



**AGENDA
AIRPORT ADVISORY COMMISSION
REGULAR MEETING
OCTOBER 10, 2019
6:00 PM
CITY HALL COMMISSION CHAMBERS
204 ASH STREET
FERNANDINA BEACH, FL 32034**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF MINUTES**
 - 3.1 Review Meeting Minutes from the August 8, 2019 Regular AAC Meeting
- 4. PUBLIC COMMENT REGARDING ITEMS NOT ON THE AGENDA**
- 5. OLD BUSINESS**
 - 5.1 Runway 4 GPS Procedure Development Update
 - 5.2 Airport Financials - September 30, 2019 Financial Report
 - 5.3 T-Hangar Request for Proposals Discussion
- 6. NEW BUSINESS**
 - 6.1 Amelia River Golf Course Lease Assignment Review
 - 6.2 Water Utility Department Ground Lease Review/Recommendation
 - 6.3 117th Air Control Squadron Facility Use Agreement Review/Recommendation
 - 6.4 2020 Concours/Bonhams/Russo and Steele FAA Safety Plan Review
- 7. AIRPORT DIRECTOR AND STAFF REPORTS**
 - 7.1 Monthly Airport Report
- 8. COMMISSION MEMBER REPORTS/COMMENTS**
- 9. NEXT MEETING DATE**
- 10. ADJOURNMENT**

All members of the public are invited to be present and be heard. Persons with disabilities requiring accommodations in order to participate in this program or activity should contact the City Clerk at (904) 310-3115 or TTY/TDD 711 (for the hearing or speech impaired). All interested parties may appear at said meeting and be heard as to the advisability of any action, which may be considered with respect to such matter. For information regarding this matter, please contact the Airport Manager.

1. **Call to Order:** Chairperson Chuck Colcord called the meeting to order at 6:00 pm.
2. **Members Present:** Chuck Colcord (Chair), Dave Austin, Prudence Hostetter, David Broughton, Tom Piscitello, and Don Edlin
Members Absent: Ward Gill

Others Present: Nathan Coyle (Staff Assistant), Robert Kozakoff, Tracine Anderson, Brian Echard, Kathryn Echard, Commissioner Len Kreger, and Commissioner Mike Lednovich.

3. Approval of Minutes

3.1 July 11, 2019 AAC Meeting – Approval of Minutes: Mr. Coyle presented the minutes for consideration of the AAC. There was no discussion.

A motion was made by Member Hostetter, seconded by Member Edlin, to approve the July 11, 2019 AAC Regular Meeting Minutes. A vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

4. **Public Comment Regarding Items Not On The Agenda:** Airport Manager Coyle made a comment announcing that airport staff attended the 2019 Florida Airports Council Convention in Fort Lauderdale, where the airport was awarded the 2019 Florida Department of Transportation General Aviation Airport of the Year award for the airport's new terminal facility.

New Business Item 6.1 City Water Plant Solar Farm Lease Concept: Airport Manager Coyle asked if this item could be moved to the front of the agenda as the City of Fernandina Beach Utility Department Manager, John Mandrick, was present at the meeting for this discussion. The group agreed and the agenda was amended to place Item 6.1 as the first agenda item.

Mr. Mandrick and Mr. Coyle presented a conceptual proposal that they have been working on to place a solar array adjacent to the existing City Water Plant that resides on Airport property. The solar array would be placed on the previous City mulch site, north of the humane society, and would offset energy cost for the water plant. Under this proposal additional arrays would be installed and connected to the new airport terminal facility, and would offset energy cost for this building. Mr. Coyle stated that this arrangement could be accomplished through a ground lease with rent credits given back over time to the utility department for the install of additional solar panels, and connection to the terminal facility. Member Austin asked what the term of the lease would be and over what time the credits would be given back. Mr. Coyle stated that he thought the lease might be a 30-year term with payback over the term of the lease. Member Austin suggested that the rent credits be aligned to the depreciation timeline for a solar field, and Mr. Coyle agreed that this would be a good idea. Member Edlin asked what the expected energy savings would be, and Mr. Coyle stated that 30% savings was a conservative estimate used for planning. Mr. Coyle also stated that the average monthly power bill for the terminal facility was \$1,650 per month. With a 30%

savings the FBO (which shares energy cost) and airport would see an estimated \$500 savings per month in energy cost savings. The group discussed the proposal further and agreed that this use of property would be reasonable for the term of a ground lease.

A motion was made by Member Edlin, seconded by Member McKee, for staff to move forward with this proposal and bring back a draft lease for recommendation prior to presentation to the City Commission for consideration. A vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

5. Old Business:

5.1 GPS Procedure Development Update

Airport Manager Coyle provided an update stating that he had followed-up with the Flight Procedures Office after the last AAC meeting and was told that the GPS Procedure for Runway 4 is still progressing and that a draft procedure would be released soon for review by the public and flight inspection.

5.2 T-Hangar Exclusivity Discussion Continued – Template RFP/Lease

Airport Manager Coyle presented a template RFP conducted for T-Hangar development at an airport in Frederick, Maryland. Mr. Coyle stated that the RFP was released with two submittals by the airport. Mr. Coyle contacted the airport manager and shared lessons learned from this process with the group.

AAC members discussed releasing an RFP for T-Hangar development versus pursuing a public/private partnership. The group came to consensus that it may be worthwhile to release an RFP for private T-Hangar development to see if any submittals would be received before pursuing a public/private partnership, although concern was expressed that there likely may not be any submittals received for a private T-Hangar development.

A motion was made by Member Edlin, seconded by Member Austin, for staff to bring back a draft RFP for T-hangar development for review of the AAC. A vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

5.3 Airport Financials

Airport Manager Coyle presented the airport financials to the AAC. There was no discussion on the financials.

5.4 Land Use Compatibility Discussion – Continued

At a previous AAC meeting, the group suggested that Mr. Coyle develop a presentation that could be shared with the City Commission regarding the rules governing use of non-

aeronautical property at the airport. This suggestion was provided following significant discussion among community members regarding desire for long term uses of the property under a lease with the Amelia River Golf Course, and the fact that some confusion may exist regarding potential uses and expectations from the FAA on this type of property.

Mr. Coyle presented a slideshow which reviewed FAA guidance regarding the difference between aeronautical and non-aeronautical property, FAA expectations for use of non-aeronautical property, compatible uses for non-aeronautical property adjacent to airports, and included information in an attempt to answer two questions from Commissioners recently received by staff, which were:

- Would the FAA authorize recreational zoning on the property leased to the Amelia River Golf Course?
- Could a portion of the property be placed into conservation use, and what would be required to do so?

Commissioner Lednovich provided comment regarding his interest in proposing that the Amelia River Golf Course property be zoned recreational, which resulted in the question in the slideshow. Member Austin stated that he felt that discussion was premature given the current lease and use of the property.

Mr. Coyle asked the group for feedback on the presentation, and AAC members provided a recommendation that the slideshow be streamlined as there was too much information to digest. Mr. Coyle stated that he would do that and would discuss scheduling a presentation with Mr. Martin.

6. New Business:

6.2 Facility Use Agreement – Jamestown Road Vehicle Parking for Event in Hangar A

Airport Manager Coyle presented a facility use agreement for parking along Jamestown Road to be utilized by attendees of a private corporate dinner event in Hangar A on September 10, 2019. Mr. Coyle mentioned that this same agreement had been utilized for a similar event conducted by Ken Byrns in 2017.

A motion was made by Member Austin, seconded by Member Edlin, to recommend that the City Commission approve the Facility Use Agreement between the City of Fernandina Beach and Destination Group 360 for parking of private vehicles on Jamestown Road for attendance of an event in Hangar A on September 10, 2019. A vote upon passage of the motion was taken by ayes and nays and being all ayes, carried.

7. Airport Manager and Staff Reports:

Mr. Coyle presented the monthly staff report for questions or comments. There was no discussion or questions from the group.

8. Commission Member Reports and Comments:

No Discussion

9. Next Meeting Date: Thursday September 12, 2019.

10. Adjournment: There being no further business to come before the Airport Advisory Commission, the meeting was adjourned at 8:35 p.m.

Secretary

Chuck Colcord, Chairperson

Flight Procedure Tracking Form		Action: FLIGHT CHECK	Task Type: IAP	Date Open: 02/08/2018	Task #: 2018020830639501001	Request #: 20180208306395
Procedure: RNAV (GPS) RWY 4 ORIG			Airport ID: KFHB	Airport: FERNANDINA BEACH MUNI		Reimbursable #: NO
City: FERNANDINA BEACH	ST: FL	GPS #:	Estimated Chart Date: 12/05/2019		FICO #:	
Fac ID: N/A		Fac. Type:			Specialist: BARBARA GORMAN	
Procedure Review						
	Rec'd	Rel'd	Full Name	Comments		
Lead:	06/05/2019					
QA:						
Liaison:						
Procedure Comments:			ENROUTE-NON	Remark Type: INFORMATION		
NEW PROCEDURE (LPV, LNAV/VNAV, AND LNAV) CONTACT: ANDREW HENNING: 405.954.9954						

VN8200-6 (05/26/2005)

Data as of: 07/17/2019 10:08:47 AM

Note: Flight Check completed on October 3, 2019. Awaiting Results.

WAAS CH 90343 W04A	APP CRS 041°	Rwy Idg TDZE Apt Elev	5301 15 16
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RNAV (GPS) RWY 4
FERNANDINA BEACH MUNI (FHB)

RNP APCH.

⚠

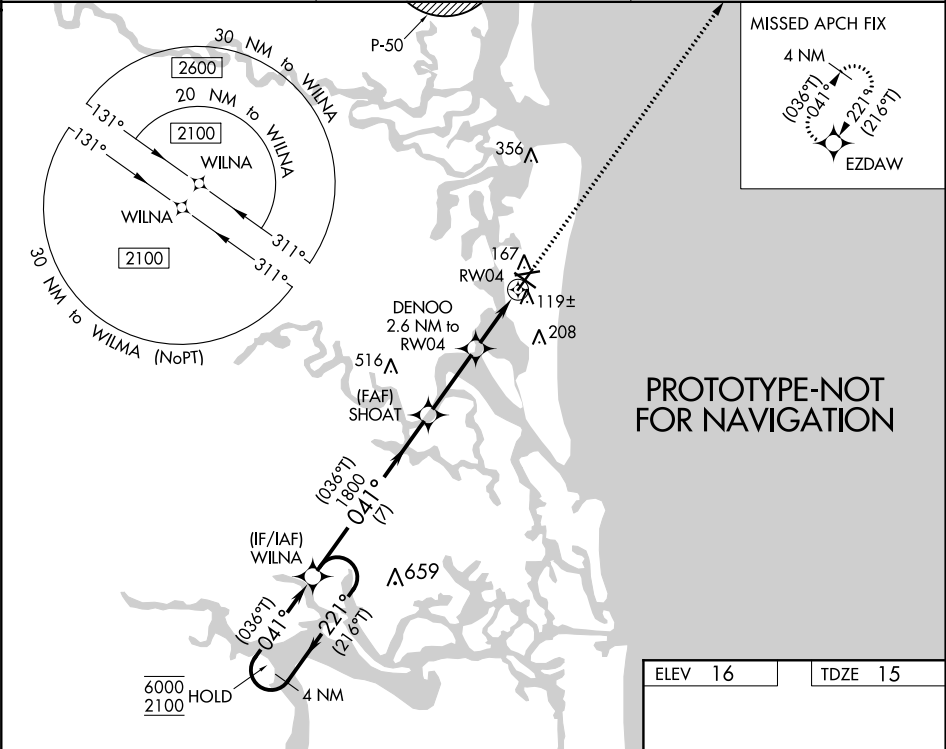
Circling Rwy 9, 22, 27 NA at night. Rwy 4 helicopter visibility reduction below 3/4 SM NA.

⚠

For uncompensated Baro-VNAV systems, LNAV/VNAV NA below -15°C or above 54°C.

MISSED APPROACH: Climb to 2000 direct EZDAW and hold.

AWOS-3 118.075	JACKSONVILLE APP CON 127.0 292.15	UNICOM 122.7 (CTAF) 0
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4 NM Holding Pattern WILNA

6000
2100

GP 3.00°
TCH 47

221°
041°
(036°T)

1800

1800

7 NM

2.9 NM

1.6 NM

1 NM

2000

EZDAW

*LNAV only.

CATEGORY	A	B	C	D
LPV DA		265-3/4	250 (300-3/4)	
LNAV/VNAV DA		280-7/8	265 (300-7/8)	
LNAV MDA		380-1	365 (400-1)	
CIRCLING	480-1	464 (500-1)	580-1 1/2 564 (600-1 1/2)	580-2 564 (600-2)

ELEV 16 TDZE 15

FERNANDINA BEACH, FLORIDA
Orig FIG

30°37'N-81°28'W

FERNANDINA BEACH MUNI (FHB)
RNAV (GPS) RWY 4

AIRPORT 420

AIRPORT
420

	BUDGET 2018-2019	YTD	Percentage
REVENUES			
33120 FEMA GRANT	-	177,269.37	100.0%
33220 FAA GRANT	293,000	172,839.90	59.0%
33323 FDOT GRANT	87,000	50,825.99	58.4%
33420 FEMA STATE GRANT	-	29,544.89	100.0%
34704 RENTALS NON-TAXABLE		650.00	100.0%
34720 RENTALS		2,782.62	100.0%
34970 FUEL SALES	20,000	32,664.96	163.3%
34971 LEASE PAYMENTS - LAND LEASE	68,439	78,866.66	115.2%
34972 LEASE PAYMENTS - BUILDING LEASE		4,425.63	100.0%
34973 LAND LEASE - AMELIA RIVER	205,960	201,031.01	97.6%
34974 LAND LEASE PAYMENTS - NON-TAXABLE	37,105	32,625.28	87.9%
34975 RENT/LEASE PAYMENTS - City Built	321,192	267,393.95	83.3%
34976 8 FLAGS RENT (TAXABLE)	67,017	47,118.60	70.3%
34978 8 FLAGS RENT - NON-TAXABLE	50,266	63,422.11	126.2%
34979 TRANSIENT REVENUE	-	8,194.29	100.0%
36110 INTEREST		1,150.73	
36420 INSURANCE PROCEEDS		0.00	
36800 CAPITAL CONTRIBUTION		0.00	
38410 LOAN PROCEEDS		0.00	
36990 OTHER REVENUE	95,700	113,532.12	118.6%
36991 PARKING REVENUE	2,004	3,345.88	167.0%
36995 LATE FEES	-	8.71	100.0%
36992 GAIN ON SALE OF ASSETS			
38101 TRANSFERS IN GENERAL FUND		0.00	
38910 CASH BALANCE FORWARD	40,900	0.00	0.0%
TOTAL	1,288,583	1,287,692.70	99.9%

AIRPORT 420

AIRPORT 420

	BUDGET 2018-2019	YTD	Percentage
PERSONNEL SERVICES			
51200 SALARIES	122,210	120,857.40	98.89%
51300 TEMPORARY	-	0.00	
51350 PART TIME	-	0.00	
51400 OVERTIME	-	0.00	
52100 FICA	9,349	8,366.42	89.49%
52200 RETIREMENT	36,594	38,225.47	104.46%
52300 HEALTH	29,701	29,658.79	99.86%
52301 LIFE	605	699.36	115.60%
52350 OPEB COSTS	1,756	1,755.96	100.00%
52400 WORKERS' COMP	2,150	2,150.04	100.00%
52500 UNEMPLOYMENT			
TOTAL	202,365	201,713.44	99.68%
OPERATING EXPENSES			
53100 PROFESSIONAL SERVICES	25,000	28,030.19	112.12%
53200 AUDIT	6,795	4,530.00	66.67%
53400 CONTRACTUAL	47,440	35,605.42	75.05%
53900 AUTO ALLOWANCE		0.00	
53910 HOUSING ALLOWANCE	-	0.00	
54000 TRAINING/TRAVEL	3,000	2,902.62	96.75%
54100 COMMUNICATIONS	1,920	2,093.08	109.01%
54101 COMMUNICATIONS - CELL	2,000	1,585.61	79.28%
54103 COMMUNICATIONS - INTERNET	5,750	2,705.00	47.04%
54200 POSTAGE	150	11.52	7.68%
54300 UTILITIES - ELECTRIC	45,000	33,665.90	74.81%
54310 UTILITIES - WATER & SEWER	14,504	11,156.36	76.92%
54500 INSURANCE	45,052	45,051.96	100.00%
54610 R/M GROUNDS	108,000	70,773.37	65.53%
54620 R/M EQUIPMENT	1,500	334.08	22.27%
54630 R/M VEHICLES-LABOR	4,000	7,118.75	177.97%
54640 R/M VEHICLES-MATERIALS	4,000	7,514.53	187.86%
54700 PRINTING	2,350	0.00	0.00%
54800 PROMOTIONAL	2,000	1,730.17	86.51%
54902 BAD DEBT EXPENSE		0.00	
54910 BILLING COST	7,300	7,299.96	100.00%
55100 OFFICE SUPPLIES	6,300	4,006.32	63.59%
55200 OPERATING SUPPLIES	735	823.35	112.02%
55210 UNIFORMS	400	112.50	28.13%
55230 FUEL	8,000	4,937.74	61.72%

AIRPORT 420

AIRPORT 420

	BUDGET 2018-2019	YTD	Percentage
55400 BOOKS/SUBS/DUES	725	780.00	107.59%
TOTAL	<u>341,921</u>	<u>272,768.43</u>	79.78%
CAPITAL OUTLAY			
56200 BUILDINGS	-	0.0	
56300 IMPROVEMENTS	583,950	342,238.2	58.61%
56400 MACH./EQUIP.	-	0.0	
56401 MACH./EQUIP. Non-CAP	1,000	2,742.7	274.27%
TOTAL	<u>584,950</u>	<u>344,980.8</u>	58.98%
57000 SETTLEMENT EXP		0.0	
57100 PRINCIPAL	77,000	77,000.0	
57200 INTEREST	37,832	37,847.4	
57300 FINANCING COSTS	-	0.0	
TOTAL	<u>114,832</u>	<u>114,847.4</u>	
DEPARTMENT TOTAL	<u><u>1,288,583</u></u>	<u><u>934,310.1</u></u>	72.51%

T-Hangar Request for Proposals Discussion – Staff will bring a document for review at the meeting on October 10, 2019.

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.

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

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.

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

ASSIGNOR:

Witnesses:

AMELIA RIVER GOLF, LLC
a Florida limited liability company,

Print Name: _____

By: _____
Print Name: _____
Title: _____

Print Name: _____

Witnesses:

By: _____
Print Name: _____
Title: _____

Print Name: _____

Print Name: _____

Witnesses:

Print Name: _____

By: _____
Print Name: _____
Title: _____

Print Name: _____

Witnesses:

Print Name: _____

Print Name: _____

ASSIGNEE:

AMELIA RIVER HOLDINGS LLC, a
Florida limited liability company

By: _____

Name: Thomas W. Miller III

Its: Managing Member

Witnesses:

Print Name: _____

Print Name: _____

LANDLORD:

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

By: _____
Print Name: _____
Title: _____

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 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:



INSTR # 200340065
OR BK 0185 PG 1106

- (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

INSR # 220340065
OR BK #1185 PG 1107

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

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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

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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 Mortgages 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.

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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.

3.08 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 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 Operations: 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.

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's 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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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 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 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 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

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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

INSTR # 200340035
DR BK 0185 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".

12.16 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 oral 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
Caroline Mitchell

"CITY"
CITY OF FERNANDINA BEACH

By: Charles L. Althoff
Its: Mayor

Attest: Vicki P. Carson
Its: Clerk

INSTR # 20034903
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, 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.

[Signature]
Notary Public, State of Florida
at Large

My Commission Expires:

STATE OF FLORIDA
COUNTY OF NASSAU

[Signature]
NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES
JULY 18, 1995
NASSAU SOUND LAND CO., INC.

The foregoing instrument was acknowledged before me this 6th day of July, 1994, by Scott Brian Parlman and Clifford Kavanagh, 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
#172641 CC

My Commission Expires: [Signature]
NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES: JULY 18, 1995
NASSAU SOUND LAND CO., INC.

INSTR # 200340065
OR BK 01185 PG 1188

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	1.80%
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	2.80%

INSTR # 200340065
DR BK 01185 PG 1130

EXHIBIT B

Golf Course Land Lease Schedule

City of Fernandina Beach

Year	Annual Land Rental	% of Gross
31	175,188	2.50%
32	175,188	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	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 # 20034065
DR BK 01185 PG 1131

EXHIBIT B

Golf Course Land Lease Schedule

City of Fernandina Beach

Year	Annual Land Rental	% of Gross
81	204,957	2.50%
82	204,957	2.50%
83	213,155	2.50%
84	213,155	2.50%
85	213,155	2.50%
86	213,155	2.50%
87	213,155	2.50%
88	221,681	2.50%
89	221,681	2.50%
90	221,681	2.50%
91	221,681	2.50%
92	221,681	2.50%
93	230,549	2.50%
94	230,549	2.50%
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	2.50%

INSTR # 200340055
OR BK 0185 PG 1122

EXHIBIT 6

AUG 9 1995

MEMORANDUM OF DEVELOPMENT AND LEASE AGREEMENT

AK 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:

AR 12.50

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 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, 2025.

9K0736PG0179

9. The Development and Lease Agreement referred to in the title of this document 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. Magee

"CITY"
CITY OF FERNANDINA BEACH

By Murphy T. Ponder
Its: City Manager

Attest: Vicki P. Cannon
Its: Clerk

Signed, sealed and delivered
in the presence of:

James E. Street
Anthony J. Laggioni

"LESSEE"
NASSAU SOUND LAND CO., INC.

By [Signature]
Its: Vice President and Secretary

STATE OF FLORIDA
COUNTY OF NASSAU

BK0736PG0180
OFFICIAL RECORDS

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:

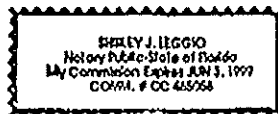


CASSANDRA P. MITCHELL
MY COMMISSION EXPIRES MAY 15, 1996
JAMES EARL TINKER, JR., INC.

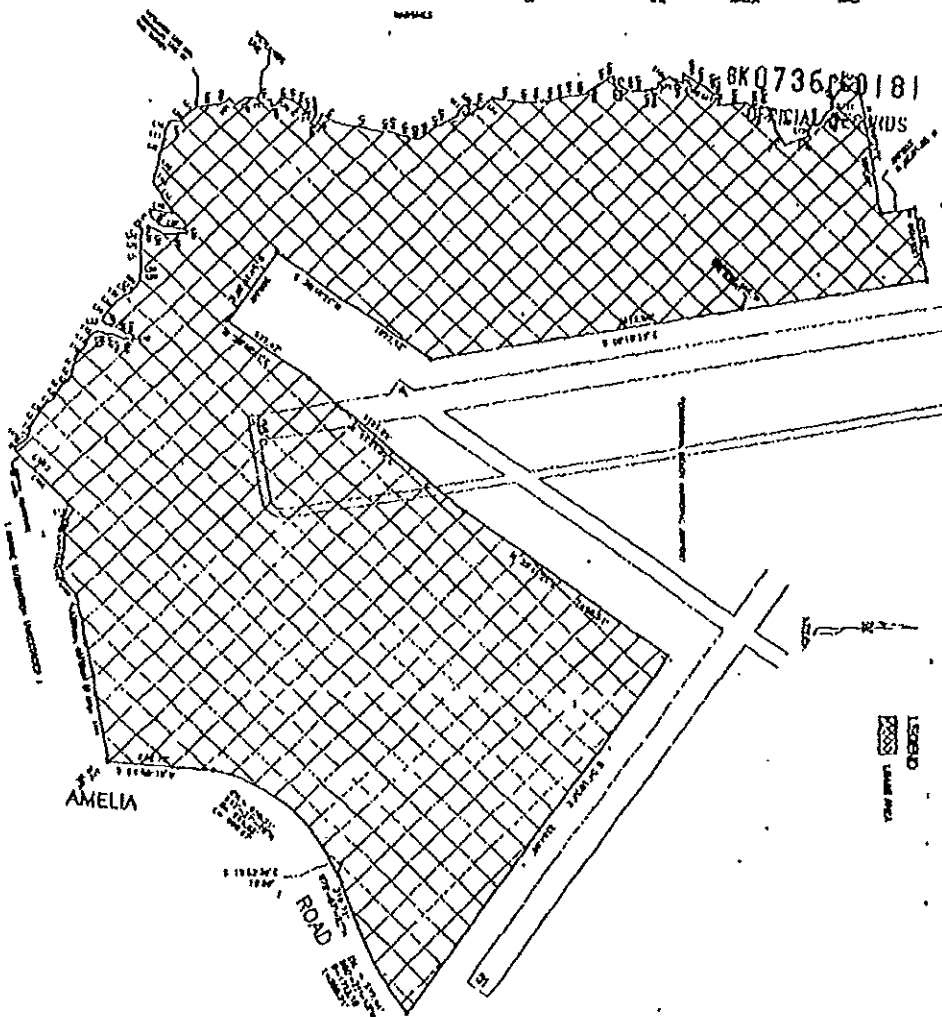
STATE OF FLORIDA
COUNTY OF NASSAU

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



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



8K0736P0181
OFFICIAL RECORDS

EXHIBIT A-1 PROPOSED AMENDED
LEASE AREA

9513444

FILED A RECORD OF THE
RECORDS OF THE
RECORDS OF THE

85 AUG -9 AM 11:55

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 # 200340655
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. 22, 1995
POWER THAN NOTARY PUBLIC UNEXPIRED

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.

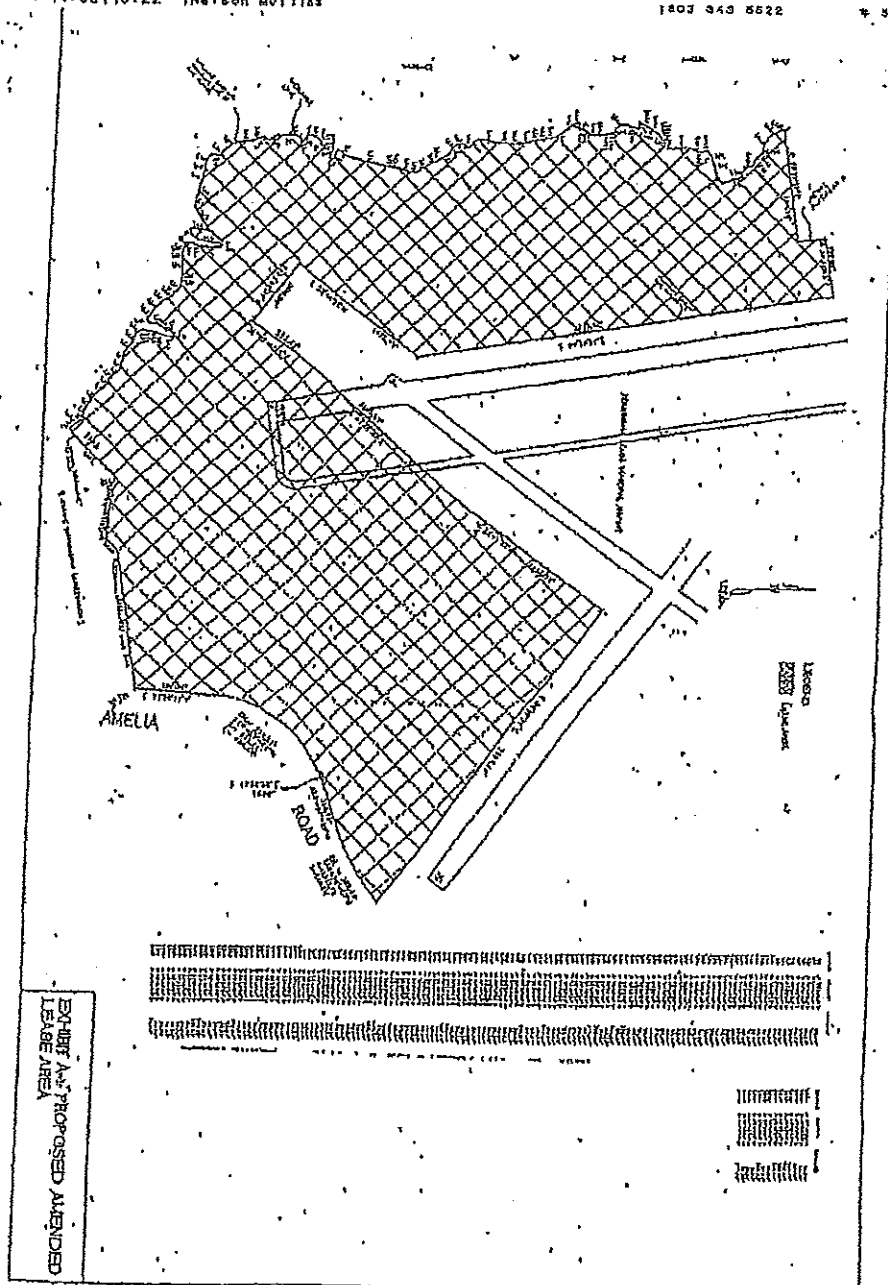
Scott-Brian Parliament
Clinch Kavanaugh, Vice President DATE

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

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES: DEC. 22, 1995
POWER THAN NOTARY PUBLIC UNEXPIRED

INSTR # 20034085
OR BK 01185 PS 1134



INSTR # 20034005
DR BK 0145 PS 1435

21050
AUG - 6 1996

ASSIGNMENT AND ASSUMPTION OF LEASE

BK0767PG1058
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.

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. 96167501059
OFFICIAL RECORDS

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

SAH

By: [Signature]
Attest: [Signature]

9616475

96 AUG -6 AM 10:48

[Signature]
RECEIVED
96 AUG 10 1996

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

ASSIGNMENT AND ASSUMPTION OF LEASE

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
KINGSLEY COUNTY, FLORIDA
RECORDING FEES 217.50

THIS ASSIGNMENT AND ASSUMPTION OF LEASE 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.

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

Dan Hite
Print Name: DAN HITE

David E. Otero
Print Name: David E. Otero

Witnesses

Debra A. Braga
Print Name: DEBRA A. BRAGA

Fran Middleton
Print Name: FRAN MIDDLETON

ASSIGNOR:

**KINGSLEY CREEK DEVELOPMENT
COMPANY, a Florida corporation**

By: Dan Hite
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: Robert T. Mearns
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

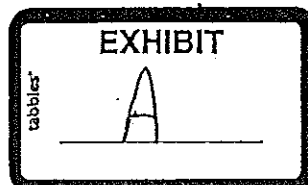
LEASED PREMISES

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

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.

- (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 on-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 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 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

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:

"CITY"

CITY OF FERNANDINA BEACH

By:

Its: Mayor

Attest:

Its: Clerk

Mary Mercer

Cassandra Mitchell

Charles L. Albert

Vicki P. Cannon

INSIR # 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:

STATE OF FLORIDA
COUNTY OF NASSAU



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

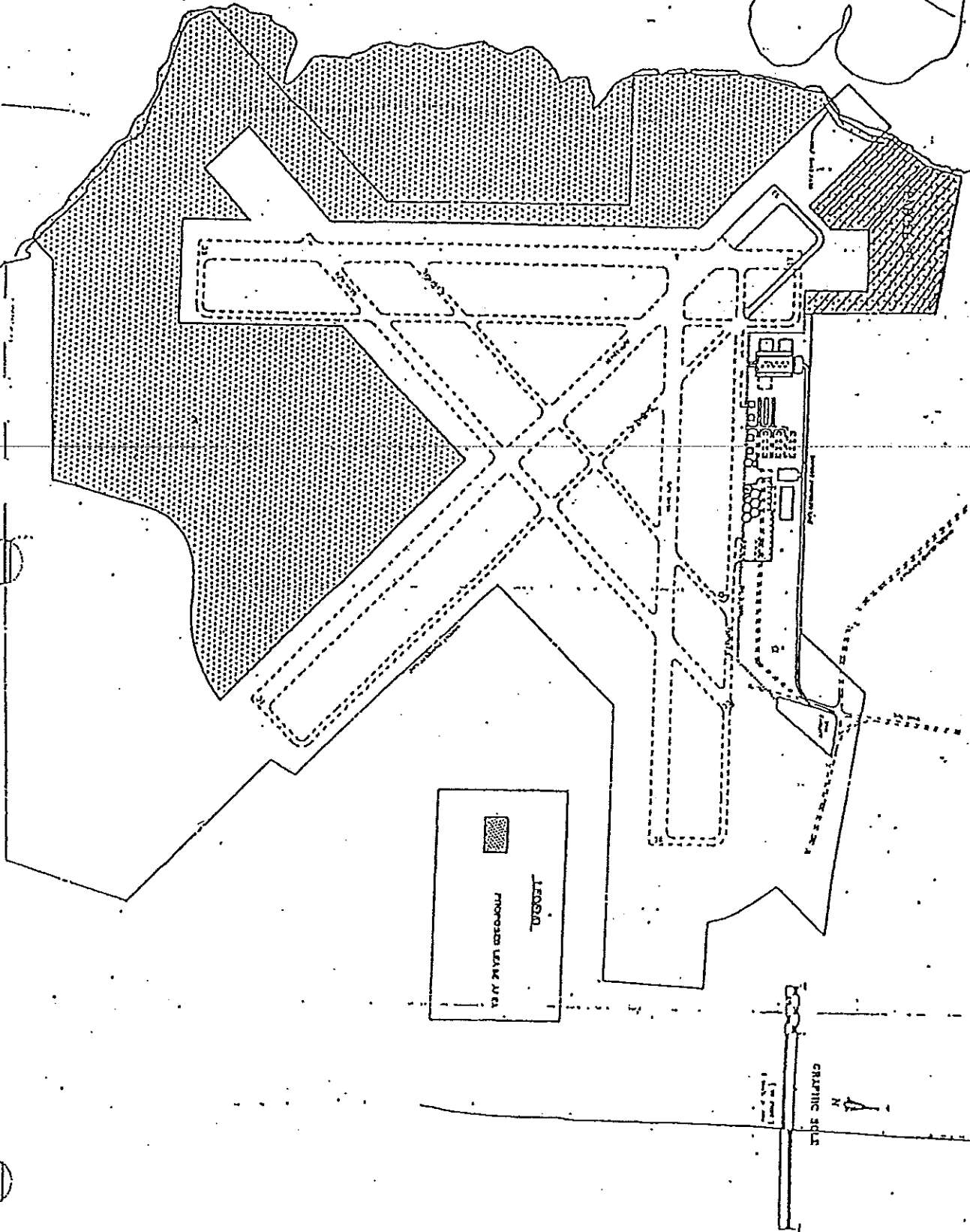
The foregoing instrument was acknowledged before me this 6th day of July, 1994, by Scott Brien Parliament and Clinch Kavanaugh, the (title) President, and the (title) Secretary, respectively, of NASSAU SOUND LAND CO., INC., a Florida corporation.

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 THROUGH NOTARY PUBLIC UNDER

INSTR # 200340065
BK 01185 PG 1128

EXHIBIT A



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

INDIC # 200340063
DR BK 01185 PG 1130

Golf Course Land Le Schedule

City of Fernandina Beach

Year	Annual Land Rental	% of Gross
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

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

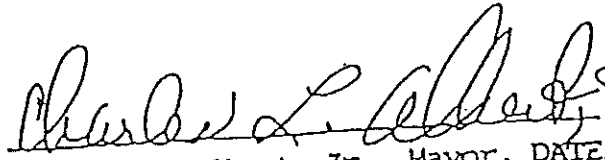
WHEREAS, Lessee desires to amend the Agreement to exclude from the leased Premises certain lands adjoining the Fernandina Beach Municipal Airport in exchange for the inclusion of other lands adjoining the Fernandina Beach Municipal Airport, and Lessor is willing to effectuate this amendment to the agreement 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., Mayor, DATE

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

ATTEST:

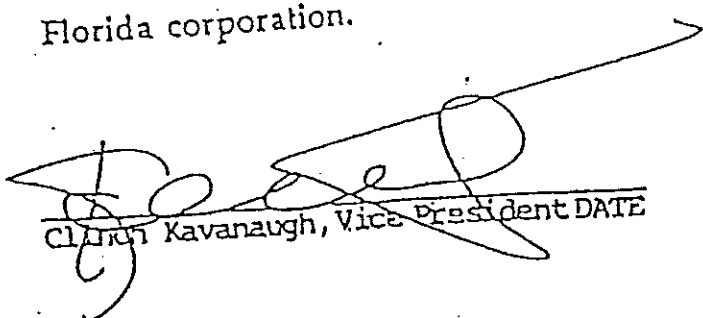
Mary Mercer 4/3/95
Mary Mercer, Deputy Clerk DATE

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA
MY COMMISSION EXPIRES: Dec. 31, 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, 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. 31, 1995.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

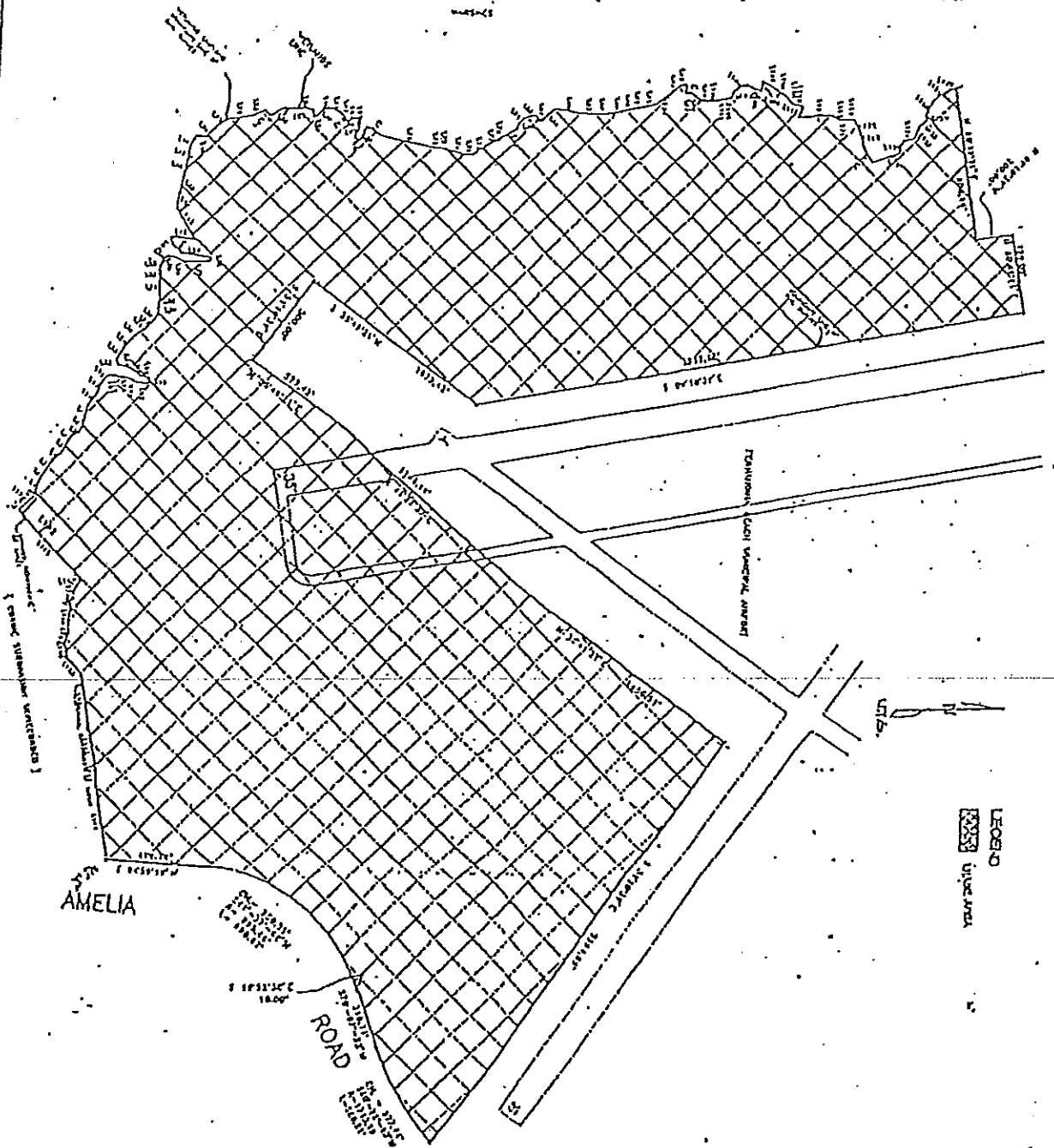


EXHIBIT A-1 PROPOSED AMENDED
LEASE AREA

AUG

9 1995

MEMORANDUM OF DEVELOPMENT
AND LEASE AGREEMENTBK 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 # 200340065
OR BK 01185 PG 1136

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. Mage

"CITY"
CITY OF FERNANDINA BEACH, FLORIDA

By Chetley P. Cannon
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

STATE OF FLORIDA
COUNTY OF NASSAU

BK0736PG0180
OFFICIAL RECORDS

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

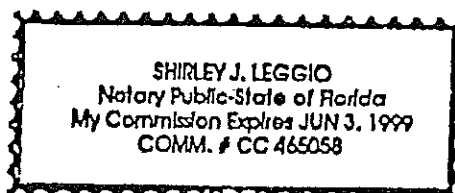
Notary Public, State of Florida
at Large
Print Name:
My Commission Expires:



CASSANDRA P. MITCHELL
MY COMMISSION # CC355971 EXPIRES
May 15, 1998
BONDED THROUGH TROY FARM INSURANCE, INC.

STATE OF FLORIDA
COUNTY OF NASSAU

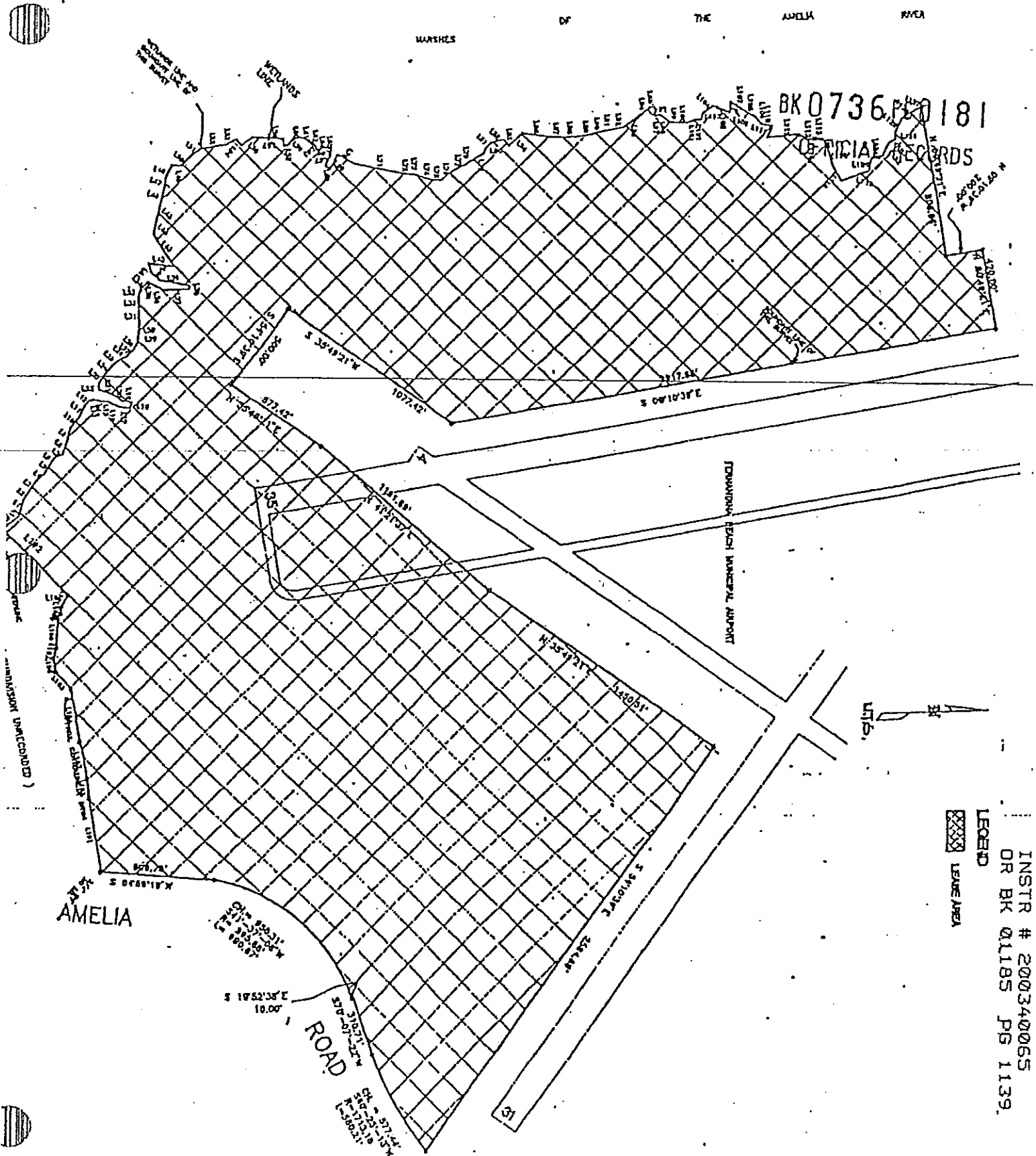
The foregoing instrument was acknowledged before me this 8th day of August, 1995, by Clinch Kavanaugh, the Vice-President and the Secretary, of NASSAU SOUND LAND CO., INC., a Florida corporation, on behalf of the corporation. He is personally known to me.



Shirley J. Leggio
Notary Public, State of Florida
at Large
Print Name: Shirley J. Leggio
My Commission Expires: 6/3/99

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

INSIR # 200340065
DR BK 01185 PG 1138



INSTR # 200340065
OR BK 01185 PG 1139.

AUG - 6 1996

ASSIGNMENT AND ASSUMPTION OF LEASE

8K0767PG1058
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.

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.

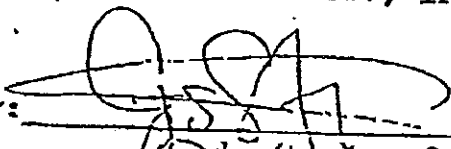
4. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Florida.

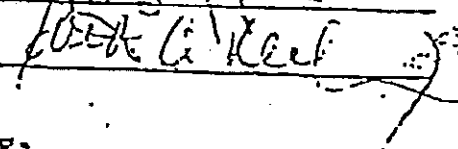
5. Acquisition Agreement. This Assignment shall be deemed to incorporate, and shall be subject to the terms and conditions of, the Acquisition Agreement.

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

ASSIGNOR:

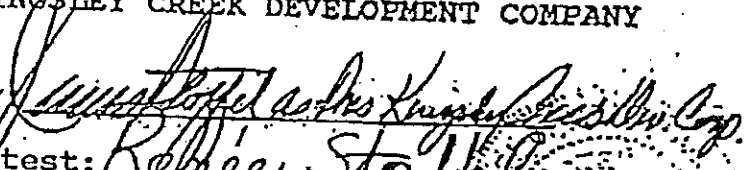
NASSAU SOUND LAND CO., INC.

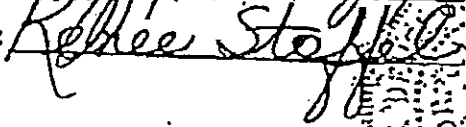
By: 

Attest: 

ASSIGNEE:

KINGSLEY CREEK DEVELOPMENT COMPANY

By: 

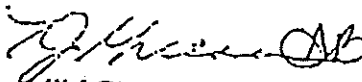
Attest: 



9616475

FILED & RECORDED IN PUBLIC
RECORDS OF NASSAU COUNTY
FLORIDA

96 AUG -6 AM 10:48


CLERK OF COURTS
NASSAU COUNTY, FLORIDA

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

ID: 9042617679

PAGE

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 ground 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:

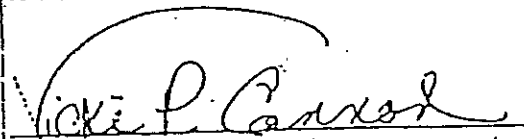
- 4) The City's acceptance of these terms is contingent upon a closing of not later than May 1, 1996. In the interim rent payments shall be suspended during the period from March 1, 1996 through May 1, 1996.

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:

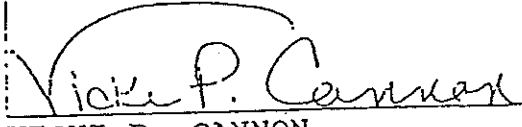
- 4) The City's acceptance of these terms is contingent upon a closing of not later than July 1, 1996. In the interim, rent payments shall be suspended during the period from March 1, 1996 through July 1, 1996.

ADOPTED this 16th day of April, 1996.

CITY OF FERNANDINA BEACH


CHARLES L. ALBERT, JR.
Mayor-Commissioner

ATTEST:


VICKI P. CANNON
City Clerk

05/16/1999 07:26

304261

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 Retained by:
David Otero, Esq. and Cynthia Montgomery, Esq.
Akeman 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. N. 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 CORP. 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

Dan Hite
Print Name: DAN HITE

David E. Otero
Print Name: David E. Otero

Witnesses

Debra A. Braga
Print Name: DEBRA A. BRAGA

Fran Middleton
Print Name: FRAN MIDDLETON

ASSIGNOR:

KINGSLEY CREEK DEVELOPMENT COMPANY, a Florida corporation

By: Dan Hite
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: Robert T. Mearens
Print Name: Robert T. Mearens
Title: CITY MANAGER

ACKNOWLEDGMENTS

STATE OF FLORIDA
COUNTY OF DUVAL

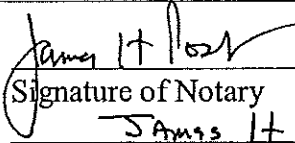
The foregoing Assignment and Assumption of Lease dated October 16, 2003 was acknowledged before me on the 16th day of October, 2003, by George W. Lindsay, the Vice President of The Summerton Inn, a South Carolina corporation, on behalf of the corporation. Such person did not take an oath and: *(notary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

Name of Notary (Typed, Printed or Stamped)

James H. Post
Commission Number (if not legible on seal): 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

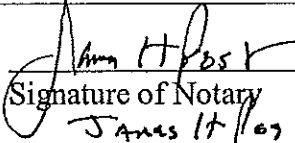
The foregoing Assignment and Assumption of Lease dated October 16, 2003 was acknowledged before me on the 16th day of October, 2003, by Don Hite, the President of Kingsley Creek Development Company, a Florida corporation, on behalf of the corporation. Such person did not take an oath and: *(notary must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

Name of Notary (Typed, Printed or Stamped)

James H. Post
Commission Number (if not legible on seal): 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

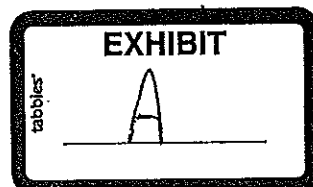
LEASED PREMISES

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:



- (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

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OR BK 01185 PG 1107

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

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 0185 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

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 on-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,

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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 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.

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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 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; 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 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

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:

"CITY"

CITY OF FERNANDINA BEACH

By: Charles L. Alford

Its: Mayor

Attest: Vicki P. Cannon

Its: Clerk

"LESSEE"
NASSAU SOUND LAND CO. INC.

Vicki P. Cannon
Mary Mercer

By: [Signature]Its: PRESIDENTAttest: [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) 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:

STATE OF FLORIDA
COUNTY OF NASSAU



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

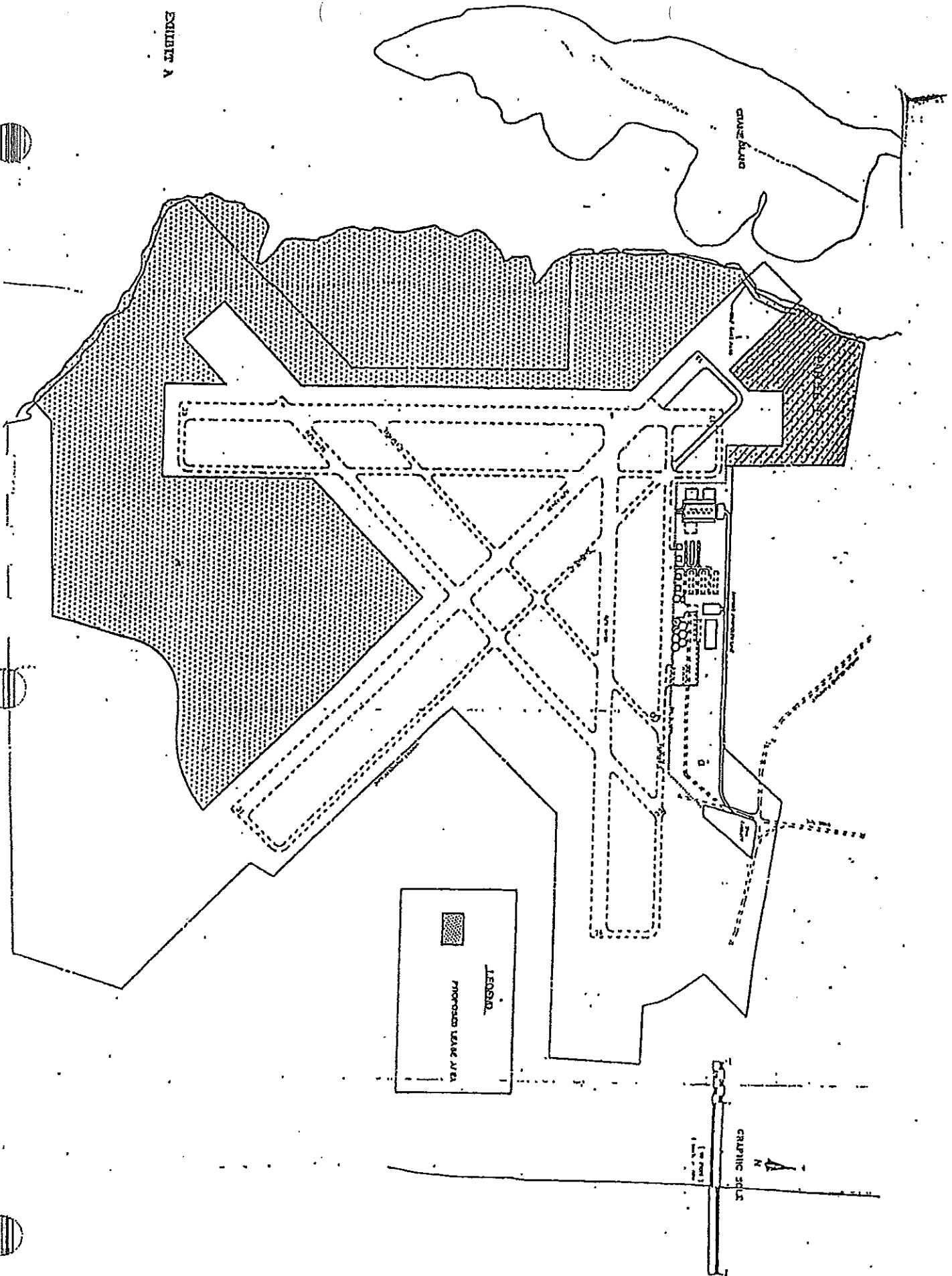
The foregoing instrument was acknowledged before me this 6th day of July, 1994, by Scott Brian Parliament and Clinch Kavanaugh, the (title) President, and the (title) Secretary, respectively, of NASSAU SOUND LAND CO., INC., a Florida corporation.

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
BONDED THROUGH TROY FARM INSURANCE, INC.

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OR BK 01185 PG 1128

EXHIBIT A



INSTR # 200340065
OR BK 01185 PG 1129

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
OR BK 01185 PG 1130EXHIBIT 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 0185 PG 1131EXHIBIT 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 1132EXHIBIT 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.

INSTR # 200340065
DR BK 01185 PG 133

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.

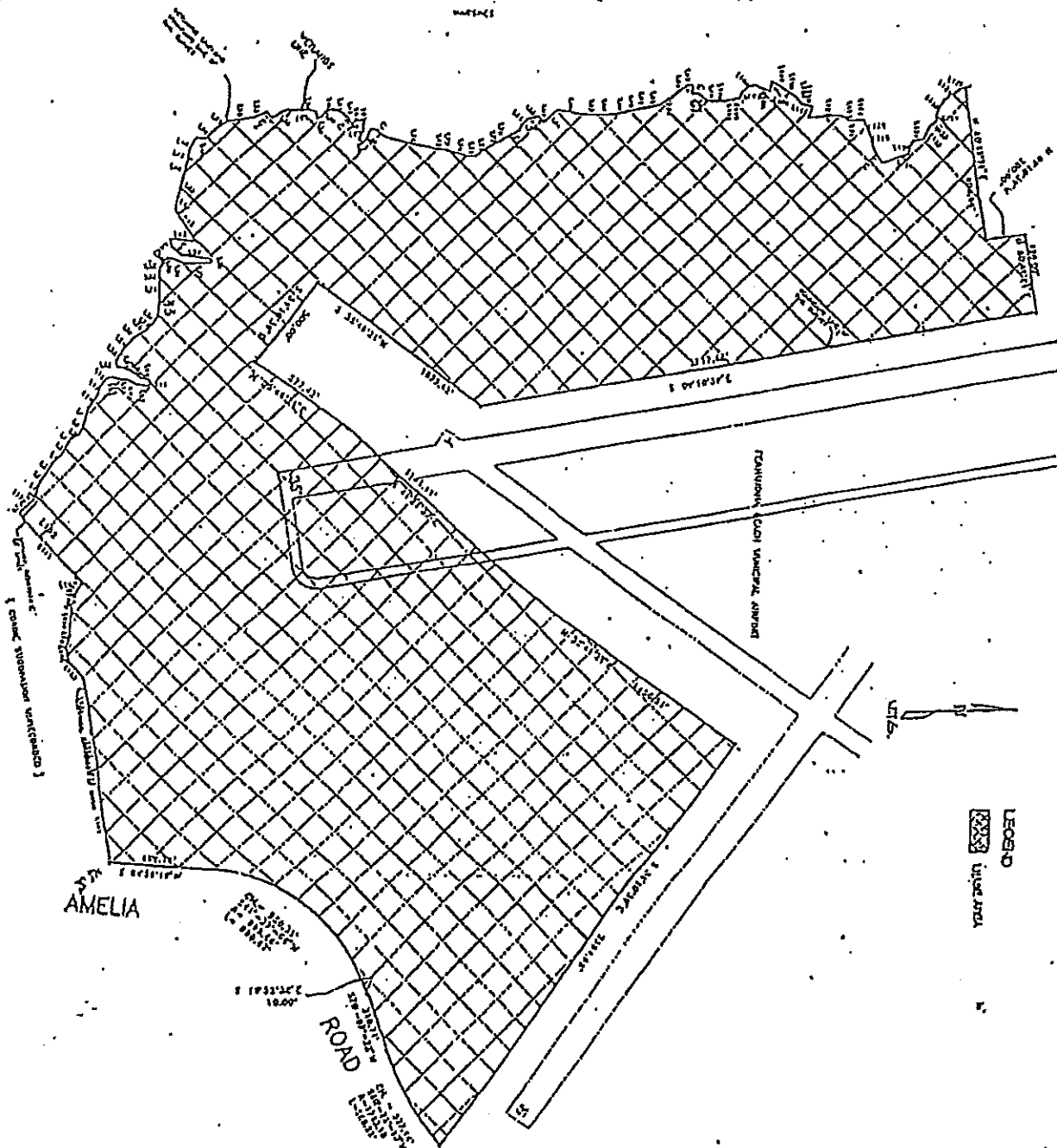


EXHIBIT A-1: PROPOSED AMENDED
LEASE AREA

INSTR # 200340065
DR BK 01185 PG 1135

AUG 9 1995

MEMORANDUM OF DEVELOPMENT
AND LEASE AGREEMENTBK 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

BK0736PG0179
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. Mage

"CITY"
CITY OF FERNANDINA BEACH

By Anthony T. [Signature]
Its: City Manager

Attest: Vicki P. Cannon
Its: Clerk

Signed, sealed and delivered
in the presence of:

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

"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**

BK0736PG0180
OFFICIAL RECORDS

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:

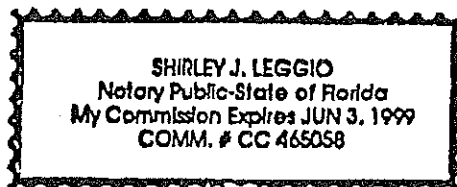
My Commission Expires:



CASSANDRA P. MITCHELL
MY COMMISSION # CC36971 EXPIRES
May 16, 1998
BONDED THRU 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: 6/12/99

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

INSTR # 200340065
OR BK 01185 PG 1138

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 0185 PG 1140

IN
OR803 343 5522
200340065
01185 PG 1141

36/ 41

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.

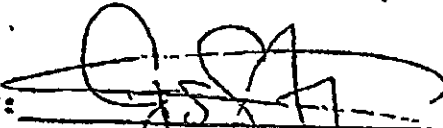
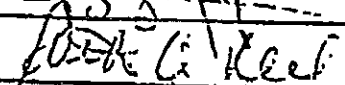
4. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Florida.

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.

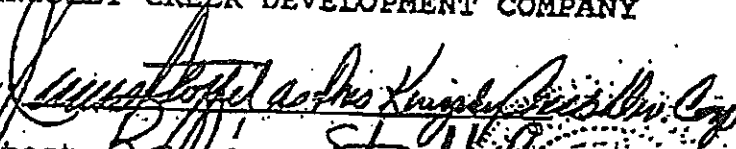
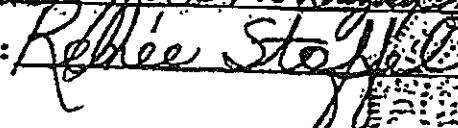
ASSIGNOR:

NASSAU SOUND LAND CO., INC.

By: Attest: 

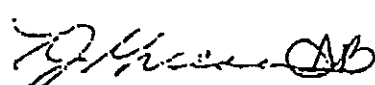
ASSIGNEE:

KINGSLEY CREEK DEVELOPMENT COMPANY

By: Attest: 

9616475

96 AUG -6 AM 10:48


CLERK OF COURT
NASSAU COUNTY, FLORIDA

IN # 200340065
OR 01185 PG 1142

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

ID: 5042517878

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:

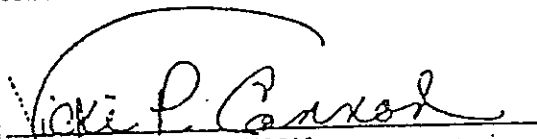
- 4) The City's acceptance of these terms is contingent upon a closing of not later than May 1, 1996. In the interim, rent payments shall be suspended during the period from March 1, 1996 through May 1, 1996.

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.

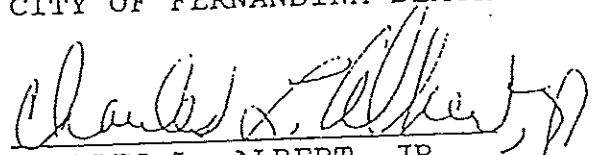
BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, THAT:

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

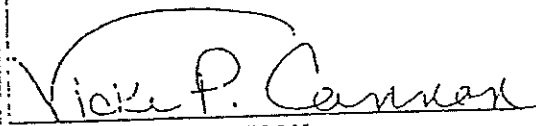
- 4) The City's acceptance of these terms is contingent upon a closing of not later than July 1, 1996. In the interim, rent payments shall be suspended during the period from March 1, 1996 through July 1, 1996.

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

INSTR # 200340065
OR BK 0185 PG 1147

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.

INSTR # 200340065
OR BK 01185 PG 1148

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

James W. Whitley
Karen J. Larr

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

APPROVED AS TO FORM:

Wesley R. Poole
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
 OR 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**, 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]

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

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

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)

Commission Number (if not legible on seal)

My Commission Expires (if not legible on seal):

KIMBERLY S. ELLIOTT
Notary Public, State of Florida
My comm. expires Feb. 5, 2008
Comm. No. DD 288038

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

By:

GEORGE LINDSEY

Its Vice President

Kathryn S. Bourgon
[Print or Type Name]

Cynthia M. Montgomery
[Print or Type Name]

STATE OF FLORIDA
COUNTY OF Duval

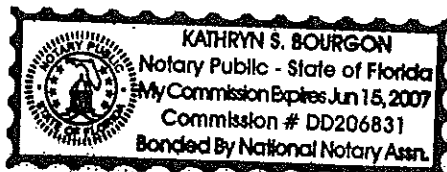
The foregoing instrument was acknowledged before me this 16th day of September, 2005, by George Lindsey the V.P. of The Summerton Inn, a South Carolina corporation, on behalf of the corporation. Such person did not take an oath and: (notary must check applicable box)

☐ 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;

BK0883pg1967
OFFICIAL RECORDS

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;

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;

BK0883PC1968
OFFICIAL 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 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 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;

BR0883PC1969
OFFICIAL RECORDS

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 08 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 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;

PAGE 5

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 1971
OFFICIAL RECORDS

INSTR # 200913145, Book 1619, Page 1742 Doc Type AGR, Pages 5, Recorded
05/18/2009 at 02:27 PM, John A Crawford, Nassau County Clerk of Circuit Court,
Rec. Fee \$44.00

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
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 Sumner 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

City Of Fernandina Beach
204 Ash Street
Fernandina Beach, Florida 32034

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.

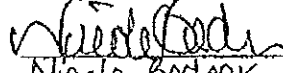
5. Reaffirmation. In the event of any conflict or ambiguity between this Modification and the Lease, this Modification shall control. The parties hereby ratify and confirm their rights and obligations under the Lease as modified by this Modification.

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]

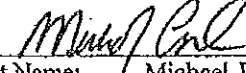
IN WITNESS WHEREOF, the parties hereto have set their hands and seals the date and year first above written.


(Print or Type Name)

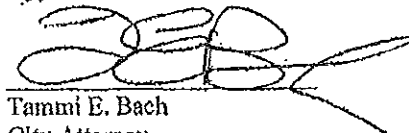

Nicole Bodner
(Print or Type Name)

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:

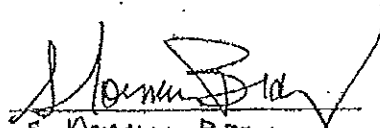

Tammi E. Bach
City Attorney

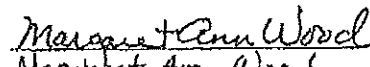
ATTEST:

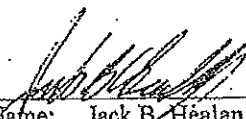

Mary L. Mercer
City Clerk

LESSEE:

Amelia Island Company, a Delaware
Corporation


S. Norman Bray
(Print or Type Name)


Margaret Ann Wood
(Print or Type Name)

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

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 March 2012 Notary (Typed, Printed or Stamped)
Commission No. DD 747500

Commission Number (if not legible on seal): _____

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

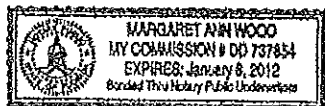
STATE OF FLORIDA
COUNTY OF NASSAU

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

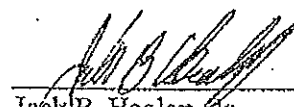


Margaret Ann Wood
Name of Notary (Typed, Printed or Stamped)

Commission Number (if not legible on seal): DD737854

My Commission Expires (if not legible on seal): 1-6-12

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:

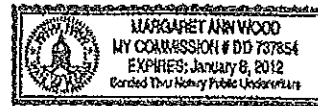
- ☒ personally known to me;
☐ produced a current _____ driver's license as identity;
☐ produced a _____ as identification.

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,	)	
	)	Chapter 11
Debtor.	)	
	)	

**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)**

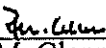
This Chapter 11 case is before the Court upon the motion of the debtor, Amelia Island Company ("AIC"), seeking authority to assume its Lease Agreement (as defined in the motion) with the City of Fernandina Beach, Florida (the "City") and to assign the Lease Agreement to National Bank of South Carolina, 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 16 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
PRO SE

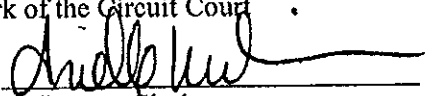
001806

CERTIFICATE OF TITLE

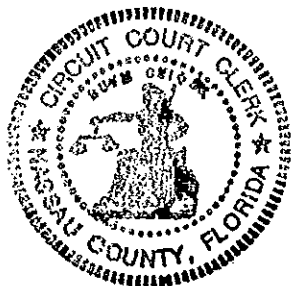
The undersigned Clerk of the Court certifies that she executed and filed a Certificate of Sale in this action on October 1, 2010, for the Property described herein and that no objections to the sale have been filed within the time allowed for filing objections. A leasehold interest in real property located 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: 

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 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; 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; 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 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 84 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 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 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 990.67 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.

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 flat 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 caddies for range balls	

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 / Lescro	2000	drop spreader	
3	JD / Lescro	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	Flat 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 Wittak 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	

LANDLORD'S ESTOPPEL CERTIFICATE

Effective as of:

LESSOR: City of Fernandina Beach, Florida

LESSEE: Amelia River Golf, LLC

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

DATE OF LEASE: July 7, 1994

The above-named Lessor acknowledges that it has been informed of the intention of the Lessee to sell its leasehold interest in the real property owned by Lessor to AMELIA RIVER HOLDINGS LLC, a Florida limited liability company (the "Buyer"). In connection with such sale, Buyer has required that Lessee obtain this Landlord's Estoppel Certificate from Lessor and Buyer will acquire the leasehold interest of Lessee in reliance upon the representations contained herein. Lessor hereby warrants and represents to Buyer as follows:

1. That the copy attached hereto, as Exhibit A, of 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 Lessor, as evidenced by that certain Memorandum of Development and Lease Agreement dated August 8, 1995, executed by Nassau Sound Land Co., Inc. and Lessor, 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 Lessor, as further amended by that certain Modification of Lease Agreement dated September 16, 2005, executed by and between Lessor and Lessee, 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 Lessor 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 Lessee 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 Lessee 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 Lessee 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 Lessee (collectively, the "Lease"), is a true and complete copy of the 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 no 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.

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 all ground rent payments due from Lessee to Lessor as required by Section 3.01 of the Lease have been made through [REDACTED]. Additionally, all percentage rent payments due from Lessee to Lessor as required by Section 3.02 of the Lease have been made through [REDACTED], and Lessee has made an estimated payment for the percentage rent due from Lessee to Lessor for the period of [REDACTED], based on the average monthly percent rent due from Lessee to Lessor over the previous [REDACTED] month period. Within sixty (60) days following [REDACTED], Lessee and Lessor shall reconcile the estimated percentage rent paid from Lessee to Lessor for the period of July 1, 2011 through July 29, 2011, with the actual percentage rent due from Lessee to Lessor for the period of July 1, 2011 through July 29, 2011, such that Lessee or Lessor, as applicable, shall pay any difference the actual percentage rent due from Lessee to Lessor for the period of July 1, 2011 through July 29, 2011, bears to the estimated percentage rent paid by Lessee to Lessor for the period of July 1, 2011 through July 29, 2011. Except for the reconciliation between Lessee and Lessor of the actual percentage rent due from Lessee to Lessor for the period of July 1, 2011 through July 29, 2011, with the estimated percentage rent paid by Lessee to Lessor for the period of July 1, 2011 through July 29, 2011, as described in this paragraph, Lessor and Lessee shall not have any right to claim any additional amounts due from each other after the date hereof. **This paragraph needs to be made accurate and up to date for this assignment.**

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.

DRAFT

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

WITNESSES:

LESSOR:

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

Print Name: _____

By: _____

Print Name: _____

Title: _____

Print Name: _____

**APPROVED AS TO FORM AND
LEGALITY:**

CITY ATTORNEY

ATTEST:

CITY CLERK

Exhibit A

The Lease
(See Attached)

DRAFT

MUTUAL RELEASE

This Mutual Release (this "Release") is entered into by, between and among **AMELIA RIVER GOLF, LLC** ("Amelia River Golf"), on the one hand, and **THE CITY OF FERNANDINA BEACH**, a body politic incorporated and existing under the laws of the State of Florida ("City of Fernandina Beach"), on the other hand, (sometimes collectively referred to herein as the "Parties") as of ("Effective Date").

Amelia River Golf, on behalf of itself and all of its past or present officers, directors, managers, employees, agents, members, successors and assigns of any of the foregoing (collectively the "Amelia River Golf Group"), unconditionally releases, exonerates and discharges forever, and throughout the universe the City of Fernandina Beach, and all of its past or present officers, directors, commissioners, mayors, managers, employees, agents, affiliates, agencies, departments, successors and assigns of any of the foregoing (collectively the "City of Fernandina Beach Group") from, and hereby waives and covenants not to sue with respect to, all claims, demands, penalties, damages, debts, liabilities, accounts, suits, judgments, reckonings, obligations, costs, expenses, liens, commissions, actions and causes of action of every kind and nature whatsoever, whether liquidated or unliquidated, fixed or contingent, known or unknown, secured or unsecured (collectively, the "Claims"), that any person or entity in Amelia River Golf Group ever had, now has or may have against any person or entity in the City of Fernandina Beach Group for, upon or relating to 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 City of Fernandina Beach, as evidenced by that certain Memorandum of Development and Lease Agreement dated August 8, 1995, executed by Nassau Sound Land Co., Inc. and City of Fernandina Beach, 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 City of Fernandina Beach, as further amended by that certain Modification of Lease Agreement dated September 16, 2005, executed by and between City of Fernandina Beach and The Summerton Inn, 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 City of Fernandina Beach 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 The Summerton Inn 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 The Summerton Inn 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 Amelia River Golf, LLC (collectively, the “Lease”).

The City of Fernandina Beach on behalf of itself and the City of Fernandina Beach Group, unconditionally releases, exonerates and discharges forever, and throughout the universe Amelia River Golf Group from, and hereby waives and covenants not to sue with respect to, all Claims, whether liquidated or unliquidated, fixed or contingent, known or unknown, secured or unsecured, that any person or entity in the City of Fernandina Beach Group ever had, now has or may have against any person or entity in Amelia River Golf Group for, upon or relating to the Lease described above.

This Release may be executed in one or more counterparts, which when taken together as a whole constitute one complete instrument. Facsimile and scanned and e-mailed versions of signature pages shall be deemed originals for all purposes.

IN WITNESS WHEREOF, the Parties have executed this Mutual Release as of the Effective Date.

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

By: _____
Print Name: Dale L. Martin
Title: City Manager

ATTEST:

Caroline Best, City Clerk

APPROVED AS TO FORM AND LEGALITY:

Tammi E. Bach, City Attorney

AMELIA RIVER GOLF, LLC
a Florida Limited Liability Company

By: _____
Print Name: _____
Title: _____

**GROUND LEASE AGREEMENT
FOR PROPERTY LOCATED AT THE FERNANDINA BEACH
MUNICIPAL AIRPORT
NON-AERONAUTICAL USE**

This GROUND LEASE AGREEMENT, hereinafter referred to as "Agreement", made and entered into this _____ day of _____, 2019, made by and between the **CITY OF FERNANDINA BEACH, FLORIDA, AIRPORT DEPARTMENT**, a municipal corporation, hereinafter referred to as "LESSOR" or "City", and **CITY OF FERNANDINA BEACH, FLORIDA WATER UTILITY DEPARTMENT**, a Florida municipal corporation, hereinafter referred to as "LESSEE".

W I T N E S S E T H:

WHEREAS, LESSOR owns, controls and operates the Fernandina Beach Municipal Airport, hereinafter referred to as "Airport", in the City of Fernandina Beach, County of Nassau, and State of Florida; and

WHEREAS, LESSEE has leased for some time, certain property from LESSOR and has proposed to lease certain additional property from LESSOR at the LESSOR'S municipal airport for non-aeronautical related activities which include the operation of The City of Fernandina Beach Water Plant and a new solar power array which will provide solar power to the City of Fernandina Beach Water Plant and Municipal Airport Terminal Facility;

WHEREAS, LESSOR desires to make real property available to LESSEE at the Airport for continued use of a City Water Utility Plan and construction and use of a Solar Power Array;

NOW THEREFORE, for and in consideration of the Premises and the mutual benefits and covenants contained in this Agreement, the parties hereby agree as follows:

1. Leased Premises. LESSOR hereby leases to LESSEE, and LESSEE hereby leases from LESSOR, the following real property identified and shown on Exhibits A1 and A2 Lease Area, attached hereto, hereinafter referred to as the "Premises", together with the right of ingress and egress for vehicles. This property is located within an area of Airport property released by the Federal Aviation Administration for non-aeronautical uses.

2. Term. The term of this Agreement shall be for a period of twenty (20) years, commencing on the first (1st) day of the first month following the execution of this Agreement by both parties, and continuing for said term, unless earlier termination under the provisions of this Agreement.

Provided the LESSEE is not in default of any terms and conditions of this Agreement, the LESSEE may request to extend this Agreement for an additional five (5) years. This may be done twice. Such written notice must be given a minimum of 120 days before the end of the initial term.

At the expiration of the initial 20 year term and any extensions thereto, LESSEE may request a new lease. If LESSOR determines that the Premises are not required for other airport uses

(aeronautical or non-aeronautical), the LESSEE has met its obligations under the term of the preceding lease, and the LESSOR finds that a new lease is appropriate, the LESSOR may negotiate a new lease. The duration of the new lease shall be at the LESSOR'S option.

3. Rent. In consideration of the rights and privileges granted by this Agreement, LESSEE agrees to pay LESSOR the following rent for two separate leased parcels described below from the date of commencement of this Agreement. The rate for Parcel 1 is a continuation of an existing land use agreement and is established at the current CPI-adjusted rate for use of Parcel 1. Parcel 2 is set, initially, at the established rate for lease of non-aeronautical airport property.

- a. Rent for the use of real property on Parcel 1 of Airport property as described on Exhibit A1 is a total lease area of 60,156 square feet at an initial lease rate of \$0.22 cents per square foot per year, initially \$13,091.67 per year.
- b. Rent for the use of real property on Parcel 2 of Airport property described on Exhibit A2 is a total lease area of 39,780 square feet at a lease rate of \$0.35 cents per square foot per year, initially \$13,923.00 per year. A portion of the solar arrays to be installed by LESSEE will support the airport Terminal Facility. LESSEE agrees to install, at its sole expense, solar array panels, conduit with power cabling from the solar array field to the airport terminal facility power vault at 700 Airport Road, and shall make connection to the airport Terminal facility. The initial capital expense of the LESSEE will total \$172,040 which will be divided evenly among the initial 20-year term of this agreement resulting in \$8,602 that shall be deducted from the annual lease rate due and payable by LESSEE to LESSOR each year for the initial 20-year term of this agreement.

Example:

Year 1: \$27,014.67 annual lease rate for the sum of Parcel 1 and Parcel 2 lease rates less \$8,602 capital expense recovery = \$18,412.67 due and payable per year, initially.

This annual ground rent shall be converted to equal monthly payments to be made initially at the rate of \$1,534.39 per month. The LESSEE is not subject to sales tax. Any future successors or assigns, may be subject to sales tax which shall be remitted monthly if the LESSEE is not exempt. All payments shall be due and payable without notice on or before the first day of each month. The Tenant shall be solely responsible for the payment of all applicable ad valorem property taxes, if applicable.

This ground rent rate shall be reviewed each year by the LESSOR and ground rent rates, plus all applicable taxes, shall be adjusted so as to maintain a fair rental rate based on change in the Consumer Price Index (CPI) -All Urban Consumers South Urban Region- All Items (base year 1982-84=100), as published by the United States Department of Labor-Bureau of Labor Statistics, an appraisal, market rent study or other method designated by LESSOR. Such CPI change will be computed each year after the completion of the month of July and any change will be implemented and effective with October rent payments of each year. An appraisal, market rent study or alternative method as designated by the LESSOR may be substituted periodically for the CPI adjustment and shall be at least four years apart and any such adjustment will also be implemented in October of the applicable year. In no event, however, shall the ground rent be

less than the previous year's rental amount. The Tenant shall be solely responsible for the payment of all applicable ad valorem property taxes.

4. Place of Payment. All payments due LESSOR from LESSEE shall be made payable to the City of Fernandina Beach, and mailed or delivered to 1180 South 5th Street Extension, Fernandina Beach, Florida 32034.

5. Construction and Use of Premise. LESSEE is hereby granted the right to construct and operate a solar array on Parcel 2 which property is depicted on the legal description and property sketch at Exhibit A2. LESSEE is also hereby granted the right to continue its ownership and operation of a Utility Water Plant on property described at Exhibit A1. If construction of a solar array on the Premises has not begun within one (1) year of the date of this Agreement, and completed within two (2) years of the beginning of construction, this Agreement may be terminated by the LESSOR with 30 days written notice to LESSEE. The parties agree that this Agreement shall be construed as a "Non-Aeronautical Use Agreement" and LESSEE shall not engage in any business on the Premises other than that specified herein. Included as part of the LESSEE'S Premises are:

a. A Water Utility Plant and Solar Array.

b. All improvements, including the design thereof, on the Premises must be permitted by the LESSOR prior to installation or construction. The LESSEE is responsible for applying for and obtaining all necessary construction permits and licenses required by local, state and federal laws and regulations. LESSEE shall complete a glare analysis, submit an FAA 7460-1, Notice of Proposed Construction, to the FAA, and obtain FAA approval for installation of a solar array prior to commencement of construction.

c. All improvements shall be constructed, graded and drained so as to direct all storm water which may fall on the Premises into approved disposal devices. The LESSEE shall not contribute to storm water contamination and will take such steps and measures as are necessary to comply with the Airport's Storm Water Pollution Prevention Plan and all federal, state, and local regulations governing storm water discharge. Adequate greenspace for the Premises and adjacent leasehold(s) of LESSEE shall also be provided.

d. Any landscaping installed on the Premises is subject to approval by the LESSOR and shall be installed and maintained by the LESSEE.

6. Rights and Obligations of LESSEE.

a. Payments: LESSEE shall meet and pay all expenses and payments in connection with the use of the Premises and the rights and privileges herein granted, including taxes, ad valorem taxes, permit fees, impact fees, license fees and assessments lawfully levied or assessed upon the Premises or property situated hereon, as well as any and all utilities used or consumed by LESSEE on the Premises, including, but not limited to, water, gas, electricity, sewer, and refuse services.

b. Agreement to Pay Taxes and Obligations: LESSEE shall pay all lawful taxes and

assessments, debts and obligations of every kind or nature, which, during the term hereof, may become a lien upon or which may be levied by the state, county, city or any other tax levying body, upon any taxable interest of the LESSEE acquired in the Agreement or any taxable possessory right which LESSEE may have in or to the Premises or facilities hereby leased or the improvements thereon, or on the LESSOR'S fee simple interest therein, by reason of its use or occupancy thereof or otherwise as well as all taxes or taxable property, real or personal, owned by LESSEE in and about said Premises, whether said taxes are assessed in the name of LESSEE or LESSOR.

c. Premise Upkeep: The LESSEE shall, at its own expense, maintain and keep the Premises, including all improvements thereon including lighting, landscaping, drainage, signage and parking areas including pavement and striping, in good condition and make all repairs necessary to keep and maintain the Premises, including all improvements thereon in good condition. The Premises and all buildings, improvements, and property thereon must be maintained in a safe, clean and sanitary condition. The LESSOR shall require maintenance and needed repairs to be made in a timely manner.

d. Access: LESSEE shall have at all times the right of ingress to and egress from the rented Premises. To ensure this right the LESSOR shall make all reasonable efforts to keep adjacent areas to the rented Premises free and clear of all hazards and obstructions, natural and manmade.

e. Signs: During the term of this Agreement, LESSEE shall have the right, at its expense, to place in or on the Premises, a sign or signs. Said sign or signs shall be of a size, shape and design, and at a location or locations, approved by LESSOR and shall conform to the City's sign code. LESSEE shall be responsible for all permits. Notwithstanding any other provision of this Agreement, said sign(s) shall remain the property of LESSEE. LESSEE shall remove, at its expense, all lettering, signs and placards so erected on the Premises at the expiration of the term of this Agreement.

f. Compliance with Applicable Laws, Rules and Regulations: Notwithstanding other requirements contained herein, the LESSEE at its sole cost and expense agrees to and shall comply with all applicable ordinances, laws, rules and regulations established by federal, state, and local government agency or by City, and conduct its operations in accordance with all applicable regulations pertaining to airports, including Airport Rules and Regulations promulgated by the LESSOR governing safe and efficient operation of Fernandina Beach Municipal Airport. The LESSOR may, from time to time, modify and/or update the Rules and Regulations. LESSOR will provide LESSEE with a copy of the updated Rules and Regulations, and once updated, those Rules and Regulations shall become a part of this Agreement.

g. Compliance with Environmental Law, Rules and Regulations: LESSEE expressly represents, covenants, warrants, guarantees, and agrees that it shall fully comply with all federal, state and local laws, ordinances, rules and regulations protecting the environment. Any cost or expense to remain or to be compliant with applicable environmental rules and regulations shall be the responsibility of the LESSEE. LESSEE agrees to keep themselves informed of future changes in the existing environmental laws.

h. Airport Protection: It shall be a condition of this lease, that the lessor reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the airport.

That the Tenant expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the hereinafter described real property to such a height so as to comply with Federal Aviation Regulations, Part 77.

That the Lessee expressly agrees for itself, its successors and assigns, to prevent any use of the hereinafter described real property which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

i. Hazardous Materials and Toxic Waste: LESSEE shall not cause or permit to

1. Any violation of any federal, state or local law, ordinance or regulation now or later enacted, related to environmental conditions on, under, or about the Premises, or arising from LESSEE'S use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or

2. The use, generation, release, manufacture, refining, production, processing or disposal of any hazardous substance on, under, over or about the Premises.

3. LESSEE shall, at its sole and exclusive expense, comply with all laws and regulations regulating the storage or transportation of hazardous substances relating to the Premises, and shall further make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities under applicable federal, state and local laws and regulations; and the LESSOR is to be immediately notified by LESSEE of any claim or allegation of non-compliance herewith.

4. If any authority demands that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge or other release of hazardous substances that occurs during the term hereof, or any renewals hereof, at or from the Premises, or which arises from LESSEE'S use or occupancy of the Premises, then LESSEE shall, at LESSEE'S expense, prepare and submit the required plans and all related bonds and other required financial assurances; and LESSEE shall carry out all work required by such clean-up plans at its sole and exclusive expense.

j. Property Rights Reserved: This lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the Airport Owner acquired the subject property from the United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the Airport Owner, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the Airport Owner

pertaining to the Fernandina Beach Municipal Airport.

7. Continuing Obligation. LESSEE'S obligations under Section 6, subsection (h), and Section 8 and Section 12 of this Agreement shall survive the expiration or termination of this Agreement or any renewal thereof.

8. Indemnification for Toxic Wastes. LESSEE, for itself and on behalf of its officers, agents, employees, assigns, and contractors, does agree to protect, defend, ensure and indemnify LESSOR, its officers, directors, elected and appointed officials and employees, for any manner of loss, damage, cost or assessment which may result from or in any manner be related to the deposit, spill, discharge or other release, and or the presence, use, distribution or disposition of any toxic substance, chemical, metal, petroleum product, or hazardous or toxic waste, or any other substance or derivative. This provision shall survive the expiration of this Agreement. This shall not apply to conditions which pre-exist the date of this Agreement.

9. Aerial Approaches. LESSOR reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent LESSEE from erecting, or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of the LESSOR, would limit the usefulness of the Airport or constitute a hazard to aircraft.

10. Leasehold Improvements.

a. LESSEE shall submit to LESSOR, for approval, conceptual plans and specifications for all proposed improvements to the Premises. LESSOR shall approve the plans and specifications as submitted, or transmit proposed revisions to LESSEE within sixty (60) days of receipt of the plans and specifications from LESSEE. In the event that LESSOR requires revisions of the original plans and specifications, LESSEE shall have thirty (30) calendar days from the date of receipt of the proposed revisions to resubmit the plans and specifications for LESSOR'S approval. This initial review shall not constitute review for the purposes of obtaining City permits. LESSEE shall be required to obtain all permits from governmental agencies as may be required, including the City, and shall be solely responsible for all costs relating to permitting the proposed improvements.

b. Any such improvements made by LESSEE shall remain the property of the LESSEE until the expiration of this Agreement and any extensions or renewals thereof but which shall remain on the property until the expiration or termination of this Agreement, at which time such improvements shall be removed from the property at the sole expense of the LESSEE, if a new lease is not executed for continued lease of the property by the LESSEE.

c. LESSEE shall not permit any mechanic's or other liens to be placed upon the Premises, at any time, except that LESSEE shall be permitted to mortgage its leasehold improvements to be constructed on the Premises by LESSEE. LESSOR shall not be required to subordinate its interest to such Leasehold Mortgage. All documentation regarding any leasehold mortgage must be reviewed and approved by the LESSOR prior to finalization of documents, to

assure that no interest of the LESSOR is included in the documentation.

11. Assignment or Sublease. This Agreement, or any part thereof, may not be assigned, transferred or subleased by LESSEE, by process or operation of law or in any other manner whatsoever, without the prior written consent of LESSOR. Prior to issuing any written consent, LESSOR may demand such information it may require to adequately judge whether the proposed assignee, transferee or sub-lessee can adequately perform the duties of the LESSEE under this Agreement.

12. Independent Contractor. In its use of the Premises, LESSEE acts as an independent contractor and not as an agent of LESSOR.

13. Non-Discrimination. Notwithstanding any other inconsistent provision of this Agreement, during the performance of this Agreement, LESSEE, for itself, its heirs, personal representatives, successors in interest and assigns, as part of the consideration for this Agreement, does hereby covenant and agree, as a covenant running with the land, that:

a. No person on the grounds of race, color, religion, sex, or national origin shall be excluded from participating in, denied the benefits of, or otherwise be subjected to discrimination, in the use of the Premises.

b. In the furnishing of services on, over or under the Premises, no person on the grounds of race, color, religion, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

c. LESSEE shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

14. Termination. This Agreement shall be subject to termination by either party in the event of any one or more of the following:

a. The abandonment of the Airport as an Airport or airfield;

b. The default by either party in the performance of any of the terms, covenants and conditions of this Agreement, and the failure of such defaulting party to remedy or to undertake to remedy to the other party's satisfaction such default for a period of thirty (30) days after receipt of notice from the non-defaulting party to the defaulting party to remedy same. This includes the failure of the LESSEE to complete the proposed improvements within the time frames as set forth herein;

c. Damage to or destruction of all or a material part of the Premises or Airport facilities necessary to the operation of LESSEE'S business;

d. The lawful assumption by the United States, or any authorized agency thereof, of

the operation, control or use of the Airport, or any substantial part thereof, in such a manner as to restrict substantially LESSEE from conducting its business operations for a period in excess of ninety (90) days;

15. Subordination. This Agreement shall be subordinate to the provisions of any existing or future agreement between LESSOR and the United States, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

16. National Emergency. During the time of war or national emergency, the LESSOR shall have the right to lease the landing area or all or any part of the Premises upon demand to the United States Government, and if any such agreement is executed, the provisions of this Agreement with the LESSEE herein, and all obligations of LESSEE to make the payments as required in Section 3 above, shall be suspended for the length of time that the United States Government requires the use of the said landing area and/or Premises. This period of time during which the Agreement is so suspended will not count against the time provisions of the then existing Agreement.

17. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties, and as of its effective date supersedes all prior or independent contracts or agreements between the parties covering the subject matter hereof. Any change or modification hereof must be in writing signed by both parties.

18. Severability. If any substantive provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction and such declaration results in a substantial failure of consideration for either party, the entire Agreement shall be subject to termination by such party. Otherwise, such declaration shall not be cause for termination of this Agreement, but only such void or illegal provision shall be canceled or deemed to be of no effect.

19. Notice. Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid, addresses as follows:

If to LESSOR, address to:

Airport Manager
City of Fernandina Beach
700 Airport Road
Fernandina Beach, FL 32034

With a copy to Airport Operations at same address.

If to LESSEE, address to:

Water Department Director
4436 South Fletcher Avenue
Fernandina Beach, Florida 32034

Notices will be deemed to have been received on the date of receipt as shown on the return receipt. It shall be the LESSEE'S responsibility to keep the address contained in this Agreement up to date and accurate.

20. Governing Law, Venue and Attorneys' Fees. This Agreement is to be construed in accordance with the laws of the State of Florida, with venue in Nassau County, Florida. In the event of any litigation between the parties regarding the breach and/or enforcement of this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs, including at the appellate court level, from the non-prevailing party as determined by a court of competent jurisdiction.

21. Re-Entry. It is further understood and agreed between the parties hereto that in the event of any breach of any covenant or agreement on the part of the LESSEE to be performed and provided, that if such breach is not remedied by the LESSEE after reasonable notice in writing to it by the LESSOR, the LESSOR may re-enter and terminate this tenancy by giving the LESSEE thirty (30) days written notice, to quit the Premises. LESSOR shall at all times be entitled to recover by all lawful means any and all damages, including reasonable attorneys' fees and costs, sustained by it through the breach of any said covenants and agreements on part of the LESSEE to be performed.

22. Obligation Upon Termination. Upon termination of this Agreement, all obligations of either party hereunder to the other shall cease and terminate, except as specifically provided herein, and the LESSEE agrees it shall immediately quit, surrender and return peaceable and quiet possession of the Premises, including all improvements, to the LESSOR in as good order and condition as existed at the time of the initial occupancy and only reasonable wear and tear being accepted.

23. Inspection. The LESSOR shall have the right to enter upon the Premises at reasonable intervals during regular business hours to inspect the Premises for compliance with the terms and conditions of the Agreement and federal, state and local laws and regulations. In case of emergencies, the LESSOR shall have the right to immediately enter the Premises.

24. Further Airport Development. LESSOR reserves the right to further develop or improve the remaining area of the Airport as it sees fit, regardless of the desires or view of the LESSEE, and without interference or hindrance.

25. Non-Waiver. The failure of the LESSOR to insist upon strict performance of any of the terms, conditions or covenants herein set forth shall not be deemed a waiver of any rights or remedies that it may have and shall not be deemed a waiver of any breach or default by the LESSEE of the terms, conditions or covenants contained herein.

26. Radon Gas Notice: Pursuant to Florida Statutes Section 404.056(8), LESSOR hereby makes, and LESSEE hereby acknowledges, the following notification:

Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks over time. Levels of radon that

exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

LESSOR makes no representation or warranty with respect to the presence or absence of radon on the Premises, and LESSEE shall undertake such inspection or testing as it deems necessary or convenient to assure itself as to the presence or absence of radon.

27. Lease Commencement Date: The commencement date of this Agreement shall be the date set forth in Section 2 above.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY OF FERNANDINA BEACH

By: Dale Martin
Its: City Manager

By: Dale L. Martin
Its: City Manager

ATTEST:

ATTEST:

By: Nathan Coyle
Its: Airport Director

By: John Mandrick
Its: Utilities Director

By: Caroline Best
Its: City Clerk

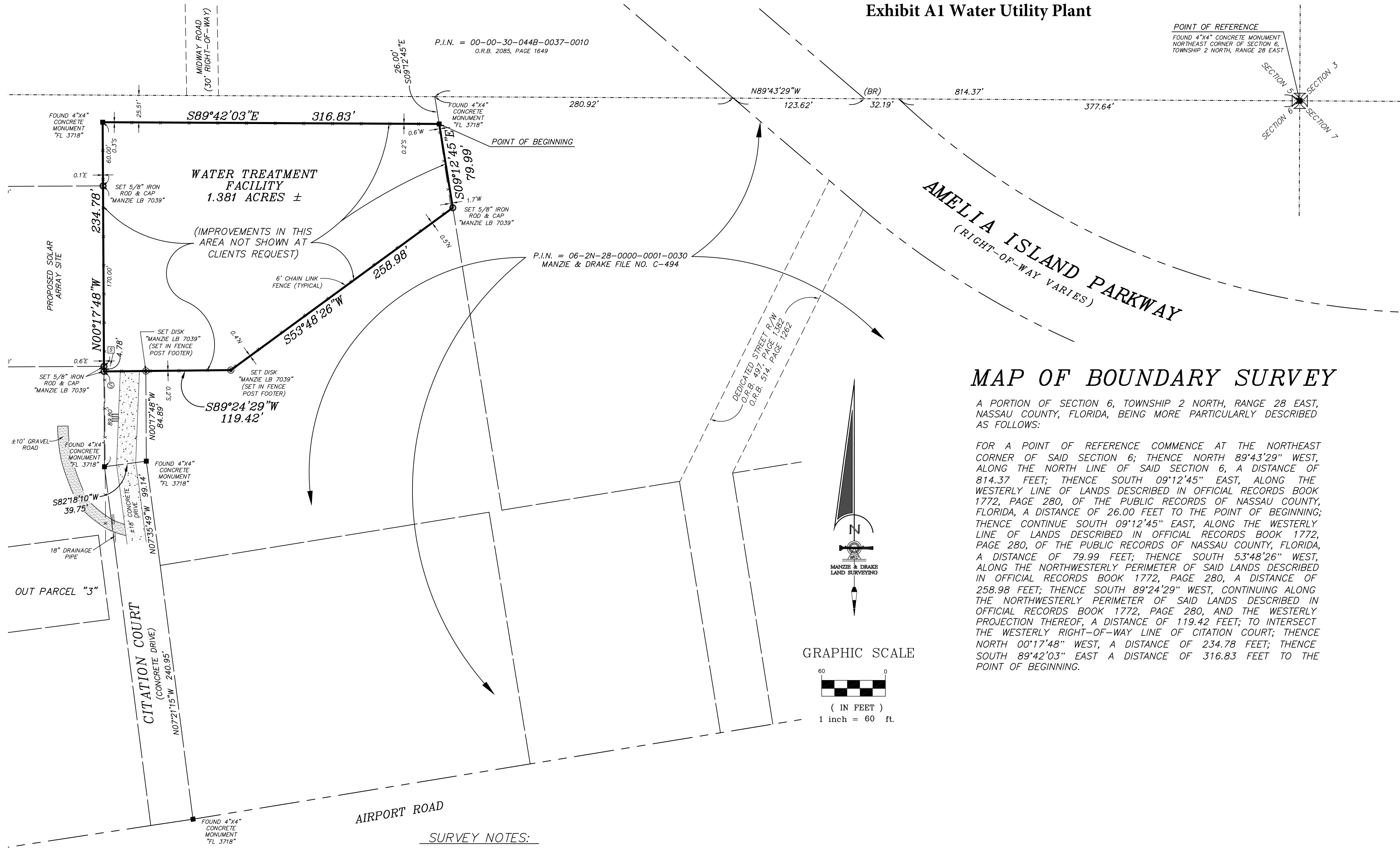
APPROVED AS TO FORM AND LEGALITY:

By: Tammi E. Bach
Its: City Attorney

Ground Lease Exhibits

1. Exhibit "A1" Water Department Lease Area- Legal Description of LESSEE'S Property and Sketch or Drawing of Description
2. Exhibit "A2" Water Department Solar Array - Legal Description of LESSEE'S Property and Sketch or Drawing of Description
3. Fernandina Beach Municipal Airport Rules and Regulations

Exhibit A1 Water Utility Plant



MAP OF BOUNDARY SURVEY

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

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHEAST CORNER OF SAID SECTION 6; THENCE NORTH 89°43'29" WEST, ALONG THE NORTH LINE OF SAID SECTION 6, A DISTANCE OF 814.37 FEET; THENCE SOUTH 09°12'45" EAST, ALONG THE WESTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1772, PAGE 280, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, A DISTANCE OF 26.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 09°12'45" EAST, ALONG THE WESTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1772, PAGE 280, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, A DISTANCE OF 79.99 FEET; THENCE SOUTH 53°48'26" WEST, ALONG THE NORTHWESTERLY PERIMETER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1772, PAGE 280, A DISTANCE OF 258.98 FEET; THENCE SOUTH 89°24'29" WEST, CONTINUING ALONG THE NORTHWESTERLY PERIMETER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1772, PAGE 280, AND THE WESTERLY PROJECTION THEREOF, A DISTANCE OF 119.42 FEET; TO INTERSECT THE WESTERLY RIGHT-OF-WAY LINE OF CITATION COURT; THENCE NORTH 00°17'48" WEST, A DISTANCE OF 234.78 FEET; THENCE SOUTH 89°42'03" EAST A DISTANCE OF 316.83 FEET TO THE POINT OF BEGINNING.

SURVEY NOTES:

- 1) The "Legal Description" hereon is in accord with the description provided by the client.
- 2) Underground improvements were not located or shown.
- 3) Lands shown hereon were not abstracted by this office for easements, rights-of-way, ownership or other instruments of record.
- 4) Bearings shown hereon are based on N89°43'29"W for the North line of Section 6, Township 2 North, Range 28 East. The bearing reference line is indicated as thus (BR).
- 5) "Unless it bears the signature and the original raised seal of a Florida licensed surveyor and mapper, this map/report is for informational purposes only and is not valid."
- 6) The property shown hereon lies within flood zone "X" as per F.E.M.A. Flood Insurance Rate Map, Panel 12089C 0377G, Dated 08/02/2017. Flood Zone information listed above and shown on this survey is provided as a courtesy and is approximate at best. All data should be verified by Nassau County Building Department for accuracy. We assume no liability for its accuracy. Flood Zone information is not covered by the certification hereon and is not required to be shown per Chapter 5J-17, Florida Administrative Code, pursuant to Section 472.027, Florida Statutes.
- 7) This survey is protected by copyright and is certified only to the entities listed and only for this particular transaction. Any use or reproduction of this survey without the express written permission of the surveyor is prohibited. Use of this survey in any subsequent transactions is expressly prohibited and is not authorized. The surveyor expressly disclaims any certification to any parties in future transactions. No entity other than those listed should rely upon this survey.

LEGEND

- x-x- = CHAIN LINK FENCE
- FL 3718 = CONCRETE FLATWORK
- ⊗ = SEWER CLEANOUT
- ⊙ = SEWER LINE MARKER POST
- ⊠ = WATER LINE MARKER POST
- O.R.B. = OFFICIAL RECORDS BOOK
- P.I.N. = PARCEL IDENTIFICATION NUMBER

THE INFORMATION SHOWN HEREON MEETS THE STANDARDS OF PRACTICE SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 5J-17, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.027, FLORIDA STATUTES.

MICHAEL A. MANZIE, P.L.S. 4069

MANZIE & DRAKE LAND SURVEYING

117 South Ninth Street, Fernandina Beach, FL 32034
(904) 491-5700 www.ManzieAndDrake.com
Certificate of Authorization Number "LB 7039"

"OUR SIGHTS ARE ON THE FUTURE,
SET YOUR SITES ON US."

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SCALE: 1"=60' JOB NO: 14050 DATE: 06/17/2019 CADD: BH
F.B. NO: X-334 PAGE NO: 7 FIELD CREW: SS FILE NO: B-1343

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

CONTAINING 0.913 ACRES MORE OR LESS.

MIDWAY ROAD
(30' RIGHT-OF-WAY)

POINT OF REFERENCE

FOUND 4"x4" CONCRETE MONUMENT
NORTHEAST CORNER OF SECTION 6,
TOWNSHIP 2 NORTH, RANGE 28 EAS.

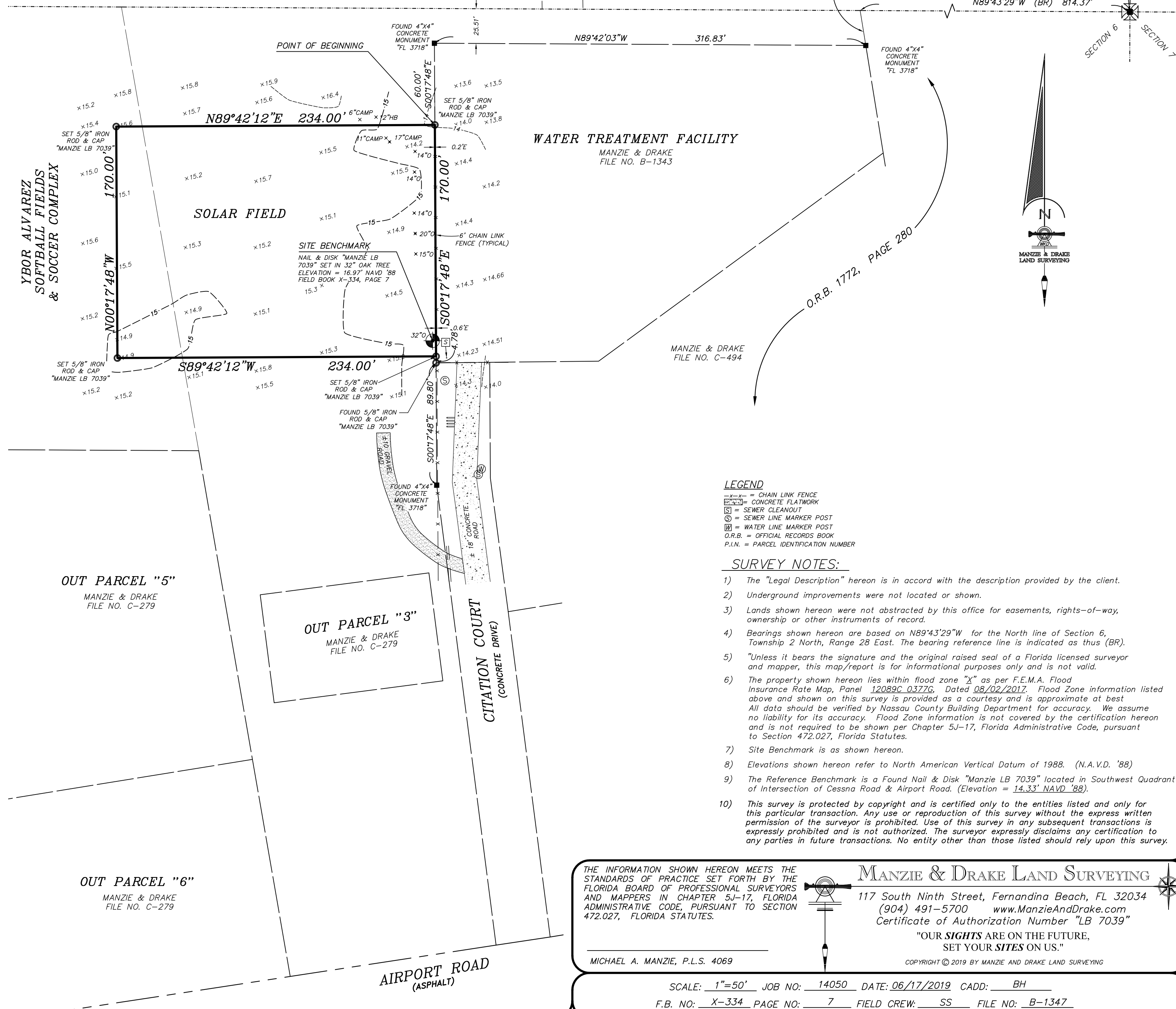
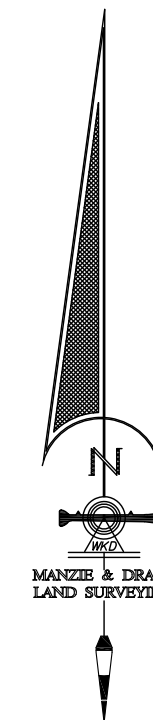
SECTION 5

SECTION 3

SECTION 7

SECTION 6

4.37'



TREE LEGEND

CAMP = CAMPHOR TREE
HB = HACKBERRY TREE
O = OAK TREE

TREE DISCLAIMER:

NUMBER OF TREES SHOWN ON SURVEY: 10

SPECIES OF TREES HAVE BEEN IDENTIFIED TO THE BEST OF OUR KNOWLEDGE AND BELIEF; HOWEVER MANZIE & DRAKE LAND SURVEYING WILL ASSUME NO LIABILITY, EXPRESSED OR IMPLIED, FOR THE CORRECTNESS OF SAID SPECIES IDENTIFICATION.

TREES HAVE BEEN LOCATED AS ACCURATELY AS POSSIBLE UNDER CURRENT CONDITIONS AND HAVE A POSITIONAL TOLERANCE OF APPROXIMATELY 2 TO 3 FEET. CRITICAL TREES SHOULD BE VERIFIED PRIOR TO CONSTRUCTION.

THE INFORMATION SHOWN HEREON MEETS THE STANDARDS OF PRACTICE SET FORTH BY THE FLORIDA BOARD OF PROFESSIONAL SURVEYORS AND MAPPERS IN CHAPTER 5J-17, FLORIDA ADMINISTRATIVE CODE, PURSUANT TO SECTION 472.027, FLORIDA STATUTES.

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SCALE: 1"=50' JOB NO: 14050 DATE: 06/17/2019 CADD: BH

F.B. NO: X-334 PAGE NO: 7 FIELD CREW: SS FILE NO: B-1347

FERNANDINA BEACH MUNICIPAL AIRPORT

AIRPORT RULES AND REGULATIONS

Initial Adoption October 1, 1987

Amended July 17, 2007

Amended August 21, 2007

Amended September 2, 2008

Amended December 7, 2010

Prepared By:

City of Fernandina Beach

700 Airport Road

Fernandina Beach, Florida 32034

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Introduction

Fernandina Beach Municipal Airport (FBMA-FHB) is municipally owned and operated by the City of Fernandina Beach, Florida as a General Aviation Reliever Airport. These Airport Rules and Regulations (R&R) are intended to promote the health, safety, interest, and welfare of the public in general and in particular the operators, lessees, tenants, consumers, and users of FBMA, and to promote the safe, orderly, and efficient use of the Airport.

These R&R apply to all users, aeronautical and otherwise, of FBMA property, are not all-inclusive, and reinforce and emphasize federal, state, and local statutes, laws, ordinances, and regulations as well as leases and agreements that may apply (see Appendix A - References). In addition the content of Appendixes A and B attached hereto and made a part hereof shall be adhered to by all users of FBMA. In the event of a conflict between these R&R and a lease or other agreement, the lease or other agreement shall govern. Individual Airport users must adhere to the applicable provisions of these R&R and its attached Appendices, as well as any applicable leases and agreements, and all pertinent federal, state, and local statutes, laws, ordinances, and regulations that may be applicable to their operations.

Violations of the R&R may result in revocation of Airport access privileges, denial of use of the Airport, termination of leases or other agreements, and/or prosecution under applicable laws. Perpetration of violation(s) shall be considered as a factor in renewing or not renewing a violator's application or permit/lease renewal. Use of Airport property without approval or in conflict with these R&R is considered a trespass. Nothing in these R&R is intended to preclude any authorized City personnel from taking other action authorized by law. Section 6 of these R&R provides an appeal process to be followed in the event a user of the Airport is aggrieved by the interpretation and application of the R&R.

These R&R may be amended as required, however, every three years an updated revision should be published.

Section 1 – General

1.01 COMPLIANCE AND RESPONSIBILITIES:

- a. By publication of these R&R, all persons based at FBMA will be deemed to have knowledge of the contents herein. Copies of these R&R will be distributed to all tenants and leaseholders, posted at the Airport, and available through the Airport Manager's office.
- b. Entry upon/into the Airport by any person shall be deemed to constitute an agreement by such person to comply with and be governed by these R&R. All persons employed on or using the Airport shall cooperate with the Airport Manager or his designated representatives to enforce these R&R.
- c. Airport tenants/leaseholders shall be responsible for compliance with all requirements of these R&R applicable to them for their exclusive areas and they shall be held liable for any fines, penalties, or other monetary assessments imposed upon the City by any agency having jurisdiction with respect to any violations involving these areas. Any user, who by their intentional or unintentional action or activity, cause the City to be fined, cited, sued, or charged unnecessary fees/fines, will be responsible for reimbursement of said fines/fees upon demand to the City.
- d. Any permission granted by the Airport Manager or the City under these R&R is conditioned upon the payment of any and all applicable fees and charges established by the City.
- e. Voiding of any particular rule or regulation contained herein shall not affect the validity of the remainder of these regulations.

1.02 EMERGENCY PROCEDURES AND DIRECTIVES:

- a. Under emergency conditions, e.g., a natural disaster, the Airport Manager, or designated representative, is empowered to suspend these R&R, or any part thereof, including ordering persons to leave the Airport or portions of the Airport and prevent access to such areas for such time as may be necessary, and to issue such directives and take such actions as is necessary to protect life and property and ensure the safe operation of the Airport. Such directives and actions have the full power of regulation as long as the emergency exists.
- b. In the event of an extreme threat, condition, or event the Airport Manager shall have, in his discretion, the authority to close the Airport in its entirety or any portion thereof to air traffic, to prohibit aircraft landing and/or taking off, and may delay or restrict any flight or other aircraft operation.
- c. The Airport Manager may also, in his discretion, temporarily close the Airport due to periods of adverse climatic conditions when such action is considered necessary and desirable to avoid endangering persons or property.
- d. Under no circumstance shall an authorized Airport closure or restriction constitute grounds for reimbursement of any expense, loss of revenue, or damage incurred by any operator, lessee, or any other entity.

1.03 LIABILITY:

- a. The City shall not be responsible for loss, injury, or damage to persons or property by reason of fire, theft, vandalism, wind, flood, earthquake, collision, strikes, war, acts of terrorism, or act of God, nor shall the City be liable for injury to persons while on the Airport.
- b. The City, City Commission, Airport, and the Airport Manager, individually and collectively, and their representatives, officers, employees, agents, and volunteers shall be held harmless and shall not be liable for loss, loss of use, damage, or injury to persons or property arising out of any accident, incident, or mishap of any nature whatsoever, or from any cause whatsoever to any individual, aircraft or property occurring on or from the Airport or in the use of any facility situated on Airport property.

1.04 FACILITIES AND PROPERTY:

- a. Operational deficiencies regarding buildings, structures, equipment, utilities, or other property owned by the City shall be reported to the Airport Manager so that repairs, as necessary, may be made in a timely manner.
- b. No person shall alter, add to, or erect any building or sign on the Airport or make any excavation on the Airport without prior written approval of the City.
- c. Any person causing, or responsible for damage to or destruction of Airport property of any kind, including facilities, equipment, real property, fixtures or appurtenances, shall be required to pay the City for the full amount of said damage. Any such damage shall be immediately reported to the Airport Manager.

1.05 OTHER LAWS:

All applicable provisions of Federal Aviation Regulations (FAR), federal, state, and local regulations, laws, statutes, and/or ordinances now in existence or hereafter promulgated are hereby adopted as part of the R&R for FBMA.

1.06 USE AND ENJOYMENT OF AIRPORT PREMISES:

- a. All FBMA users are required to abide by applicable federal, state, and local statutes and ordinances regarding personal conduct on Airport property.
- b. Any person who causes injury to any person or damages equipment or property on the Airport shall be liable for such injuries and/or damages.
- c. All commercial activities shall be conducted in accordance with the FBMA Minimum Standards for Commercial Activities (Minimum Standards).

- d. No person may throw, shoot, or propel any object nor shine a light or laser in such a manner as to interfere with or endanger the safe operation of any aircraft taking off from, landing at, or operating on the Airport or any vehicle operating on the Airport.

1.07 ENTRY UPON AND USE OF AIRPORT:

- a. Entry into FBMA property shall be through designated gates.
- b. All FBMA users shall observe and obey all posted signs, fences, and barricades regarding activities and demeanor while on the Airport.
- c. Use of any FBMA facility for other than authorized purposes is prohibited.
- d. Nothing herein contained shall be construed to limit the use of any area of the Airport by its employees, approved contractors, or to prevent law enforcement or fire department personnel from acting in their official capacity.
- e. No person, except representatives of the press on duty or during official announcements, shall take still, motion, or sound pictures for commercial purposes on non-leasehold Airport property without first obtaining written permission of the Airport Manager.
- f. No camping is permitted on FBMA without written permission of the Airport Manager.

1.08 ACCESS TO THE AIRPORT OPERATIONS AREA:

- a. No person may, without authorization of the Airport Manager, enter the FBMA Airport Operations Area (AOA) except:
 - 1. Persons under the direct supervision of a tenant or leaseholder
 - 2. Persons or entities and their employees performing aeronautical activities
 - 3. Passengers, under appropriate supervision, who enter for the purpose of enplaning or deplaning an aircraft
 - 4. Visitors to Fixed Base Operations (FBO)
 - 5. Emergency vehicles
- b. Except for entry/exit, all ground vehicle gates will be secured. Vehicle operators using an Airport perimeter gate shall ensure the gate closes prior to leaving the vicinity; additionally, should a vehicle operator observe any suspicious vehicles or persons gain (or attempt to gain) access to the airside, they shall notify law enforcement immediately.
- c. Persons who have been provided an Airport access device or access code for the purpose of obtaining access to the AOA shall use only Airport issued devices and shall not duplicate or otherwise distribute or disseminate the same to any other person unless the Airport Manager provides written permission.
- d. No person shall walk or drive on taxiways or runways without written authorization from the Airport Manager.
- e. It shall be the responsibility of a tenant, lessee, or contractor to restrict persons or vehicles to their exclusive use area or leasehold and to establish operating procedures for them, reviewed by the Airport Manager for appropriateness.
- f. No one under 16 years of age will be allowed to enter the AOA except under the direct supervision of an adult or unless visiting an FBO.
- g. No person shall assist an unauthorized individual in accessing the AOA.

1.09 ANIMALS:

- a. Animals, including service animals, are permitted on Airport property only when under the control of their owners/handlers; any waste must be properly collected and removed by the animal's owner/handler
- b. No person shall commit any act to encourage the congregation of birds or other animals on the Airport.

1.10 CARGO, MATERIAL STORAGE, AND ABANDONED PROPERTY:

- a. Unless otherwise provided for by lease or other contractual agreement, no person, firm, partnership, or corporation, shall use any area of the Airport, including buildings, either

- privately owned or publicly owned, for the storage of non-aeronautical related cargo, equipment, or any other property without written permission of the Airport Manager.
- b. Any property, aircraft, or vehicle, determined by the Airport Manager to be abandoned, disabled, or which creates an operations problem, nuisance, security or safety hazard, or which otherwise is placed in an illegal, improper, or unauthorized manner, will be removed, stored, and/or disposed of at the owner's expense. The City shall not be liable for any damage to the property or loss or diminution of value that may be caused by the act of removal.

1.11 FIREARMS AND WEAPONS:

Firearms are allowed on FBMA only as permitted by state and federal statutes.

1.12 ADVERTISING, COMMERCIAL SPEECH, AND SIGNAGE:

- a. No person shall post, circulate, distribute, or display written or printed materials or signs on Airport property or facilities or on motor vehicles and aircraft without prior written permission from the Airport Manager. However persons approved to be on Airport property may use vehicles on Airport property that display advertising, pictures, or written material.
- b. Airport entry signage or signage in public areas of the Airport must meet specifications of City codes and be approved by the Airport Manager.

Section 2 – Aeronautical Operations

2.01 COMPLIANCE WITH ORDERS:

All aeronautical activities at FBMA shall be conducted in compliance with applicable FARs, federal and Florida statutes, and local ordinances, these Rules and Regulations, Minimum Standards, and directives/resolutions, as currently written or as may be amended from time to time.

2.02 HOLD HARMLESS:

The aircraft owner, pilot, agent, or his or her duly authorized representative agrees to release, discharge and hold harmless the City, its City Commission, the Airport, and its employees of and from liability for any damage which may be suffered by any aircraft and its equipment, and for personal injury or death. The use of the AOA and related facilities shall constitute acceptance of the terms of this provision, these R&R and other Airport procedures and operating directives.

2.03 NEGLIGENT OPERATIONS PROHIBITED:

- a. Aircraft operators shall not land; take off; taxi; or park an aircraft on any area that has been restricted to a maximum weight bearing capacity of less than the weight of the aircraft. It shall be the aircraft owner's responsibility to repair any damage to the Airport's runways, taxiways, or aprons caused by excessive aircraft weight loading.
- b. No person shall operate any equipment or device on the Airport that will interfere with any aircraft radio communication frequency or any aircraft navigational aid.

2.04 AIRCRAFT ACCIDENTS/INCIDENTS, AIRWORTHY, DISABLED, AND DERELICT AIRCRAFT:

- a. The owner or operator of any aircraft involved in an accident or incident on the Airport, resulting in any injury or death or damage to property shall immediately notify the appropriate emergency response agencies, the Airport Manager, and other governmental agencies as applicable.
- b. The pilot or owner of an aircraft involved in an accident or incident shall be responsible for all costs associated with the accident or incident, including but not limited to, wreckage removal/disposal, environmental clean up, and repair or replacement of property.
- c. Disabled aircraft shall be removed from runways and/or taxiways as quickly as practicable.

- d. Disabled and derelict aircraft shall not be permitted on the tie-down or ramp areas unless in response to an emergency and with written approval of the Airport Manager.
- e. If the owner of an aircraft fails for any reason to remove a disabled or derelict aircraft from the Airport property as may be requested, the Airport Manager may cause the removal and storage or disposal of such disabled or derelict aircraft at the sole expense of the owner.

2.05 AIRPORT OPERATIONAL AREA RESTRICTIONS:

- a. Unless contrary to federal regulations and/or grant assurances, the City shall have the authority to designate or restrict the use of runways or other operational areas at the Airport with respect to, but not limited to, the following:
 - 1. Experimental Flights (Advance notification to Airport Manager of first flight);
 - 2. Equipment Demonstration;
 - 3. Air Shows;
 - 4. Parachute Operations;
 - 5. Banner Towing Operations (Permit required);
 - 6. Aircraft Type.
- b. No kites, model airplanes, rockets, tethered unmanned balloons, or other objects constituting a hazard to aircraft operations shall be operated on the Airport.

2.06 AIRCRAFT PARKING:

- a. No person shall use any area of the Airport for parking and/or storage of aircraft unless otherwise provided for in a lease or other agreement without the written permission of the Airport Manager. If any person uses unauthorized areas for aircraft parking, the aircraft may be removed by or at the direction of City, at the risk and expense of the owner, without liability for damage that may arise from or out of such removal or storage.
- b. No person shall leave an aircraft parked and unattended on the Airport unless it is in a hangar or properly locked and secured with either wheel chocks and/or tie-down ropes. Owners of such aircraft shall be held responsible for any damage resulting from failure to properly comply with this provision.
- c. Articles left in aircraft are the sole responsibility of the aircraft owner/operator. The City is not responsible for theft or vandalism of said articles.

2.07 STARTING AND RUNNING AIRCRAFT ENGINES:

- a. No aircraft engine will be started or operated inside or taxied from/into any hangar or under the roofline of a hangar, whether said hangar is enclosed or not. This shall not be construed as prohibiting the use of tractors, with National Fire Protection Association (NFPA) approved exhaust systems, when moving aircraft within any hangar.
- b. Starting an aircraft when there is any flammable liquid on the ground in the immediate vicinity is prohibited.
- c. No person may run an engine of an aircraft parked on the Airport in a manner that propeller or jet blast could cause injury to persons, damage to any other property, or in any way hinder the safe operation of the Airport. In no case will the operator of an aircraft block any runway, taxiway, or taxi lane while conducting any maintenance/repair run-up.
- d. No full power aircraft engine run-ups are authorized between 2200 and 0700 hours local for maintenance purposes without written approval of the Airport Manager.

2.08 AIRCRAFT OPERATIONS:

- a. All aircraft operations shall be conducted in accordance with published FARs.
- b. Aircraft operators will familiarize themselves with published local noise abatement guidelines.

2.09 REPAIRING AND MAINTAINING AIRCRAFT:

- a. Aircraft owners, under self-maintenance operations, are permitted to fuel, wash, repair, or otherwise service their owned based aircraft utilizing their own equipment and their own employees, as outlined in FAR Part 43 “Maintenance, Preventative Maintenance, Rebuilding and Alteration” and/or as identified in provisions of written agreement.
- b. Aircraft maintenance or repair is permitted only on paved areas of the Airport.
- c. No aircraft or aircraft component shall be suspended or lifted utilizing the building or any component of the building.

Section 3 – Fire, Safety and Environment

3.01 GENERAL:

- a. All persons using the Airport shall exercise the utmost care to guard against fire and injury to persons and property.
- b. All activities at FBMA shall comply with applicable state, local, and National Fire Protection Association (NFPA) codes and standards now in existence or hereafter promulgated and not in conflict with FARs. All applicable codes, standards, and recommended practices are hereby adopted by reference as part of the R&R of the Airport. In the event of conflict, Florida Statute 633 and NFPA codes and/or FARs shall prevail.
- c. Any fire causing damage, regardless of the size of the fire or whether or not the fire has been extinguished, shall be reported immediately to the Fernandina Beach Fire Department as well as the Airport Manager.

3.02 SMOKING:

Smoking or carrying lighted smoking materials or striking matches or other incendiary devices, such as lighters, are not permitted:

- a. Within 50 feet of parked aircraft and fuel carriers not in motion; within 100 feet of aircraft being fueled or de-fueled, a fuel storage facility, or a flammable liquid spill;
- b. In any area on the Airport where smoking is prohibited by the City or leaseholder by means of posted signs;
- c. In any hangar, shop, or other building in which flammable liquids are stored or used, except in cases where specifically approved smoking areas have been designated for that purpose.

3.03 FIRE EXTINGUISHERS:

- a. All tenants or lessees of hangars, aircraft maintenance buildings or shop facilities shall maintain a minimum of one readily accessible, operable fire extinguisher that shall conform to applicable NFPA standards. Current inspection tags shall be left attached to each unit.
- b. No person shall tamper with any fire extinguisher equipment at the Airport or use the same for any purpose other than fire fighting or fire prevention.

3.04 OPEN FLAME OPERATIONS:

- a. The use of any equipment employing open flames or sparks within any aircraft storage area is prohibited. This excludes open flames utilized by lessees and tenants in the performance of aircraft maintenance approved by agreement.
- b. Lead and carbon burning, fusion gas and electric welding, blow-torch work, engine testing, and all operations involving open flames shall be restricted to the repair shops. During such operations, the shop shall be separated from the storage section by closing all doors and openings to the storage section.

3.05 STORAGE OF MATERIALS:

- a. No operator, tenant, or lessee on the Airport shall keep, store, stack, box, bag, or stock material or equipment in such a manner as to constitute a hazard to persons or property, obstructing any operation, littering, or in such a manner as to create any unsightly appearance.
- b. Storage of materials or equipment except for hoses attached to water spigots shall not be permitted outside buildings or hangars unless under approved sheds, within designated storage areas, or in designated parking areas.

3.06 HAZARDOUS WASTE AND MATERIALS:

- a. No person shall store, keep, handle, use, disperse, discharge, or transport at, in, or upon the Airport any hazardous materials in contravention of any regulatory measures.
- b. No more than five gallons of fuel in a container shall be stored in any building or structure on the Airport at any time. An approved fuel container shall be used at all times.
- c. All empty oil, paint, and varnish cans, bottles, or other containers shall be removed from the Airport in a timely manner and shall not remain on the floor, wall stringers, or overhead storage areas of the hangars, offices, shops, or other buildings and only those hazardous materials used in the maintenance of aircraft, engines, and components may be stored and utilized on the Airport.
- d. No person shall use volatile or flammable substances for cleaning hangar floors, hangars or other buildings on the Airport. Cleaning agents shall meet all federal, state, and local codes, regulations, and permit requirements.
- e. All persons on the Airport shall keep all premises, including floors, leased, or used by them, clean and clear of accumulation of oil, grease, and other flammable material and free of rags, waste materials, or other trash or rubbish or accumulated debris.
- f. Gasoline, oil, and solvent drums or receptacles shall not be stored within aircraft and/or vehicle operating areas nor be in excess of that required as current stock. Such materials shall be kept enclosed and covered in clearly marked and labeled housing.
- g. No person shall use, keep, or permit to be used or kept, any foul or noxious gas or substance at the Airport, or permit or suffer the Airport to be occupied or used in a manner offensive or objectionable to other users by reason of noise, odors, and/or vibrations, or interfere in any way with other occupants or those having business therein.
- h. No volatile substances such as fuels, grease, oil, dopes, acid, flammable liquids, solvents and other cleaning fluids, paints and contaminants of any kind, may be stored inside t-hangars, bulk hangar facilities, or other leased property from the City used for storage of aircraft unless included as part of a rental agreement or lease.
- i. All petroleum products, dopes, paints, solvents, acids, or any other hazardous waste shall be disposed of off the Airport and in compliance with all applicable regulatory measures and shall not be dumped or run into drains, on ramp aprons, catch basins, ditches, sewer systems, storm drains, or elsewhere on the Airport.
- j. No person shall store, keep, handle, use, dispose of, or transport at, in, or upon the Airport any Class A, Class B, or Class C explosives or Class A poison, as defined in the Federal Motor Carrier Safety Administration regulation for transportation of explosives and other dangerous articles, and other poisonous substances, solid, liquid, or gas, compressed gas, and/or radioactive article, substance, or material at such time or place or in such manner or condition that may, or may be likely, to unreasonably endanger persons or property.
- k. Cleaning of aircraft parts and other equipment shall preferably be done with non-flammable cleaning agents or solvents. When the use of flammable solvents cannot be avoided, only liquids having flash points in excess of 100⁰ F shall be used and special precautions shall be taken to eliminate ignition sources in compliance with good practice recommendations of the NFPA.

3.07 DOPING, SPRAY PAINTING, AND PAINT STRIPPING:

- a. No paint, varnish, or lacquer spraying of aircraft or motor vehicles is permitted inside any building or hangar on the Airport unless such facility was properly designed and constructed for such activity. Hand-held aerosol containers or a small air compressor powered automotive type touch up spray gun not to exceed 7 oz. capacity may be permitted for paint touchup, used outside and in a no wind situation, with the specific written approval of the Airport Manager.
- b. The use of “dope”, cellulose, nitrate, or cellulose acetate dissolved in volatile flammable solvents, within any hangar is prohibited.

3.08 SANITATION AND ENVIRONMENTAL POLLUTION:

- a. Each person while on Airport property shall conduct his/her activities so as to not cause litter, environmental pollution, or unsanitary conditions.
- b. No person shall unnecessarily or unreasonably or in violation of law, cause any smoke, dust, fumes, gaseous matter, or particulates to be emitted into the atmosphere or be carried by the atmosphere. Exceptions include normal emissions from internal combustion engines, jet engines, smoke from cigarettes, cigars, or pipes, or aircraft maintenance activities.
- c. Aircraft may not be washed with running water in hangars.
- d. Any person who experiences overflow or spillage of oil, grease, fuel, or similar contaminants anywhere on the Airport is responsible and shall take appropriate action in the control, containment, clean up, disposal, and rehabilitation of such hazardous spill. Failure to take appropriate action to clean the area shall result in the City providing the cleanup at the expense of the responsible party. If the responsibility for the spill cannot be promptly determined, the leaseholder will be held responsible for the clean up.
- e. Spills, such as, jet fuel, gasoline, fuel oil, hydraulic oil, motor oil, turbine oil, alcohol, glycol, and all similar chemicals that could be considered hazardous, that covers over 10 feet in any direction or is over 50 square feet in area, continues to flow or is otherwise a hazard to persons or property require notification to the Fernandina Beach Fire Department as well as to the Airport Manager. The spill shall be investigated to determine the cause, to determine whether emergency procedures were properly carried out, and to determine the necessary corrective measures.
- f. In the event of spillage, fuel delivery devices and other vehicles shall not be moved or operated in the vicinity of the spill until the spillage is removed. A fireguard shall be promptly posted to the spill area.
- g. No garbage, empty boxes, crates, rubbish, trash, papers, refuse, and/or other litter of any kind shall be placed, discharged, or deposited on the Airport, including cigarettes, cigars, and matches, except in receptacles specifically provided for such purpose.
- h. The burning of garbage, empty boxes, crates, rubbish, trash, papers, refuse, and/or other litter of any kind is prohibited. With prior written permission of the Airport Manager, Fire Department personnel may engage in training exercises that require controlled burning.
- i. Any person discarding chemicals, paints, oils, batteries, or any products, which may not be discarded in a routine manner, will adhere to all applicable federal, state, and local laws and regulations.
- j. No fuel, grease, oil, dopes, paints, solvents, acid, flammable liquids, or contaminants of any kind shall be allowed to flow into or be placed in any Airport sanitary sewer system or storm drain system.
- k. No person shall dispose of any fill or building, discarded, or waste materials on Airport property except as approved in writing by the Airport Manager and appropriate City authorities.

3.09 ELECTRICAL EQUIPMENT AND LIGHTING SYSTEM:

- a. Extension lights and all portable and mobile lighting equipment used in and around aircraft hangars, shops, buildings, and other areas on or near combustible materials shall be explosion proof and meet NFPA standards. No portable lamp assembly shall be used without a proper protective guard or shield over such lamp assemblies to prevent breakage.
- b. All power operated equipment or electrical devices including hangar interior lights shall be shut off when not in use.
- c. A low current, constant current/constant voltage, or demand type battery charger with a maximum short term output charge rate exceeding seven amps, or a continuous trickle charge rate exceeding two amps, may not be used when an aircraft is located inside or partially inside a hangar.

3.10 HEATING EQUIPMENT:

- a. All heating equipment and fuel burning appliances installed or used on FBMA shall comply with the requirements of the State of Florida and the Florida Fire Prevention Code.
- b. Space heaters may be utilized when attended in hangars so long as the heater has a clear radius of 10 feet from aircraft, or any other object, and fire prevention/safety measures are observed.

Section 4 – Fueling Operations

4.01 GENERAL:

- a. All fuel handled on the Airport shall be treated with due caution and prudent attention with regard to the rights and safety of others so as not to endanger, or likely to endanger, persons or property.
- b. All aircraft fueling operations, including self-fueling, shall be in accordance with NFPA 407 “Standards for Aircraft Fuel Servicing.”
- c. No aircraft shall be fueled or drained of fuel while within the confines of any building, hangar, or enclosed space.
- d. Fueling of aircraft is allowed only on paved surfaces.
- e. In accordance with FAA Order 5190.6B “Airports Compliance Handbook,” any person self-fueling with their own equipment requires authorization and permit from the Airport Manager confirming compliance with all orders, procedures, standards, and these R&R regarding fueling operations.
- f. Airport tenants involved in fueling operations, including those self-fueling, shall maintain an adequate supply of fuel absorbent materials readily available for use in the event of a fuel spill.
- g. No person shall engage in aircraft fueling or de-fueling without readily accessible, adequate, operational fire extinguishing equipment at the point of fueling.
- h. Aircraft being fueled shall be positioned so that aircraft fuel system vents or fuel tank openings are not closer than 25 feet from any terminal building, hangar, or service building.
- i. During fueling operations, no person shall use any material or equipment that is likely to cause a spark or ignition within 100 feet of such aircraft or vehicle.
- j. No aircraft shall be fueled or de-fueled while passengers are on board unless a passenger boarding device is in place at the cabin door of the aircraft, the door is open, and a flight crew member or ground person is at or near the cabin door.
- k. Fueling or de-fueling operations on the Airport shall not be conducted during periods of dangerous thunderstorm activity or if an electrical storm is observed within three statute miles of the Airport.
- l. Should a fire occur during the fueling of an aircraft, fueling shall be discontinued, all emergency valves and dome covers shall be shut down, and the Fire Department notified immediately.

- m. Any malfunction or irregularity detected on or within the aircraft being refueled or de-fueled shall be brought to the attention of the fueling operator immediately.

4.02 ENGINE OPERATIONS:

- a. No aircraft shall be fueled or de-fueled while one or more of its engines are running or is being warmed by external heat.
- b. No person shall start the engine of an aircraft on the Airport if there is any gasoline or other volatile fluid on the ground within the vicinity of the aircraft.
- c. Combustion heaters on aircraft e.g., wing & tail surface heaters, integral cabin heaters, shall not be operated during fueling operations.

4.03 STATIC BONDING:

- a. Each hose, funnel, or apparatus used in fueling or de-fueling aircraft, including self-fueling, shall be maintained in good condition and be properly bonded.
- b. A conductive funnel shall be used to reduce the chance of spillage during fueling operations, when a hose with an approved nozzle is unavailable. When a funnel is used, it shall be kept in contact with the filler neck as well as the fueling nozzle spout during fueling operations.

4.04 LIABILITY:

- a. The fueling operator, tenant, or lessee shall be solely responsible for any violation incident to or in connection with fueling, storage facilities, equipment, operations, and training. The City assumes no liability or responsibility for violations of any applicable fueling requirements and procedures.
- b. The operator, tenant, or lessee shall reimburse the Airport for any fines, legal, or court costs, incurred by FBMA for such violations.

Section 5 – Motor Vehicles

5.01 GENERAL:

- a. All motor vehicles and their operators on the Airport shall comply fully with the State of Florida motor vehicle laws as amended, these R&R, and instructions issued by law enforcement personnel.
- b. Unless otherwise provided herein, the City shall have the authority to establish regulations regarding motor vehicle traffic and control on FBMA.
- c. The Airport Manager may tow, remove, or cause to be removed from the Airport any vehicle that is disabled, abandoned, and/or parked in violation of these R&R at the vehicle operator's risk and expense and without liability for damage that may result from such removal if the vehicle creates a safety hazard or interferes with Airport operations.
- d. Any person causing death or injury on the Airport or damage to Airport property as a result of a motor vehicle accident or incident shall report the accident or incident immediately to the Fernandina Beach Police Department as well as the Airport Manager. Such persons shall be responsible to the City for any damages to City property.
- e. Use of all-terrain vehicles, mini-bikes, go-carts, roller blades, roller skates, skateboards is not permitted on the Airport.
- f. Use of bicycles for transportation between buildings is permitted within hangar areas.

5.02 LICENSING AND INSURANCE:

- a. No person shall operate a motor vehicle or motorized ground equipment on the Airport without a valid operator's license appropriate for the vehicle being operated.
- b. All vehicles entering Airport property are required to have at least the minimum amount of insurance as required by State of Florida statutes.

5.03 VEHICLE OPERATIONS WITHIN AIRPORT OPERATIONS AREA:

- a. No person shall operate a motor vehicle of any kind on the Airport in a reckless manner, or in excess of the posted speed limit.
- b. Speed limits shall not exceed 10 mph on ramps, aprons, in aircraft parking or hangar areas, and other areas of the AOA unless posted.
- c. All motor vehicles on the Airport shall be operated on roadways or paved surfaces when traveling to/from/between aircraft parking areas, hangar areas, and tenant facilities.
- d. No motor vehicle shall be permitted on any portion of the AOA unless the Airport Manager has granted specific written permission to such vehicle's operator and such vehicle is utilized for, or in conjunction with, aeronautical activities.
- e. Pedestrians, aircraft, and emergency vehicles shall at all times have right of way over vehicular traffic.
- f. No person shall operate a motor vehicle in any hangar that is occupied by an aircraft on the Airport unless its exhaust is protected by screens and baffles pursuant to NFPA guidelines.
- g. No person shall park motorized ground equipment near any aircraft in such manner so as to prevent it or the other ground equipment from being readily driven or towed away from the aircraft in case of emergency.
- h. No vehicle used for hauling trash, dirt, or any other materials shall be operated on the Airport unless such vehicle is constructed so as to prevent the contents from dropping, sifting, leaking, or otherwise escaping there from.

5.04 VEHICLES CROSSING TAXIWAYS AND RUNWAYS:

- a. All motor vehicles operating on or across taxiways or runways shall have a functioning two-way radio (capable of communicating on UNICOM) and an operating yellow rotating flashing beacon, except when under escort by a motor vehicle properly authorized and equipped. During an emergency, blue/red flashing lights are acceptable for law enforcement and fire and rescue vehicles.
- b. The installation of two-way radio and/or flashing beacon shall not be construed as license to operate a motor vehicle on the taxiways or runways without prior written permission of the Airport Manager.
- c. Motor vehicles permitted to operate on the Airport will not proceed closer than 250 feet from the centerline of the runways nor across any of the runways prior to visually clearing for aircraft taking off or landing.
- d. When parking adjacent to a runway, all motor vehicles must park at least 250 feet to the outside of the runway lights. Exceptions include operational, agricultural, and maintenance equipment engaged in working on runways.
- e. Construction-related motor vehicles required to enter or work within the AOA, will be marked with an approved orange and white-checkered flag for daytime operations or a yellow beacon for nighttime operations. Non two-way radio capable construction vehicles shall be escorted at all times while within the AOA by an Airport authorized vehicle or flagman equipped with two-way radio.

5.05 PARKING:

- a. Short-term (less than 24 hours) motor vehicle parking is available only in the unpaved vehicle parking lot on Airport Road. Long-term (more than 24 hours up to 30 days) parking may be permitted in the paved vehicle parking lot on Airport Road. Any ground vehicle improperly parked in the short term or long term public parking areas without written approval of the Airport Manager may be removed at the owner's expense.
- b. No person may park in such a manner to obstruct a parking lot lane, driveway, roadway, Airport access gate, walkway, crosswalk, fire lane, runway, taxiway, taxi lane, and/or obstruct access to hangars, parked aircraft, and/or parked vehicles or create a hazard nor in a manner, which could interfere with, or create a hazard for aircraft operations.

- c. No person shall use any public parking area to temporarily or permanently store any type of motor vehicle.
- d. Boats, jet skis, snowmobiles, dune buggies, any cars including race cars and antique cars, recreational vehicles, trailers, and like equipment may not be permanently parked or stored on FBMA, including within hangars, unless permitted by written agreement or with written permission of the Airport Manager.
- e. Attended vehicles shall be parked parallel to the t-hangar. One vehicle only may be parked inside a t-hangar when hangar is empty and aircraft is not on the Airport. Additional motor vehicles shall park in long-term parking or other designated areas.
- f. Bulk hangar tenants shall park their motor vehicles in designated areas at their hangar.

5.06 REPAIR OF VEHICLES:

No person shall clean or make any repairs to motor vehicles anywhere on the Airport; except as may be approved by the Airport Manager for minor repairs.

Section 6 – Conflict Resolution Process

6.01 VIOLATIONS:

The Airport Manager may issue verbal or written violation notices to any tenant or operator and agents or employees who, in his discretion, violates any part of these R&R.

6.02 APPEAL PROCESS:

- a. Anyone issued a written notice of violation who wishes to contest such issuance shall have ten (10) calendar days from such notice to provide a written statement to the Airport Manager explaining the occurrence and providing any other information or explanation concerning the alleged violation(s). The Airport Manager has ten (10) calendar days to respond to any request for review based upon information received from the alleged violator and, if applicable, may revise, amend, or rescind his original violation notice. However, should the Airport Manager, in his discretion, conclude that the alleged violation(s) poses a threat to the safety, health, and welfare of others, may temporarily revoke the violator's Airport privileges and/or temporarily suspend the Airport operations of the violator pending completion of such appeal.
- b. An alleged violator may file a written request of appeal to the City Manager within ten (10) calendar days of the Airport Manager's written decision. The City Manager, along with the City Attorney, and an appointee of the City Manager, who shall be a Department Director but not the Airport Manager, shall schedule a meeting to review and hear an appeal from the Airport Manager's decision. The Committee shall hear the appeal and have thirty (30) calendar days to issue a written opinion which shall be final and binding on the alleged violator.

Appendix A

REFERENCES

Code of Federal Regulations – Title 14 Aeronautics and Space – All Chapters, Current Edition
(commonly called Federal Aviation Regulations – FARs)

Code of Federal Regulations – Title 49 Transportation – Current Edition

Aeronautical Information Manual (AIM) - Current Edition

Chapters 1-10, Appendix 3 Abbreviations/Acronyms, Pilot/Controller Glossary

FAA Order 5190.6B – Airport Compliance Handbook

City of Fernandina Beach Code of Ordinances

Nassau County Code of Laws and Ordinances

State of Florida Statutes as applicable including:

Chapter 163 – Intergovernmental Programs

Chapters 329-333 – Aviation

Chapter 633 – Fire Prevention and Control

National Fire Prevention Association Codes as applicable including:

NFPA Code 403 – Standard for Aircraft Rescue and Firefighting Services at Airports

NFPA Code 407 – Standard for Aircraft Fuel Servicing

NFPA Code 409 – Standard on Aircraft Hangars

NFPA Code 410 – Standard on Aircraft Maintenance

NFPA Code 30 – Flammable and Combustible Liquids Code

State of Florida Administrative Code as applicable including:

Department 9 – Department of Community Affairs

Department 14 – Department of Transportation

Department 17 – Department of Environmental Regulation

Department 62 – Department of Environmental Protection

Fernandina Beach Municipal Airport Minimum Standards for Commercial Activities

Fernandina Beach Municipal Airport Noise Abatement Procedures

Aircraft Owners and Pilots Association (AOPA) - AOPA WATCH

Florida Department of Environmental Protection

State of Florida Aviation System Plan

State of Florida Department of Transportation, “Florida (Aviation) Guidelines”

Navy Helicopter Operations MOU

Local Operations MOUs

Appendix B

DEFINITIONS

The terms below shall have the following definitions for purposes of these R&R. All other terms not defined below and related to aeronautical practices, processes, and equipment shall be construed according to their general usage in the aviation industry.

- **Aeronautical Activity** – Any activity that involves, makes possible, or is required for the operation of aircraft or that contributes to or is required for the safety of such operations. Activities within this definition, commonly conducted on airports, include, but are not limited to the following: general and corporate aviation, air taxi and charter operations, scheduled and nonscheduled air carrier operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, aircraft sales and services, aircraft storage, sale of aviation petroleum products, repair and maintenance of aircraft, sale of aircraft parts, parachute or ultralight activities, and any other activities that, because of their direct relationship to the operation of aircraft, can appropriately be regarded as aeronautical activities.

- **Agency** – Any federal, state, or local government entity, unit, agency, organization, or authority.

- **Agreement (or Lease or Hangar Rental Agreement)** – A written contract between the City of Fernandina Beach and an entity or person to occupy, use, and/or develop land and/or improvements and engage in aeronautical activity. Such contract shall recite the terms and conditions under which the activity will be conducted at the Airport including, but not limited to, term of the agreement, rents, fees, and charges to be paid by the entity or person, and the rights and obligations of the respective parties.

- **Aircraft** – Any contrivance now known or hereafter invented, used, or designed for navigation of or flight in air. Examples of aircraft include, but are not limited to, airplane, glider, rotorcraft, helicopter or gyroplane, balloon, blimp, and ultralight.

- **Airport** – All land within the legal boundaries of Fernandina Beach Municipal Airport, owned by the City of Fernandina Beach.

- **Airport Manager** – The individual appointed and authorized by the City of Fernandina Beach to administer and manage all operations of the Airport and Airport facilities.

- **Airport Rules and Regulations** – Rules and Regulations of the Airport, properly adopted by Resolution of the City Commission of the City of Fernandina Beach, as may be amended from time to time.

- **Airport Tenant (Tenant)** – Any person or entity based on the property of the Airport possessing an approved lease or agreement with the City; any person or entity with a sublease agreement with an entity based on the Airport possessing a lease or agreement with the City.

- **AOA (Airport Operations Area)** – The area of the Airport situated within the perimeter fence line, which is used primarily for aircraft parking, taxiing, refueling, landing, takeoff, or surface maneuvering.

- **Apron (or Ramp)** – A defined area of an Airport intended to accommodate aircraft for the purposes of loading and unloading passengers or cargo, refueling, parking, or maintenance.

- **City** – The City of Fernandina Beach located in Nassau County, Florida

- **Commercial Aeronautical Activity** – An activity which involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of aircraft operations commonly conducted on the Airport and the purpose of such activity being to generate or secure earnings, income, compensation, services, goods, like-kind exchange, or profit of any kind, whether or not such results are accomplished.

- **Emergency Vehicle** – Vehicle of the police or fire department, ambulance or any vehicle conveying an Airport official or Airport employee in response to an official alarm call.

- **Entity** – A person, persons, firm, limited-liability company, corporation, partnership, unincorporated proprietorship, association, or group formed for the purpose of conducting the proposed activity.

Fernandina Beach Municipal Airport Rules and Regulations

- FAA (Federal Aviation Administration) – The federal agency within the Department of Transportation of the United States government that has the responsibility of promoting safety in the air, by both regulation and education.
- FAR (Federal Aviation Regulation) – The federal government rules and regulations governing aviation activity under Code of Federal Regulations – Title 14 Aeronautics and Space.
- Fire Department – Fernandina Beach Fire Department having jurisdiction and responsibility over the Airport.
- Fixed Base Operator (FBO) – A business granted the right by the Airport sponsor to operate on an Airport and provide aeronautical services such as fueling, hangar space, tie-down and parking, aircraft rental, aircraft maintenance, and flight instruction.
- Flammable Liquids – A liquid or agent which when in contact with another property or properties may ignite causing a flame.
- Fuel – Any petroleum product used for the purpose of providing propulsion to an aircraft.
- Fuel Handling – The transporting, delivering, dispensing, storage, or draining of fuel or fuel waste products to or from any aircraft, vehicle or equipment.
- Hazardous Materials – Any substance, waste or material which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous, and is or becomes regulated as a hazardous material by any governmental authority, agency, department, commission, or board.
- Minimum Standards for Commercial Activities (Minimum Standards) – The qualifications, criteria, and standards established by the City of Fernandina Beach as the minimum requirements to be met as a condition for the right to conduct a commercial aeronautical activity on the Airport.
- Motor Vehicle (or Vehicle) – Any device that is capable of moving itself, or being moved, from place to place upon wheels, but does not include any device designed to be moved by muscular power or designed to move primarily through the air.
- NFPA (National Fire Protection Association) – All codes, standards, rules, and regulations contained in the standards of the National Fire Protection Association, as may be amended from time to time, and are incorporated herein by reference.
- Operator (Aircraft or Motor Vehicle) – Any person who is in actual physical control of an aircraft or motor vehicle.
- Operating Directive – Specific written documents detailing approved methods of operations as directed and signed by the Airport Manager. Such will become an addendum of the Airport Rules and Regulations.
- Owner – Any person who holds the legal title of an aircraft or a motor vehicle.
- Permission – A right or approval granted by the Airport Manager under authority delegated by City Manager and/or City Commission.
- Person – Any individual, firm, partnership, corporation, company, association, joint stock association, or body politic or any other group acting as an entity, or combination of thereof; and further includes any trustee, receiver, committee, assignee, or other representative or employee thereof.
- Police Department (or Law Enforcement) – Fernandina Beach Police Department having jurisdiction and responsibility over the Airport.
- Public Area (or Common Area) – The land and/or improvements at the Airport that is available for use on a non-exclusive basis and not controlled by any leasehold.
- Regulatory Measures – Federal, state, county, city, and Airport, laws, codes, ordinances, policies, rules and regulations, including, without limitation, those of the United States Department of Transportation, the FAA, the FDOT, NFPA, Airport Minimum Standards, Airport Rules and Regulations, all as may be in existence, hereafter enacted, and amended from time to time.
- Restricted Area – Any area of the Airport wherein entry or use thereof is restricted to authorized personnel only pursuant to regulatory measures, including but not limited to: runways, taxiways, fire lanes, Airport maintenance facilities, mechanical rooms, electrical vaults, fire breaks, and any of the areas marked as such with appropriate signage.

- Run-up – Aircraft engine operation above normal idle power for purposes other than initiating taxi or takeoff.
- Runway – A defined rectangular surface on an Airport prepared or suitable for the landing or taking off of aircraft. Runways are identified by a broken white centerline, solid white edge lines, and white edge lights.
- Self-fueling or self-service – Self-fueling means the fueling or servicing of an aircraft (i.e. changing the oil, washing) by the owner of the aircraft with his or her own employees and using his or her own equipment. Self-fueling or other self-services cannot be contracted out to another party. Self-fueling implies using fuel obtained by the aircraft owner from the source of his/her preference. As one of many self-service activities that can be conducted by the aircraft owner or operator by his or her own employees using his or her own equipment, self-fueling, differs from using a self-service fueling pump made available by the Airport, a FBO, or an aeronautical service provider. The use of a self-service fueling pump is a commercial activity and is not considered self-fueling as defined herein and can be subject to Minimum Standards. In addition to self-fueling, other self-service activities that can be performed by the aircraft owner with his or her own employees include activities such as maintaining, repairing, cleaning, and otherwise providing service to an aircraft, provided the service is performed by the aircraft owner or his/her employees with resources supplied by the aircraft owner. Title 14 CFR Part 43 permits the holder of a pilot certificate to perform specific types of preventative maintenance on any aircraft owned or operated by the pilot.
- Shall (or will or must) – These words are always mandatory.
- Taxi lane – The portion of the aircraft parking areas used for access between taxiways and aircraft parking positions.
- Taxiway – A defined path established for the taxiing of aircraft from one part of an Airport to another. Taxiways are identified by a solid painted yellow centerline and blue edge lights.
- Tie-down Area – An area paved or unpaved suitable for parking and mooring of aircraft wherein suitable tie-down points are located.
- UNICOM (CTAF) – A two-way communication system operated by a non-governmental entity on a designated radio frequency to provide Airport advisory information while operating to or from an Airport that does not have a control tower or an Airport when the tower is closed. The Common Traffic Advisory Frequency (CTAF) may be a UNICOM, MULTICOM, Flight Service Station (FSS), or a tower frequency and is identified in appropriate aeronautical publications. While not required for operation at Fernandina Beach Municipal Airport, use is strongly encouraged.

CITY OF FERNANDINA BEACH FACILITIES USE AGREEMENT

This FACILITIES USE AGREEMENT (herein after called the AGREEMENT) is made and entered into this 17 day of September 2019, by and between the CITY OF FERNANDINA BEACH, a Florida municipal corporation, whose address is 204 Ash Street, Fernandina Beach, FL 32034 (herein called "CITY"), and the 117th Air Control Squadron, Georgia Air National Guard whose address is P.O. Box 14160, Savannah, GA 31416 (herein called "USER").

WHEREAS, CITY owns, controls and operates that certain public facility known as the Fernandina Beach Municipal Airport (herein called "FACILITY"); and

WHEREAS, USER has expressed a desire to use said FACILITY to conduct its Annual Field Training Event on airport property shown at Exhibit A to this agreement. USER shall have use of this property to place and utilize its equipment for training purposes on the dates specified below.

NOW, THEREFORE, the parties agree as follows:

1. USER shall be permitted to use the FACILITY described above during the period June 2, 2020 through June 12, 2020.
2. USER will set up and use the FACILITY on a continuous basis during this period in the grass field adjacent to Closed Runway 18/36 (between Rwy 9/27 and Twy C) titled as Area 1 of the property description at Exhibit A and in the grass field adjacent to Taxiway E titled as Area 2 of the property description at Exhibit A.
3. USER shall pay CITY the sum of \$200.00 for use of FACILITY during the period designated, payable with returning this signed AGREEMENT. USER shall participate in a foreign object debris (FOD) walk on an airport pavement surface with airport staff for not more than one hour during the time period described above.
4. As condition to USER's right to use the facilities herein, USER agrees to and shall comply with the following:
 - a. USER shall not exclude any person from its services because of race, sex, age, religion, disability, national origin or other prohibited discrimination.
 - b. USER shall have competent, responsible, and able supervision on the premises at all times that its service is operational.
 - c. USER shall not interfere with emergency operations of CITY or other authorized users of the FACILITY.
 - d. USER shall keep premises in a clean and sanitary condition, and be responsible for cleanup on a daily basis and removal of temporary structures at the site upon completion of the event and returning property to same condition as when received.
 - e. CITY shall have the right, acting through its agents or employees, to enter upon the premise at reasonable hours and times for the purpose of making inspections.
 - f. USER will obtain all required Federal, State, County and City permits including any applicable fees.
 - g. USER shall not undertake any alterations or changes in the construction of the facility premises, without prior written consent of CITY.
 - h. USER agrees to assume liability for and indemnify, hold harmless, and defend the CITY, its commissioners, mayor, officers, employees, agents, and attorneys of, from, and against all liability and expense, including reasonable attorney's fees, in connection with any and all claims, demands, damages, actions, causes of action, and suits in equity of whatever kind or

nature, including claims for personal injury, property damage, equitable relief, or loss of use, arising directly or indirectly out of or in connection with any negligent and/or deliberate act or omission of USER, its officers, employees, agents, and representatives. USER's liability hereunder shall include all attorney's fees and costs incurred by the CITY in the enforcement of this indemnification provision. This includes claims made by the employees of USER against the CITY and USER hereby waives its entitlement, if any, to immunity under Section 440.11, Florida Statutes. The obligations contained in this provision shall survive termination of this Agreement and shall not be limited by the amount of any insurance required to be obtained or maintained under this Agreement. Nothing contained in the foregoing indemnification shall be construed to be a waiver of any immunity or limitation of liability the CITY may have under the doctrine of sovereign immunity or Section 768.28, Florida Statutes.

- i. USER shall not rent, sublet, or assign space in the FACILITY premises without the prior written consent of CITY.
- j. USER has priority over the portion of the FACILITY as described during the time agreed upon in this AGREEMENT, and can use specified areas during the time of this AGREEMENT.
- k. CITY reserves the right to cancel this AGREEMENT at any time, without cause, by giving USER 30 day-notice of such cancellation.
- l. USER shall maintain liability insurance, in amounts as deemed necessary and appropriate by the City Attorney, show the CITY as additional insured thereon, and shall provide proof of it to CITY, upon commencement of this AGREEMENT, and thereafter, as required by CITY. USER will provide insurance on all their equipment being used in the FACILITY.
- m. USER shall, at all times, abide by Federal, State, and local laws, in the operation of its programs or services at the FACILITY. Sale and/or consumption of alcohol not allowed on Airport property unless properly permitted by the City.

5. Term of Agreement: The term of the AGREEMENT is as noted in paragraphs 1 and 2 above, unless terminated sooner.

6. The addresses for giving notices are as follows:

USER: 117th Air Control Squadron
P.O. Box 14160
Savannah, GA 31416

CITY: City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034
Attn: City Manager

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

USER: Tabitha Lindqvist

CITY OF FERNANDINA BEACH

By:
Tabitha Lindqvist
Its: Logistics Planner

By: _____
Dale L. Martin
Its: City Manager

101 _____
Employer ID #

By: _____
Caroline Best
Its: City Clerk

Approved as to Form and Legality:

Tammi E. Bach, City Attorney

Exhibit A – Property Use Description (Area 1)



Exhibit A – Property Description (Area 2)





DEPARTMENT OF THE AIR FORCE
117TH AIR CONTROL SQUADRON (ANG)
4320 NORTH PERIMETER ROAD
HUNTER AAF GA 31409-5802

17 Sep 2019

MEMORANDUM FOR CITY OF FERNANDINA BEACH, FLORIDA

FROM: 117TH Air Control Squadron
P.O. Box 14160
Savannah, GA 31416

SUBJECT: Self Insurance Statement

1. During the period of 2-11 June 2020, the 117 ACS will perform Annual Field Training at the Fernandina Beach Municipal Airport, FL. The purpose of this letter is to provide you the necessary documentation establishing that the United States Military, including the Air National Guard, is a self-insured entity.

2. If at any time a member of the 117 ACS becomes injured or ill for any reason during the course of their military duties at the Fernandina Beach Airport, the United States Air Force and the Georgia Air National Guard will be responsible for all claims. The City of Fernandina Beach will be relieved of financial responsibility resulting in personnel injury or illness and equipment damage. The United States Air Force and Georgia Air National Guard will bear the responsibility to process and administer any such circumstances.

3. If you have any questions or concerns regarding this correspondence please contact Capt Wesley Fennel at (912) 963-6103 or SMSgt Shane Shaw at (912) 963-6114.

WESLEY A. FENNEL, Capt, Ga ANG
Deputy Director of Cyber Operations and
Maintenance



Ground Operations Plan: Safety and Phasing Plan (2020 only)

for

**Russo and Steele, Bonhams and
Amelia Island Concours d'Elegance Events**



Prepared by

City of Fernandina Beach



Safety and Phasing Plan (2020 only)

Amelia Island Concours d'Elegance, Bonhams Auction, and Russo and Steele Auction at Fernandina Beach Municipal Airport (FHB)

Events: **Amelia Island Concours d'Elegance (automotive event) and
Bonhams (automobile auction event) and Russo and Steele (automobile auction
event) at The Golf Club of Amelia Island & Fernandina Beach Municipal Airport
(FHB)**

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Events: Amelia Island Concours d'Elegance, Bonhams Auction, and Russo and Steele Auction

The Golf Club of Amelia Island & Fernandina Beach Municipal Airport (FHB)

1. Preface

**Airport Operators and Sponsor: City of Fernandina Beach at
Fernandina Beach Municipal Airport (FHB)**

**Event Operators: The Amelia Island Concours d'Elegance
Foundation (automobile event), Bonhams
(automobile auction house), and Russo and
Steele (automobile auction house)**

This proposed plan provides the sponsor (City of Fernandina) and the event operators (Concours d'Elegance, Bonhams, and Russo and Steele) with a general safety plan for the Amelia Island Concours d'Elegance Foundation (Concours d'Elegance), Bonhams auction, and Russo and Steele auction for 2020. This plan ensures that: proper Notice to Airmen (NOTAM) are issued; tenants/users of the Fernandina Beach Municipal Airport (Airport) are accommodated; Runway 9/27 is properly marked as closed; the runway lighting for the closed runway is turned off, and; security is provided to exclude event participants from the active part of the airfield. This one-year plan relates to unique airport/site conditions associated with the proposed event in 2020.

The safety plans include:

- (1) Automobile/spectator event parking at Bailey Road (North) Parking area on the Airport for the Concours d'Elegance that is held at the Ritz Carlton, Amelia Island;
- (2) Runway 9/27 (East) Parking area for spectators and ADA required parking for the Bonhams' auction site;
- (3) Bonhams auction tent on the Golf Club of Amelia Island (RPZ for RWY 27);
- (4) Russo and Steele auction tent to be placed on the approach end of RWY 27 with auction vehicles using the approach end of RWY 27 and Twy A, East of Rwy 4/22;
- (5) Parking along TWY E for the automobile haulers (trailers) for the Concours d'Elegance held at the Ritz Carlton, Amelia Island.

This 1-year plan relates to unique airport/site conditions associated with the three simultaneous events in 2020 only.

This document will be readily available to personnel engaged in the event work, including Airport Operations, FBO Staff, the event operators, event workers and volunteers.



Definitions

Movement vs. Non-Movement Areas:

Movement areas are defined as runways, taxiways and other areas of an airport used for taxiing, air taxiing, takeoff, and landing aircraft, exclusive of loading aprons and aircraft parking areas. Non-movement areas are inside the airport security fence where aircraft and ground vehicles are not controlled by airport operations.

It is important to note that the non-movement area includes pavement traversed by aircraft. Runways or taxiways temporarily closed to aircraft become non-movement areas throughout the closure duration.

Runway and Taxiway Safety Areas:

Safety areas are a defined surface surrounding the runway or taxiway environment prepared or suitable for reducing the risk of damage to airplanes in the event of an aircraft unintentionally exiting the runway or taxiway pavement. Safety areas must be kept clear of any objects except objects on frangible couplings whose location is fixed by function. Occupancy of a safety area by any event activity requires closure of that runway or taxiway until the safety area can be cleared.

2. Overview

a) Airport Description: Airport Type - General Aviation

- Runways and lengths
RW 4/22 - 5,301 FT X 100 FT
RW 9/27 - 5,000 FT X 100 FT
RW 13/31 - 5,152 FT X 100 FT

b) Event Descriptions: The Amelia Island Concours d'Elegance Foundation, Inc. (Concours d'Elegance) is a public charity. Concours d'Elegance is among the top automotive events in the world. The event draws nearly 250 rare vehicles from collections around the world to the Golf Club of Amelia Island and The Ritz-Carton, Amelia Island. Since 1996, the Concours d'Elegance has donated over \$2.5 million to Community Hospice of Northeast Florida, Spina Bifida of Jacksonville, The Navy-Marine Corps Relief Society, Shop with Cops, Micah's Place, and other deserving charities from Florida's First Coast.¹

Bonhams, one of the world's premier auction houses, will host an automobile auction to take place at the City's municipal golf course, Fernandina Beach Golf Club, which is located across the Parkway from Fernandina Municipal Airport (FHB) Runway 9/27.² The auction support involves three parking areas (Bailey Road, Jamestown Road, and East Parking).

¹ <https://www.ameliaconcours.org>

² <https://www.bonhams.com>



Russo and Steele, an auction agency specializing in European sports cars, American muscle cars, and hot rods/customs, will host an automobile auction on the approach end of Runway 27 and on Twy A, East of Rwy 4/22. The proposed placement of the auction tent for this event is the approach end of Runway 27. This tent will be secured with barricades and no holes or damage will be incurred to airport pavement. The tent placement is further described below:

1. The approximate lat/long placement of this tent is: NW Corner at +30.615460, -81.452941; NE Corner at +30.615709, -81.452415; SW Corner at +30.615386, -81.452904; SE Corner at +30.615464, -81.452364.
 2. The maximum height at the peak/center of the tent is 34' AGL.
 3. Standard 100 watt LED lighting will be used inside the tent with downward facing stadium halogen lighting at the entry point of the tent. Portable light towers, 14' in height and downward facing, will be placed strategically across the site and at site ingress/egress points.
- c) Proposed Dates/Duration: Preparation (set-up) for the Bonhams event will begin on Monday, February 24, 2020. Preparation (set-up) for the Russo and Steele events will begin on Monday, February 24, 2020 on the approach end of Runway 27.
- The actual events will begin at 8:00 AM on Wednesday, March 4, 2020 and run to 8:00 PM Sunday, March 8, 2020. Event teardown will last approximately 48 hours after completion of events on March 8, 2020.
- Post-event clean-up and inspection will end at 9 AM on Wednesday, March 11, 2020.
- d) The exhibit depicting event area of impacts (on ALP) - See Attachment1 for Phasing Layout Plan, instead of full ALP for clarity.

Runway 13/31 and RWY 4/22 will remain **fully functional** throughout the duration of the events.

Runway 9/27 will be **completely closed** throughout the duration of this event. Runway 9/27 will be utilized for aircraft parking, placement of the Russo and Steele auction tent and associated vehicles, and for the placement of an event tent provided by Bonhams to be placed on Golf Club of Amelia Island in the RPZ for RWY 9/27.

Taxiway E will be **closed** between TWY B and RWY 9/27 throughout the duration of the event for the storage of automobile trailers for the Concours d'Elegance. This activity will be under the supervision of the Friends of Fernandina Aviation (FOFA).

Taxiway A, between RWY 4/22 and RWY 9/27, will be **closed** for the duration of the event for placement of Russo and Steele auction vehicles.



Taxiway D, North of Taxiway A, will be **closed** from the evening of Friday March 6, 2020 until the evening of Sunday March 8, 2020.

- e) As in 2019, the 2-111th Regiment, Airfield Operations Battalion, Florida Army National Guard, plans to provide local Airport advisory services at the Airport during the Concours d'Elegance weekend.

This aviation support has **not** been confirmed as this plan is being written.

The aviation support is proposed to include Instrument Flight Rules (IFR) Clearance Delivery, and IFR arrival down time reports in support of the Federal Aviation Administration (FAA), Air Traffic Services (ATS) and general aviation use relating to the Airport.

3. Set-up & Teardown Event Schedules

Monday February 24, 2020

- Barricade East of Rwy 22 across TWY A, to and across the approach end of RWY 27, to exclude participants from the active airfield.
- NOTAM TWY A, between RWY 4/22 and RWY 9/27, closed.
- NOTAM RWY 9/27 closed.
- Place light X's at both ends of RWY 9/27.
- RWY 9/27 runway lighting are turned off and issue NOTAMs related to lighting outage(s) for closed runway.
- Barricade approach end of RWY 27, east of RWY 4/22.
- Bonhams setup begins. Only staff required for setup of tent authorized on-site, and personnel operating in this area will be monitored by airport staff.
- Russo and Steele setup begins with installation of physical barricades and equipment on the approach end of RWY 9/27 and on TWY A, East of RWY 4/22.

Sunday March 1, 2020

- NOTAM close TWY E between TWY B south of RWY 9/27.
- Barricade TWY E.
- Barricade TWY E to TWY B.
- Barricade TWY E, South of RWY 9/27.

Monday March 2, 2020

- Bonhams tent construction continues
- String rope for pedestrian crossing from the RWY 9/27 (East Parking) to the Bonham auction tent site at the Golf Club of Amelia Island.
- Complete rope stringing for the RWY 9/27 (East Parking).

Wednesday March 4, 2020 thru Saturday March 7, 2020

- Trailers arrive on Jamestown Road to park along TWY E.



- Russo and Steele Auction held Wednesday March 4th, Thursday March 5th and Friday March 6th, 2020.
- Bonham's Auction held March 4th and March 5th; Bonhams teardown begins Saturday March 7, 2020.
- NOTAM TWY D, North of TWY A, closed on Friday March 6, 2020
- String rope for Bailey Road (north) parking area and barricade along TWY A and across TWY D (North of TWY A) and closed RWY 18/36 on Friday March 6, 2020.
- Concours d'Elegance parking using Bailey Road (north parking) area used for event on Saturday March 7, 2020 and Sunday March 8, 2020 (see below)
- Security and security staffing are responsible for redirecting and regulating pedestrian and any automobile parking away from runways, taxiways, and all safety areas.
- Airfield inspection each morning before the event and each evening after the event.
- Teardown begins for Russo and Steele on Saturday March 7, 2020.

Sunday, March 8, 2020

- Concours parking using Bailey Road (north parking) area used for event
- Bonhams tent is fully dismantled.
- Escort trailers off TWY E.
- Remove ropes along the Bailey Road (North) Parking area and Runway 9/27 (East) Parking area after completion of Concours d'Elegance event in the evening of Sunday March 8, 2020.
- Remove barricades along TWY A, across TWY D, and across closed RWY 18/36
- Inspect and complete FOD check on TWY D (north of TWY A).
- Cancel TWY D, north of TWY A, closure NOTAM.

Tuesday, March 10, 2020

- Tents and all other equipment are removed by 5 PM on Tuesday March 10, 2020.

Wednesday, March 11, 2020

- Remove barricades on RWY 9/27 and along TWY A between RWY 4/22 and RWY 9/27.
- Inspect and complete FOD check on RWY 9/27 and TWY A between RWY 4/22 and RWY 9/27.
- Turn on runway lights
- Cancel NOTAM for closure of RWY 9/27, NOTAM(s) for associated lighting outages on RWY 9/27, and NOTAM for closure of TWY A, between RWY 4/22 and RWY 9/27.
- Remove barricades along TWY E; Inspect and complete FOD check on TWY E; Cancel TWY E closure NOTAM.



4. Airport Operations

a) Areas Impacted

The staging area for the Concours d'Elegance automobile trailer parking will be located on TWY E. The trailers will enter the Airport at the Jamestown Road entrance to TWY E. There is an extension from Jamestown Road to Taxiway E which allows for this direct access. All airfield operational areas impacted by the event shall be closed throughout the duration of the scheduled event, including set-up and tear down phases of the event. The event operators for the Runway 9/27 (East) parking as well as Russo and Steele auction events shall be required to place barricades and provide security staffing where event operation borders airport operational areas. Safety and security will direct pedestrian and automobile parking away from runways, taxiways, and all safety areas to areas identified for this purpose. Runway 9/27 will be NOTAM'd closed with lights turned off for the duration of this event. TWY A, between RWY 4/22 and RWY 9/27, will be NOTAM'd closed. TWY D, North of TWY A, will be closed for the duration outlined above.

b) Maintenance of Airport Operations

Appropriate notifications will be issued by the City of Fernandina Beach (Sponsor), airport staff with coordination assistance by the FBO and the event operators.

c) Damage Assessment and Repairs

Sponsors' staff and airport staff will conduct a detailed physical inspection of the airport area, prior to and following the event, with the event operators.

The event operators will completely (and immediately) fund the cost to repair any damage caused by the event, within 48 hours of the event.

It is anticipated that any damage will be repaired immediately (within 48 hours), at a direct cost to the event operators (not the city).

5. Safety Plan and Areas of Concern

a) Runway(s) Affected

Temporary runway closure markers, lighted "Xs" will be utilized to identify the closure of RWY 9/27.

Runway	Aircraft Approach Category* A, B, C, or D	Airplane Design Group* I, II, III, or IV	RSA Width in Feet Divided by 2*	Lengths	Status During Event
4/22	D	II	250 feet	5,301'x100'	Active
9/27	D	II	250 feet	5,000'x100'	Closed
13/31	D	II	250 feet	5,152'x100'	Active

*See AC 150/5300-13a, *Airport Design*, to complete the chart for a specific runway.



b) Taxiway(s) Affected

Taxiway E will be closed during the event. Barricades will be placed across Taxiway E northwest edge to prevent the trailers from pulling across the taxiway edge while the trucks are straighten the trailers prior to backing them into parking on the TWY E. Barricades will be placed along Taxiway B and south of RWY 9/27 to identify the portions of the closed taxiway.

Taxiway A, between RWY 4/22 and RWY 9/27, will be closed during the event. Barricades will be placed across TWY A, East of the approach end of RWY 22, and along the northern and eastern edges of TWY A, between RWY 4/22 and RWY 9/27.

Taxiway D, North of TWY A, will be closed during this event to provide parking within the Bailey Road (North) Parking area. Barricades will be placed across TWY D, North of TWY A, to contain vehicle parking in this location.

c) Other Airport Operating Areas Affected

As mentioned above, barricades will be placed across the approach end of RWY 27 and TWY A, east of RWY 4/22. A physical barrier will be extended between TWY A and the approach end of RWY 9/27 as shown at Attachment 1. Additionally, barricades will be placed the north side of TWY A (outside of the TOFA for TWY A) across TWY D and across the deactivated/closed RWY 18/36. Finally, barricades will be placed across TWY A, east of RWY 4/22. Unauthorized pedestrians or vehicles are not allowed at **ANYTIME** to cross active runways, runway safety areas, and aircraft movement areas.

d) Special Emergency Response

Sponsor and event operator will coordinate with local authorities for these services.

6. Protection of Runway and Taxiway Safety Areas

- Runway and Taxiway Safety Areas – Event operators and volunteers will be strategically placed to prevent crossing on open runways, runway safety areas, and aircraft movement areas. Trained personnel (flagmen/safety/security) will be placed along TWY A (Bailey Road), TWY E (Trailer Parking), on TWY E at TWY B (Trailer Parking), on TWY E south of RWY 9/27 (Trailer Parking), and along the closure border of TWY A and the approach end of RWY 27.
- Spectators/Participants will be informed prior to beginning of the event. Photos/Diagrams/Barriers depicting the event boundaries will be in place.
- Object Free Areas- Trained personnel (flagmen/safety/security) will be strategically placed to prevent incursions at Runway 13/31 and Runway 4/22. Spectators/Participants will be informed prior to beginning of the event. Photos/Diagrams/Barriers depicting the event boundaries will be in place.
- Object Free Zones- Trained personnel (flagmen/safety/security) will be strategically placed to prevent incursions at Runway 13/31 and Runway 4/22. Spectators/Participants will be briefed prior to beginning of the event. Photos/Diagrams/Barriers depicting the event boundaries will be in place.



- **Threshold Criteria-** Trained personnel (flagmen/safety/security) will be strategically placed at closed Runway 9/27. Spectators/Participants will be briefed prior to beginning of the event. Photos/Diagrams/Barriers depicting the event boundaries will be in place.

7. Navigation Aid (NAVAID) Protection

RWY 9/27 lighting will be turned off. Other NAVAID equipment will not be impacted during the course of these events.

8. Pedestrian Access

- a) **Separating Event Vehicles/Pedestrians from Airport Movement Areas:** Trained personnel (flagmen/safety/security) will be strategically placed to prevent incursions at the following access points: Runway 13/31 and TWY A; the approach end of closed RWY 9/27, along TWY A and RWY 9/27, and along TWY E; the approach end of RWY 22 along TWY A. Spectators/Participants will be briefed prior to entry to the event. Barriers will be in place, and photos/diagrams will be posted to depict event boundaries.
- b) **Procedures and Equipment to Delineate Closed Areas from Airport Operational Areas:**
 - Runways and Taxiways in accordance with AC 150/5340-1, Standards for Airport Markings: Lighted "X"s will be used on Runway 9/27 to identify the runway as closed.
 - Temporary lighting (to be analyzed for impacts to pilots by FAA): No temporary lighting will be used.
- c) **Barricades:** Barricades will be utilized for taxiway access closures, the RWY 9/27 closure, the TWY E closure, the TWY A closure, the TWY D (north of TWY A) closure, and entry point from the Bailey (North) parking to TWY A.
- d) **Required compliance of event personnel with all airport safety and security measures:** Sponsor's airport staff, FBO personnel and operators' staff will maintain safety and security measures.
- e) **Radio Communications:**
Only Sponsor's airport staff, FBO personnel and trained event operators' staff will maintain communications with air and ground personnel.
- f) **Event vehicle identification:** Event vehicles will be equipped with flashing amber beacons.
- g) **Emergency response plan:** Sponsor and event operators will coordinate with local authorities for these services.



- h) Foreign object debris (FOD) control provisions: Trained personnel will manage FOD control during the event. The Sponsor's airport staff will conduct post-event inspection prior to re-opening airfield areas.
- i) HAZMAT management (if necessary): Not expected to be necessary for this event. Event operators to coordinate with local fire and emergency officials during planning and operation of the event.
- j) Airport inspection requirements: Sponsor's airport staff will conduct post-event inspection prior to re-opening closed areas. (*See AC 150/5320-12C, Chapter 4*)
- k) Procedures for locating and protecting utilities (airfield lighting lines, etc.): Safety and Security staffing will assist to protect these assets.
- l) Notices to Airmen (NOTAMs): The City/Airport Manager or his assigned official will issue appropriate NOTAMs three days prior to the event and cancel the NOTAMs afterwards.
- m) Tenant Advisory: Sponsor has notified tenants about the event via email, FBO interaction and public forums (Airport Advisory Board and City Commission Meeting). There were no objections or complaints from tenants or airport users following last year's event.

9. Responsibilities

- a) Airport Management: Sponsor's airport staff, FBO staff and event operators' staff will monitor and direct on-airfield activities.
- b) Event Operators: Event operators will be responsible to recruit and train volunteers from the local aviation community (FBO, EAA, CAP) to work on-site for the event.
- c) Tenants: Tenants in the North terminal area will use caution during this event. Tenants will be able to access parking aprons, hangars, Runway 13/31, and Runway 4/22. No other operational/mitigation plan will be necessary during the event.

10. Airport Revenue

- a) The event operators will provide a direct payment to the City for the area of the airport used in 2020. The direct payment to the Airport Department of the City will be **\$86,650.00.**
- b) The operators also will be fully responsible to provide comprehensive insurance for the event.
- c) The operators also will be fully responsible for immediate repairs of any damage caused by the event, within 48 hours of completion of the event (*see AC 150/5320-12C, Chapter 4*).



- d) The operators also will be responsible to provide a maintenance bond, to be held by the City until final inspection and repairs (if any) to the airport are complete.

11. Airport Safety Plan Layout (Attachment 1)

1. BAILEY ROAD
(NORTH) PARKING

4. ASSEMBLY AREA
(OUTSIDE SECURITY FENCE)

3. JAMESTOWN ROAD
(TRAILER) PARKING

6. AUCTION
TENT AREA

2. RUNWAY 9-27
(EAST) PARKING

5. BONHAMS AUCTION
(APPROX. LOCATION)

LEGEND

RUNWAY PROTECTION ZONE (RPZ) — RPZ —

RUNWAY SAFETY AREA (RSA) — RSA —

RUNWAY OBJECT FREE AREA (ROFA) — ROFA —

TAXIWAY SAFETY AREA (TSA) — TSA —

TAXIWAY OBJECT FREE AREA (TOFA) — TOFA —

BARRICADES (BARRICADE, FENCING, SIMILAR) [Symbol]

FLAGMAN/SAFETY/SECURITY [Symbol]

TEMPORARY RUNWAY CLOSURE MARKERS [Symbol]

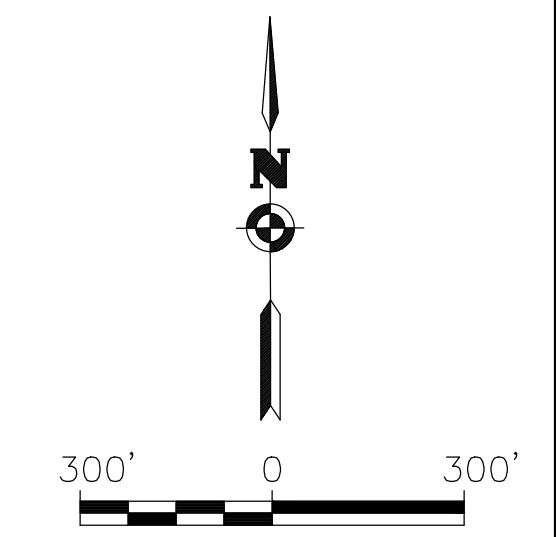
NOTES

1. PARKING AREAS SHALL NOT CREATE ANY OBSTRUCTIONS TO FAR PART 77 SURFACES.

2. EVENT OPERATOR SHALL BE REQUIRED TO PLACE BARRICADES & SECURITY STAFFING WHERE EVENT OPERATION BORDERS AIRPORT OPERATIONAL AREAS.

3. SAFETY AND SECURITY STAFFING SHALL BE RESPONSIBLE IN REDIRECTING AND REGULATING PEDESTRIAN & AUTOMOBILE MOVEMENT AWAY FROM ACTIVE RUNWAYS, TAXIWAYS, AND ALL SAFETY AREAS.

PEDESTRIANS WILL NOT BE PERMITTED AT ANYTIME TO CROSS ACTIVE RUNWAYS, RUNWAY SAFETY AREAS, AND ANY AIRCRAFT MOVEMENT AREAS.



Property Owner:
City of Fernandina Beach
Fernandina Beach Municipal Airport
700 Airport Road
Fernandina Beach, Florida 32034

Tenant / Client:

Passero Associates
13453 N. Main Street, Jacksonville, FL 32218 (904) 757-6106
Fax: (904) 757-6107
Certificate of Authorization # 3428
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Project Architect
Email:
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Revisions			
No.	Date	By	Description

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MEMORANDUM

TO: AIRPORT ADVISORY COMMISSION

FROM: AIRPORT MANAGER

DATE: October 10, 2019

RE: MONTHLY REPORT

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- Work has begun on the demolition of office space and rehabilitation of Hangar D (previous FBO hangar and office). The project is anticipated to take roughly five weeks to complete.
 - Field work for design of a Runway 4/22 project has been completed, and staff will be working with Passero Associates on preliminary design details over the coming weeks.
 - A design for the fuel farm rehabilitation project will be complete within early October and I hope to have the invitation to bid released shortly thereafter.
 - Dredge sediment placement on the airport is complete. Staff completed a punch-list walkthrough with the contractors to review the timeline for drying and spreading of the material and restoration of the airport's gravel access road. Staff will continue to work with the contractors on these items until complete.
 - Flight Check completed inspection of the proposed Runway 4 GPS procedure on October 3rd. I am awaiting the results of the inspection. Contingent upon successful results, the FAA is projecting a December publication date.
 - A few months back, Mr. Harry Giltz Jr. provided a lease application for development of hangars West of Hangar B which would be constructed and rented for aircraft storage purposes. The scope of this development has been scaled back. Mr. Giltz presented the concept, which is a development of three shared wall box hangars, to the City in a pre-application packet on Thursday/12 September. Once the TRC application has been filed, the site plan will be presented to the Airport Advisory Commission for recommendation.

- The airport and FBO hosted the American Yankee Association during the first week of October. Roughly 55 aircraft visited the airport, and the group's members enjoyed a week of aviation activities, seminars, and local community ventures. Many thanks to Matt and Melissa Drazal (tenants at FHB) who led the planning effort for the event.
- During the October AAC Meeting, we will review a proposed ground lease for installation of a solar panel array adjacent to the City's water plant North of the Airport Terminal. Under this proposal, the City's water utility will lease ground from the airport to install solar panels that will offset energy cost of the adjacent water plant. The water utility will also install additional panels and make connection to reduce energy usage of the new terminal facility, and a rent credit of capital expense for this installation would be granted in the lease. A 7460 and glare analysis have been submitted to the FAA for review of this proposal.
- The airport has been notified that Mr. Thomas Miller has requested an assignment of the Amelia River Golf Course lease. This assignment request will be presented to the City Commission on October 15th. An assignment of this lease would maintain the existing provisions/terms of the existing lease and transfer lessee responsibilities to Amelia River Holdings LLC.