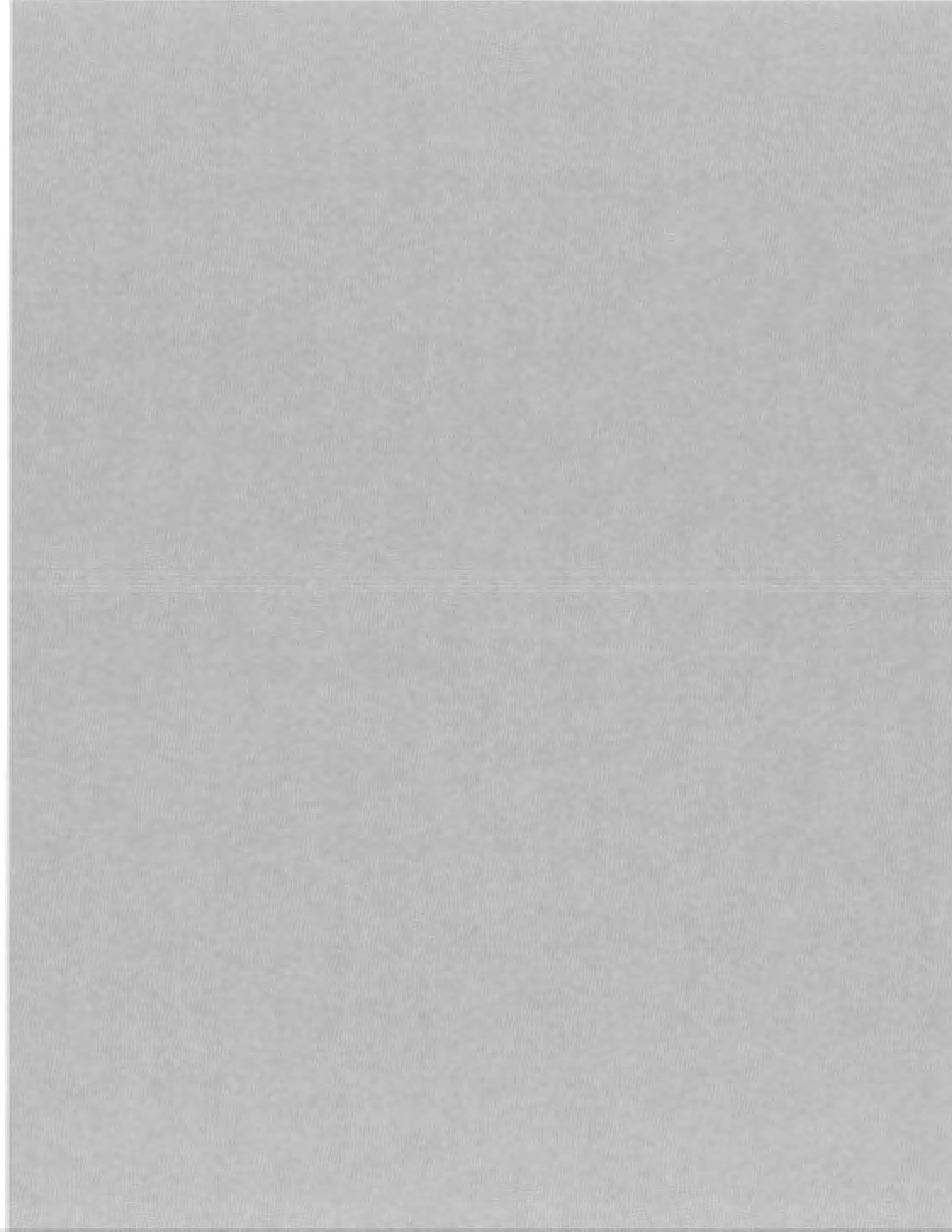
Office of the United States Trustee
135 W. Central Boulevard
Room 602
Orlando, Florida 32801

Richard R. Thames, Esq.
Stutsman Thames & Markey, P.A.
50 N. Laura Street, Suite 1600
Jacksonville, Florida 32202

City of Fernandina Beach
Attn: City Attorney
Post Office Box 668
Fernandina Beach, Florida 32034

Rule 1007(d) List of Creditors
and Parties in Interest

79261



16
PL

IN THE CIRCUIT COURT, FOURTH
JUDICIAL CIRCUIT, IN AND FOR
NASSAU COUNTY, FLORIDA

CASE NO.: 10-CA-443
DIVISION: A

THE NATIONAL BANK OF SOUTH
CAROLINA, N.A., a national banking
association,

Plaintiff,

v.

AMELIA ISLAND COMPANY, a Delaware
corporation,

Defendant.

JOHN A. CRAWFORD
CLERK OF THE CIRCUIT COURT
NASSAU COUNTY, FL
FPO SE

001806

aw

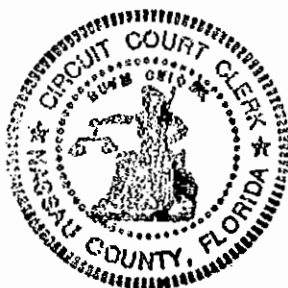
CERTIFICATE OF TITLE

The undersigned Clerk of the Court certifies that she executed and filed a Certificate of Sale in this action on October 1, 2010, for the Property described herein and that no objections to the sale have been filed within the time allowed for filing objections. A leasehold interest in real property located in Nassau County, Florida, as more particularly described in **Exhibit A** attached hereto, and absolute title and leasehold interest in certain personal property, as more particularly described in **Exhibit B** attached hereto (collectively referred to herein as, the "Property"), was sold to the Plaintiff, THE NATIONAL BANK OF SOUTH CAROLINA, N.A., a national banking association, whose address for noticing purposes is The National Bank of South Carolina, N.A. c/o Synovus Bank, 1111 Bay Street, Suite 400, Columbus, GA 31901.

WITNESS my hand and the seal of the court on this 12 day of October, 2010.

JOHN A. CRAWFORD
Clerk of the Circuit Court

By: *Andrew*
Deputy Clerk



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent this

12 day of October, 2010, by U.S. Mail to:

Andrew M. Sodi, Esq.
Akerman Senterfitt
50 North Laura Street, Suite 2500
Jacksonville, FL 32202

Richard R. Thames, Esq.
Stutsman Thames & Markey, P.A.
50 North Laura Street, Suite 1600
Jacksonville, FL 32202



Clerk of Court

**Exhibit A
(Leasehold Land)**

A PORTION OF SECTION 6 AND 11, TOWNSHIP 2 NORTH, RANGE 28 EAST, NASSAU COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT AN IRON AT A POINT DETERMINED BY THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF AMELIA ROAD (A 60' RIGHT-OF-WAY) AND A LINE PARALLEL TO AND 282.60 FEET NORTHERLY FROM THE SOUTH LINE OF SAID SECTION 11;

THENCE NORTH 04 DEGREES 59 MINUTES 19 SECONDS EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 66.52 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 80 DEGREES 32 MINUTES 20 SECONDS WEST FOR A DISTANCE OF 405.08 FEET TO A POINT; THENCE SOUTH 84 DEGREES 31 MINUTES 53 SECONDS WEST FOR A DISTANCE OF 111.71 FEET TO A POINT; THENCE SOUTH 78 DEGREES 13 MINUTES 38 SECONDS WEST FOR A DISTANCE OF 189.90 FEET TO A POINT; THENCE SOUTH 80 DEGREES 17 MINUTES 40 SECONDS WEST FOR A DISTANCE OF 288.04 FEET TO A POINT; THENCE SOUTH 47 DEGREES 27 MINUTES 17 SECONDS WEST FOR A DISTANCE OF 119.92 FEET TO A POINT; THENCE SOUTH 80 DEGREES 39 MINUTES 06 SECONDS WEST FOR A DISTANCE OF 69.51 FEET TO A POINT; THENCE NORTH 74 DEGREES 11 MINUTES 00 SECONDS WEST FOR A DISTANCE OF 56.81 FEET TO A POINT; THENCE NORTH 86 DEGREES 50 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 153.91 FEET TO A POINT; THENCE NORTH 62 DEGREES 50 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 30.17 FEET TO A POINT; THENCE NORTH 86 DEGREES 19 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 37.24 FEET TO A POINT; THENCE NORTH 60 DEGREES 25 MINUTES 55 SECONDS WEST FOR A DISTANCE OF 71.77 FEET TO A POINT; THENCE SOUTH 46 DEGREES 37 MINUTES 10 SECONDS WEST FOR A DISTANCE OF 496.52 FEET TO A POINT; THENCE NORTH 37 DEGREES 17 MINUTES 12 SECONDS WEST FOR A DISTANCE OF 29.76 FEET TO A POINT; THENCE NORTH 38 DEGREES 53 MINUTES 54 SECONDS WEST FOR A DISTANCE OF 79.37 FEET TO A POINT; THENCE NORTH 74 DEGREES 31 MINUTES 52 SECONDS WEST FOR A DISTANCE OF 91.42 FEET TO A POINT; THENCE NORTH 58 DEGREES 05 MINUTES 12 SECONDS WEST FOR A DISTANCE OF 55.84 FEET TO A POINT; THENCE NORTH 59 DEGREES 03 MINUTES 31 SECONDS WEST FOR A DISTANCE OF 54.12 FEET TO A POINT; THENCE NORTH 41 DEGREES 40 MINUTES 08 SECONDS WEST FOR A DISTANCE OF 67.95 FEET TO A POINT; THENCE NORTH 59 DEGREES 44 MINUTES 45 SECONDS WEST FOR A DISTANCE OF 64.73 FEET TO A POINT; THENCE NORTH 58 DEGREES 16 MINUTES 31 SECONDS WEST FOR A DISTANCE OF 34.42 FEET TO A POINT; THENCE NORTH 24 DEGREES 31 MINUTES 18 SECONDS WEST FOR A DISTANCE OF 46.88 FEET TO A POINT; THENCE NORTH 72 DEGREES 25 MINUTES 04 SECONDS WEST FOR A DISTANCE OF 82.55 FEET TO A POINT; THENCE NORTH 76 DEGREES 36 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 59.36 FEET TO A POINT; THENCE NORTH 53 DEGREES 02 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 88.56 FEET TO A POINT; THENCE NORTH 68 DEGREES 05 MINUTES 28 SECONDS WEST FOR A DISTANCE OF 56.86 FEET TO A POINT; THENCE NORTH 47 DEGREES 53 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 42.05 FEET TO A POINT; THENCE NORTH 15 DEGREES 24 MINUTES 24 SECONDS WEST FOR A DISTANCE OF 20.71 FEET TO A POINT; THENCE NORTH 13 DEGREES 26 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 39.84 FEET TO A POINT; THENCE NORTH 07 DEGREES 00 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 47.64 FEET TO A POINT; THENCE NORTH 25 DEGREES 36 MINUTES 14 SECONDS EAST FOR A DISTANCE OF 57.56 FEET TO A POINT; THENCE NORTH 09 DEGREES 11 MINUTES 43 SECONDS EAST FOR A DISTANCE OF 63.93 FEET TO A POINT; THENCE NORTH 69 DEGREES 16 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 34.22 FEET TO A POINT; THENCE SOUTH 07 DEGREES 08 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 52.49 FEET TO A POINT; THENCE SOUTH 35 DEGREES 19 MINUTES

58 SECONDS WEST FOR A DISTANCE OF 68.98 FEET TO A POINT; THENCE SOUTH 19 DEGREES 00 MINUTES 04 SECONDS WEST FOR A DISTANCE OF 77.66 FEET TO A POINT; THENCE SOUTH 76 DEGREES 03 MINUTES 50 SECONDS WEST FOR A DISTANCE OF 25.19 FEET TO A POINT; THENCE NORTH 59 DEGREES 08 MINUTES 38 SECONDS WEST FOR A DISTANCE OF 58.96 FEET TO A POINT; THENCE NORTH 48 DEGREES 19 MINUTES 50 SECONDS WEST FOR A DISTANCE OF 73.78 FEET TO A POINT; THENCE NORTH 40 DEGREES 45 MINUTES 08 SECONDS WEST FOR A DISTANCE OF 57.05 FEET TO A POINT; THENCE NORTH 21 DEGREES 08 MINUTES 21 SECONDS WEST FOR A DISTANCE OF 33.90 FEET TO A POINT; THENCE NORTH 45 DEGREES 19 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 57.45 FEET TO A POINT; THENCE NORTH 58 DEGREES 00 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 43.25 FEET TO A POINT; THENCE NORTH 85 DEGREES 18 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 46.09 FEET TO A POINT; THENCE NORTH 85 DEGREES 34 MINUTES 42 SECONDS WEST FOR A DISTANCE OF 51.07 FEET TO A POINT; THENCE SOUTH 88 DEGREES 40 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 74.27 FEET TO A POINT; THENCE SOUTH 89 DEGREES 37 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 69.85 FEET TO A POINT; THENCE NORTH 74 DEGREES 18 MINUTES 04 SECONDS WEST FOR A DISTANCE OF 41.17 FEET TO A POINT; THENCE NORTH 45 DEGREES 22 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 49.39 FEET TO A POINT; THENCE NORTH 16 DEGREES 27 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 23.56 FEET TO A POINT; THENCE NORTH 28 DEGREES 43 MINUTES 56 SECONDS EAST FOR A DISTANCE OF 78.45 FEET TO A POINT; THENCE NORTH 01 DEGREES 11 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 132.54 FEET TO A POINT; THENCE NORTH 73 DEGREES 03 MINUTES 13 SECONDS WEST FOR A DISTANCE OF 19.46 FEET TO A POINT; THENCE SOUTH 10 DEGREES 49 MINUTES 08 SECONDS WEST FOR A DISTANCE OF 168.20 FEET TO A POINT; THENCE SOUTH 41 DEGREES 26 MINUTES 40 SECONDS WEST FOR A DISTANCE OF 61.11 FEET TO A POINT; THENCE SOUTH 73 DEGREES 38 MINUTES 46 SECONDS WEST FOR A DISTANCE OF 48.43 FEET TO A POINT; THENCE NORTH 07 DEGREES 28 MINUTES 36 SECONDS EAST FOR A DISTANCE OF 133.40 FEET TO A POINT; THENCE SOUTH 57 DEGREES 53 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 201.41 FEET TO A POINT; THENCE NORTH 77 DEGREES 11 MINUTES 26 SECONDS WEST FOR A DISTANCE OF 89.46 FEET TO A POINT; THENCE NORTH 77 DEGREES 38 MINUTES 25 SECONDS WEST FOR A DISTANCE OF 78.36 FEET TO A POINT; THENCE NORTH 77 DEGREES 28 MINUTES 11 SECONDS WEST FOR A DISTANCE OF 88.20 FEET TO A POINT; THENCE NORTH 82 DEGREES 40 MINUTES 35 SECONDS WEST FOR A DISTANCE OF 58.28 FEET TO A POINT; THENCE NORTH 65 DEGREES 53 MINUTES 16 SECONDS WEST FOR A DISTANCE OF 74.45 FEET TO A POINT; THENCE NORTH 07 DEGREES 53 MINUTES 18 SECONDS EAST FOR A DISTANCE OF 48.92 FEET TO A POINT; THENCE NORTH 45 DEGREES 08 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 76.84 FEET TO A POINT; THENCE NORTH 34 DEGREES 19 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 58.09 FEET TO A POINT; THENCE NORTH 08 DEGREES 59 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 140.94 FEET TO A POINT; THENCE NORTH 28 DEGREES 38 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 60.39 FEET TO A POINT; THENCE NORTH 49 DEGREES 24 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 44.24 FEET TO A POINT; THENCE NORTH 34 DEGREES 39 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 77.27 FEET TO A POINT; THENCE NORTH 04 DEGREES 38 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 155.62 FEET TO A POINT; THENCE NORTH 88 DEGREES 42 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 38.47 FEET TO A POINT; THENCE NORTH 21 DEGREES 11 MINUTES 38 SECONDS WEST FOR A DISTANCE OF 31.48 FEET TO A POINT; THENCE NORTH 57 DEGREES 11 MINUTES 10 SECONDS WEST FOR A DISTANCE OF 28.23 FEET TO A POINT; THENCE NORTH 15 DEGREES 28 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 40.85 FEET TO A POINT; THENCE NORTH 20 DEGREES 47 MINUTES 25 SECONDS EAST FOR A DISTANCE OF 57.61 FEET TO A POINT; THENCE NORTH 42 DEGREES 09 MINUTES 52 SECONDS EAST FOR A DISTANCE OF 39.72 FEET TO A POINT; THENCE NORTH 74 DEGREES 11 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 27.40 FEET TO A POINT; THENCE NORTH 24 DEGREES 45 MINUTES 39 SECONDS WEST FOR A DISTANCE OF 41.69 FEET TO A POINT; THENCE NORTH 15 DEGREES 09 MINUTES 15 SECONDS EAST FOR A DISTANCE OF 35.82 FEET TO A POINT; THENCE SOUTH 83 DEGREES 34 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 40.20 FEET TO A POINT; THENCE SOUTH 81 DEGREES 30 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 54.61 FEET

TO A POINT; THENCE NORTH 39 DEGREES 10 MINUTES 50 SECONDS EAST FOR A DISTANCE OF 33.95 FEET TO A POINT; THENCE NORTH 64 DEGREES 06 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 87.76 FEET TO A POINT; THENCE NORTH 30 DEGREES 12 MINUTES 56 SECONDS EAST FOR A DISTANCE OF 101.06 FEET TO A POINT; THENCE NORTH 12 DEGREES 05 MINUTES 56 SECONDS EAST FOR A DISTANCE OF 259.44 FEET TO A POINT; THENCE NORTH 06 DEGREES 29 MINUTES 17 SECONDS EAST FOR A DISTANCE OF 50.22 FEET TO A POINT; THENCE NORTH 09 DEGREES 05 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 33.60 FEET TO A POINT; THENCE NORTH 18 DEGREES 43 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 98.59 FEET TO A POINT; THENCE NORTH 01 DEGREES 02 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 44.28 FEET TO A POINT; THENCE NORTH 38 DEGREES 40 MINUTES 36 SECONDS WEST FOR A DISTANCE OF 80.72 FEET TO A POINT; THENCE NORTH 27 DEGREES 56 MINUTES 13 SECONDS WEST FOR A DISTANCE OF 76.22 FEET TO A POINT; THENCE NORTH 31 DEGREES 55 MINUTES 01 SECONDS WEST FOR A DISTANCE OF 44.28 FEET TO A POINT; THENCE NORTH 29 DEGREES 25 MINUTES 25 SECONDS WEST FOR A DISTANCE OF 64.62 FEET TO A POINT; THENCE NORTH 76 DEGREES 05 MINUTES 59 SECONDS WEST FOR A DISTANCE OF 25.31 FEET TO A POINT THENCE NORTH 47 DEGREES 06 MINUTES 58 SECONDS WEST FOR A DISTANCE OF 44.99 FEET TO A POINT; THENCE NORTH 12 DEGREES 18 MINUTES 35 SECONDS WEST FOR A DISTANCE OF 68.40 FEET TO A POINT; THENCE NORTH 55 DEGREES 13 MINUTES 20 SECONDS EAST FOR A DISTANCE OF 43.24 FEET TO A POINT; THENCE NORTH 43 DEGREES 43 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 104.11 FEET TO A POINT; THENCE NORTH 10 DEGREES 19 MINUTES 42 SECONDS EAST FOR A DISTANCE OF 147.43 FEET TO A POINT; THENCE NORTH 02 DEGREES 17 MINUTES 22 SECONDS EAST FOR A DISTANCE OF 62.31 FEET TO A POINT; THENCE NORTH 01 DEGREES 24 MINUTES 37 SECONDS WEST FOR A DISTANCE OF 75.68 FEET TO A POINT; THENCE NORTH 08 DEGREES 49 MINUTES 01 SECONDS WEST FOR A DISTANCE OF 76.54 FEET TO A POINT; THENCE NORTH 13 DEGREES 18 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 60.62 FEET TO A POINT; THENCE NORTH 11 DEGREES 53 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 58.36 FEET TO A POINT; THENCE NORTH 07 DEGREES 54 MINUTES 00 SECONDS WEST FOR A DISTANCE OF 60.02 FEET TO A POINT; THENCE NORTH 33 DEGREES 55 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 85.15 FEET TO A POINT; THENCE NORTH 38 DEGREES 01 MINUTES 52 SECONDS WEST FOR A DISTANCE OF 84.32 FEET TO A POINT; THENCE NORTH 08 DEGREES 33 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 25.86 FEET TO A POINT; THENCE SOUTH 89 DEGREES 23 MINUTES 05 SECONDS EAST FOR A DISTANCE OF 47.03 FEET TO A POINT; THENCE NORTH 05 DEGREES 27 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 31.69 FEET TO A POINT; THENCE NORTH 38 DEGREES 37 MINUTES 54 SECONDS EAST FOR A DISTANCE OF 59.25 FEET TO A POINT; THENCE NORTH 07 DEGREES 24 MINUTES 35 SECONDS EAST FOR A DISTANCE OF 49.08 FEET TO A POINT; THENCE NORTH 01 DEGREES 01 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 48.90 FEET TO A POINT; THENCE NORTH 17 DEGREES 44 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 47.59 FEET TO A POINT; THENCE NORTH 01 DEGREES 26 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 35.00 FEET TO A POINT; THENCE NORTH 75 DEGREES 01 MINUTES 38 SECONDS WEST FOR A DISTANCE OF 35.68 FEET TO A POINT; THENCE NORTH 32 DEGREES 09 MINUTES 12 SECONDS WEST FOR A DISTANCE OF 71.17 FEET TO A POINT; THENCE NORTH 25 DEGREES 21 MINUTES 53 SECONDS EAST FOR A DISTANCE OF 92.79 FEET TO A POINT; THENCE NORTH 85 DEGREES 21 MINUTES 55 SECONDS WEST FOR A DISTANCE OF 57.70 FEET TO A POINT; THENCE NORTH 33 DEGREES 01 MINUTES 43 SECONDS EAST FOR A DISTANCE OF 58.66 FEET TO A POINT; THENCE NORTH 32 DEGREES 40 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 99.38 FEET TO A POINT; THENCE NORTH 49 DEGREES 55 MINUTES 44 SECONDS EAST FOR A DISTANCE OF 43.24 FEET TO A POINT; THENCE NORTH 14 DEGREES 27 MINUTES 23 SECONDS EAST FOR A DISTANCE OF 63.66 FEET TO A POINT; THENCE SOUTH 64 DEGREES 25 MINUTES 11 SECONDS EAST FOR A DISTANCE OF 65.70 FEET TO A POINT; THENCE NORTH 05 DEGREES 39 MINUTES 21 SECONDS WEST FOR A DISTANCE OF 171.64 FEET TO A POINT; THENCE NORTH 39 DEGREES 34 MINUTES 25 SECONDS EAST FOR A DISTANCE OF 51.91 FEET TO A POINT; THENCE NORTH 06 DEGREES 24 MINUTES 29 SECONDS WEST FOR A DISTANCE OF 42.13 FEET TO A POINT; THENCE NORTH 00 DEGREES 23 MINUTES 44 SECONDS WEST FOR A DISTANCE OF 37.70 FEET TO A POINT; THENCE NORTH 65 DEGREES 40 MINUTES 08

SECONDS EAST FOR A DISTANCE OF 68.35 FEET TO A POINT; THENCE NORTH 73 DEGREES 46 MINUTES 23 SECONDS EAST FOR A DISTANCE OF 77.82 FEET TO A POINT; THENCE NORTH 61 DEGREES 45 MINUTES 54 SECONDS EAST FOR A DISTANCE OF 102.77 FEET TO A POINT; THENCE NORTH 21 DEGREES 08 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 150.84 FEET TO A POINT; THENCE NORTH 79 DEGREES 48 MINUTES 26 SECONDS WEST FOR A DISTANCE OF 66.15 FEET TO A POINT; THENCE NORTH 11 DEGREES 41 MINUTES 37 SECONDS WEST FOR A DISTANCE OF 62.79 FEET TO A POINT; THENCE NORTH 67 DEGREES 51 MINUTES 06 SECONDS WEST FOR A DISTANCE OF 67.91 FEET TO A POINT; THENCE NORTH 31 DEGREES 34 MINUTES 11 SECONDS WEST FOR A DISTANCE OF 45.24 FEET TO A POINT; THENCE SOUTH 75 DEGREES 08 MINUTES 51 SECONDS WEST FOR A DISTANCE OF 26.54 FEET TO A POINT; THENCE NORTH 62 DEGREES 58 MINUTES 37 SECONDS WEST FOR A DISTANCE OF 91.76 FEET TO A POINT; THENCE NORTH 31 DEGREES 45 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 86.87 FEET TO A POINT; THENCE NORTH 20 DEGREES 28 MINUTES 29 SECONDS WEST FOR A DISTANCE OF 45.03 FEET TO A POINT; THENCE NORTH 80 DEGREES 49 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 808.66 FEET TO A POINT; THENCE NORTH 09 DEGREES 10 MINUTES 39 SECONDS WEST FOR A DISTANCE OF 200.00 FEET TO A POINT; THENCE NORTH 80 DEGREES 49 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 420.00 FEET TO A POINT; THENCE SOUTH 09 DEGREES 10 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 2917.68 FEET TO A POINT; THENCE SOUTH 35 DEGREES 49 MINUTES 21 SECONDS WEST FOR A DISTANCE OF 1077.42 FEET TO A POINT; THENCE SOUTH 54 DEGREES 10 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 500.00 FEET TO A POINT; THENCE NORTH 35 DEGREES 49 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 577.42 FEET TO A POINT; THENCE NORTH 41 DEGREES 21 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 1191.69 FEET TO A POINT; THENCE NORTH 35 DEGREES 49 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 1450.51 FEET TO A POINT; THENCE SOUTH 54 DEGREES 10 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 2584.68 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF AMELIA ROAD AFOREMENTIONED; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1713.18 FEET AND AN ARC LENGTH OF 580.21 FEET, BEING SUBTENDED BY A CHORD OF SOUTH 60 DEGREES 25 MINUTES 13 SECONDS WEST FOR A DISTANCE OF 577.44 FEET TO A POINT; THENCE SOUTH 70 DEGREES 07 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 310.71 FEET TO A POINT; THENCE SOUTH 19 DEGREES 52 MINUTES 38 SECONDS EAST FOR A DISTANCE OF 10.00 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 995.68 FEET AND AN ARC LENGTH OF 990.87 FEET, BEING SUBTENDED BY A CHORD OF SOUTH 41 DEGREES 37 MINUTES 08 SECONDS WEST FOR A DISTANCE OF 950.31 FEET TO A POINT; THENCE SOUTH 04 DEGREES 59 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 608.78 FEET TO THE POINT OF BEGINNING.

Exhibit B

PP&E Inventory List - Clubhouse		
Room / Area	Item/Description	Serial Number
Foyer / Snack Bar Seating Area	leather ottoman	
	wrought iron table	
	2 pictures	
	1 planter	
	5 wood/glass 48" square tables	
	20 wicker / fiberglass chairs	
	1 large oil print	
	1 Samsung HDTV	
	1 small oil print	
	1 large mirror	
Mens Locker / Restroom	2 stainless trash cans	
	1 wood round table	
	1 small artificial plant	
	1 high back chair	
	3 wood benches	
	16 wood 1/2 lockers	
Ladies Locker / Restroom	2 stainless trash cans	
	1 wood round table	
	1 small artificial plant	
	2 high back chairs	
	2 wood benches	
	10 wood 1/2 lockers	
	1 oil picture	
Office #2 (F&B)	1 stainless 4-shelf unit	
	1 True glass / stainless refrigerator unit	1-2808264
	1 5-shelf wire storage rack w green epoxy shelving	
	1 plastic 5-shelf unit (tan)	
	1 metal 4-drawer file cabinet	
	1 2 drawer desk	
	1 JTX flat screen computer monitor	
	1 Microsoft key pad	
3 wicker / fiberglass chairs		

Room / Area	Item/Description	Serial Number
Pro Shop	1 wood /glass 72" table	
	4 wicker / fiberglass chairs	
	3 wood merchandise display nesting tables	
	4 wood mannequins	
	1 Ahead cap merchandiser	
	3 wood 4-way merchandisers	
	2 large wicker baskets	
	2 Entuite touch screen computer monitors	
	2 Lenovo computer key pads w / mouse	
	2 metal cash drawers	
	2 Epson receipt printers	
	2 IBM "Think Centre" computers w Windows XP	
	2 ID Automation bar code scanners	
	1 Dell flat screen computer monitor	
Office #1 (Pro Shop)	1 metal 4-drawer lateral file cabinet	
	1 2 drawer file cabinet	
	1 A Open fiat screen computer monitor	
	1 IBM key pad	
	2 wicker / fiberglass chairs	
	2 4 drawer wood desk	
	1 office chair	
	1 IBM "Think Centre" computers w Windows XP	
	1 Brother fax machine	MFC 7220
	3 Motorola 4 channel walkie talkies	CP200
	1 Sanitaire commercial vaccum cleaner	
	1 Liberty portable PA system	
	300 wood shirt hangers	
	100 wood short hangers	

Room / Area	Item/Description	Serial Number
Bag Storage	2 metal 4-drawer lateral file cabinet	
	2 wicker / fiberglass chairs	
	3 sets Nike Slingshot rental clubs	
Outside Rear Patio	16 wicker / fiberglass chairs	
	4 round tables w iron stand	
	1 Hoshizaki DM200B ice / water machine	T60381D
	1 Hoshizaki SD200 ice / water machine stand	
	2 stainless trash cans - outside restrooms	
Driving Range	10 green bag stands	
	1 round Eco Wood round club cleaner	
	1 square rubber club cleaner	
	1 folding yardage stand	
	13 Nike den caddles for range balls	

PP&E Inventory List - Snack Bar & Snack Bar Kitchen		
Room / Area	Item/Description	Serial Number
Kitchen Storage Area	1 3-compartment stainless sink w shelf	
	1 stainless hand sink	
	1 5-shelf wire storage rack w green epoxy shelving	
	1 stainless equipment table stand w undershelf	
	1 Turbo Chef oven	
	1 Hoshizaki B900PF ice maker w storage bin	S58616F
	2 heavy duty rubber floor mats	
Kitchen / Snack Bar	1 stainless equipment table stand w undershelf	
	2 stainless 2 shelf storage unit	
	2 stainless hand sinks	
	1 Star hot dog machine w bun warmer	
	1 Victory RS-2D-S7 refrigerator w glass	H0750826
	1 Victory stainless 12-compartment deli sandwich unit	K0754296
	1 Victory stainless 2-door undercounter freezer unit	
	1 Panasonic NE1054T stainless microwave oven	TAD6170623
	1 Oster stainless commercial toaster	
	1 Vulcan deep fryer floor unit	
	1 Vulcan flat top griddle counter top unit	
	1 Vulcan gas range w oven and griddle	
	1 Vulcan gas countertop 2 burner range	
	1 Captive Aire exhaust / hood system	
	1 IBM "Think Centre" computer w Windows XP	29R7077
	1 Dell computer key pad w mouse	
	1 Entuite touch screen computer monitor	E294838
	1 metal cash drawers	
	2 Epson receipt printers	J5VG056793
	1 ID Automation bar code scanners	A70337188
	4 Rubbermaid large trash containers	
	1 stainless steel coffee cambro	
	2 plastic 3-drawer storage units	
2 Kimberly Clark paper towel dispensers		

PP&E Inventory List - Golf Course Maint				
Qty	Make	Year	Item/Description	Serial Number
1	Salsco	2002	Roller	60441700090612000
2	Salsco	2005	Roller	
5	Broyhill	2005	Walk Mower Trailers	
1	Toro	2000	Sprayer multi pro 5500	200000140
1	Toro	2000	3300 D Workman	07205-200000329
1	Toro	2002	sand pro 5020	08856-90248
1	Toro	2004	A3 Greens aerator	
1	Lely	2007	HR Spreader	
1	Provost	2000	6 ton dump trailer	
1	Bear Cat	2000	6" chipper	
1	Toro	2000	2500 pull behind top dresser	
1	Rhino	2000	brush hog	CV728R
1	Express Dual	2002	bed knife grinder	
1	Express Dual	2002	reel grinder	
1	Clarke	2008	mig welder 130EN	
1	Toro	2007	21" recycle-bagger/mower	
2	Allen	2007	hover mower	
2	Stihl	2004	Stick edger	
4	Stihl	2005	weed eater	
1	Stihl	2006	brush cutter	
1	Stihl	2007	pole straw	
6	Stihl	2008	back pack blower	
1		2000	post hole digger	
5	Par Aid	2000	ball mark repair tools	
2		2000	pitch fork	
2	JD / Lesco	2000	drop spreader	
3	JD / Lesco	2000	rotary spreader	
2	Stihl	2000	chain saw	
1		2006	power washer	
2		2000	500 gallon fuel tank	
4		2000	metal drag mats	
1		1999	24' extension ladder	
1		2002	floor fan	
1		2000	sod cutter	
1		2007	set drag brushes	

1		2004	pallet jack	
4		2000	jack stands	
1		2005	parts washer	
1		2000	air compressor	
1		2000	tote dolly	
1		2000	lift dolly	
5		2005	water coolers	
7		2000	ball washers	
10		2000	sand buckets	
7	Par Aid / Standard Course Signage	2005	Stop signs	
6		2005	golf cart crossing	
1		2005	thank you	
3		2005	keep right	
2		2005	speed bump	
1		2005	to #7	
1		2005	to #9	
1		2005	to #11	
1		2005	to #18	
1		2005	to clubhouse / grill	
1		2005	to one	
5		2005	snake / gator	
15		2005	environmentally sensitive	
1		2005	to putting green, #1, and #10	
1		2005	to Clubhouse & Bagdrop	
1		2005	To clubhouse & Cart Return	
18		2005	Hole Signs	
7		2005	Fiat Shovels	
2		2005	Aluminum Scoop	

PP&E Inventory List - Golf Cart Storage Bldg

Room / Area	Item/Description	Serial Number
Golf Cart Storage Bldg	8 Rubbermaid "Brute" large garbage cans	
	1 Wittek range ball washer	
	1 Kenmore dryer	Model 300
	1 Kenmore washing machine	Model 300
	3 round tables w iron stand	

PP&E Inventory List - Leased Equipment**Maintenance Department**

Qty	Make	Year	Item/Description	Serial Number
1	John Deere	2009	220 C walk mower	20416
1	John Deere	2009	220 C walk mower	20417
1	John Deere	2009	220 C walk mower	20418
1	John Deere	2009	220 C walk mower	20425
1	John Deere	2009	220 C walk mower	20438
1	John Deere	2009	Gator	MOTURF 040204
1	John Deere	2009	Gator	MOTURF 040178
1	John Deere	2009	Gator	MOTURF 040217
1	John Deere	2009	Gator	MOTURF 040200
1	John Deere	2009	Gator	MOTURF 040221
1	John Deere	2009	Gator	MOTURF 040205
1	John Deere	2009	Gator	MOTURF 040213
1	John Deere	2009	Gator	MOTURF 040191
1	John Deere	2009	Dakota top dresser	NA
1	John Deere	2009	HD 200 Sprayer	TCA 202AT030110
1	John Deere	2009	7700 Reel Mower	TC7700X010239
1	John Deere	2009	7700 Reel Mower	TC7700X010240
1	John Deere	2009	8700 Reel Mower	TC8700X020072
1	John Deere	2009	2500 B Triplex Mower	TCB250BG020421
1	John Deere	2009	2500 B Triplex Mower	TCB250BG020424
1	John Deere	2009	2500 B Triplex Mower	TCB250BG020422
1	John Deere	2009	1200 A Bunker Rake	TC1200A165246
1	John Deere	2009	Z Trak zero radius mower	TC997SC041042
1	John Deere	2009	2653 slope mower	TC2653T020776
1	John Deere	2009	Triplex Verticut Reels	22460001
1	John Deere	2009	Fairway Verticut Reels	22461001
1	John Deere	2006	First Products VC60 Verticutter	466
1	John Deere	2009	2020A Gas Pro Gator	TC2020AT030112
1	John Deere	2006	Golf Lift GI 9000 lb capacity	4090488
1	Wells Fargo	2000	Kubota Tractor 3030E	10543
1	Wells Fargo		Toro Reelmaster Fairway Unit	198-03806

Golf Department

Qty	Make	Year	Item/Description	Serial Number
75	EZ GO	2008	RXV Elec Golf Cars	
1	EZ GO	2008	MPT 1200 Range Cart	
1	EZ GO	2008	Refresher 1200 G Bev Cart	

F&B Department

Qty	Make	Year	Item/Description	Serial Number
1	Eco Lab	2007	Dishwashing System	

RESOLUTION 2007-105

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, APPROVING THE SECOND AMENDMENT TO THE GOLF COURSE DEVELOPMENT AND LEASE AGREEMENT, AS MODIFIED, BETWEEN THE AMELIA ISLAND COMPANY AND THE CITY OF FERNANDINA BEACH; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in July of 1994, the City entered into a lease agreement with the Nassau Sound Land Co., L.L.C., for the Royal Amelia Golf Course property adjacent to the City's Airport; and

WHEREAS, in August, 1995, the Lease Agreement was amended by a First Amendment, as evidenced by the Memorandum of Development and Lease Agreement; and

WHEREAS, in July of 1996, the Lease Agreement was assigned from the Nassau Sound Land Co., L.L.C. to Kingsley Creek Development Company; and

WHEREAS, in October of 2003, the Lease Agreement was assigned to The Summerton Inn, Inc., a wholly owned subsidiary of the National Bank of South Carolina, following the bankruptcy filing of Kingsley Creek Development Company; and

WHEREAS, in September, 2005, the Lease Agreement was assigned to the Amelia Island Company pursuant to the City's Resolution 2005-165, and the Assignment and Assumption of Lease; and

WHEREAS, in September, 2005, the Lease Agreement was modified to confirm the metes and bounds of the legal description of the leased premises; and

WHEREAS, the City and the Amelia Island Company desire to amend certain portions of the Lease Agreement to provide for the further development of the golf course; and for the benefit of the parties hereto.

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, AS FOLLOWS:

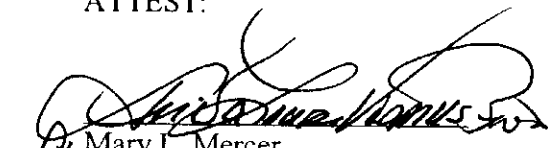
SECTION 1. The City Commission hereby approves the Second Amendment to the Golf Course Development and Lease Agreement, as modified, attached hereto as Exhibit A.

SECTION 2. The City Manager is hereby authorized to execute said amendment.

SECTION 3. This Resolution shall be effective immediately upon passage.

ADOPTED this 5th day of July, 2007.

ATTEST:


Mary L. Mercer
City Clerk

CITY OF FERNANDINA BEACH


Bill Leeper
Mayor-Commissioner

Reso 2007-105
CC approved 7.5.07

SECOND AMENDMENT
TO GOLF COURSE DEVELOPMENT AND LEASE AGREEMENT
as modified

WHEREAS, in July of 1994, the City entered into a lease agreement (the "Lease Agreement") with the Nassau Sound Land Co., L.L.C., for the Royal Amelia Golf Course property adjacent to the City's Airport; and

WHEREAS, in August, 1995, the Lease Agreement was amended by a First Amendment, as evidenced by the Memorandum of Development and Lease Agreement; and

WHEREAS, in July of 1996, the Lease Agreement was assigned from the Nassau Sound Land Co., L.L.C. to Kingsley Creek Development Company; and

WHEREAS, in October of 2003, the Lease Agreement was assigned to The Summerton Inn, Inc., a wholly owned subsidiary of the National Bank of South Carolina, following the bankruptcy filing of Kingsley Creek Development Company; and

WHEREAS, in September, 2005, the Lease Agreement was assigned to the Amelia Island Company pursuant to the City's Resolution 2005-165, and the Assignment and Assumption of Lease; and

WHEREAS, in September, 2005, the Lease Agreement was modified to confirm the metes and bounds of the legal description of the leased premises; and

WHEREAS, the City and the Amelia Island Company (the current parties to the Lease Agreement) desire to amend certain portions of the Lease Agreement to provide for the further development of the golf course; and for the benefit of the parties hereto.

NOW THEREFORE, BASED ON MUTUAL CONSIDERATION, THE SUFFICIENCY OF WHICH IS AGREED TO BETWEEN THE PARTIES, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. The Lease Agreement is hereby amended as follows:*

Section 1.02 (d) The City agrees that the Lessee may build a lodging facility on the leased premises. The gross revenues from the lodging facility shall be included in the percentage rent, as set forth in paragraphs 3.02 and 3.03 herein.

Section 1.04 ~~Design of Improvements~~ Design, Approval and Permits for Improvements

(a) Lessee shall develop appropriate plans for the construction of leasehold improvements. Said plans shall be submitted to the City for conceptual review by the City Commission. Such conceptual review shall not constitute a waiver of the requirement to obtain all permits and comply with all ordinances, statutes,

* Underling indicates new language added to the Lease Agreement and strike through indicates deletion from the Lease Agreement.

~~building codes and rules and regulations as set forth herein, constructing, erecting and installing the leasehold improvements on the Leased Premises which shall consist of: (1) working drawings, (2) technical specifications, (3) schedule for accomplishing improvements, (4) schedule of finishes and graphics, (5) cost estimates. Lessee shall submit all the foregoing documents to City for review and comments prior to construction of any improvements.~~

(b) After receiving conceptual review, the Lessee shall submit all required plans and other information to the City Community Development Department for the issuance of all required permits. Lessee shall ensure that all plans submitted are in compliance with this Lease Agreement, applicable statutes, ordinances, building codes and rules and regulations. No construction shall begin until all permits have been issued, and all the required permit fees, impact fees and costs are paid to the City.

[Sections 1.05 and 1.06 are hereby deleted in their entirety.]

Section 3.02 Percentage Rent

(a) In addition to the ground rental fees stated in Section 3.01, Lessee shall also pay a monthly percentage of all gross revenues per the attached schedule marked as Exhibit B, and made a part hereof. Said percentage rent shall be paid each month two (2) months in arrears, on the first day of the month, two (2) months subsequent to the month for which percentage rent is due.

(b) The percentage rent for the lodging facility shall be one and one-half percent (1.5%) of the gross sales, gross receipts, or gross revenues associated with the lodging facility, including but not limited to room revenue, catering, meetings and special events, parking charges, and food and beverage sales. The percentage rent shall become due starting two (2) years after the issuance of the Certificate of Occupancy for the lodging facility by the City. The gross revenues for the lodging facility shall be included in the calculation, and shall be paid as set forth herein. The percentage rent for the lodging facility shall increase to two and one-half percent (2.5%) in year 18, (in the year 2016), as set forth in the attached Exhibit B.

Section 3.03 Gross Revenues

The terms "gross sales", "gross receipts", or "gross revenues" shall mean the total sum of money paid to Lessee for and in connection with the operation of the clubhouse, lodging facility or facilities, restaurant or restaurants wherever located, catering, meetings and events, food and beverage, store, pro shop, golf cart rental, driving range and green fees, or any other type of activity with the exclusive exception of golf club memberships fees related to the operations of the golf club and lodging facility. The Lessor and Lessee agree that the one-time initiation fee paid by members may be excluded from the gross revenue

calculation, but that all monthly membership fees are to be included in the gross revenue calculation.

Section 12.01 This Lease Agreement is subject to the provision of any agreement heretofore or hereafter made between city and the United States Government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the City for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport. City covenants that it has not entered into any existing agreements with the United States Government in conflict with the express provisions hereof. This Lease is also subject to all the terms, conditions, and restrictions contained in the releases from the Federal Government which are applicable to this property, including but not limited to the 1954 Release, recorded at Book 218, Pages 148-151 and the 1999 Release, recorded at Book 924, Pages 71-71, Nassau County, Florida Official Records.

Section 12.11 (a) All notices, consents and approvals required ~~to authorized~~ by this Lease Agreement to be given by or on behalf of either party to the other shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given, and shall be deemed given at the time a registered or certified letter properly addressed, postage prepaid, deposited in any United States post office or delivered to a private courier service, is received by the addressee.

(b) Notice to City shall be addressed to it ~~and delivered at the office of:~~

City City Manager
City of Fernandina Beach
204 Ash St. Post Office Box 668
Fernandina Beach, Florida 32034

(c) Notice to the Lessee shall be addressed to the attention of:

LESSEE:
Jack B. Healan, President
Amelia Island Company
6800 First Coast Highway, South
Amelia Island, Florida 32034-5008
Nassau Sound Land Company, Inc.
401 Centre St, Second Floor
Fernandina Beach, Florida 32034

Article XIII Any ~~controversy or~~ claim arising out of ~~or relating to~~ this Agreement, ~~or the breach of this Agreement,~~ shall first be resolved by mediation. ~~be settled through arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over the matter.~~ The mediator shall be jointly selected

~~by the parties, and no litigation shall be filed prior to said mediation. If the parties are unable to resolve the issue at mediation, the parties may use non-binding arbitration, or file a suit in a court of competent jurisdiction. Notwithstanding any provision contained herein to the contrary, a cause of action for eviction and/or for injunctive relief and any issues related to these causes of action may be brought by City directly in a court of competent jurisdiction without having to first resort to the arbitration process as provided herein for dispute resolution. Lessee may bring a cause of action for injunctive relief and related issues directly in a court of competent jurisdiction.~~

Attorney's Fees and Costs

~~If any action at law or in equity or any arbitration proceeding is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which that party may be entitled.~~

In any dispute relating to this Lease Agreement, each party shall bear their own attorneys' fees and costs relating to such dispute.

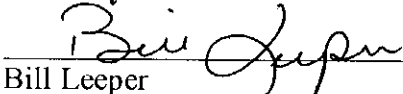
2. All other terms and provisions of the Lease shall remain in full force and effect.

Therefore, the parties set their hands and seals in to this agreement this 5th day of July, 2007.

City of Fernandina Beach

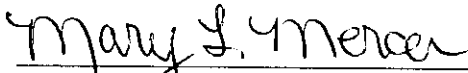


Michael J. Czymbor, City Manager



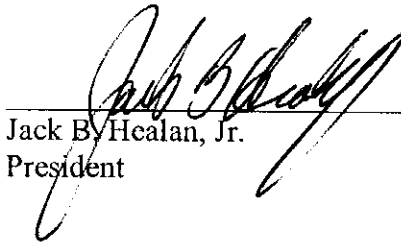
Bill Leeper
Mayor

Attest:



Mary Mercer
City Clerk

Amelia Island Company



Jack ByHealan, Jr.
President

Attest:



Richard A. Carben
Corporate Secretary

Approved as to form and legality
for use and reliance by the City
of Fernandina Beach, Florida


City Attorney

Second Amendment
to the Golf Course Development and Lease Agreement
as modified
Page 4 of 4

Golf Course Land Lease Schedule

City of Fernandina Beach

<u>Year</u>	<u>Annual Land Rental</u>	<u>% of Gross</u>
1	43,200	0.00%
2	43,200	0.00%
3	86,400	0.00%
4	100,800	0.00%
5	115,200	0.00%
6	129,600	0.00%
7	144,000	0.00%
8	149,760	0.00%
9	149,760	1.50%
10	149,760	1.50%
11	149,760	1.50%
12	149,760	1.50%
13	155,750	1.50%
14	155,750	1.50%
15	155,750	1.50%
16	155,750	1.50%
17	155,750	1.50%
18	161,980	2.50%
19	161,980	2.50%
20	161,980	2.50%
21	161,980	2.50%
22	161,980	2.50%
23	168,460	2.50%
24	168,460	2.50%
25	168,460	2.50%
26	168,460	2.50%
27	168,460	2.50%
28	175,198	2.50%
29	175,198	2.50%
30	175,198	2.50%

EXHIBIT B



City of Fernandina Beach

OFFICE OF THE CITY CLERK

July 26, 2007

Mr. Jack Healan
Amelia Island Company
6800 First Coast Highway, South
Amelia Island, FL 32034-5008

RE: Second Amendment to the Golf Course Development and Lease Agreement

Dear Mr. Healan:

On July 5, 2007, the City Commission approved the above-referenced agreement between the Amelia Island Company and the City of Fernandina Beach. I have enclosed two (2) copies of the amendment for your signature. Once signed, please return both copies for the City Manager's signatures. An original copy will be returned to you for your files.

If you have any questions, please do not hesitate to contact this office.

Sincerely,

CITY OF FERNANDINA BEACH

Mary L. Mercer
City Clerk

Enclosures

Rev 2007-105
CC approved 7-5-07

SECOND AMENDMENT
TO GOLF COURSE DEVELOPMENT AND LEASE AGREEMENT
as modified

WHEREAS, in July of 1994, the City entered into a lease agreement (the "Lease Agreement") with the Nassau Sound Land Co., L.L.C., for the Royal Amelia Golf Course property adjacent to the City's Airport; and

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WHEREAS, in July of 1996, the Lease Agreement was assigned from the Nassau Sound Land Co., L.L.C. to Kingsley Creek Development Company; and

WHEREAS, in October of 2003, the Lease Agreement was assigned to The Summerton Inn, Inc., a wholly owned subsidiary of the National Bank of South Carolina, following the bankruptcy filing of Kingsley Creek Development Company; and

WHEREAS, in September, 2005, the Lease Agreement was assigned to the Amelia Island Company pursuant to the City's Resolution 2005-165, and the Assignment and Assumption of Lease; and

WHEREAS, in September, 2005, the Lease Agreement was modified to confirm the metes and bounds of the legal description of the leased premises; and

WHEREAS, the City and the Amelia Island Company (the current parties to the Lease Agreement) desire to amend certain portions of the Lease Agreement to provide for the further development of the golf course; and for the benefit of the parties hereto.

NOW THEREFORE, BASED ON MUTUAL CONSIDERATION, THE SUFFICIENCY OF WHICH IS AGREED TO BETWEEN THE PARTIES, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. The Lease Agreement is hereby amended as follows:*

Section 1.02 (d) The City agrees that the Lessee may build a lodging facility on the leased premises. The gross revenues from the lodging facility shall be included in the percentage rent, as set forth in paragraphs 3.02 and 3.03 herein.

Section 1.04 ~~Design of Improvements~~ Design, Approval and Permits for Improvements

(a) Lessee shall develop appropriate plans for the construction of leasehold improvements. Said plans shall be submitted to the City for conceptual review by the City Commission. Such conceptual review shall not constitute a waiver of the requirement to obtain all permits and comply with all ordinances, statutes,

* Underling indicates new language added to the Lease Agreement and strike through indicates deletion from the Lease Agreement.

~~building codes and rules and regulations as set forth herein, constructing, erecting and installing the leasehold improvements on the Leased Premises which shall consist of: (1) working drawings, (2) technical specifications, (3) schedule for accomplishing improvements, (4) schedule of finishes and graphics, (5) cost estimates. Lessee shall submit all the foregoing documents to City for review and comments prior to construction of any improvements.~~

(b) After receiving conceptual review, the Lessee shall submit all required plans and other information to the City Community Development Department for the issuance of all required permits. Lessee shall ensure that all plans submitted are in compliance with this Lease Agreement, applicable statutes, ordinances, building codes and rules and regulations. No construction shall begin until all permits have been issued, and all the required permit fees, impact fees and costs are paid to the City.

[Sections 1.05 and 1.06 are hereby deleted in their entirety.]

Section 3.02 Percentage Rent

(a) In addition to the ground rental fees stated in Section 3.01, Lessee shall also pay a monthly percentage of all gross revenues per the attached schedule marked as Exhibit B, and made a part hereof. Said percentage rent shall be paid each month two (2) months in arrears, on the first day of the month, two (2) months subsequent to the month for which percentage rent is due.

(b) The percentage rent for the lodging facility shall be one and one-half percent (1.5%) of the gross sales, gross receipts, or gross revenues associated with the lodging facility, including but not limited to room revenue, catering, meetings and special events, parking charges, and food and beverage sales. The percentage rent shall become due starting two (2) years after the issuance of the Certificate of Occupancy for the lodging facility by the City. The gross revenues for the lodging facility shall be included in the calculation, and shall be paid as set forth herein. The percentage rent for the lodging facility shall increase to two and one-half percent (2.5%) in year 18, (in the year 2016), as set forth in the attached Exhibit B.

Section 3.03

Gross Revenues

The terms "gross sales", "gross receipts", or "gross revenues" shall mean the total sum of money paid to Lessee for and in connection with the operation of the clubhouse, lodging facility or facilities, restaurant or restaurants wherever located, catering, meetings and events, food and beverage, store, pro shop, golf cart rental, driving range and green fees, or any other type of activity with the exclusive exception of golf club memberships fees related to the operations of the golf club and lodging facility. The Lessor and Lessee agree that the one-time initiation fee paid by members may be excluded from the gross revenue

calculation, but that all monthly membership fees are to be included in the gross revenue calculation.

Section 12.01

This Lease Agreement is subject to the provision of any agreement heretofore or hereafter made between city and the United States Government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the City for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport. City covenants that it has not entered into any existing agreements with the United States Government in conflict with the express provisions hereof. This Lease is also subject to all the terms, conditions, and restrictions contained in the releases from the Federal Government which are applicable to this property, including but not limited to the 1954 Release, recorded at Book 218, Pages 148-151 and the 1999 Release, recorded at Book 924, Pages 71-71, Nassau County, Florida Official Records.

Section 12.11

(a) All notices, consents and approvals required ~~to authorized~~ by this Lease Agreement to be given by or on behalf of either party to the other shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given, and shall be deemed given at the time a ~~registered~~ or certified letter properly addressed, postage prepaid, deposited in any United States post office or delivered to a private courier service, is received by the addressee.

(b) Notice to City shall be addressed to it ~~and delivered at the office of:~~

City City Manager
City of Fernandina Beach
204 Ash St. Post Office Box 668
Fernandina Beach, Florida 32034

(c) Notice to the Lessee shall be addressed to the attention of:

LESSEE:
Jack B. Healan, President
Amelia Island Company
6800 First Coast Highway, South
Amelia Island, Florida 32034-5008
~~Nassau Sound Land Company, Inc.~~
~~401 Centre St, Second Floor~~
~~Fernandina Beach, Florida 32034~~

Article XIII

~~Any controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, shall first be resolved by mediation. be settled through arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction over the matter.~~ The mediator shall be jointly selected

~~by the parties, and no litigation shall be filed prior to said mediation. If the parties are unable to resolve the issue at mediation, the parties may use non-binding arbitration, or file a suit in a court of competent jurisdiction. Notwithstanding any provision contained herein to the contrary, a cause of action for eviction and/or for injunctive relief and any issues related to these causes of action may be brought by City directly in a court of competent jurisdiction without having to first resort to the arbitration process as provided herein for dispute resolution. Lessee may bring a cause of action for injunctive relief and related issues directly in a court of competent jurisdiction.~~

Attorney's Fees and Costs

~~If any action at law or in equity or any arbitration proceeding is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which that party may be entitled.~~

In any dispute relating to this Lease Agreement, each party shall bear their own attorneys' fees and costs relating to such dispute.

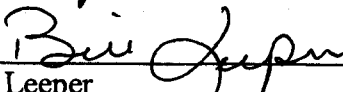
2. All other terms and provisions of the Lease shall remain in full force and effect.

Therefore, the parties set their hands and seals in to this agreement this 5th day of July, 2007.

City of Fernandina Beach

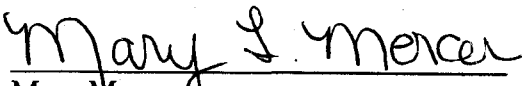


Michael J. Czymbor, City Manager



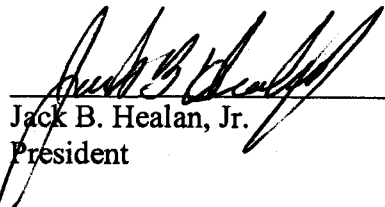
Bill Leeper
Mayor

Attest:



Mary Mercer
City Clerk

Amelia Island Company



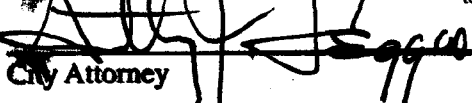
Jack B. Healan, Jr.
President

Attest:



RICHARD A. COOPER
Corporate Secretary

Approved as to form and legality
for use and reliance by the City
of Fernandina Beach, Florida



City Attorney

RESOLUTION 2009-49

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, APPROVING A MODIFICATION OF LEASE AGREEMENT FOR THE ROYAL AMELIA GOLF COURSE BY AND BETWEEN THE AMELIA ISLAND COMPANY, A DELWARE CORPORATION, AS LESSEE, AND THE CITY, AS LESSOR, TO ALLOW FOR AN ADDITIONAL MORTGAGE/LIEN AGAINST THE LEASEHOLD INTEREST AND IMPROVEMENTS; PROVIDING FOR EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in July of 1994, the City entered into a lease agreement with the Nassau Sound Land Co., Inc. for the Royal Amelia Golf Course property; and

WHEREAS, in July of 1996, the lease was assigned from the Nassau Sound Land Co., Inc. to Kingsley Creek Development Company; and

WHEREAS, in October of 2003, the lease was again assigned to The Summerton Inn, Inc., a wholly owned subsidiary of the National Bank of South Carolina, following the bankruptcy filing of Kingsley Creek Development Company; and

WHEREAS, in September of 2005, the lease was again assigned to the Amelia Island Company, a Delaware corporation;

WHEREAS, subsection 1.07(b) of the lease agreement prohibits any additional mortgage or lien against the leasehold improvements, fixtures or equipment, except for the initial mortgages obtained for construction and/or acquisition;

WHEREAS, Amelia Island Company, as lessee, requests that the City, as lessor, approve a modification of the lease agreement to allow Amelia Island Company to reorganize its debt on the leasehold improvements at Royal Amelia and secure a loan that provides for a mortgage/lien against the leasehold interest and all leasehold improvements of the lessee, Amelia Island Company; and

WHEREAS, except for subsection 1.07(b) of the lease agreement, all other terms and conditions of the lease agreement are not changed by this modification of the lease, and the City's rights and obligations do not change in any manner due to this modification of the lease;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA THAT:

SECTION 1. The Modification of Lease Agreement, attached hereto as Exhibit "A" is hereby approved.

SECTION 2. The City Manager, City Attorney and City Clerk are authorized to execute the attached Modification of Lease Agreement with Amelia Island Company.

SECTION 3. This resolution shall take be effective immediately upon passage.

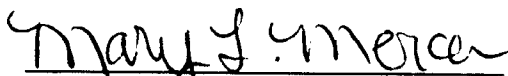
ADOPTED this 17th day of March, 2009.

CITY OF FERNANDINA BEACH



Bruce Malcolm
Commissioner-Mayor

ATTEST:



Mary L. Mercer
City Clerk

APPROVED AS TO FORM:



Tammi E. Bach
City Attorney

MODIFICATION OF LEASE AGREEMENT

This MODIFICATION OF LEASE AGREEMENT (this "*Modification*") is made this _____ day of _____, 2009 by and between THE CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida ("*City*") and the AMELIA ISLAND COMPANY, a Delaware corporation ("*Lessee*").

WITNESSETH:

WHEREAS, Lessee is the tenant under that certain Golf Course Development and Lease Agreement dated July 7, 1994 between City and Nassau Sound Land Co., Inc, a Florida corporation, as amended by the First Amendment to Golf Course Development and Lease Agreement dated July 7, 1994, as evidenced by the Memorandum of Development and Lease Agreement recorded August 9, 1995, as assigned to Kingsley Creek Development Company, a Florida corporation, pursuant to that certain Assignment and Assumption of Lease dated as of July 1, 1996, and as subsequently assigned to The Summerton Inn, Inc. pursuant to that certain Assignment and Assumption of Lease dated October 16, 2003, and as subsequently assigned to Amelia Island Company, a Delaware corporation, pursuant to that certain Assignment and Assumption of Lease dated September 16, 2005 (as amended and assigned, the "*Lease*"), for the real property as described in the Lease (*the "Leased Premises"*);

WHEREAS, subsection 1.07(b) of the lease agreement prohibits any additional mortgage or lien against the leasehold improvements, fixtures or equipment, except for the initial mortgages obtained for construction and/or acquisition;

WHEREAS, Amelia Island Company, as lessee, and the City, as lessor, agree to a modification of the lease agreement to allow Amelia Island Company to reorganize its debt on the leasehold improvements at Royal Amelia and secure a loan that provides for a mortgage/lien against the leasehold interest and all leasehold improvements of the lessee, Amelia Island Company; and

MODIFICATION OF LEASE AGREEMENT

This MODIFICATION OF LEASE AGREEMENT (this "*Modification*") is made this 17th day of March, 2009 by and between THE CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida ("*City*") and the AMELIA ISLAND COMPANY, a Delaware corporation ("*Lessee*").

WITNESSETH:

WHEREAS, Lessee is the tenant under that certain Golf Course Development and Lease Agreement dated July 7, 1994 between City and Nassau Sound Land Co., Inc, a Florida corporation, as amended by the First Amendment to Golf Course Development and Lease Agreement dated July 7, 1994, as evidenced by the Memorandum of Development and Lease Agreement recorded August 9, 1995, as assigned to Kingsley Creek Development Company, a Florida corporation, pursuant to that certain Assignment and Assumption of Lease dated as of July 1, 1996, and as subsequently assigned to The Summerton Inn, Inc. pursuant to that certain Assignment and Assumption of Lease dated October 16, 2003, and as subsequently assigned to Amelia Island Company, a Delaware corporation, pursuant to that certain Assignment and Assumption of Lease dated September 16, 2005 (as amended and assigned, the "*Lease*"), for the real property as described in the Lease (*the "Leased Premises"*);

WHEREAS, subsection 1.07(b) of the lease agreement prohibits any additional mortgage or lien against the leasehold improvements, fixtures or equipment, except for the initial mortgages obtained for construction and/or acquisition;

WHEREAS, Amelia Island Company, as lessee, and the City, as lessor, agree to a modification of the lease agreement to allow Amelia Island Company to reorganize its debt on the leasehold improvements at Royal Amelia and secure a loan that provides for a mortgage/lien against the leasehold interest and all leasehold improvements of the lessee, Amelia Island Company; and

WHEREAS, City and Lessee wish to modify subsection 1.07 (b) of the Lease Agreement to allow the Lessee to obtain a loan and provide for an additional mortgage/lien against the leasehold interest and all leasehold improvements.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) paid by Lessee to City, the mutual promises contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, City and Lessee do hereby agree as follows:

1. Recitals. The foregoing recitals are true and correct and are fully incorporated herein by this reference.

2. Defined Terms. Terms in this Modification shall have the same meaning as such terms have in the Lease, unless otherwise noted in this Modification.

3. Modification. Notwithstanding any provision of the Lease to the contrary, City and Lessee hereby agree that subsection 1.07(b) of the Lease Agreement shall be amended specifically to allow for an additional mortgage/lien against the leasehold interest and all leasehold improvements of Lessee in favor of the mortgagee(s), Redquartz Amelia, LLC, a Florida limited liability company and/or Redquartz Atlanta, LLC, a Florida limited liability company.

4. Full Force and Effect. The Lease shall remain in full force and effect to the extent it is not inconsistent herewith as if the terms of this Modification were included in the Lease at the time of its execution. This Modification shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and assigns forever.

5. Ratification. In the event of any conflict or ambiguity between this Modification and the Lease, this Modification shall control. The parties hereby ratify and confirm their rights and obligations under the Lease as modified by this Modification.

6. Counterparts. This Modification may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.

Lillie Russell
Lillie Russell
[Print or Type Name]

Wesley H. Huxley-Nelson
Wesley H. Huxley-Nelson
[Print or Type Name]

CITY:

CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida

By: Michael J. Czymbor
Print Name: Michael J. Czymbor
Title: City Manager

Approved As To Form:

Tammi E. Bach
Tammi E. Bach
City Attorney

ATTEST:

Mary L. Mercer
Mary L. Mercer
City Clerk

Margaret Ann Wood
Margaret Ann Wood
[Print or Type Name]

S. Norman Bray
S. Norman Bray
[Print or Type Name]

LESSEE:

Amelia Island Company, a Delaware corporation

By: Jack B. Healan, Jr.
Print Name: Jack B. Healan, Jr.
Title: President

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 17th day of March, 2009, by Michael J. Czymbor, the City Manager of The City of Fernandina Beach, a body politic incorporated and existing under the laws of the State of Florida, on behalf of the City. Such person did not take an oath and: *(notary must check applicable box)*

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}



ANITALOUISE VOSMUS-ROSS
Notary Public, State of Florida
My Comm. Expires Oct. 17, 2012
Commission No. DD 822145

Anita Louise Vosmus-Ross
Signature of Notary

Anita Louise Vosmus-Ross
Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): _____
My Commission Expires (if not legible on seal): _____

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 17th day of March, 2009, by Jack B. Healan, Jr., the President of Amelia Island Company, a Delaware corporation, on behalf of the corporation. Such person did not take an oath and: *(notary must check applicable box)*

- is/are personally known to me.
- produced a current Florida driver's license as identification.
- produced _____ as identification.

{Notary Seal must be affixed}



Jana H. Williams
Commission # DD531919
Expires June 30, 2010
Bonded Troy Fair Insurance Inc 800-365-7019

Jana H. Williams
Signature of Notary

Jana H. Williams
Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): _____
My Commission Expires (if not legible on seal): _____



Item #7.6

CITY COMMISSION AGENDA ITEM
CITY OF FERNANDINA BEACH

SUBJECT: Resolution 2009-49
Modification of Lease Agreement for the Royal Amelia Golf Course

DEPARTMENT: City Attorney's Office

ATTACHMENTS: Ordinance Resolution
 Support Documents Other

SUMMARY: In September of 2005, the lease for Royal Amelia Golf Course was assigned to the Amelia Island Company, a Delaware corporation.

The Amelia Island Company requests that the City, as lessor, approve a modification of the lease agreement to allow Amelia Island Company to reorganize its debt on the leasehold improvements at Royal Amelia and secure a loan that provides for a mortgage/lien against the leasehold interest and all leasehold improvements of the lessee, Amelia Island Company.

Subsection 1.07(b) of the lease agreement prohibits any additional mortgage or lien against the leasehold improvements, fixtures or equipment, except for the initial mortgages obtained for construction and/or acquisition. This modification of subsection 1.07(b) allows for a specific additional mortgage/lien against the leasehold interest and improvements. Except for subsection 1.07(b) of the lease agreement, all other terms and conditions of the lease agreement are not changed by this modification of the lease, and the City's rights and obligations do not change in any manner due to this modification of the lease.

RECOMMENDED ACTION: Approve Resolution 2009-49

DEPARTMENT HEAD Tammi Bach, City Attorney Date: 3/16/2009
Requested Agenda Date: 3/17/2009

FINANCE DEPARTMENT Budgeted Yes No N/A Date:

CITY ATTORNEY Approved for Form *TEB* Date: 3/16/09

CITY MANAGER Approved Agenda Item for *M* Date: 3/17/09

COMMISSION ACTION: Approved As Recommended Disapproved
 Approved With Modification Tabled To Time Certain

Approved at the City Commission Meeting
RS
Held on *3-17-09*
Voted: *5-0* Initial: *ala*

RESOLUTION 2009-58

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA APPROVING THE THIRD AMENDMENT TO THE GOLF COURSE DEVELOPMENT AND LEASE AGREEMENT, AS MODIFIED, BY AMENDING SECTION 1.02(D) OF THE LEASE AGREEMENT FOR THE ROYAL AMELIA GOLF COURSE PROPERTY; APPROVING CONCEPTUAL PLANS FOR LEASEHOLD IMPROVEMENTS; PROVIDING FOR EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in July of 1994, the City entered into a lease agreement (the "Lease Agreement") with the Nassau Sound Land Co., L.L.C., for the Royal Amelia Golf Course property adjacent to the City's Airport; and

WHEREAS, in August, 1995, the Lease Agreement was amended by a First Amendment, as evidenced by the Memorandum of Development and Lease Agreement; and

WHEREAS, in July of 1996, the Lease Agreement was assigned from the Nassau Sound Land Co., L.L.C. to Kingsley Creek Development Company; and

WHEREAS, in October of 2003, the Lease Agreement was assigned to The Summerton Inn, Inc., a wholly owned subsidiary of the National Bank of South Carolina, following the bankruptcy filing of Kingsley Creek Development Company; and

WHEREAS, in September, 2005, the Lease Agreement was assigned to the Amelia Island Company pursuant to City Resolution 2005-165 and the Assignment and Assumption of Lease; and

WHEREAS, in September, 2005, the Lease Agreement was modified to confirm the metes and bounds of the legal description of the leased premises; and

WHEREAS, in July, 2007 the Lease Agreement was amended by a Second Amendment, as evidenced in the "Second Amendment to Golf Course Development and Lease Agreement, as modified" to provide for the further development of the golf course; and

WHEREAS, in March, 2009 the Lease Agreement was modified, as evidenced in the Modification of Lease, to allow for an additional mortgage/lien against the leasehold interest and improvements to allow Amelia Island Company to reorganize its debt on the leasehold improvements at Royal Amelia and secure a loan that provides for a mortgage/lien against the leasehold interest and all leasehold improvements; and

WHEREAS, the Second Amendment, approved in July, 2007, modified Section 1.02(d) by stating "the City agrees that the Lessee may build a lodging facility on the leased premises."; and

WHEREAS, the Second Amendment, approved in July, 2007, also modified Section 1.04(a) by stating "Lessee shall develop appropriate plans for the construction of leasehold improvements. Said plans shall be submitted to the City for conceptual review by the City Commission."; and

WHEREAS, Amelia Island Company desires to submit conceptual plans for leasehold improvements; and

WHEREAS, this Third Amendment to the Lease Agreement clarifies the term "lodging facility" to be in accordance with the City's Land Development Code and Amelia Island Company's conceptual plans for leasehold improvements as presented at the April 7, 2009 City Commission meeting.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

SECTION 1. The City Commission hereby approves the Third Amendment to the Golf Course Development and Lease Agreement, as modified, attached hereto as Exhibit "A".

SECTION 2. The City Commission hereby approves the conceptual plans submitted by Amelia Island Company for leasehold improvements.

SECTION 3. The City Manager and City Clerk are hereby authorized to execute said Amendment, upon review and approval by the City Attorney.

SECTION 4. This Resolution shall be effective immediately upon passage.

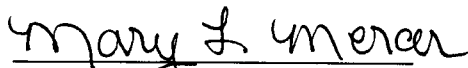
ADOPTED this 7th day of April, 2009.

CITY OF FERNANDINA BEACH



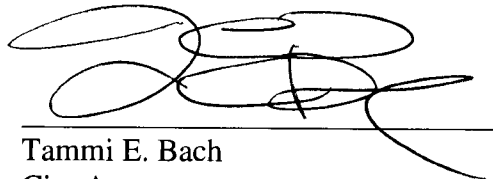
Bruce Malcolm
Commissioner – Mayor

ATTEST:



Mary L. Mercer
City Clerk

APPROVED AS TO FORM:



Tammi E. Bach
City Attorney

Exh 'A'
Res 2009-58

THIRD AMENDMENT
TO GOLF COURSE DEVELOPMENT AND LEASE AGREEMENT
as modified

WHEREAS, in July of 1994, the City entered into a lease agreement (the "Lease Agreement") with the Nassau Sound Land Co., L.L.C., for the Royal Amelia Golf Course property adjacent to the City's Airport; and

WHEREAS, in August, 1995, the Lease Agreement was amended by a First Amendment, as evidenced by the Memorandum of Development and Lease Agreement; and

WHEREAS, in July of 1996, the Lease Agreement was assigned from the Nassau Sound Land Co., L.L.C. to Kingsley Creek Development Company; and

WHEREAS, in October of 2003, the Lease Agreement was assigned to The Summerton Inn, Inc., a wholly owned subsidiary of the National Bank of South Carolina, following the bankruptcy filing of Kingsley Creek Development Company; and

WHEREAS, in September, 2005, the Lease Agreement was assigned to the Amelia Island Company pursuant to the City's Resolution 2005-165, and the Assignment and Assumption of Lease; and

WHEREAS, in September, 2005, the Lease Agreement was modified to confirm the metes and bounds of the legal description of the leased premises; and

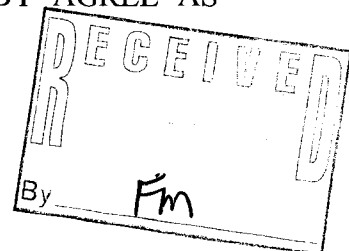
WHEREAS, in July, 2007 the Lease Agreement was amended by a Second Amendment, as evidenced in the "Second Amendment to Golf Course Development and Lease Agreement, as modified" to provide for the further development of the golf course; and

WHEREAS, in March, 2009 the Lease Agreement was modified, as evidenced in the Modification of Lease, to allow for an additional mortgage/lien against the leasehold interest and improvements to allow Amelia Island Company to reorganize its debt on the leasehold improvements at Royal Amelia and secure a loan that provides for a mortgage/lien against the leasehold interest and all leasehold improvements; and

WHEREAS, the Second Amendment, approved in July, 2007, modified Section 1.02(d) by stating "the City agrees that the Lessee may build a lodging facility on the leased premises."; and

WHEREAS, this Third Amendment to the Lease Agreement clarifies the term "lodging facility" to be in accordance with the City's Land Development Code, and approves Amelia Island Company's conceptual plans for leasehold improvements.

NOW THEREFORE, BASED ON MUTUAL CONSIDERATION, THE SUFFICIENCY OF WHICH IS AGREED TO BETWEEN THE PARTIES, THE PARTIES HEREBY AGREE AS FOLLOWS:




1. The Lease Agreement is hereby amended as follows:*

Section 1.02 (d) The City agrees that the Lessee may build a lodging facility on the leased premises. For purposes of the Lease Agreement and all amendments or modifications thereto, "lodging facility" shall be defined to mean the same as "lodging accommodations" in accordance with the City of Fernandina Beach Land Development Code for allowable uses, as it may be amended from time to time. The gross revenues from the lodging facility shall be included in the percentage rent, as set forth in paragraphs 3.02 and 3.03 herein.

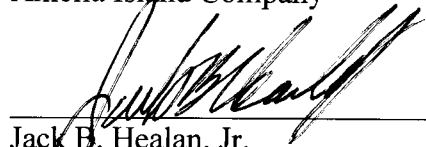
Therefore, the parties set their hands and seals in to this agreement this 7th day of April, 2009.

City of Fernandina Beach

Amelia Island Company



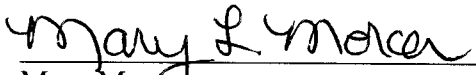
Michael J. Czymbor
City Manager



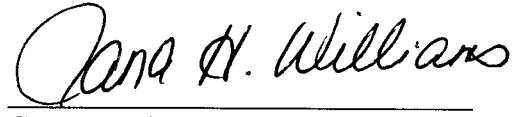
Jack B. Healan, Jr.
President

Attest:

Attest:




Mary Mercer
City Clerk



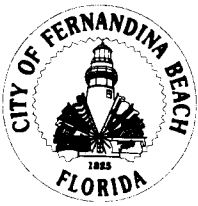
Dana H. Williams
Corporate Secretary

Approved As To Form:



Tammi E. Bach
City Attorney

* Underling indicates new language added to the Lease Agreement and strike through indicates deletion from the Lease Agreement.



CITY COMMISSION AGENDA ITEM
CITY OF FERNANDINA BEACH

SUBJECT: Resolution 2009-58
Third Amendment to the Lease Agreement for the Royal Amelia Golf Course and
Approval on Conceptual Plans for Leasehold Improvements

DEPARTMENT: City Attorney's Office

ATTACHMENTS: ___ Ordinance ___ Resolution
___ Support Documents ___ Other

SUMMARY: In September of 2005, the lease for Royal Amelia Golf Course was assigned to the Amelia Island Company, a Delaware corporation. Also, in September, 2005, the Lease was modified to confirm the metes and bounds of the legal description of the leased premise.

In July, 2007 the Lease Agreement was amended by a Second Amendment to provide for the further development of the golf course. Specifically amended was Section 1.02(d) allowing for a "lodging facility" to be built. Section 1.04(a) was also amended to require the Lessee to develop appropriate plans for the construction of leasehold improvements and that said plans would be submitted to the City for conceptual review by the City Commission.

In March, 2009 the Lease Agreement was modified, to allow for an additional mortgage/lien against the leasehold interest and improvements to allow Amelia Island Company to reorganize its debt on the leasehold improvements at Royal Amelia and secure a loan that provides for a mortgage/lien against the leasehold interest and all leasehold improvements.

This Resolution proposes a Third Amendment to the Golf Course Development and Lease Agreement, as modified, in which Section 1.02 (d) will again be modified. The proposed modification will read "For purposes of the Lease Agreement and all amendments or modifications thereto, "lodging facility" shall be defined to mean the same as "lodging accommodations" in accordance with the City of Fernandina Beach Land Development Code for allowable uses, as it may be amended from time to time."

The Amelia Island Company has submitted conceptual plans for leasehold improvements, as required in the Second Amendment to Golf Course Development and Lease Agreement, as modified. The Amelia Island Company supports adoption of this Resolution and the modification of Section 1.02(d) of the Lease Agreement.

RECOMMENDED ACTION: Approve Resolution 2009-58

DEPARTMENT HEAD	Tammi Bach, City Attorney	Date: 3/16/2009
	Requested Agenda	Date: 3/17/2009
FINANCE DEPARTMENT	Budgeted ___ Yes ___ No ___ N/A	Date:
CITY ATTORNEY	Approved for Form <i>TEB</i>	Date: 4/1/09
CITY MANAGER	Approved Agenda Item for <i>(M)</i>	Date: 4/3/09

COMMISSION ACTION: ___ Approved As Recommended ___ Disapproved
___ Approved With Modification ___ Tabled To Time Certain
___ Other

Approved at the City Commission Meeting
Held on 4.7.09
Voted: 4-1 Initial: alw

PREPARED BY, AND AFTER
RECORDING, PLEASE RETURN TO:
ANDREW M. SODL, ESQ.
50 N. LAURA STREET, SUITE 3100
JACKSONVILLE, FLORIDA 32202

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE ("Assignment") is made and entered into as of this 29th day of July, 2011, by and among **THE SUMMERTON INN, INC.**, a South Carolina corporation ("Assignor"), **AMELIA RIVER GOLF LLC**, a Florida limited liability company (the "Assignee"), and **THE CITY OF FERNANDINA BEACH**, a body politic incorporated and existing under the laws of the State of Florida ("Landlord").

RECITALS:

A. Assignor is the tenant under that certain City of Fernandina Beach Golf Course Development and Lease Agreement dated as of July 7, 1994, executed by and between Nassau Sound Land Co., Inc. and Landlord, as evidenced by that certain Memorandum of Development and Lease Agreement dated August 8, 1995, executed by Nassau Sound Land Co., Inc. and Landlord, and recorded on August 9, 1995 in the Official Public Records of Nassau County, Florida beginning at Book 736, Page 178, as amended by that certain First Amendment to City of Fernandina Beach Golf Course License and Lease Agreement dated March 7, 1995, executed by and between Nassau Sound Land Co., Inc. and Landlord, as further amended by that certain Modification of Lease Agreement dated September 16, 2005, executed by and between Landlord and Assignor, and recorded on September 23, 2005 in the Official Public Records of Nassau County, Florida beginning at Book 1352, Page 320, as further amended by that certain Second Amendment to Golf Course Development and Lease Agreement dated July 5, 2007, as further amended by that certain Third Amendment to Golf Course Development and Lease Agreement dated April 7, 2009, as further amended by that certain Modification of Lease Agreement dated May 18, 2009, executed by and between the Landlord and Amelia Island Company, a Delaware corporation, and recorded on May 18, 2009 in the Official Public Records of Nassau County, Florida beginning at Book 1619, Page 1742, which was assigned by Nassau Sound Land Co., Inc. to Kingsley Creek Development Company pursuant to that certain Assignment and Assumption of Lease dated as of July 1, 1996 and recorded on August 6, 1996 in the Official Public Records of Nassau County, Florida beginning at Book 767, Page 1058, and subsequently assigned by Kingsley Creek Development Company to Assignor pursuant to that certain Assignment and Assumption of Lease dated as of October 16, 2003 and recorded on October 31, 2003 in the Official Public Records of Nassau County, Florida beginning at Book 1185, Page 1103 and re-recorded on September 23, 2005 in the Official Public Records of Nassau County, Florida beginning at Book 1352, Page 269, and subsequently assumed by Assignor pursuant to that certain Order Granting Motion to Assume and Assign Unexpired Lease of Nonresidential Real Property with the City of Fernandina Beach, Florida (Amelia River Golf Course Lease) dated July 6, 2010, entered by the United States Bankruptcy Court Middle District of Florida, Jacksonville Division, in the Chapter 11 bankruptcy case under the caption, *In re Amelia Island Company, a Delaware corporation*, assigned case number 09-bk-9601, and subsequently

{JA635691;4}

acquired by National Bank of South Carolina, N.A. by virtue of that certain Certificate of Title issued by the Clerk of the Court for the Circuit Court, Fourth Judicial Circuit, in and for Nassau County, Florida, on October 12, 2010 in favor of National Bank of South Carolina, N.A., in connection with that certain foreclosure lawsuit assigned case number 10-CA-443 and recorded on October 12, 2010 in the Official Public Records of Nassau County, Florida beginning at Book 1704, Page 456, and conveyed by National Bank of South Carolina, N.A. to Assignor pursuant to that certain Quit Claim Deed dated July 29, 2011 and to be recorded in the Official Public Records of Nassau County, Florida, which conveys all of the right, title, and, interest of National Bank of South Carolina, N.A. in and to the Lease (defined below) to Assignor (collectively, the "Lease"), for premises located adjacent to the Fernandina Beach Municipal Airport, as more particularly described on Exhibit A attached hereto (the "Leasehold Interest Real Property"); and

B. Assignor desires to assign the Lease to Assignee and Assignee desires to accept such assignment and assume Assignor's obligations thereunder as of the date hereof.

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Assignee, Assignor, intending to be legally bound, does hereby grant, bargain, sell, assign, transfer and deliver unto Assignee all of Assignor's right, title and interest in and to the Lease as heretofore assigned.

TO HAVE AND TO HOLD the same for the remainder of said term for use as permitted thereunder.

1. Recitals. The above stated Recitals are true and correct and by this reference are incorporated herein.

2. Assignment. Assignor hereby assigns to the Assignee all of its right, title and interest, and all obligations in and to the Lease for and during the remainder of the term of such Lease, including any options to renew the Lease, subject to the terms, covenants and conditions of said Lease.

3. Assumption. Assignee hereby accepts all of Assignor's right, title and interest, and acknowledges and agrees to assume, observe, fulfill, perform and keep all the covenants, obligations, terms and conditions of Assignor, as tenant only, which are set forth in the Lease and arise from and after the date of this Assignment.

4. Consent. Landlord hereby consents to the foregoing assignment and assumption of the Lease subject to all the terms and conditions of this Assignment.

5. Binding Effect. This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns and may be executed in any number of counterparts, each of which shall be considered an original document and together, all of which shall be considered one whole and complete document. Facsimile signatures pages and scanned and e-mailed signature pages shall be deemed original versions for all purposes.

6. Notices. All notices to be given pursuant to this Assignment shall be in writing and shall either be served personally or sent by telefax, hand delivery, a nationally recognized

{JA635691;4}

overnight delivery service or certified or registered mail, postage prepaid, to the address of the parties below specified or that such other address as may be given by written notice in the manner prescribed in this paragraph. Notice shall be deemed to be given when received as specified on a written telefax confirmation, delivered personally, if delivered, the day following delivery to an authorized overnight delivery service or on the third day after the date mailed as provided above, if mailed. Any notices may be sent to the following addresses unless notice of another address is given under this paragraph 6.

To Landlord: The City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034
Attention: Tammi E. Bach, City Attorney
Telephone Number: (904) 491-2044
Facsimile: (904) 491-2046
E-Mail: tbach@fbfl.org

To Assignee: Amelia River Golf LLC
Attn: George and Barbara Sheffield
28 S. 7th Street
Fernandina Beach, Florida 32034
Telephone Number: 904-557-5644
Facsimile: _____
E-Mail: coachshef@att.net

To Assignor: The Summerton Inn, Inc.
c/o David Hammond
Bank of North Georgia
269 Roswell Street
Marietta, GA 30060
Telephone Number: 770-422-7178
Facsimile Number: 770-428-1409
E-Mail: davidhammond@bankofnorthgeorgia.com

7. Legal Expenses. If any party to this Assignment brings suit or otherwise becomes involved in any legal proceedings seeking to enforce the terms of this Assignment, or to recover damages for their breach, the prevailing party shall be entitled to recover its costs and expenses (including fees of attorneys, expert witnesses, accountants, court reporters and others) incurred in connection therewith including all such costs and expenses incurred: (a) in trial and appellate court proceedings, (b) in connection with any and all counterclaims asserted by one party to this Assignment against another where such counterclaims arise out of or are otherwise related to this Assignment, (c) in bankruptcy or other insolvency proceedings, and (d) in post-judgment collection proceedings.

8. Power and Authority. Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of such party represents and warrants to the other party that he or she is fully empowered and authorized to do so.

9. Jurisdiction and Governing Law. This Assignment, and the interpretation and enforcement thereof, shall be governed by the laws of the State of Florida and venue shall be in Nassau County, Florida.

[signature pages follow]

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

Witnesses:

ASSIGNOR:

Ginger Pearson
Print Name: Ginger Pearson

THE SUMMERTON INN, INC., a South Carolina corporation

Teresa F. Lester
Print Name: Teresa F. Lester

By: *George W. Lindsay*
Print Name: George W. Lindsay, III
Title: Vice President

STATE OF South Carolina
COUNTY OF Horry

The foregoing instrument was executed, acknowledged and delivered before me this 28 day of July 2011, by George W. Lindsay, III, the Vice President for THE SUMMERTON INN, INC., a South Carolina corporation, on behalf of the company, who is personally known to me or who produced _____ as identification.

Teresa F. Lester
Notary Public, State of South Carolina
Printed Name: Teresa F. Lester
My Commission Expires: 11-9-2011
My Commission Number is: N/A

(NOTARY SEAL)

Witnesses:

Subendoyan Gaskill
Print Name: Subendoyan Gaskill

Deri Murray
Print Name: Deri Murray

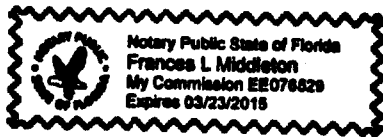
ASSIGNEE:

AMELIA RIVER GOLF LLC, a Florida limited liability company

By: George Shetfield
Name: George Shetfield
Its: managing member

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was executed, acknowledged and delivered before me this 11th day of August 2011, by George Shetfield, the Managing Member of AMELIA RIVER GOLF LLC, a Florida limited liability company, on behalf of the company, who is [] personally known to me or who [] produced _____ as identification.



Frances Middleton
Notary Public, State of FLORIDA
Printed Name: FRANCES LMIDDLETON
My Commission Expires: 3-23-2015
My Commission Number is: EE 676529

(NOTARY SEAL)

Witnesses:

[Signature]
Print Name: Jennifer Nagel

[Signature]
Print Name: Garrett H. Scott

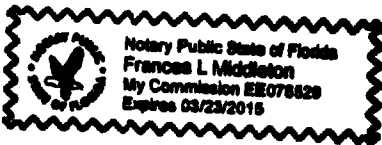
LANDLORD:

THE CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida

By: [Signature]
Print Name: JOHN MANDRICK
Title: Interim City Manager

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was executed, acknowledged and delivered before me this 11th day of August 2011, by John Mandrick, the Interim City Manager for THE CITY OF FERNANDINA BEACH, a body politic incorporated and existing under the laws of the State of Florida, who is [] personally known to me or who [] produced _____ as identification.



[Signature]
Notary Public, State of Florida
Printed Name: Frances L. Middleton
My Commission Expires: 3-23-2015
My Commission Number is: EE 076529

(NOTARY SEAL)

APPROVED AS TO FORM:
[Signature]
CITY ATTORNEY

Exhibit A
(Leasehold Interest Real Property)

A PORTION OF SECTION 6 AND 11, TOWNSHIP 2 NORTH, RANGE 28 EAST, NASSAU COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT AN IRON AT A POINT DETERMINED BY THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF AMELIA ROAD (A 60' RIGHT-OF-WAY) AND A LINE PARALLEL TO AND 282.60 FEET NORTHERLY FROM THE SOUTH LINE OF SAID SECTION 11;

THENCE NORTH 04 DEGREES 59 MINUTES 19 SECONDS EAST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 66.52 FEET TO THE POINT OF BEGINNING;

THENCE SOUTH 80 DEGREES 32 MINUTES 20 SECONDS WEST FOR A DISTANCE OF 405.08 FEET TO A POINT; THENCE SOUTH 84 DEGREES 31 MINUTES 53 SECONDS WEST FOR A DISTANCE OF 111.71 FEET TO A POINT; THENCE SOUTH 78 DEGREES 13 MINUTES 38 SECONDS WEST FOR A DISTANCE OF 189.90 FEET TO A POINT; THENCE SOUTH 80 DEGREES 17 MINUTES 40 SECONDS WEST FOR A DISTANCE OF 288.04 FEET TO A POINT; THENCE SOUTH 47 DEGREES 27 MINUTES 17 SECONDS WEST FOR A DISTANCE OF 119.92 FEET TO A POINT; THENCE SOUTH 80 DEGREES 39 MINUTES 06 SECONDS WEST FOR A DISTANCE OF 69.51 FEET TO A POINT; THENCE NORTH 74 DEGREES 11 MINUTES 00 SECONDS WEST FOR A DISTANCE OF 56.81 FEET TO A POINT; THENCE NORTH 86 DEGREES 50 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 153.91 FEET TO A POINT; THENCE NORTH 62 DEGREES 50 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 30.17 FEET TO A POINT; THENCE NORTH 86 DEGREES 19 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 37.24 FEET TO A POINT; THENCE NORTH 60 DEGREES 25 MINUTES 55 SECONDS WEST FOR A DISTANCE OF 71.77 FEET TO A POINT; THENCE SOUTH 46 DEGREES 37 MINUTES 10 SECONDS WEST FOR A DISTANCE OF 496.52 FEET TO A POINT; THENCE NORTH 37 DEGREES 17 MINUTES 12 SECONDS WEST FOR A DISTANCE OF 29.76 FEET TO A POINT; THENCE NORTH 38 DEGREES 53 MINUTES 54 SECONDS WEST FOR A DISTANCE OF 79.37 FEET TO A POINT; THENCE NORTH 74 DEGREES 31 MINUTES 52 SECONDS WEST FOR A DISTANCE OF 91.42 FEET TO A POINT; THENCE NORTH 58 DEGREES 05 MINUTES 12 SECONDS WEST FOR A DISTANCE OF 55.84 FEET TO A POINT; THENCE NORTH 59 DEGREES 03 MINUTES 31 SECONDS WEST FOR A DISTANCE OF 54.12 FEET TO A POINT; THENCE NORTH 41 DEGREES 40 MINUTES 08 SECONDS WEST FOR A DISTANCE OF 67.95 FEET TO A POINT; THENCE NORTH 59 DEGREES 44 MINUTES 45 SECONDS WEST FOR A DISTANCE OF 64.73 FEET TO A POINT; THENCE NORTH 58 DEGREES 16 MINUTES 31 SECONDS WEST FOR A DISTANCE OF 34.42 FEET TO A POINT; THENCE NORTH 24 DEGREES 31 MINUTES 18 SECONDS WEST FOR A DISTANCE OF 46.88 FEET TO A POINT; THENCE NORTH 72 DEGREES 25 MINUTES 04 SECONDS WEST FOR A DISTANCE OF 82.55 FEET TO A POINT; THENCE NORTH 76 DEGREES 36 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 59.36 FEET TO A POINT; THENCE NORTH 53 DEGREES 02 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 86.56 FEET TO A POINT; THENCE NORTH 68 DEGREES 05 MINUTES 28 SECONDS WEST FOR A DISTANCE OF 56.66 FEET TO A POINT; THENCE NORTH 47 DEGREES 53 MINUTES 05 SECONDS WEST FOR A DISTANCE OF 42.05 FEET TO A POINT; THENCE NORTH 15 DEGREES 24 MINUTES 24 SECONDS WEST FOR A DISTANCE OF 20.71 FEET TO A POINT; THENCE NORTH 13 DEGREES 28 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 39.84 FEET TO A POINT; THENCE NORTH 07 DEGREES 00 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 47.64 FEET TO A POINT; THENCE NORTH 25 DEGREES 38 MINUTES 14 SECONDS EAST FOR A DISTANCE OF 57.56 FEET TO A POINT; THENCE NORTH 09 DEGREES 11 MINUTES 43 SECONDS EAST FOR A DISTANCE OF 63.93 FEET TO A POINT; THENCE NORTH 69 DEGREES 16 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 34.22 FEET TO A POINT; THENCE SOUTH 07 DEGREES 08 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 52.49 FEET TO A POINT; THENCE SOUTH 35 DEGREES 19 MINUTES

58 SECONDS WEST FOR A DISTANCE OF 68.98 FEET TO A POINT; THENCE SOUTH 19 DEGREES 00 MINUTES 04 SECONDS WEST FOR A DISTANCE OF 77.66 FEET TO A POINT; THENCE SOUTH 76 DEGREES 03 MINUTES 50 SECONDS WEST FOR A DISTANCE OF 25.19 FEET TO A POINT; THENCE NORTH 59 DEGREES 06 MINUTES 38 SECONDS WEST FOR A DISTANCE OF 58.96 FEET TO A POINT; THENCE NORTH 48 DEGREES 19 MINUTES 50 SECONDS WEST FOR A DISTANCE OF 73.78 FEET TO A POINT; THENCE NORTH 40 DEGREES 45 MINUTES 08 SECONDS WEST FOR A DISTANCE OF 57.05 FEET TO A POINT; THENCE NORTH 21 DEGREES 08 MINUTES 21 SECONDS WEST FOR A DISTANCE OF 33.90 FEET TO A POINT; THENCE NORTH 45 DEGREES 19 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 57.45 FEET TO A POINT; THENCE NORTH 58 DEGREES 00 MINUTES 34 SECONDS WEST FOR A DISTANCE OF 43.25 FEET TO A POINT; THENCE NORTH 85 DEGREES 18 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 48.09 FEET TO A POINT; THENCE NORTH 85 DEGREES 34 MINUTES 42 SECONDS WEST FOR A DISTANCE OF 51.07 FEET TO A POINT; THENCE SOUTH 86 DEGREES 40 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 74.27 FEET TO A POINT; THENCE SOUTH 89 DEGREES 37 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 69.85 FEET TO A POINT; THENCE NORTH 74 DEGREES 18 MINUTES 04 SECONDS WEST FOR A DISTANCE OF 41.17 FEET TO A POINT; THENCE NORTH 45 DEGREES 22 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 49.39 FEET TO A POINT; THENCE NORTH 16 DEGREES 27 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 23.58 FEET TO A POINT; THENCE NORTH 28 DEGREES 43 MINUTES 56 SECONDS EAST FOR A DISTANCE OF 76.45 FEET TO A POINT; THENCE NORTH 01 DEGREES 11 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 132.54 FEET TO A POINT; THENCE NORTH 73 DEGREES 03 MINUTES 13 SECONDS WEST FOR A DISTANCE OF 19.46 FEET TO A POINT; THENCE SOUTH 10 DEGREES 49 MINUTES 08 SECONDS WEST FOR A DISTANCE OF 168.20 FEET TO A POINT; THENCE SOUTH 41 DEGREES 28 MINUTES 40 SECONDS WEST FOR A DISTANCE OF 61.11 FEET TO A POINT; THENCE SOUTH 73 DEGREES 38 MINUTES 46 SECONDS WEST FOR A DISTANCE OF 48.43 FEET TO A POINT; THENCE NORTH 07 DEGREES 28 MINUTES 36 SECONDS EAST FOR A DISTANCE OF 133.40 FEET TO A POINT; THENCE SOUTH 57 DEGREES 53 MINUTES 47 SECONDS WEST FOR A DISTANCE OF 201.41 FEET TO A POINT; THENCE NORTH 77 DEGREES 11 MINUTES 26 SECONDS WEST FOR A DISTANCE OF 89.46 FEET TO A POINT; THENCE NORTH 77 DEGREES 38 MINUTES 25 SECONDS WEST FOR A DISTANCE OF 78.36 FEET TO A POINT; THENCE NORTH 77 DEGREES 28 MINUTES 11 SECONDS WEST FOR A DISTANCE OF 88.20 FEET TO A POINT; THENCE NORTH 82 DEGREES 40 MINUTES 35 SECONDS WEST FOR A DISTANCE OF 58.28 FEET TO A POINT; THENCE NORTH 65 DEGREES 53 MINUTES 16 SECONDS WEST FOR A DISTANCE OF 74.45 FEET TO A POINT; THENCE NORTH 07 DEGREES 53 MINUTES 18 SECONDS EAST FOR A DISTANCE OF 48.92 FEET TO A POINT; THENCE NORTH 45 DEGREES 06 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 76.84 FEET TO A POINT; THENCE NORTH 34 DEGREES 19 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 58.09 FEET TO A POINT; THENCE NORTH 08 DEGREES 59 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 140.94 FEET TO A POINT; THENCE NORTH 28 DEGREES 38 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 60.39 FEET TO A POINT; THENCE NORTH 49 DEGREES 24 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 44.24 FEET TO A POINT; THENCE NORTH 34 DEGREES 39 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 77.27 FEET TO A POINT; THENCE NORTH 04 DEGREES 38 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 155.62 FEET TO A POINT; THENCE NORTH 88 DEGREES 42 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 38.47 FEET TO A POINT; THENCE NORTH 21 DEGREES 11 MINUTES 36 SECONDS WEST FOR A DISTANCE OF 31.48 FEET TO A POINT; THENCE NORTH 57 DEGREES 11 MINUTES 10 SECONDS WEST FOR A DISTANCE OF 28.23 FEET TO A POINT; THENCE NORTH 15 DEGREES 28 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 40.85 FEET TO A POINT; THENCE NORTH 20 DEGREES 47 MINUTES 25 SECONDS EAST FOR A DISTANCE OF 57.61 FEET TO A POINT; THENCE NORTH 42 DEGREES 09 MINUTES 52 SECONDS EAST FOR A DISTANCE OF 39.72 FEET TO A POINT; THENCE NORTH 74 DEGREES 11 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 27.40 FEET TO A POINT; THENCE NORTH 24 DEGREES 45 MINUTES 39 SECONDS WEST FOR A DISTANCE OF 41.69 FEET TO A POINT; THENCE NORTH 15 DEGREES 09 MINUTES 15 SECONDS EAST FOR A DISTANCE OF 35.82 FEET TO A POINT; THENCE SOUTH 83 DEGREES 34 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 40.20 FEET TO A POINT;

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THENCE SOUTH 61 DEGREES 30 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 54.61 FEET TO A POINT; THENCE NORTH 39 DEGREES 10 MINUTES 50 SECONDS EAST FOR A DISTANCE OF 33.95 FEET TO A POINT; THENCE NORTH 64 DEGREES 06 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 87.78 FEET TO A POINT; THENCE NORTH 30 DEGREES 12 MINUTES 58 SECONDS EAST FOR A DISTANCE OF 101.06 FEET TO A POINT; THENCE NORTH 12 DEGREES 05 MINUTES 56 SECONDS EAST FOR A DISTANCE OF 259.44 FEET TO A POINT; THENCE NORTH 06 DEGREES 29 MINUTES 17 SECONDS EAST FOR A DISTANCE OF 50.22 FEET TO A POINT; THENCE NORTH 09 DEGREES 05 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 33.60 FEET TO A POINT; THENCE NORTH 18 DEGREES 43 MINUTES 48 SECONDS EAST FOR A DISTANCE OF 98.59 FEET TO A POINT; THENCE NORTH 01 DEGREES 02 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 44.28 FEET TO A POINT; THENCE NORTH 38 DEGREES 40 MINUTES 36 SECONDS WEST FOR A DISTANCE OF 80.72 FEET TO A POINT; THENCE NORTH 27 DEGREES 56 MINUTES 13 SECONDS WEST FOR A DISTANCE OF 76.22 FEET TO A POINT; THENCE NORTH 31 DEGREES 55 MINUTES 01 SECONDS WEST FOR A DISTANCE OF 44.28 FEET TO A POINT; THENCE NORTH 29 DEGREES 25 MINUTES 25 SECONDS WEST FOR A DISTANCE OF 64.62 FEET TO A POINT; THENCE NORTH 78 DEGREES 05 MINUTES 59 SECONDS WEST FOR A DISTANCE OF 25.31 FEET TO A POINT THENCE NORTH 47 DEGREES 06 MINUTES 58 SECONDS WEST FOR A DISTANCE OF 44.99 FEET TO A POINT; THENCE NORTH 12 DEGREES 18 MINUTES 35 SECONDS WEST FOR A DISTANCE OF 66.40 FEET TO A POINT; THENCE NORTH 55 DEGREES 13 MINUTES 20 SECONDS EAST FOR A DISTANCE OF 43.24 FEET TO A POINT; THENCE NORTH 43 DEGREES 43 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 104.11 FEET TO A POINT; THENCE NORTH 10 DEGREES 19 MINUTES 42 SECONDS EAST FOR A DISTANCE OF 147.43 FEET TO A POINT; THENCE NORTH 02 DEGREES 17 MINUTES 22 SECONDS EAST FOR A DISTANCE OF 62.31 FEET TO A POINT; THENCE NORTH 01 DEGREES 24 MINUTES 37 SECONDS WEST FOR A DISTANCE OF 75.68 FEET TO A POINT; THENCE NORTH 08 DEGREES 49 MINUTES 01 SECONDS WEST FOR A DISTANCE OF 76.54 FEET TO A POINT; THENCE NORTH 13 DEGREES 18 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 60.52 FEET TO A POINT; THENCE NORTH 11 DEGREES 53 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 58.36 FEET TO A POINT; THENCE NORTH 07 DEGREES 54 MINUTES 00 SECONDS WEST FOR A DISTANCE OF 60.02 FEET TO A POINT; THENCE NORTH 33 DEGREES 55 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 85.15 FEET TO A POINT; THENCE NORTH 38 DEGREES 01 MINUTES 52 SECONDS WEST FOR A DISTANCE OF 84.32 FEET TO A POINT; THENCE NORTH 06 DEGREES 33 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 25.86 FEET TO A POINT; THENCE SOUTH 89 DEGREES 23 MINUTES 05 SECONDS EAST FOR A DISTANCE OF 47.03 FEET TO A POINT; THENCE NORTH 05 DEGREES 27 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 31.69 FEET TO A POINT; THENCE NORTH 38 DEGREES 37 MINUTES 54 SECONDS EAST FOR A DISTANCE OF 59.25 FEET TO A POINT; THENCE NORTH 07 DEGREES 24 MINUTES 35 SECONDS EAST FOR A DISTANCE OF 49.08 FEET TO A POINT; THENCE NORTH 01 DEGREES 01 MINUTES 30 SECONDS EAST FOR A DISTANCE OF 48.90 FEET TO A POINT; THENCE NORTH 17 DEGREES 44 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 47.59 FEET TO A POINT; THENCE NORTH 01 DEGREES 28 MINUTES 23 SECONDS WEST FOR A DISTANCE OF 35.00 FEET TO A POINT; THENCE NORTH 75 DEGREES 01 MINUTES 38 SECONDS WEST FOR A DISTANCE OF 35.68 FEET TO A POINT; THENCE NORTH 32 DEGREES 09 MINUTES 12 SECONDS WEST FOR A DISTANCE OF 71.17 FEET TO A POINT; THENCE NORTH 25 DEGREES 21 MINUTES 53 SECONDS EAST FOR A DISTANCE OF 92.79 FEET TO A POINT; THENCE NORTH 85 DEGREES 21 MINUTES 55 SECONDS WEST FOR A DISTANCE OF 57.70 FEET TO A POINT; THENCE NORTH 33 DEGREES 01 MINUTES 43 SECONDS EAST FOR A DISTANCE OF 58.66 FEET TO A POINT; THENCE NORTH 32 DEGREES 40 MINUTES 06 SECONDS EAST FOR A DISTANCE OF 99.38 FEET TO A POINT; THENCE NORTH 49 DEGREES 55 MINUTES 44 SECONDS EAST FOR A DISTANCE OF 43.24 FEET TO A POINT; THENCE NORTH 14 DEGREES 27 MINUTES 23 SECONDS EAST FOR A DISTANCE OF 63.66 FEET TO A POINT; THENCE SOUTH 64 DEGREES 25 MINUTES 11 SECONDS EAST FOR A DISTANCE OF 65.70 FEET TO A POINT; THENCE NORTH 05 DEGREES 39 MINUTES 21 SECONDS WEST FOR A DISTANCE OF 171.64 FEET TO A POINT; THENCE NORTH 39 DEGREES 34 MINUTES 25 SECONDS EAST FOR A DISTANCE OF 51.91 FEET TO A POINT; THENCE NORTH 06 DEGREES 24 MINUTES 29 SECONDS WEST FOR A DISTANCE

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OF 42.13 FEET TO A POINT; THENCE NORTH 00 DEGREES 23 MINUTES 44 SECONDS WEST FOR A DISTANCE OF 37.70 FEET TO A POINT; THENCE NORTH 65 DEGREES 40 MINUTES 08 SECONDS EAST FOR A DISTANCE OF 68.35 FEET TO A POINT; THENCE NORTH 73 DEGREES 46 MINUTES 23 SECONDS EAST FOR A DISTANCE OF 77.82 FEET TO A POINT; THENCE NORTH 61 DEGREES 45 MINUTES 54 SECONDS EAST FOR A DISTANCE OF 102.77 FEET TO A POINT; THENCE NORTH 21 DEGREES 08 MINUTES 09 SECONDS WEST FOR A DISTANCE OF 150.84 FEET TO A POINT; THENCE NORTH 79 DEGREES 48 MINUTES 28 SECONDS WEST FOR A DISTANCE OF 66.15 FEET TO A POINT; THENCE NORTH 11 DEGREES 41 MINUTES 37 SECONDS WEST FOR A DISTANCE OF 62.79 FEET TO A POINT; THENCE NORTH 67 DEGREES 51 MINUTES 06 SECONDS WEST FOR A DISTANCE OF 67.91 FEET TO A POINT; THENCE NORTH 31 DEGREES 34 MINUTES 11 SECONDS WEST FOR A DISTANCE OF 45.24 FEET TO A POINT; THENCE SOUTH 75 DEGREES 08 MINUTES 51 SECONDS WEST FOR A DISTANCE OF 26.54 FEET TO A POINT; THENCE NORTH 62 DEGREES 58 MINUTES 37 SECONDS WEST FOR A DISTANCE OF 91.76 FEET TO A POINT; THENCE NORTH 31 DEGREES 45 MINUTES 02 SECONDS WEST FOR A DISTANCE OF 66.87 FEET TO A POINT; THENCE NORTH 20 DEGREES 28 MINUTES 29 SECONDS WEST FOR A DISTANCE OF 45.03 FEET TO A POINT; THENCE NORTH 80 DEGREES 49 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 808.66 FEET TO A POINT; THENCE NORTH 09 DEGREES 10 MINUTES 39 SECONDS WEST FOR A DISTANCE OF 200.00 FEET TO A POINT; THENCE NORTH 80 DEGREES 49 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 420.00 FEET TO A POINT; THENCE SOUTH 09 DEGREES 10 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 2917.68 FEET TO A POINT; THENCE SOUTH 35 DEGREES 49 MINUTES 21 SECONDS WEST FOR A DISTANCE OF 1077.42 FEET TO A POINT; THENCE SOUTH 54 DEGREES 10 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 500.00 FEET TO A POINT; THENCE NORTH 35 DEGREES 49 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 577.42 FEET TO A POINT; THENCE NORTH 41 DEGREES 21 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 1191.69 FEET TO A POINT; THENCE NORTH 35 DEGREES 49 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 1450.51 FEET TO A POINT; THENCE SOUTH 54 DEGREES 10 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 2584.68 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF AMELIA ROAD AFOREMENTIONED; THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1713.18 FEET AND AN ARC LENGTH OF 580.21 FEET, BEING SUBTENDED BY A CHORD OF SOUTH 60 DEGREES 25 MINUTES 13 SECONDS WEST FOR A DISTANCE OF 577.44 FEET TO A POINT; THENCE SOUTH 70 DEGREES 07 MINUTES 22 SECONDS WEST FOR A DISTANCE OF 310.71 FEET TO A POINT; THENCE SOUTH 19 DEGREES 52 MINUTES 38 SECONDS EAST FOR A DISTANCE OF 10.00 FEET TO A POINT; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 995.68 FEET AND AN ARC LENGTH OF 990.67 FEET, BEING SUBTENDED BY A CHORD OF SOUTH 41 DEGREES 37 MINUTES 08 SECONDS WEST FOR A DISTANCE OF 950.31 FEET TO A POINT; THENCE SOUTH 04 DEGREES 59 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 608.78 FEET TO THE POINT OF BEGINNING.