



AGENDA
FERNANDINA BEACH CITY COMMISSION
WORKSHOP
JULY 1, 2025
5:00 PM
CITY HALL COMMISSION CHAMBERS
204 ASH STREET
FERNANDINA BEACH, FL 32034

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. DISCUSSION**
 - 4.1 OASIS MARINA LLC - MARINA MANAGEMENT AGREEMENT** - *Synopsis: Resolution 2020-165 approved a five-year Marina Management Agreement and Dockhouse lease (retail store) with Oasis Marina LLC. This agreement expires December 1, 2025. This item was placed on the agenda by City staff to obtain direction on the next steps with the management of the Fernandina Harbor Marina.*
 - 4.2 BRETT'S WATERWAY CAFE - DEMOLITION & REDEVELOPMENT NEXT STEPS** - *Synopsis: Resolution 97-72 and 2019-161 which approved a forty-year lease agreement with Centre Street Restaurant Group LTD (Brett's Waterway Café) which expires December 1, 2025. The City Commission set this project as the top priority in the 2025 Visioning Session and was subsequently approved by Resolution 2025-50. This item was placed on the agenda by City staff to obtain direction on the next steps in the redevelopment of the Brett's area.*
- 5. PUBLIC COMMENT**
- 6. ADJOURNMENT**

ANY PERSON WISHING TO APPEAL ANY DECISION MADE BY THE COMMISSION WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING OR HEARING WILL NEED A RECORD OF THE PROCEEDINGS, AND, FOR SUCH PURPOSES, MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS MADE. AT THE DISCRETION OF THE MAYOR, A RECESS MAY BE SCHEDULED EVERY NINETY MINUTES.

Persons with disabilities requiring accommodations in order to participate should contact the City Clerk at (904) 310-3115 or TTY/TDD 711 (for the hearing or speech impaired).

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: Oasis Marina LLC - Marina Management Agreement

ITEM TYPE: Discussion

REQUESTED ACTION: Consider Oasis Marina LLC Marina Management Agreement and Dockhouse Lease.

SYNOPSIS: The City Commission, at their November 5, 2020, regular meeting, adopted Resolution 2020-165, approving a five-year Marina Management Agreement and Dockhouse (retail store) Lease with Oasis Marina LLC which expires September 2025. Staff seeks City Commission direction to renew or terminate the Oasis Marina LLC Management Agreement and Dockhouse Lease.

FISCAL IMPACT: Fiscal impact will be based upon City Commission direction.

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): At the pleasure of the City Commission.

Jeremiah Glisson, Deputy City Manager 6/24/2025

Sarah Campbell, City Manager 6/24/2025

Date: April 09, 2025

Submitted By: Caroline Best, City Clerk

COMMISSION ACTION:

RESOLUTION 2020-165

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA ACCEPTING AND APPROVING A MANAGEMENT AGREEMENT AND A LEASE AGREEMENT WITH OASIS MARINA, LLC.; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City advertised Request for Proposal (RFP) #2020-02 for Managing and/or Leasing Marina Facilities. Five proposals (Coastal Marina Management, F3 Marina, Mobias Marina Management, Oasis Marinas, and Safe Harbor Marinas) were received on April 30, 2020; and

WHEREAS, Stantec Consulting Services, Inc. was contracted to provide a Financial Review of Marina Management Proposals by evaluating and ranking the proposals, subsequently ranking Oasis Marinas in the best financial interests of the City; and

WHEREAS, an Evaluation Committee reviewed and ranked the five proposals received and presented its findings to the Marina Advisory Board on August 24, 2020; and,

WHEREAS, the Marina Advisory Board, on June 22, 2020, and again on August 24, 2020, reiterated previous support for Westrec Marina Management, recommending that Westrec Marina Management be afforded the opportunity to operate for one full year with a fully functional facility (including fueling operations); and

WHEREAS, the City Commission approved the Evaluation Committee ranking on September 1, 2020 via amended Resolution 2020-98 finding that Oasis Marina, LLC and F3 Marina were the #1 and #2 ranked marina management companies, respectively, and the Commission directed the City Attorney and City Manager to negotiate a contract with Oasis Marina, LLC for consideration by the City Commission and for the City Manager to provide a 90-day termination notice to Westrec Marina Management, Inc. to terminate the current management contract effective November 30, 2020.

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

SECTION 1. The City Commission hereby accepts and approves the Marina Service Management Agreement, attached hereto as Exhibit "A", and the Lease Agreement, attached hereto as Exhibit "B", with Oasis Marina, LLC to manage the City Marina and lease the dockhouse located at one North Front Street with an effective date for both agreements of December 1, 2020.

SECTION 2. The City Manager and City Clerk are authorized to execute both agreements on behalf of the City upon approval by the City Attorney.

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

ADOPTED this 4th day of November, 2020.

ATTEST:

CITY OF FERNANDINA BEACH



Caroline Best
City Clerk



John A. Miller
Commissioner-Mayor

APPROVED AS TO FORM AND LEGALITY:



Tammi E. Bach
City Attorney

MARINA SERVICE MANAGEMENT AGREEMENT

THIS MARINA SERVICE MANAGEMENT AGREEMENT (“Agreement”) is effective on or about December 1, 2020 (the “Effective Date”) and is by and between Oasis Marina, LLC, a Maryland limited liability company (“Oasis Marina”), with offices located at 125 West Street Suite 201 Annapolis, MD 21401 and City of Fernandina Beach, a Florida municipal corporation (“City”), with offices located at 204 Ash Street Fernandina Beach, Florida 32034. City and Oasis Marina are collectively known as the “Parties” or singularly as a “Party”.

RECITAL

WHEREAS, City owns the property described on Exhibit B (the “Marina” or the “Property”);

WHEREAS, Oasis Marina is in the business of providing professional marina and hospitality managed labor services;

WHEREAS, the City desires to engage Oasis Marina to provide such professional marina and hospitality managed labor services as are described in greater detail on Exhibit A (the “Services”) at the Property; and

WHEREAS, Oasis Marina is willing to provide the Services at the Property and City is willing to accept and pay for the Services, subject to the terms and conditions set forth in this Agreement, Exhibit A, City RFP # 2020-02 and Oasis Marina’s proposal in response to RFP # 2020-02;

NOW, THEREFORE, in consideration of the promises set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto mutually agree and covenant as follows:

1. **Documents Comprising Contract:** The contract includes this Agreement, the Exhibits “A” and “B”, as well as the following documents which are incorporated herein by reference:
 - a. The City of Fernandina Beach Request for Proposal “RFP” (RFP #2020-02), its Exhibits and Attachments issued on March 10, 2020, and all of its addenda;
 - b. Oasis’s proposal, including its Certificate of Insurance as required by the RFP and other required documents;

- c. Exhibits:
 - i. Marina (Tax Free) Debt Service schedule
 - ii. Marina (Taxable) Debt Service schedule
 - iii. Marina Operating Area
 - iv. Submerged Land Lease
 - v. Dock House Retail Lease dated December 1, 2020
- d. Attachments:
 - i. Current leases in Marina Operations Area
 - 1. Centre Street Restaurant Group
 - 2. Atlantic Seafood
 - 3. Amelia Island Charter Fishing Boat Association (month-to-month)
 - 4. Anchor Amelia Adventures, LLC (formerly Amelia River Cruises)
 - ii. Florida Inland Navigation District (FIND)
 - iii. Boating Infrastructure Grant Program (BIGP)
 - iv. Applicable City policies
 - 1. Purchasing Policies and Procedures
 - 2. Budget Policy
 - 3. City Sign Code
 - 4. Mooring Field Grant
 - 5. City Human Relations Ordinance
 - v. City 2020-21 Pro Forma Marina Budget

If there is a conflict between the terms of this Agreement and the above-referenced documents then the conflict will be resolved as follows: the terms of this Agreement will supersede over other documents, and the terms of the remaining documents will be given preference in their above-listed order.

- 2. **Appointment:** City grants Oasis Marina the exclusive right to provide the Services at the Property; provided, however, that City shall have the right in its sole discretion to provide or permit others to provide additional services to serve the improvements in the Property. Oasis Marina shall provide the Services during the Term of this Agreement as defined below in accordance with the policies, standards and procedures established by and in accordance with the terms and conditions hereinafter set forth.
- 3. **Term:** The term of this Agreement (“Term”) commences on its Effective Date and continues through the date that is five (5) years from the Effective Date, unless it is sooner terminated pursuant to Section 4 below or extended pursuant to this Section 3. Notwithstanding anything to the contrary herein contained, this Agreement will continue upon the expiration of the Term from year to year unless either Party gives written notice to the other at least one hundred and twenty (120) days prior to the end of the then existing Term that it elects not to continue the Agreement beyond the then existing Term. For

purposes of this Agreement, the term “Term” includes not only the original Term but each and every extended one-year term identified in this Section 3.

4. **Termination for Cause:** The Agreement will remain in full force and effect until the expiration of the Term unless it is terminated as a result of the default of a Party as described in the next paragraph. In the event of a termination of the Agreement or upon the expiration of the Term, Oasis Marina agrees to take any and all actions requested by the City in order to facilitate an orderly termination of the management of the Property to a successor operator.

Either Party may terminate this Agreement in the event of a default by the other Party. In the event that either Party breaches this Agreement, the non-breaching Party may notify the breaching Party in writing of such breach with sufficient detail in explanation and demand that the breach be cured within thirty (30) days after such written notice. In the event the breach is not cured within such thirty (30) daytime period, the non-breaching Party may immediately terminate this Agreement with written notice to the breaching Party.

5. **Service Standards:** Oasis Marina will provide the Services to the Property in a first-class professional manner in accordance with customary industry standards for guests, patrons and visitors of the Property (collectively “Patrons”). Oasis Marina acknowledges that the operation of the Services on a first class professional basis customary within the industry is an essential element in the successful operation of the Property, and agrees that the Services will be performed in a manner which will enhance the operation of the Property.

In furtherance of the foregoing, Oasis Marina will manage, direct, supervise, promote and operate the Services at the Property and will perform all necessary and customary duties in connection therewith in conformity with good commercial practices that are customary within the industry. Oasis Marina will provide courteous, efficient, and prompt service to the Patrons. Without limiting the foregoing, Oasis Marina agrees to observe and comply with, and cause its employees to observe and comply with, all written rules and regulations adopted from time to time by the City with respect to the provision of the Services hereunder at the Property, provided they are communicated in advance to Oasis Marina.

- a. **Renting of Marina Slips and Space.** Oasis will use its reasonable discretion to establish the terms and conditions of occupancy of boat slips and linear space on the attenuators in the Marina; however, such rental period shall not exceed 200 days per rental agreement. Oasis will set the rates for the boat slip rentals and linear feet space rentals based on commercially fair and marketable rates, subject to approval by the City in the annual Budget. The form of rental agreement(s) will be reviewed and approved by the City Attorney of which will not be unreasonably withheld. The City has accepted and utilized grant funds from the Florida Inland Navigation District (FIND) to improve the Property. Florida Administrative Code Section 66B-2.004(4) requires that the user fees (slip rent, attenuator rent, mooring field rent) be the same for the general public of all of the FIND member counties. In other words, there can be no preferential rates or discounts for City or Nassau County residents that are not also extended to users from the District’s other 11 counties. In addition, Florida Administrative Code Section 66B-2.008(4) requires that

dockage rates be within market comparison of the dockage rates of other area marinas. Also, this rule requires that at least 10% of the slips or mooring areas shall be available for transient vessels. Florida Administrative Code Section 66B-2.003 defines “public marina” which must include the City’s Marina for grant purposes. In order to qualify for WAP assistance with FIND, the City’s Marina must be and remain a “public marina”, meaning that it must be open to the general public on a first-come, first-served basis without any qualifying requirements such as club membership, stock ownership, or differential in price. Oasis and City agree that the City Marina will be operated in accordance with Florida law so that the City Marina continues to qualify as a “public marina” for purposes of WAP assistance with FIND.

b. **Legal Actions.** Oasis will cause to be instituted, on behalf and in the name of the City, any and all legal actions or proceedings Oasis deems necessary or advisable to collect charges with the advice and consent of the City, rent or other income due to City with respect to the Marina or to oust or dispossess tenants or other persons unlawfully in possession under any lease, license, concession agreement or otherwise, and to collect damages for breach thereof or default thereunder by such tenant, licensee, concessionaire or occupant. The costs of all such legal actions or proceedings will be borne by City. Oasis will also assist the City in the defense of any and all actions and proceedings brought by tenants, suppliers, vendors and similar persons relating to the Marina and City will be responsible for satisfying and paying the costs of defending all such claims to the extent not covered by insurance. Oasis will provide notice to City of any and all actions or proceedings instituted by, on behalf of, or against the City.

6. **Assignment, Subcontracting, Corporation Acquisitions and/or Mergers:** Oasis performs the contract services. No assignment or subcontract is allowed without prior written consent of the City in the event of a corporate acquisition and/or merger. Oasis must provide a written notice to the City within thirty (30) calendar days of any intent to assign or subcontract. In the event of an assignment of the contract to a wholly owned subsidiary of Oasis, the City’s written consent will not be unreasonably withheld.
7. **Personnel and Staffing:** Employees of Oasis Marina will provide the Services at the Marina. Oasis Marina will recruit, employ, train, and properly supervise all employees necessary for the smooth and efficient operation of the Services pursuant to this Agreement and in a manner that is customary within the industry. All personnel employed by Oasis Marina at the Property will at all times and for all purposes be solely in the employment of Oasis Marina. All matters pertaining to the employment, supervision, compensation, and discharge of such employees are and will be the responsibility of Oasis Marina.

Oasis Marina will provide minimum staffing levels at the Property as mutually agreed upon by the Parties. Additional staff will be provided for marina events and similar events as necessary to provide for the fluctuations in business and the number of Patrons at the Property, as mutually agreed upon by the City and Oasis Marina prior to any such event. All employees of Oasis Marina, when on the premises of the Property, will conduct themselves in a manner consistent with the standards, quality and image of the Property. The City may for legitimate reasons require Oasis Marina to remove from employment at

the Property such employees of Oasis Marina as the City reasonably deems incompetent, careless or otherwise objectionable, or whose continued employment is contrary to the City's best interest provided, however, that no such request for removal violates or has the potential to violate any applicable federal, state or local law, rule, regulation or court decision.

Oasis must employ a qualified, full-time, on-site manager ("Marina Manager") having experience in the management of a marina of the type on the Property who must be available during normal business hours and be delegated sufficient authority to ensure competent performance and fulfillment of the responsibility of the Services and to accept serviceable notices provided for herein. The on-site Marina Manager must be part of Oasis Marina as full-time personnel, and the Marina Budget must include the costs of the on-site Marina Manager. The cost of Oasis personnel who supervise, or otherwise participate in the management, administration and operation of the Property, but also do other work for Oasis and/or other marinas managed by Oasis, will be covered by the Management Administration Fee paid by the City to Oasis. These persons include Oasis personnel responsible for: (i) the direct supervision of on-site personnel; (ii) training of on-site and supervisory managers; (iii) the coordination and supervision of routine repairs and maintenance at the Marina; (iv) supervision of the procedures relating to eviction of delinquent tenants and sale of delinquent tenants' property; (v) overseeing inventory and supplies of the type used by the Marina; (vi) marketing; (vii) administering the payroll for on-site employees, including the administration, withholding and payment of applicable compensation coverage on behalf of and for the account of City; and (viii) accounting and other services relating to the operation and administration of the Marina. City understands and acknowledges that some or all of such persons may be simultaneously engaged by and/or for the account of City and by and/or for other marinas managed by Oasis, some of whom may (i) be affiliates of Oasis and (ii) compete with City. Oasis will shall not be separately reimbursed for the time of its executive officers devoted to City's affairs or for the other overhead expenses of Oasis.

Oasis employees in contact with the public must perform their duties in an efficient and courteous manner. Oasis must insure all its personnel are courteous and cooperative and present a neat, clean and professional appearance at all times. Oasis must provide the City with the name and telephone number of a management person who will be on call at all times for emergencies or other matters related to the operations under this Agreement. The City will designate a single point of contact that will liaison on behalf of the city with Oasis Marina for all operational matters.

During the Term of this Agreement and for a period of one (1) year after the Agreement's termination for any reason whatsoever, City may not, hire, or attempt to hire in any capacity, any of Oasis Marina's employees, whether or not they worked at the Property during the Term of this Agreement, without the prior written consent of Oasis Marina. Oasis will assess a one-time retention fee to the City should Oasis and the City mutually agree the City can keep these positions post-Oasis Marina's tenure. Marina Manager or above, \$25,000 per person. Assistant Marina Manager and supervisors \$10,000 per person.

8. **Non-Discrimination:** Oasis Marina affirms that it is an equal opportunity employer and will comply with all applicable laws and regulations prohibiting employment discrimination in the performance of this Agreement, including without limitation the City of Fernandina Beach Human Relations Ordinance 2019-10.

Oasis does covenant and agree that:

- a. No person on the grounds of race, color, religion, national origin, sexual orientation, gender identity or expression, marital status, familial status, age, veteran status (except dishonorable discharge, bad conduct discharge and other than honorable discharge), residency within or without the City or disability can be excluded from participating in or be denied the benefits of or be otherwise subjected to discrimination in the use of the Marina except for bona fide cause allowed by law.
 - b. The construction of any improvements on over such land or in the furnishing of services thereon. Oasis must use the Property in compliance with all other requirements imposed by or pursuant to Title 45, Code of Federal Regulations, Article 80, non-discrimination under programs receiving federal assistance through the City of health, education and welfare-effectuation of Title VI of the Civil Rights Act of 1964 and as such regulations may be amended that in the event a breach of any of the above non-discrimination covenants, the City has the right to terminate the Agreement and this Agreement will be null and void. Oasis must not discriminate against City employees or applicants for employment in the performance of the contract with respect to hiring, tenure terms, conditions or privileges of employment because of age, sex, or physical handicap (except where based on a bona fide occupational qualification); or because of marital status, color, religion, national original or ancestry.
9. **Licenses and Permits:** Oasis Marina will comply with and observe all applicable federal, state and local laws and regulations. Oasis Marina will procure all licenses and permits required to provide the Services (the costs of which are referred to as "License Fees"), except for any applicable marina facility licenses which are the responsibility of City.
10. **Office and Miscellaneous:** The City will provide at the Property at no additional cost and expense to Oasis Marina: (i) administrative office space adequate in size to accommodate Oasis Marina's Marina Manager, one personal computer, and the short term storage of daily revenue reports, and other related business records; (ii) a house telephone with voice message capability for use by Oasis Marina's Marina Manager (to be paid by Oasis Marina and considered part of Operating Expenses); (iii) High speed internet access for Oasis Marina's personal computer either through the Marina's LAN or a direct phone line (to be paid by Oasis Marina and considered part of Operating Expenses); and a High Speed Internet line for Oasis Marina's systems (to be paid by Oasis Marina and considered part of Operating Expenses).

- 11. Programs and Name:** City will (i) cooperate with Oasis Marina in order to facilitate the scheduling of the Services; and (ii) name Oasis Marina in the Property's guest services directories when applicable.

Oasis Marina may not display or post any lettering, signs, or postings that fall outside of Oasis Marina's Brand Standard in or about the Property, nor may Oasis Marina modify any physical aspect of the Property in any way without the prior approval of the City. Oasis Marina may not use the name, trademark or trade style belonging to the Property or the City for any purpose whatsoever, except as necessary to perform the Services and Marketing under this Agreement and unless provided by written agreement between the Parties or otherwise authorized by the City.

The City agrees to allow Oasis Marina use of logos or other marks relating to the Property that Oasis Marina may use in promotional and advertising materials such as brochures, websites, newsletters, and signage (including electronic versions thereof) concerning Oasis Marina's Services being provided at the Property. The City may authorize use of the City seal or City logo by Oasis through approval of an ordinance of the City Commission.

City agrees the Property's website and other digital footprints will be imported into the Oasis Marina Brand Standards and wire frames.

- 12. Condition of the Marina:** Oasis will inspect the Property in its entirety and assume operations in an "as is" condition. Oasis Marina represents and warrants to City that thereafter and throughout the Term of this Agreement that it is exclusively responsible for cleaning and maintaining the Property and its affiliated areas by performing the tasks detailed in Section C (i) of Exhibit A. Notwithstanding anything to the contrary herein contained, City is solely responsible for ensuring that the Property is and will remain in compliance with all applicable federal, state and local laws, codes, rules and regulations in effect from time to time, including but not limited to the Americans With Disabilities Act and any and all building, health and environmental laws, codes rules and regulations. As provided in Exhibit A, costs incurred by Oasis Marina in complying with its obligations in this Section 12 are an Operating Expense, and the costs incurred by City in complying with its obligations in this Section 12 are an Operating Expense and a City-Paid Expense under this Agreement.

- 13. Security:** The provision of security services for the Property is not included in the Services and is the sole responsibility of the City. At no time or under any circumstances will Oasis Marina's employees provide security services on behalf of the City. The foregoing responsibility of the City does not diminish or otherwise modify Oasis Marina's obligations hereunder, including, without limitation, Oasis Marina's obligation to provide the Services in accordance with Section 5 hereof. City acknowledges and agrees that Oasis Marina is not responsible for providing security services, and agrees that, in the event that Oasis Marina is required to arrange for the provision of security services by a third party, any costs associated with such security services will be deemed an "Operating Expense" and a "City-Paid Expense" under this Agreement pursuant to the terms and conditions set forth in this Section 13; provided, however, that the City has the benefit of being an additional insured as described in Section 14 hereunder.

14. Insurance Coverage:

- a. Oasis Marina must purchase and maintain insurance in accordance with the provisions set forth in this Agreement. Such insurance will be in such form and substance necessary to reasonably and customarily protect Oasis Marina and City from the types of claims which may arise out of or result from Oasis Marina providing the Services. This insurance will be written for not less than the limits of liability specified or as required by law, whichever is the greater. Except for workers' compensation insurance, the City, and such other persons or firms as Oasis Marina and City specify in this Agreement or in a future addendum hereto, will be named as additional insured(s), as their interest may appear, entitling them to recover under such policies for any loss sustained by them, their agents, and employees.
- b. Oasis Marina will provide to the City certificates of insurance evidencing the existence of the insurance coverages and will, upon reasonable request of the City, provide copies of each policy of insurance at the cost and expense of Oasis Marina. Oasis Marina will not cancel or allow the policies detailed below to be otherwise terminated, without providing at least thirty (30) days prior written notice to the City. Oasis Marina will maintain the following insurance coverage without interruption from the date of the commencement of the Services and for the remainder of the Term of the Agreement:
 - i. Oasis Marina will insure Oasis Marina's personal property for its full value, including loss of use, and hereby releases the City from any and all liability for loss of or damage to such personal property, except where such loss or damage is caused by the willful misconduct or gross negligence of City or its employees or agents;
 - ii. Marine General Liability Coverage to include Personal Injury, Completed Operations, Products, Independent Contractor, and Contractual Liability. The liability limit must not be less than \$1,000,000 for each Occurrence or \$2,000,000 Aggregate.
 - iii. Marina Operators Legal Liability Coverage and Protection and Indemnity Coverage, \$1,000,000 combined limit.
 - iv. Worker's Compensation Insurance, including employer's liability, with limits of not less than \$1,000,000 per accident, \$1,000,000 per employee for disease and \$1,000,000 policy limit for disease and all other insurance required by law on all of its employees providing the Services.
 - v. Bumbershoot Excess Liability Coverage with limits of \$5,000,000 per Occurrence and Aggregate and Excess Liability with limits of \$5,000,000 per Occurrence and Aggregate, with such coverage to include Employers' Liability, General Liability and Automobile Liability, as underlying policies.

- vi. In the sole discretion of the City and for the purpose of obtaining more reasonably priced insurance, the City may ask Oasis, in any given year during the term of this Agreement and any renewal terms, to oversee the procurement of Commercial Property Insurance on real and personal property owned by the City and essential to the operation of the City Marina, including but not limited to piers, docks, bulkheads and breakwaters.
- c. City must carry worker's compensation insurance for City's own employees and Oasis Marina must carry worker's compensation insurance for Oasis Marina's own employees as set forth in Section 14 (b)(iv) above, in which event the Marina's share of the insurance premium payable in connection therewith must be an "Operating Expense" and an "City-Paid Expense" under this Agreement when applicable.
- d. Oasis Marina must collect and manage the Certificates of Insurance for annual and monthly boat slip contract holders, scheduled contractors performing service on the Property, and scheduled contractors performing service to an authorized boat moored at the Property. The Certificates of Insurance will be collected prior to annual or monthly slip rental agreements acceptance and before scheduled contractors begin performing work at the Property, or on property stored at the Property. All Certificates of Insurance must name Oasis Marina and the City as certificate holders: Oasis Marina, LLC., 125 West Street Suite 201 Annapolis, MD 21401.

15. Indemnification:

- a. **General Indemnification.** The parties recognize that Oasis is an independent contractor. Oasis agrees to indemnify, hold harmless, and defend the City, its commissioners, mayor, officers, attorneys, agents and employees 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 Oasis, its directors, officers, employees, agents, and representatives; provided however, Oasis has no obligation hereunder to indemnify, defend or hold harmless the City for any such losses, damages, and claims of any kind arising out of, directly or indirectly, or in connection with the negligent and/or deliberate acts of omissions of the City. Oasis's liability hereunder will include all reasonable attorney's fees and costs incurred by the City in the enforcement of this indemnification provision in the event the City prevails in such enforcement action. In the event the City does not prevail in its enforcement of this indemnification provision, the City will reimburse Oasis for all reasonable attorney's fees and costs incurred by Oasis to defend such enforcement action. The obligations contained in this provision will not be limited

by the amount of any insurance required to be obtained or maintained under this Agreement.

The City agrees to indemnify, hold harmless, and defend the Oasis , its officers, directors, employees, and agents and representatives 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 the City, its commissioners, mayor, officers, employees, agents, and representatives; provided however, the City will have no obligation hereunder to indemnify, defend or hold harmless Oasis for any such losses, damages, and claims of any kind arising out of, directly or indirectly, or in connection with the negligent and/or deliberate acts of omissions of Oasis . The City's liability hereunder will include all reasonable attorney's fees and costs incurred by Oasis in the enforcement of this indemnification provision in the event the Oasis prevails in such enforcement action. In the event Oasis does not prevail in its enforcement of this indemnification provision, Oasis will reimburse the City for all reasonable attorney's fees and costs incurred by the City to defend such enforcement action. The obligations contained in this provision will not be limited by the amount of any insurance required to be obtained or maintained under this Agreement or other contract or written instrument between the parties.

Nothing contained in the foregoing indemnification will 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.

- b. **Environmental Indemnification.** Oasis is responsible only for the payment of that portion of any cleanup cost for compliance with hazardous materials laws that arise during the term of this Agreement as a result of a discharge of hazardous materials directly attributable to the negligence of a Oasis employee. The City is responsible for all other cleanup costs, including all costs associated with environmental compliance at the Marina, and the City is responsible for insuring that any other responsible party participate in the clean up to the extent of its responsibility for relief. Oasis must indemnify, defend, and hold harmless the City from and against all claims, liabilities, losses, damages, and costs, foreseen or unforeseen including without limitation counsel, engineering, or any other professional or expert fees, that the City may incur by reason of the negligence of Oasis employees during the term of this Agreement as set forth herein. This section survives the expiration or earlier termination of this Agreement for a period of one (1) year.

- 16. **Property Claims:** Oasis Marina will be the primary contact for marina related claims and complaints relating to the Services at the Property for which it is responsible. Oasis Marina understands that the City will, from time to time cause certain marina related claims and complaints received by the Property to be referred immediately to Oasis Marina for

consideration. All such marina related claims for damages received by Oasis Marina will be turned over to Oasis Marina's insurance carrier for consideration and handling per the applicable insurance policy. Nothing in this Section 16 will obligate either Party or its insurance carrier to pay a claim for which that Party or that Party's insurance carrier is not liable. In addition, nothing in this Section 16 will authorize a Party or its insurance carrier to settle a claim on behalf of the other Party. Nothing in this Section 16 will limit Section 13.

Oasis Marina understands that from time to time the City will settle a Patron's claim for damage which has not resulted from negligence or misconduct of Oasis Marina or Oasis Marina's employees in consideration of guest relations. The City is solely responsible for the costs associated with the settlement of such guest relations claims for which Oasis Marina is not legally liable. Accordingly, the Owner will process and pay such claims separately as a City-Paid Expense.

17. Repairs and Capital Improvements:

- a. **Repairs and Maintenance.** Oasis Marina will perform such maintenance or repairs at the Property, or cause such maintenance or repairs to be performed in accordance with Section C of Exhibit A, and as otherwise necessary for the effective performance of the Services. Such repairs and maintenance will be performed in accordance with the standards specified in this Agreement and in accordance with the City-approved operating budget. Oasis Marina will keep detailed records of all alterations, maintenance, repairs and other work performed at the Property. The cost of any alterations, maintenance or repairs are considered Operating Expenses.
- b. **Capital Improvements.** Oasis Marina must obtain written approval of City prior to incurring any expenses associated with capital improvements at any of the Property. The plans and specifications for any such capital improvements must be submitted to City for approval unless otherwise specified in writing by City. The cost of any approved expense related to capital improvements will not be considered Operating Expenses.
- c. **City's Ownership of Improvements.** Upon the expiration of this Agreement, for any reason, all existing and any future installed fixtures, equipment, improvements and appurtenances attached to or built into the Property in such a manner as to become part of the freehold whether or not by the expense of Oasis, will become and remain a part of and be surrendered with the Property. Any furniture, furnishings, equipment or other articles of moveable personal property owned by Oasis and located on the Property will be and remain the property of Oasis and may be removed by it at any time during the term of this Agreement so long as Oasis is not in default of any obligations under this Agreement and the same has not become part of the freehold and so long as such do not materially affect Oasis' ability to use such premises and conduct its business as provided herein.

18. Survival: Any provision of this Agreement, which by its context or nature is intended to survive the Term or any other termination of this Agreement with or without fault prior to the expiration of the Term will survive the expiration of the Term or any such other termination. Without limiting the generality of the foregoing, the provisions of this Agreement that the Parties hereto expressly agree and covenant to survive the expiration of the Term or the termination of this Agreement for any reason whatsoever, with or without fault by either Party, prior to the expiration of the Term will be (i) any and all obligations to provide an accounting from either Party to the other; (ii) any and all obligations to pay any and all sums of money that are due and owing as of the date thereof; and, (iii) any and all obligations by either Party to the other to defend, indemnify and hold harmless.

19. Notices: Any notice or communication required or permitted hereunder must be given in writing, sent by (i) personal delivery to the undersigned signatory Parties or expedited delivery service with proof of delivery (provided that such delivery is confirmed by the courier delivery service); (ii) depositing same in the United States mail by either certified or registered mail with postage prepaid and return receipt requested; or (iii) Email if confirmed by regular mail or expedited delivery service to the location set forth in Exhibit A to this Agreement.

If notice is tendered pursuant to the provisions of this Agreement and is refused by the intended recipient thereof, the notice will nevertheless be considered to have been given and be effective as of three (3) business days after it is sent. . The contrary notwithstanding, any notice given to a Party in a manner other than that provided in this Agreement, which is actually received by the Party, will be effective with respect to the Party on receipt of the notice.

20. Fiscal Non-Funding: In the event that sufficient budgeted funds are not available for any new fiscal period, the City will notify Oasis of such occurrence and this Agreement will terminate on the last day of the then current fiscal period without expense or penalty to the City.

21. Remedies; Mediation: Oasis and City agree that any controversy or claim arising out of or relating to this Agreement, or breach thereof, will first be subject to mediation by mutually agreed upon mediator before any lawsuit is filed. If mediation results in impasse. Each party has full remedies available under existing laws, including but not limited to, the Uniform Commercial Code, mediation, state courts of Nassau County, Florida and federal courts of Middle District of Florida.

22. Force Majeure: If either Party to this Agreement is unable to perform its obligations under this Agreement as a result of either (i) weather; (ii) acts of God; (iii) strikes or other labor disputes; (iv) acts of terrorism or civil disturbance; (v) vendor delays;(vi) pandemic, or (vii) any other event or condition that occurs which is beyond the Party's control that has a significant adverse economic impact on the Party's ability to perform, then such non-performance in each such instance is not be considered a breach of this Agreement.

- 23. Waiver:** No failure of any Party to exercise any power given hereunder or to insist upon strict compliance with any obligations specified herein, and no custom or practice at variance with the terms hereof, constitutes a waiver of any Party's right to demand strict compliance with the terms hereof; provided, however, that any Party may, at its sole option, waive any requirement, covenant or condition herein established for the benefit of such Party without affecting any of the other provisions of this Agreement. In addition to the foregoing and not in limitation thereof each Party agrees and covenants that the undertaking of any act or the failure to act in any given situation is not be deemed to create a binding obligation on the part of such Party under a subsequent and/or future identical situation to similarly act or fail to act where such act or failure to act is not contractually required of the Party pursuant to the terms and conditions set forth in this Agreement.
- 24. Governing Law/Venue:** This Agreement is governed by and construed and enforced in accordance with the laws of the State of Florida and federal laws, which include federal maritime law when applicable. Any action, suit, or proceeding arising out of, connected with, or pertaining to this Agreement will be submitted exclusively to the state or federal courts sitting in Florida, and City and Oasis Marina hereby consent to the jurisdiction of such courts and irrevocably waive any objection as to personal jurisdiction, venue, or inconvenient forum. For state court actions, the 4th Judicial Circuit Court in and for Nassau County, Florida is appropriate, and for federal actions, the U.S. District Court for the Middle District of Florida, Jacksonville Division is appropriate.
- 25. Governmental Action:** In the event the federal, state, or local government mandates, through legislative action or otherwise, additional taxes, insurances, employee benefits, minimum wage increases, licensing or permitting requirements, or any other significant change adding Operating Expense, which increases Oasis Marina's cost of providing the Services, the Parties will, in good faith, renegotiate the financial terms of this Agreement to address the increased costs of providing the Services. In the event the Parties are unable to mutually agree upon revised financial terms within twenty (20) days, Oasis Marina may terminate this Agreement, without penalty, by giving the City ten (10) days' prior written notice.
- 26. Construction, Renovation or Similar Activity:** In the event the Marina undergoes construction, renovation, or any other similar activity which significantly decreases Marina Revenue (as defined herein), the Parties will, in good faith, renegotiate the financial terms of this Agreement in order to address the reduction in Marina Revenue. The renegotiated financial terms will be effective as of the first day of construction, renovation, or similar activity. In the event the Parties are unable to mutually agree upon revised financial terms within twenty (20) days, Oasis Marina may terminate this Agreement, without penalty, by giving City ten (10) days' written notice.
- 27. Severability:** If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions remain in full force and effect to the extent that the remaining provisions are not impossible to perform or result in significant financial hardship for either of the parties. The court will modify any invalid provision to make it valid to the fullest extent permitted by law.

- 28. Relationship of the Parties:** Oasis Marina and the City expressly acknowledge and agree that this Agreement is not intended to create, nor does it create, any agency, partnership, employer/employee, joint venture or other relationship by and between Oasis Marina and the City. Neither Oasis Marina nor City will have or exercise any authority, express, implied or apparent, to act on behalf of or as an agent of the other Party for any purpose, and may not take any action which might tend to create an apparent employer/employee, joint venture, partnership, or agency relationship between Oasis Marina and the City. Oasis Marina and the City are, and will remain, unrelated and distinctly separate entities responsible for their separate obligations and liabilities. Oasis acknowledges that it is responsible for complying with the provisions of the Immigration Reform and Control Act of 1986 located at 8 USC Section 1324 et seq. and regulations relating thereto as either may be amended from time to time. Failure to comply with the above provisions will be considered a material breach and will be grounds for immediate termination of the contract at the discretion of the City.
- 29. Entire Agreement, Exhibits and Amendments:** This Agreement and any exhibits, schedules or other attachments hereto (which are incorporated by reference herein and are part of this Agreement) contain the entire agreement of the Parties and supersede any and all other agreements, discussions or understandings concerning the Property listed in Exhibit B. This Agreement may only be modified by a written instrument signed by all of the Parties. Unless the context clearly requires otherwise: (i) all Article and Section references in any exhibit, schedule or other attachment hereto refer to the foregoing corresponding Articles and Sections of this Agreement, and (ii) all capitalized terms in any exhibit, schedule or other attachment hereto has the meanings ascribed to them in this Agreement. The Recitals are hereby included as substantive provisions of this Agreement.
- 30. Time is of the Essence:** Time is of the essence in every particular of this Agreement including without limitation the obligations for the payment of all monies due hereunder.
- 31. Counterparts:** This Agreement and any amendments thereto, if any, may be executed in any number of counterparts, each of which is deemed to be an original but all of which together constitute one and the same document. To facilitate execution of this Agreement and any amendments thereto, the Parties may execute and exchange by email copies of this Agreement and any amendments thereto and all such copies will be deemed to be originals.
- 32. Audit and Public Records:** City reserves the right to audit Oasis records relevant to this Agreement and pursuant to City policy. Furthermore, pursuant to Section 119.0701, Florida Statutes, Oasis must: (i) keep and maintain all public records as that term is defined in Chapter 119, Florida Statutes ("Public Records"), that ordinarily and necessarily would be required by the City in order to perform the work contemplated by this Agreement; (ii) provide the public with access to Public Records, on the same terms and conditions that the City would provide the records and at a cost that does not exceed the costs provided in Chapter 119, Florida Statutes, or as otherwise provided by law; (iii) ensure that Public Records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; (iv) meet all requirements for

retaining Public Records and transfer, at no cost to the City, all public records in possession of Oasis within thirty (30) days after termination of this Agreement, however terminated, and destroy any duplicate Public Records that are exempt or confidential and exempt from public records disclosure requirements and provide the City with a letter confirming that this has been done within thirty (30) days of the termination of this Agreement. All Public Records stored electronically must be provided to the City in a format that is compatible with the information technology of the City. If Oasis does not comply with a public records request, the City may pursue any and all remedies available in law or equity, including but not limited to specific performance.

33. **Sales Tax:** Oasis shall pay the prevailing State of Florida sales and use tax for any amounts payable under this Agreement. Sales tax is not considered an Operating Expense under this Agreement since the City is tax exempt.
34. **Attorneys' Fees:** If it is necessary for either party hereto to engage attorneys to institute legal action for the purpose of enforcing its rights hereunder or for the purpose of defending legal action brought by the other party hereto, the party or parties prevailing in such litigation is entitled to receive all costs, expenses and fees (including reasonable attorneys' fees) incurred by it in such litigation (including appeals).
35. **Other Marinas:** City acknowledges that Oasis is in the business of managing marinas both for its own account and for others. It is hereby expressly agreed that Oasis and its affiliates may continue to engage in such activities, may manage facilities other than those presently managed by it so long as the facilities are not in direct or indirect competition with City. Oasis agrees not to manage or lease any other facility within five (5) nautical miles of the City's marina without the express written consent of the City Manager and City Attorney.
36. **Tax-Exempt Bonds.** In the event that the City loses its tax-exempt status on the existing municipal improvements due to the terms of this Agreement, either Party may terminate this Agreement upon providing 30 days prior written notice.
37. **Collections.** Oasis must analyze and direct the collection and billing of all accounts receivable due to the City with respect to the Marina and must be responsible for establishing policies and procedures to minimize the amount of bad debts.
38. **Shared Expenses.** The parties acknowledge that certain economies may be achieved with respect to certain expenses to be incurred on behalf of City hereunder if materials, supplies, insurance or services are purchased by Oasis in quantity for use not only in connection with the Marina but in connection with other marinas managed by Oasis or its affiliates. Oasis may, with the advice and consent of the City, purchase such materials, supplies, insurance or services in its own name and charge City a pro rata share of the cost; provided, however, that the pro rata cost of such purchase to City must not result in expenses greater than would otherwise be incurred at competitive prices and on terms available in the area where the Marina is located or the service is rendered; and, provided further, Oasis must provide a copy of the financial records to the City upon request and must make records available

to the City at Oasis' corporate headquarters office at all reasonable times after reasonable notice to Oasis so City may review any such expenses incurred.

39. Reporting Requirements. Oasis must submit a monthly written report to the City Manager including but not limited to:

- a. Occupancy (both numbers and dollars), historical comparison;
- b. Fuel sales (both numbers and dollars), historical comparison;
- c. Marketing and promotions;
- d. Non-routine expenses;
- e. Capital improvements status report;
- f. Insurance claims;
- g. Litigation;
- h. Safety and environmental incidents; and
- i. Retail sales from "dockhouse" lease (both numbers and dollars),

41. Current Marina Debt. Both parties recognize that the City's facilities have been financed with proceeds of bonds, the interest of which is excludable from gross income for federal income tax purposes, and that, therefore, this Agreement may constitute a "management contract" as defined in Treasury Regulation §1.141-3(b)(4)(ii). The City intends that this Agreement comply with the management contract safe harbor guidelines set forth in Rev. Proc. 2017-13, I.R.B. 2017-6, as amended and superseded (the "Guidelines"). In furtherance of the foregoing, the City and Oasis agree as follows:

- a. **Current Bonds.** The City previously issued tax-exempt debt in the amount of \$6.4 million to finance various improvements to the Marina. The debt service schedules are attached to this Agreement as Exhibit 1.
- b. **Conversion of Tax-Exempt Debt to Taxable Debt for "Private Activity" Use.** The City has outstanding indebtedness relating to marina improvements as set forth in Exhibit 2. Notes were issued in 2016, 2018 and 2019 to banks bearing interest at tax-exempt rates because under federal income tax law, the City qualified for the tax exemption as the owner and operator of the Marina.
- c. Oasis agrees to cooperate with the City to maintain this tax exemption, thus avoiding estimated maximum present value of the additional interest cost to the City of \$1,082,745.60. The City must provide notice to Oasis, and an opportunity to cooperate with the City, as to the measures that may be necessary to protect the tax-exempt status of the debt financing.
- d. It is the intent and reasonable belief of Oasis and City that the payments to Oasis under this Agreement constitute reasonable compensation for the services provided, and are consistent with industry standards.
- e. Payments to Oasis under this Agreement are not intended to be, and shall not be interpreted or applied as, permitting Oasis to share in the net profits from operation and leasing of the Marina. No element of the compensation shall take into account

or be contingent upon either the Marina's net profits or both the Marina's revenues and expenses for any fiscal period.

- f. Payments to Oasis under this Agreement are not intended to be, and shall not be interpreted or applied as, imposing upon Oasis the burden of bearing any share of net losses from operation of the Marina. The determination of the amount of the compensation, including expense reimbursement, does not take into account the Marina's net losses or both the revenues and expenses for any fiscal period, and the timing of payment of compensation is not contingent upon the Marina's net losses.
- g. In no event shall the term of this Agreement, including renewal options, extend beyond the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the Marina, as defined in Rev. Proc. 2017-13. Any material modification of this Agreement will be retested under this provision as of the date of such material modification.
- h. The City retains ultimate control over the use of the Marina, including approval of the Annual Budget of the Marina, capital expenditures with respect to the Facilities, each disposition of property that is part of the Marina, rates charged for the use of the Marina, and the general nature and type of use of the property (such as the type of services).
- i. Oasis shall not bear the risk of loss upon damage or destruction of the Marina, provided the loss occurs through no fault of Oasis.
- j. Oasis is not entitled to and shall not take any position that is inconsistent with being a service provider with respect to the Marina. For example, Oasis shall not take any depreciation or amortization, investment tax credit, or deduction for any payment as rent with respect to the Marina.
- k. City and Oasis agree to ensure that throughout the term of this Agreement: (i) no more than 20 percent of the voting power of the governing body of City is vested in the directors, officers, shareholders, partners, members and employees of Oasis, in the aggregate; (ii) the governing body of City does not include the chief executive officer (or a person with equivalent management responsibilities) of Oasis or the chairperson (or equivalent executive) of Oasis's governing body; and (iii) the chief executive officer of Oasis is not the chief executive officer of City or any of City's related parties (within the meaning of Section 1.150-1(b) of the Treasury Regulations).
- l. Oasis and City agree to make a good-faith effort to amend this Agreement, to the extent necessary, to ensure compliance with the Guidelines.

42. Festivals and Special Events. The City hosts a number of festivals and special events: primarily, the Shrimp Festival on the first weekend in May, the Kingfish fishing tournament in June, July 4th fireworks show and New Years' Eve Shrimp Drop and

fireworks show. Frequently these events draw boaters and fill marina slips. Some festivals and special events might have some impact on the Marina operations, and Oasis will cooperate with the City and designated festival committees in planning activities to support the Marina.

43. Mechanic's Liens. Oasis will not permit any mechanic's lien or liens to be placed on the Property or on improvements to it. If a mechanic's lien is filed on the Property or on improvements on it, Oasis will promptly pay it. If default in payment of the lien continues for ten (10) days after the City's written notice to Oasis, the City may, at its option, pay the lien or any, portion of it without inquiring into its validity. Any amounts the City pays to remove a mechanics lien caused by Oasis to be filed against the Property or against improvements on the Property, including expenses and interest, are due from Oasis to the City and must be repaid to the City immediately upon rendition of notice together with interest of ten percent (10%) annually until fully paid. The City's interest in the Property is not subject to mechanic's liens for improvements made, or contracted for, by Oasis. Oasis must give written notification to all contractors making any improvements on the Property of the provisions of this Agreement.

44. Signage. Oasis must abide by the City's Sign Code, Ch. 5 of the City's Land Development Code. Any changes to exterior signage must meet applicable codes, ordinances, and HDC and CRA district guidelines.

45. Condemnation.

- a. **Total Condemnation.** If during the term of this Agreement or any extension or renewal of this Agreement, all of the MOA is taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or are sold to the condemning authority under threat of condemnation, this Agreement will terminate, and the payments will be abated during the unexpired portion of this Agreement effective as of the date the condemning authority takes the said Area.
- b. **Partial Condemnation.** If less than all, but more than ten percent (10%) of the MOA is taken for any public or quasi-public use under any governmental law, ordinance, or regulation or by the right of eminent domain, or is sold to the condemning authority under threat of condemnation, either party may terminate the Agreement by giving written notice to the other party within sixty (60) days. If the said area is partly condemned and neither party elects to terminate this Agreement or if less than ten percent (10%) of the said area is condemned, this Agreement will not terminate, but the payments to be made will be adjusted equitably during the unexpired portion of this Agreement.
- c. **Condemnation Award.** The City will receive the entire award from any condemnation, and Oasis will have no claim to that award or for the value of any unexpired term of this Agreement.

46. Hurricane Preparedness. Oasis must follow the City's emergency operations plans and any hurricane evacuation plans.

- 47. Rights Reserved to the City.** All rights not specifically granted to Oasis by this Agreement are reserved to the City, and the designation of any particular remedy for the City without prejudice to any other relief available in law or equity and all such relief is reserved to the City.
- 48. Lien.** The City will have a lien upon all personal property of Oasis to secure the payment to the City of any unpaid money accruing to the City under the terms of this Agreement.
- 49. Submerged Land Lease.** A submerged land lease between the City and the State of Florida is attached hereto as Exhibit 5. Oasis agrees to operate the Property in such a fashion as to not violate such submerged land lease.
- 50. Compliance with City's Internal Control Processes.** Oasis agrees to comply with the City's procurement policies and procedures, budget policies and other policies which are attached hereto as Attachment 4.
- 51. City's Mooring Fields.** The City owns and maintains 20 Helix[®] system moorings located across from the Marina on the west side Atlantic intercoastal waterway as part of the Property. The City is currently operating this mooring field within the jurisdiction of the City which is coming into compliance with Florida's law. The City will continue to regulate this issue of mooring fields and may revise its ordinances as appropriate. In addition, the City retains the right to expand its mooring fields to additional areas and will notify Oasis of any action taken in this regard. The City's Mooring Fields are part of the Property and are subject to the management, maintenance, operating and insurance provisions as set forth herein.
- 52. Budget.** Oasis agrees, to the extent reasonable and feasible, to operate the Marina in accordance with the approved budget. Oasis must annually, beginning with the fiscal year 2020-2021, develop a proposed budget, in conjunction with the City's budget preparation process, which will be reviewed and approved by the City Manager and City Commission. The annual budget submittal must include, but not be limited to, all of the proposed revenue sources and expenditures for the Marina. The proposed revenue projection must include detailed written justification to support the proposed sources and projections. Oasis in proposing the annual expenditure budget must include, but not be limited to, the following:
- a. **Personnel Costs.** An organizational chart listing all of the full and part-time positions that Oasis is proposing, their positions with titles, number in each position, proposed pay ranges, and payroll taxes and benefits (PTEB) per Section F(ii) of Exhibit A.
 - b. **Marketing and Promotion Costs.** Oasis must provide a comprehensive marketing and promotion budget which will list the proposed specific expenditures to support the proposed plan.
 - c. **Proposed Capital Improvement and Repair Maintenance Plan.** Oasis must develop a proposed detailed Capital Improvement and Repair Maintenance Plan that

specifically describes each proposed expenditure, activity, justification or need for activity, and the estimated cost.

- d. **City's Operating Expense.** Oasis must provide a detailed list and projected cost for each expenditure.

IN WITNESS WHEREOF, each person executing this Agreement represents and warrants that such person is authorized to do so by the entity and/or Party on whose behalf such person is executing this Agreement for and which binds the entity and/or Party to the terms of this Agreement. The Parties hereto have executed this Agreement as of the Effective Date first above written.

CITY:

ATTEST:



Caroline Best, City Clerk

CITY OF FERNANDINA BEACH, FLORIDA:

By: 

Mr. Dale L. Martin, City Manager

Date: 11/9/2020

APPROVED AS TO FORM & LEGALITY:



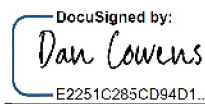
Tammi E. Bach, City Attorney

OASIS MARINA:

ATTEST:

By: _____

OASIS MARINA, LLC

By: 

Daniel Cowens, CEO/Founder

Date: 11/9/2020

EXHIBIT A

EXHIBIT A to Marina Services Management Agreement effective on or about December 1, 2020 (“Effective Date”) by and between Oasis Marina, LLC, a Maryland limited liability company (“Oasis Marina”) and City of Fernandina Beach, LLC, a Florida company (“City”), with offices located at 204 Ash Street Fernandina Beach, Florida 32034.

THIS EXHIBIT IS ATTACHED TO AND IS AN IMPORTANT PART OF THE CAPTIONED MARINA SERVICES MANAGEMENT AGREEMENT. ANY CONFLICTS OR INCONSISTENCIES BETWEEN THE MARINA SERVICES MANAGEMENT AGREEMENT AND THIS EXHIBIT MUST BE CONSTRUED IN FAVOR OF THIS EXHIBIT A. CAPITALIZED TERMS USED BUT NOT DEFINED HEREIN MUST HAVE THE MEANING GIVEN TO THEM IN THE MARINA SERVICE MANAGEMENT AGREEMENT.

- A. Description of the Service Areas:** The City must provide for Oasis Marina’s use, space that is adequate in size and configuration, from which to carry out the Services.
- B. Property Areas and Slips:** Oasis Marina will manage and maintain, as applicable, the wet slips, mooring field, pump out boat/station, boat ramp, fuel dock and fuel operations, everything over water except the buildings, office, grounds, and areas within the Property, as applicable, further described on Exhibit B.
- C. Description of the Services:** For purposes of the Agreement, Oasis Marina will provide the Services described herein, in certain cases through Oasis Marina employees as further described herein.
- (i) Oasis Marina’s duties include those typically associated with the management operations of a public commercial marina, including without limitation, collection of revenues, general housekeeping, non-capital repairs, cleaning and sweeping of debris, trash removal, snow and ice removal, maintenance of light fixtures, maintenance of directional and informational signs and markings, maintenance of electrical, mechanical, fuel operations, fire suppression and marina equipment systems, payment of all applicable sales Taxes assessed on marina and Revenue and License Fees in a timely manner (subject to E(iv)), and purchase of supplies and equipment for use on the Property, but specifically excluding capital expenditures.
 - (ii) Oasis Marina will not be responsible for capital expenditures or structural repairs or improvements, unless the need for such repairs was caused by the negligence of Oasis Marina or Oasis Marina’s failure to maintain the Property as described above, in which event Oasis Marina will promptly make such repairs at Oasis Marina’s sole cost and expense. In the event Oasis Marina becomes aware of any condition indicating a need for structural maintenance or repairs of a preventative nature, Oasis Marina will promptly notify City in writing or by e-mail.

- (iii) Oasis Marina may not make any alterations, modifications or repairs to a Property without first obtaining the written approval of the City, which approval will not be unreasonably withheld by City.
- (iv) Oasis Marina will be responsible for procuring any equipment that accepts payment transactions (e.g., POS hand-held terminals, etc.).
- (v) Oasis Marina covenants that all of its employees will provide professional hospitality in an attentive, friendly and efficient manner at all times to all Patrons.
- (vi) The Services to be provided include:
 - a. *Daily Operations*: Oasis Marina will be responsible for customer service and daily operations that are customary in the marina industry.
 - b. *Cleaning & Maintenance*: Oasis Marina will be responsible for management routine maintenance of the Properties as described in C (i), above. Oasis may be utilized for additional cleaning, repairs and maintenance matters.
 - c. *Claims Processing & Resolution*: Oasis Marina will process, resolve and settle all marina-related claims within Oasis Marina's deductible. All claims in excess of the deductible will be processed by Oasis Marina's insurance carrier.
 - d. *Signs*: Oasis Marina will provide signs that promote the Services and clearly display any applicable rates to the Patrons.
 - e. *Security or Shuttle Driver Services*: Oasis Marina's scope of service does not include security or shuttle driver services. At no time or under any circumstances will Oasis Marina provide security services, or operate shuttle or commercial vehicles on behalf of the City or Property.
 - f. *Payment Card Industry (PCI) Security Standards Compliance Obligations*: Oasis Marina will be responsible for ensuring its internet based payment system is and remains compliant with applicable PCI Security Standards related to Payment Card Industry-Data Security Standards ("PCI-DSS") throughout the Term of this Agreement, including any costs or maintenance obligations associated therewith. In the event there are changes to PCI Security Standards, including PCI-DSS during the Term of this Agreement which have a significant financial or operational impact on Oasis Marina's aforesaid PCI Security Standards related to PCI-DSS obligations, the Parties will renegotiate the financial terms of this Agreement. In the event the Parties are unable to mutually agree upon revised financial terms within twenty (20) days, Either party will be able to terminate the Agreement, without penalty, upon ten (10) days' written notice. All of Oasis Marina's PCI Security Standards obligations will immediately terminate upon expiration or termination of this Agreement.

- g. *Payment Collection Equipment:* Notwithstanding Oasis Marina's Property Management System (PMS) equipment maintenance obligations hereunder, Oasis Marina's will procure payment collection marina equipment on behalf of the City. The City is jointly responsible for ensuring that any payment collection marina equipment and associated data collection and transmission network systems, is and remains compliant with any applicable PCI Security Standards, including PCI-DSS and Payment Applications-Data Security Standards ("PA-DSS") throughout the Term of this Agreement, including any costs and maintenance obligations therewith. Further, in the event that associated or tangential marina equipment becomes obsolete due to changes in PCI Security Standards, the costs associated with replacing or upgrading said equipment is the sole responsibility of the City. All costs associated with the City's PCI Security Standards obligations will be a City-Paid Expense.
- h. *Modification of Scope of Services:* At any time during the Term of this Agreement, the Parties may, by mutual written agreement, modify the scope of the Services. If such modification causes an increase or decrease in labor or Operating Expenses, then the Parties will negotiate an equitable adjustment to the financial provisions of this Agreement.

D. Employees: The Services will be provided seven days per week as follows or as otherwise mutually agreed to by the Parties by the following Employees of Oasis Marina:

- (i) *Marina Manager / Dock Master:* Oasis Marina will provide and designate a Marina Manager to field inquiries and provide overall customer service to Manager and guests. The Marina Manager will attend appropriate staff meetings and event planning meetings, as needed, and meet with Manager in order to coordinate and schedule the Service.
- (ii) *Assistant Marina Manager / Assistant Dock Master:* Oasis Marina may provide and designate an Assistant Marina Manager who will provide Management coverage during off-hours and will have audit responsibilities to reconcile all collected Gross Revenue.
- (iii) *Marina Service Supervisors:* Oasis Marina may assign a Supervisor for each shift that will communicate the daily action plan, daily activities and Property events to all employees working the shift; create a favorable first and last impression for guests; effectively check-in arriving Patrons and check-out departing Patrons; and address Patron concerns.
- (iv) *Marina Service Associate / Dock Hand:* The Marina Service Associate will be responsible for pleasantly greeting all arriving and departing Patrons, assisting Patrons in and out of their slips, assisting Patrons with provisions and packages, providing directions to Property services as well as local attractions and directions for travel.
- (v) *Concierge:* The Concierge will be responsible for accurately collecting and reconciling Marina Revenue while providing pleasant service to all Patrons.

E. Revenue, Taxes, and Minimum Slip Rates:

- (i) *"Gross Revenue"* is defined as all amounts collected by Oasis Marina from Patrons for slip rentals, mooring field rentals and for rented space on the northern and southern

attenuators (breakwater docks) but not including Fuel Revenue or rent collected from leases for retail operations such as Centre Street Restaurant Group or Atlantic Seafood.

- (ii) *“Marina Revenue”* is defined as all amounts collected by Oasis Marina and/or City from Patrons for marina services net of any applicable sales taxes.
- (iii) *“Net Operating Income”* is defined as annual Marina Revenue less annual Operating Expenses and annual City Paid Expenses. For the purposes of calculating the Monthly Management Fee, the Monthly Incentive Fee and the City’s share of Net Operating Income, Net Operating Income will be prorated for partial calendar years.
- (iv) *“Rates”* are defined as those published marina rates listed on signs, printed materials, quoted to Patrons, and charged to Patrons. All Rates are exclusive of tax.
- (v) City is tax exempt. Therefore, Oasis is legally responsible for payment to the appropriate government agencies of certain state and local taxes relating to the use and operation of the Properties. Oasis will be responsible for collecting all sales taxes assessed on Marina Revenue, Gross Revenue and License Fees in a timely manner during the term of this Agreement. Documentation of the calculation and submission of the payment will be included in a statement package, to be prepared by Oasis Marina and transmitted to Owner on a monthly basis. Such taxes and fees will be considered an Operating Expense as set forth in this Exhibit A.
- (vi) The City and Oasis Marina will review the posted slip Rates as often as mutually agreed upon by the Parties, and in no case less than annually, and will adjust the Rates accordingly. Neither Party may charge Patrons a higher or lower Rate than mutually agreed upon. City will provide Oasis Marina as working capital in the Operating Account the sum of one month’s operating expenses (the “Minimum Balance”) for the balance of the calendar year during the Term, which sum will be maintained in the Operating Account at all times during the Term to cover deficits in the operation of the Properties. Thereafter, the Minimum Balance will be adjusted from time to time upon Oasis Marina’s request, provided that in no event will the Minimum Balance exceed an average of the monthly Operating Expenses (including the Management Fees) for the Properties over the previous twelve (12) month period. If the Operating Account falls below the Minimum Balance, City will pay into the applicable Operating Account an amount to cover such shortfall within five (5) days following written notice from Oasis Marina. The City will deposit a monthly escrow amount that is calculated to provide sufficient funds for the payment of property taxes and insurance for the Property, to be applied by Oasis Marina to such expenses as they become due.
- (vii) In the event of any deficiency in the Operating Account below the Minimum Balance, Oasis Marina will promptly (but in any case, within two (2) business days) deliver written notice to the City specifying the amount of such deficiency. In addition, no later than the tenth (10th) day of each month, Oasis Marina will notify the City of the amount of the “Monthly Deposits” (herein defined) for the Operating Account to be made by the last day of such month. The “Monthly Deposit” is (a) an amount equal to

one-twelfth (1/12) of the amount of the Annual Budget for the Properties, plus (b) any additional Operating Expenses for the subsequent month not included in the Annual Budget of which Oasis Marina has notified City and that are approved or deemed approved pursuant to the terms of this Agreement, less (c) the anticipated Revenue to be deposited into the Operating Account, if any, plus (d) any amount needed to maintain the applicable Minimum Balance after accounting for all anticipated monthly income and expenses during the subsequent month.

F. Operating Expenses: The City will reimburse Oasis Marina for the reasonable costs and expenses incurred by Oasis Marina on behalf of the City or the Property in the course of providing the Services (including, without limitation, as such Services are described in Section C of this Exhibit A) provided that such costs and expenses are consistent with the City-approved operating budget ("Operating Expenses"). Operating Expenses include but are not limited to the following costs and expenses:

- (i) Wages, salaries, and incentive compensation for Oasis Marina's employees for services performed on behalf of the City.
- (ii) Payroll taxes and employee benefits which include health and life insurance programs, vacation, sick leave, a 401K program and worker's compensation insurance. The payroll taxes and employee benefits will be calculated at thirty-two (32%) of salaries and wages; thereafter, the percentage will be determined during the annual budgeting process.
- (iii) Payroll Processing.
- (iv) The cost of settling claims by Patrons, subject to Sections 15 and 16 of the Agreement.
- (v) Costs associated with Oasis Marina's repair and maintenance obligations as described in Section C of this Exhibit A.
- (vi) All local sales taxes assessed on Marina Revenue and License Fees or such other taxes or fees incurred by Oasis Marina or City related to the Property, other than taxes on Oasis Marina income.
- (vii) Telecommunications and internet service, and website design, build and maintenance.
- (viii) The purchase, maintenance, repair, and replacement of Oasis Marina employee uniforms.
- (ix) Licenses and permits required for the operation of the Properties.
- (x) Any Insurance related to the Properties that Oasis Marina is not required to procure under Section 14.

- (xi) Credit card fees, bank fees, third party fees, and PCI-DSS costs and expenses, related to payment operating system, as applicable. Oasis will package and bill monthly s Property Management System (PMS) that can include but not be limited to Point of Sale (POS) Slip inventory, Parts inventory, Service tickets, Invoicing, Reservations, Online Reservations, Land Storage management, Fuel tracking, Retail inventory and Slip and Camp Ground contracts. The cost will be established annually based on the property needs.
- (xii) Signs, printed materials, office supplies, postage, radios, and other expenses associated with the operation of the Services on behalf of the City.
- (xiii) Support Services Expense will be billed at cost for support services provided by Oasis Marina for recruiting, hiring, training, accounting, marketing.
- (xiv) Other expenses as mutually agreed upon in writing between Owner and Oasis Marina.
- (xv) In addition, the term “Operating Expenses” as used herein will include Property operating expenses paid directly by the City, including, without limitation, electricity, real estate taxes, expenses relating to providing security services, costs and expenses to comply with Owner’s PCI Security Standards obligations, if any, water and sewer charges, and the City’s share of any property and liability insurance premium if a master policy is purchased by the Owner pursuant to Section 14 of the Agreement (“City-Paid Expenses”). On or about the fifth (5th) day of each month, the City will submit to Oasis Marina a statement for the previous month’s City-Paid Expenses. All City-Paid Expenses will be added to Operating Expenses for purposes of determining “Profit” hereunder.

G. Oasis Marina Management Fees: As compensation for the Services provided, Oasis Marina will receive the following fee structure:

- (i) **Management Fee Structure:**
 - a. *Management Fee:* there will be a Monthly Management Fee of four thousand dollars (\$4,000) per month, invoiced to the City as an Operating Expense monthly.
 - b. *Incentive Fee:* Oasis Marina’s Performance Incentive Fee will be one and one half percent (1.5%) of Gross Revenue (as defined above), excluding Fuel Revenue. Any partial calendar years will be prorated.

H. INTENTIONALLY OMITTED

I. Complimentary Slips: It is agreed that City may request complimentary, validated or discounted slips for special events, or personnel at the sole discretion of Oasis. Oasis Marina will not bill the City for complimentary, validated or discounted slips. If the amount of lost Marina Revenue attributable to validated, discounted or complimentary slips exceeds two percent (2.0%) of the total monthly value of all Marina Revenue attributable to slips (“Slip Revenue”), the amount of the lost Marina Revenue attributable to complimentary, validated or

discounted slips, in excess of two percent (2.0%) of the Slip Revenue, will be added to Marina Revenue prior to calculation and distribution of Net Operating Income.

J. Uniforms: Oasis Marina will be responsible for the purchase, maintenance, replacement, and repair of uniforms for Oasis Marina's employees providing the Services at the Properties. Uniform-related expenses will be considered an Operating Expense.

K. Records and Accounting: City and Oasis Marina will keep full and accurate books and records relating to charges and credits to Marina Revenue and Operating Expenses, and has the right, upon reasonable notice, to inspect the records of the other Party with respect to matters relating to the Agreement.

(i) **Revenue Collection:**

- a. All revenue generated at the Marina will be deposited into a City bank account with Oasis signing authority and access. The revenue will be reconciled by the 5th of each month with the property City.
- b. City may collect the revenue generated by certain tenants or other occupants of the Marina. City agrees to notify Oasis Marina of such tenants and other occupants. This revenue will be classified City collected revenue and reconciled by the 5th of each month.
- c. Oasis Marina will collect Marina Revenue from slip rentals, mooring field rentals, facility rentals, services via marina PMS and deposit these funds into the revenue will be deposited into a City bank account with Oasis signing authority and access.
- d. Oasis Marina and City will develop administrative processes to share revenue information in order to provide accurate and timely monthly reporting and reconciliation.

(ii) **Monthly Statement:** On or about the tenth (10th) business day of each month, Oasis Marina will submit to the City controller a financial statement with respect to operation of each Property for the month immediately preceding, which shows the following information:

- a. Gross receipts, with a breakdown of receipts from slip rentals, facility rentals, fuel services, office, and other to include all detail that City requests in a format acceptable to City;
- b. Itemization of Operating Expenses incurred, supported by invoices, tax remittance statements, expense vouchers, and payroll information to include all detail that City requests in a format acceptable to City; and
- c. Net Operating Income.

(iii) All receipts and disbursements in connection with Marina operations will be recorded on the City's books using software provided by the City utilizing Oasis personnel or alternate software acceptable by City Comptroller. All receipts will be deposited into the City's bank account. Receipts will be accounted for on the City's books by Oasis personnel or alternate software acceptable by City Comptroller. All purchases for the Marina which fall under the City's area(s) of responsibility and are Operating

Expense(s) must be made such that they are in compliance with the City's Purchasing Policy, Procedures and Code. Requests for disbursements will be processed through the City's accounting system or alternate software acceptable by City Comptroller and paid with City's funds. Oasis will have access to the City's accounting system to print and analyze financial data for the Marina on an on-going basis.

In the event of an overall deficiency for the Property, an invoice will be rendered for such deficiency, which will be payable in accordance with the Florida Local Government Prompt Payment Act.

Oasis Marina will maintain all records for a period of five (5) years following termination or expiration of this Agreement. Such records will not include daily reports unless a storage area for them is provided by Owner. The City has the right to audit, at its expense, the records to ensure compliance with this Agreement. If the audit reflects a discrepancy of three percent (3%) or more in what Oasis Marina was required to pay to City under this Agreement, Oasis Marina will pay all reasonable expenses associated with the audit.

L. Certificates of Insurance: Any certificates of insurance must name as certificate holder:

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

Oasis Marinas LLC
125 West Street
Suite 201
Annapolis, MD 21401

Any certificates of insurance must name as an additional insured:

City of Fernandina Beach,

Oasis Marina LLC

M. Notices: As so referenced in Section 16 of this Agreement, any notices or communication required or permitted hereunder will be submitted to the following Parties:

If to Oasis Marina:

**Oasis Marina, LLC
125 West Street
Suite 201
Annapolis, MD 21401
Attn: Daniel Cowens**

If to City of Fernandina Beach:

**City of Fernandina Beach
204 Ash Street
Fernandina Beach, FL 32034
Copy: Mr. Dale L. Martin**

EXHIBIT B

MANAGEMENT OF THE PROPERTY

Property Name	Property Address	Management Fee Structure	Incentive Target Threshold
Fernandina Harbor Marina	3 S. Front Street Fernandina Beach, FL 32034	\$4,000 per month	1.5% of Gross Revenue Not including Fuel Revenue

LEASE

THIS LEASE (the “**Lease**”) made this 4th day of November 2020, between **the City of Fernandina Beach, Florida**, whose principal address is **204** Ash Street, Fernandina Beach, Florida 32034 (hereinafter referred to as “**Landlord**”), and **Oasis Marina, LLC** a Maryland company whose principal address is 125 West St. Suite 201 Annapolis, MD 21401 (hereinafter referred to as “**Tenant**”).

1. **DEMISED PREMISES.** In consideration of the rents, covenants and Leases hereinafter reserved and contained on the part of the Tenant to be observed and performed, the Landlord demises and leases to the Tenant, and the Tenant rents from the Landlord those certain premises, known as the Dock House Retail, now erected and located at One North Front Street, Fernandina Beach, FL 32034 ,Fernandina Beach, Nassau County, State of Florida, which premises consists of a floor area of approximately six hundred (600) square feet and outdoor space contiguous to the present building. The premises shall be referred to herein as the “**Demised Premises**”. The land upon which the Demised Premises are located is referred to herein as the “**Land**”. This Lease and the rights of the parties set forth herein shall create the relationship of “landlord” and tenant” only between Landlord and Tenant. The exact legal description is set forth on **Exhibit “A”**.

2. **TERM.** The term of this Lease shall continue coterminous with the marina management agreement between the City and Oasis Marina dated 12/1/2020

3. **RENT.**

A. **Base Rent.** For each month under the term of this Lease, Tenant agrees to pay Landlord a Monthly Base Rent for the Demised Premises. The Monthly Base Rent shall be in the amount of 25% of the Monthly Net Retail Sales less cost of goods sold (COG’s). Said Base Rent shall be paid in arrears not later than the 10th day of each and every calendar month during said term. In addition to said Base Rent, Tenant agrees to pay the amount of the rental adjustments as and when hereinafter provided in this Lease. Said rental (including Base Rent, Additional Rent and all other sums payable to Landlord under this Lease) shall be paid to Landlord, without deduction or offset, in lawful money of the United States of America, which shall be legal tender at the time of payment, at the office of Landlord or to such other person or at such other place as Landlord may from time to time designate in writing.

4. **ADDITIONAL RENT. Taxes.** Tenant hereby agrees to pay any and all real property taxes and personal property taxes, sales taxes, charges and assessments which are levied,

assessed upon or imposed by any governmental authority or political subdivision thereof during any calendar year of the term hereof with respect to the Land and all buildings, including the Demised Premises, located thereon.

5. **USE OF DEMISED PREMISES.** Tenant's Business. The Demised Premises shall be used and occupied by Tenant for general retail purposes, including the sale of marina related retail items.

6. **OPTION TO RENEW.** Tenant may elect to extend the term of this Lease, with approval by the Fernandina Beach City Commission, in its sole discretion, which shall not be unreasonably withheld, upon the same covenants and conditions as herein provided. If Tenant shall elect to extend the term of this Lease, it shall do so by giving Landlord written notice at least one hundred eighty (180) days prior to the expiration of the primary term or of the then current extension.

7. **UTILITIES.** Tenant shall be solely responsible for, and shall promptly pay, all charges for use or consumption for water, sewer, telephone, sanitation, heat, gas, electricity or any other utility services.

8. **MAINTENANCE AND REPAIRS.** Tenant Responsibility. Tenant shall at Tenant's sole cost and expense keep and maintain the Demised Premises in good condition and repair; except damage thereto from causes beyond the reasonable control of Tenant. All damage or injury to the Demised Premises caused by the act or negligence of Tenant, its employees, agents or visitors, shall be repaired by Tenant at Tenant's sole cost and expense. Tenant shall upon the expiration or sooner termination of the term hereof surrender the Demised premises to Landlord in the same condition as they existed on the Commencement Date, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted. Landlord shall have no obligation to alter, remodel, improve, decorate, or paint the Demised Premises or any part thereof, and the parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the Demised Premises, except as specifically herein set forth. Tenant accepts the Demised Property in its "as is" condition.

9. **INDEMNIFICATION.** Tenant agrees to assume liability for and indemnify, hold harmless, and defend the Landlord, 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 Tenant, its officers, employees, agents, and representatives. Tenant's liability hereunder shall include all attorney's fees and costs incurred by the Landlord in the enforcement of this indemnification provision. This includes claims made by the employees of Tenant against the Landlord and Tenant 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 Lease and shall not be limited by the amount of any insurance required to be obtained or maintained under this Lease. Nothing contained in the foregoing indemnification shall be construed to be a waiver of any immunity or limitation of

liability the Landlord may have under the doctrine of sovereign immunity or Section 768.28, Florida Statutes.

10. **MECHANIC'S LIENS.** Tenant shall have no authority to subject the Demised Premises or the Land, or any part thereof or any interest of Landlord therein, to any mechanic's or other lien. Should any mechanic's or other liens be filed against the Demised Premises or the Land or any part thereof or any interest of Landlord therein, by reason of Tenant's acts or omissions or because of a claim against Tenant, Tenant shall cause the same to be canceled and discharged of record by bond or otherwise within ten (10) days after notice by Landlord.

11. **INSURANCE.**

A. Tenant Insurance/Property Damage. At all times during the term hereof, Tenant shall maintain in effect policies of property damage insurance covering: (i) all leasehold improvements (including any alterations, additions or improvements as may be made by Tenant pursuant to provisions of Paragraph 14 hereof) and in which Tenant may have an insurable interest; and (ii) trade fixtures, merchandise and other personal property from time to time in, on or upon the Demised Premises, in an amount not less than one hundred percent (100%) of their actual replacement cost from time to time during the term of this Lease, providing protection against any peril included within the classification "Fire and Extended Coverage" together with insurance against vandalism and malicious mischief. The proceeds of such insurance shall be used for the repair or replacement of the property so insured. Upon termination of this Lease following a casualty as set forth herein, the proceeds under subsection (i) shall be paid to Landlord and the proceeds under subsection (ii) shall be paid to Tenant.

B. Tenant Liability Insurance. Tenant shall, at all times during the term hereof and at its own cost and expense, procure and continue in force comprehensive general liability insurance for bodily injury and property damage, adequate to protect Landlord against liability for injury to or death of any person, arising in connection with the construction of improvements on the Demised Premises or use, operation or condition of the Demised Premises. Such insurance at all times shall be in an amount of not less than a combined single limit of One Million and 00/100 Dollars (\$1,000,000.00), insuring against any and all liability of the insured with respect to the Demised Premises or arising out of the use or occupancy thereof.

C. Policy Form. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies, qualified to do business in the State of Florida. Each policy shall name Landlord as an additional insured, as their respective interests may appear, and copies of all policies or certificates evidencing the existence and amounts of such insurance shall be delivered to Landlord by Tenant at least ten (10) days prior to Tenant's occupancy of the Demised Premises. No such policy shall be cancelable or materially altered except after ten (10) days prior written notice to Landlord. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof.

12. **DAMAGE AND RESTORATION.**

A. Tenant's Obligations. In the event the Demised Premises, or any portion thereof, should be damaged or destroyed, Tenant may, at its option reconstruct or restore the Demised Premises after any damage or destruction thereof.

B. Abatement of Rent. During the period commencing with the date of any such damage or destruction which Landlord elects hereunder to repair, reconstruct or restore, and ending with the completion of such repairs, reconstruction or restoration, the Base Rent and Additional Rent shall be proportionately abated in an amount equal to the proportion thereof which the number of square feet of gross floor area in the Demised Premises rendered untenable thereby bears to the total number of square feet of gross floor area in the Demised Premises immediately prior to such damage or destruction. The full amount of said Base Rent and all other charges shall again become payable immediately upon the completion of such work of repair, reconstruction or restoration.

13. **RENOVATION.** Tenant shall have the right to renovate or remodel the current building, subject to approval by Landlord, which shall not be unreasonably withheld. The costs associated with renovation and remodeling shall include the cost of construction, permitting and design, and shall be referred to herein as Renovation Costs. The Renovation Costs shall be subject to City approval.

14. **EMINENT DOMAIN.** If the whole of the Demised Premises shall be taken, or such part thereof, shall be taken as shall substantially interfere with Tenant's use and occupancy of the balance thereof, under power of eminent domain, or sold, transferred, or conveyed in lieu thereof, either Tenant or Landlord may terminate this Lease as of the date of such condemnation or as of the date possession is taken by the condemning authority, whichever date occurs later. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or require Tenant to assign to Landlord any award made to Tenant for the taking of personal property and fixtures belonging to Tenant and removable by Tenant at the expiration of the term hereof, as provided hereunder or for the interruption of, or damage to Tenant's business or for relocation expenses recoverable against the condemning authority. No temporary taking of a part of the Demised Premises, including parking facilities, shall give Tenant any right to terminate this Lease or to any abatement of rent hereunder.

15. **QUIET ENJOYMENT.** Landlord shall not take any action that restricts Tenant's quiet enjoyment of the property, except as provided hereunder. Landlord shall provide adequate access to the property during the term of the Lease including non-exclusive use of existing parking areas. Landlord shall have the right to improve the Demised Premises and surrounding areas, including but not limited to, the parking areas and waterfront property on the Amelia River. Tenant hereby acknowledges and understands that construction activity and/or disruption of Tenant's use and business enterprise on the Demised Premises is likely. No construction activity and/or disruption of Tenant's use and business enterprise on the Demised Premises, including parking facilities, shall give Tenant any right to terminate this Lease or to any abatement of rent hereunder, except as approved by the City Commission.

16. **DEFAULT BY TENANT/REMEDIES.**

A. **Defaults.** The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

1. The vacating or abandonment of the Demised Premises by Tenant.
2. The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof from Landlord to Tenant.
3. The making by Tenant of any general arrangement or assignment for the benefit of creditors, whereby; (a) Tenant becomes a "debtor" as defined in 11 U.S.C. §101 or any successor statute thereto (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (b) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Demised Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or (c), the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Demised Premises or of Tenant's interest in this Lease, where such seizure is not discharged within thirty (30) days. Provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect.

B. **Remedies.** In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:

1. Terminate Tenant's right to possession of the Demised Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Demised Premises to Landlord. In such event Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Demised Premises; expenses of re-letting, including necessary renovation and alteration of the Demised Premises, reasonable attorney's fees, and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided; that portion of any leasing commission paid by Landlord applicable to the unexpired term of this Lease.
2. Maintain Tenant's right to possession in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Demised Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and

remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

3. Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the state wherein the Demised Premises are located. Unpaid installments of rent and other unpaid monetary obligations of Tenant under the terms of this Lease shall bear interest from the date due at the maximum rate then allowable by law.

17. **DEFAULT BY LANDLORD/REMEDIES/EXCULPATION.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event shall Landlord be deemed in default sooner than thirty (30) days after written notice by Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than such thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and, thereafter, diligently prosecutes the same to completion. Anything in this Lease to the contrary notwithstanding, Landlord shall be liable for any damages resulting from its default under the terms of this Lease.

18. **ASSIGNMENT AND SUBLETTING.** Tenant shall be permitted to assign this Lease or sublet its rights, duties, or obligations hereunder with the prior written consent of Landlord, which consent shall not be unreasonably withheld.

19. **END OF TERM.**

A. At the expiration of this Lease, Tenant shall surrender the Demised Premises in the same condition as it was in upon delivery of possession thereto under this Lease, reasonable wear and tear excepted, and shall deliver all keys and combinations to locks, safes and vaults to Landlord. Before surrendering the Demised Premises, Tenant shall remove all its personal property, trade fixtures, inventory, alterations, additions and decorations, and shall repair any damage caused thereby. Tenant's obligations to perform this provision shall survive the end of the term of this Lease. If Tenant fails to remove its property upon the expiration of this Lease, the said property, at Landlord's option, shall be deemed abandoned and shall become the property of Landlord.

B. If the Demised Premises are not surrendered at the end of the term, then Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Demised Premises, including, without limitation, any claims founded on such delay made by any succeeding occupant of the Demised Premises or any part thereof, and Tenant shall be liable to Landlord for any and all legal expenses, costs, and fees incurred by Landlord in obtaining the possession of the Demised Premises.

20. **HOLDING OVER.** Any holding over after the expiration of this term or upon termination, shall be construed to be a tenancy from month to month and shall otherwise be on the terms herein specified so far as applicable.

21. **NO WAIVER.** Failure of Landlord to insist upon the strict performance of any provision or to exercise any option or enforce any rules and regulations shall not be construed as a waiver for the future of any such provision, rule or option. The receipt by Landlord of rent with knowledge of the breach of any provision of this Lease shall not be deemed a waiver of such breach. No provision of this Lease shall be deemed to have been waived unless such waiver be in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent shall be deemed to be other than on account of the earliest rent then unpaid nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease.

22. **NOTICES.** Any notice, demand, request or other instrument which may be or required to be given under this Lease shall be delivered in person or sent by United States Certified or Registered Mail, postage prepaid, and shall be addressed to either party at the address as hereinabove given. Any notice shall be deemed delivered upon hand deliver or three (3) days after depositing such notice in postal receptacles, return receipt requested. Either party may designate such other address as shall be given by written notice.

23. **RECORDING.** Tenant shall record this Lease.

24. **PARTIAL INVALIDITY.** If any provision of this Lease or application thereof to any person or circumstance shall, to any extent, be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

25. **PROVISIONS BINDING, ETC.** Except as otherwise expressly provided, all provisions herein shall be binding upon and shall inure to the benefit of the parties, their legal representatives, successors and assigns and any sale by Landlord of the Land or of the Demised Premises shall be subject to this Lease provided the same is not in default at the time of such sale. Each provision to be performed by Tenant shall be construed to be both a covenant and a condition, and if there shall be more than one lessee, they shall all be bound, jointly and severally, by these provisions.

26. **ENTIRE LEASE, ETC.** This Lease and the Exhibits, Riders and/or Addenda if any attached, set forth the entire Lease between the parties. Any prior conversations or writings are merged herein and extinguished. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by the party sought to be charged. Submission of this Lease for examination does not constitute an option for the Demised Premises and becomes effective as a Lease only upon execution and delivery thereof by Landlord to Tenant. It is herewith agreed that this Lease contains no restrictive covenants in favor of Tenant. The captions and numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe or describe the scope or intent of any paragraph, nor in any way affect this Lease.

27. **NO PARTNERSHIP.** Nothing contained in this Lease shall, or shall be deemed or construed so as to create the relationship of principal-agent, joint venturers, co-adventurers, partners or co-tenants between Landlord and Tenant; it being the express intention of the parties that they are and shall remain independent contractors one as to the other.

28. **RADON GAS DISCLOSURE.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

29. **PUBLIC RECORDS LAW REQUIREMENTS.** Pursuant to Section 119.0701, Florida Statutes, Oasis shall: (a) keep and maintain all public records as that term is defined in Chapter 119, Florida Statutes ("Public Records"), that ordinarily and necessarily would be required by the City in order to perform the work contemplated by this Agreement; (b) provide the public with access to Public Records, on the same terms and conditions that the City would provide the records and at a cost that does not exceed the costs provided in Chapter 119, Florida Statutes, or as otherwise provided by law; (c) ensure that Public Records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law; (d) meet all requirements for retaining Public Records and transfer, at no cost to the City, all public records in possession of Oasis within thirty (30) days after termination of this Agreement, however terminated, and destroy any duplicate Public Records that are exempt or confidential and exempt from public records disclosure requirements and provide the City with a letter confirming that this has been done within thirty (30) days of the termination of this Agreement. All Public Records stored electronically must be provided to the City in a format that is compatible with the information technology of the City. If Oasis does not comply with a public records request, the City may pursue any and all remedies available in law or equity, including but not limited to specific performance.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this Lease as of the day and year first above written.

ATTEST:



Caroline Best, City Clerk

LANDLORD:

CITY OF FERNANDINA BEACH



Dale L. Martin, City Manager

APPROVED AS TO FORM AND LEGALITY:



Tammi E. Bach, City Attorney

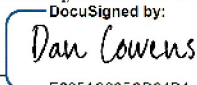
WITNESS:

Witness Signature

Print Name of Witness

TENANT:

**OASIS MARINA,
LLC, a Maryland Company**

By:  _____
E2251C285CD94D1...

Name: Dan Cowens

Title: Founder / CEO

Exhibit A

DOCKHOUSE & FUEL DOCK

A building and adjacent dock area which is utilized for marina operations, including retail sales, fuel dispensers and outdoor display area that is located upon a floating dock located within the City of Fernandina Beach Marina, more particularly described as:

A portion of the floating dock lying west of and immediately adjacent to the west property line of Water Lot 25, City of Fernandina Beach, Nassau County Florida as shown on the Official Plat of said City as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901, said portion of floating dock being approximately 50 feet long by 20 feet wide.

Encumbering 1,000 square foot, more or less.

CITY COMMISSION AGENDA ITEM
City of Fernandina Beach



SUBJECT: Brett's Waterway Cafe - Demolition & Redevelopment Next Steps

ITEM TYPE: Resolution (w/ fiscal impact)

REQUESTED ACTION: Consider Brett's Waterway Café demolition and redevelopment next steps.

SYNOPSIS: The City of Fernandina Beach entered into a forty-year lease agreement with Centre Street Restaurant Group LTD on January 1, 1997, to occupy Fernandina Harbor Marina property located at the foot of Front and Centre Streets, which expires December 1, 2025. Due to lack of maintenance and repairs, the structure known as Brett's Waterway must be demolished because repairs are cost-prohibitive. Staff seeks Commission direction on what will replace Brett's Waterway Café.

FISCAL IMPACT: Fiscal impact will be based upon City Commission direction.

CITY ATTORNEY COMMENTS: No additional comments.

CITY MANAGER RECOMMENDATION(S): At the pleasure of the City Commission.

Jeremiah Glisson, Deputy City Manager 6/24/2025

Sarah Campbell, City Manager 6/24/2025



Date: April 09, 2025

Submitted By: Caroline Best, City Clerk

COMMISSION ACTION:

RESOLUTION NO. 97-72

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY AND CENTRE STREET RESTAURANT GROUP, LTD.

WHEREAS, the City and Centre Street Restaurant Group, Ltd. desire to enter into a lease agreement, and

WHEREAS, this agreement will conclude negotiations between both parties.

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

The Mayor is authorized to execute a lease agreement between the City and Centre Street Restaurant Group, Ltd., subject to the tenant causing Barnett Bank to deliver its release of claims to the docks.

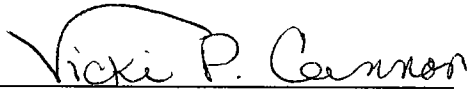
ADOPTED this 6th day of May, 1997.

CITY OF FERNANDINA BEACH



GREG ROLAND
Vice Mayor-Commissioner

ATTEST:



VICKI P. CANNON
City Clerk



City of Fernandina Beach

OFFICE OF THE MARINA DIRECTOR

MEMORANDUM

TO: ZACHARY Z. ZOUL
CITY MANAGER

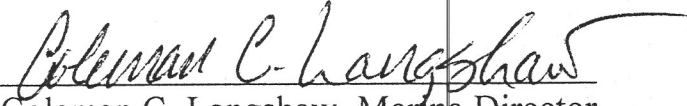
MAY 2, 1997

FROM: COLEMAN C. LANGSHAW
MARINA DIRECTOR

RE: RESTAURANT LEASE

The City has been in negotiations with Centre Street Restaurant Group, Ltd. (CSRG) since June of 1996 to resolve the issues between the parties. It is the intent of Resolution 97-72 to codify the existing lease agreement between the City and a new lessee, since the bankruptcy caused the original lessee to be removed from the original lease agreement.

Attached is a letter from Mr. Steve Durant, Esq. with related documentation for your review and consideration. It is my recommendation that Resolution 97-72 be approved by the City Commission.


Coleman C. Langshaw, Marina Director

wp/fhm/res97-72

LAW OFFICES

MARTIN, ADE, BIRCHFIELD & MICKLER, P.A.

JAMES L. ADE
LYNDA R. AYCOCK
W. O. BIRCHFIELD
TIMOTHY A. BURLEIGH
CHARLES L. CRANFORD
PHILLIP A. DELMONT
STEPHEN H. DURANT
T. WILLIAM GLOCKER
MICHAEL E. GOODSBREAD, JR.
STEPHEN D. HALKER

ONE INDEPENDENT DRIVE - SUITE 3000
JACKSONVILLE, FLORIDA 32202

MAILING ADDRESS:
POST OFFICE BOX 59
JACKSONVILLE, FLORIDA 32201

TELEPHONE (904) 354-2050
TELECOPIER (904) 354-5842

SHARON ROBERTS HENDERSON
BARBARA CHRISTIE JOHNSTON
WILHELMINA F. KIGHTLINGER
MYRA LOUGHRAN
RALPH H. MARTIN
ROBERT O. MICKLER
JOHN D. MILTON, JR.
DANIEL B. NUNN, JR.
SCOTT G. SCHILDBERG
GARY L. WILKINSON

L. PETER JOHNSON (1942-1988)

May 2, 1997

VIA HAND DELIVERY

Mr. Zachary Z. Zoul
City Manager
City of Fernandina Beach
P.O. Box 668
Fernandina Beach, FL 32034

Dear Zack:

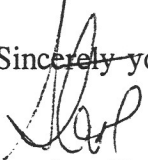
Here is a complete copy of the restaurant sublease which has been executed by Mr. Simpson on behalf of Centre Street Restaurant Group, Ltd., in compliance with the Settlement Agreement previously approved by the City Commission.

All of the conditions of the settlement have been accomplished with the following exceptions:

1. The Tenant needs to cause Barnett Bank to deliver its release of claims to the docks. Mr. Allan Weiss is working on this for the Bank, and hopes to deliver it to me today.
2. The City Commission needs to vote authorization for the Mayor to execute the proposed Lease upon the completion of the first condition.

If you have any questions, please do not hesitate to call me.

Sincerely yours,


Stephen H. Durant

SHD/vp

Enclosures

RESOLUTION NO. 97-72

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY AND CENTRE STREET RESTAURANT GROUP, LTD.

WHEREAS, the City and Centre Street Restaurant Group, Ltd. desire to enter into a lease agreement, and

WHEREAS, this agreement will conclude negotiations between both parties.

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

The Mayor is authorized to execute a lease agreement between the City and Centre Street Restaurant Group, Ltd., subject to the tenant causing Barnett Bank to deliver its release of claims to the docks.

ADOPTED this _____ day of _____, 1997.

CITY OF FERNANDINA BEACH

ROBERT B. ROGERS
Commissioner-Mayor

ATTEST:

VICKI P. CANNON
City Clerk

RESOLUTION 2019-161

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, APPROVING AN ADDENDUM TO LEASE BETWEEN THE CITY OF FERNANDINA BEACH AND CENTRE STREET RESTAURANT GROUP, LTD., FOR THE PROPERTY KNOWN AS BRETT'S WATERWAY CAFE; AUTHORIZING EXECUTION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Fernandina Beach entered into a lease with Centre Street Restaurant Group, Ltd, on January 1, 1997, for the property known as Brett's Waterway Cafe; and

WHEREAS, both parties wish to clarify the use of the walkway space along the building's side; and

WHEREAS, the parties have written a proposed addendum to the lease (Exhibit "1").

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

SECTION 1. The City Commission hereby approves the Addendum to Lease, attached hereto as Exhibit "1."

SECTION 2. The City Manager and City Clerk are hereby authorized to execute the Addendum to Lease, upon review and approval of the City Attorney.

SECTION 3. This Resolution is effective immediately upon its final passage.

ADOPTED this 17th day of September, 2019.

ATTEST:

CITY OF FERNANDINA BEACH



Caroline Best
City Clerk



John A. Miller
Mayor – Commissioner

APPROVED AS TO FORM & LEGALITY:



Tammi E. Bach
City Attorney

ADDENDUM TO LEASE

The purpose of this addendum ("Addendum") is to clarify certain terms of the Lease made between the City of Fernandina Beach, a municipal corporation (the "City") and Centre Street Restaurant Group, Ltd., a Florida limited partnership ("Centre Street") made as of January 1, 1997 (the "Lease") for the property known as Brett's Waterway Café ("Brett's"). A copy of the Lease is marked **Exhibit A** and attached hereto. A copy of a diagram showing the area leased by Brett's is marked **Exhibit B** and attached hereto.

WITNESSETH:

Whereas, the City notified Brett's Waterway Café by letter of May 1, 2019 from the City Manager, Dale L. Martin, that upon observation it appeared that Brett's was operating outside the bounds of the defined lease area; specifically, into an area of City property intended to serve as a walkway. A copy of Mr. Martin's letter is marked **Exhibit C** and attached hereto. The Lessee, Centre Street, responded to Mr. Martin's letter through counsel by correspondence dated June 11, 2019 directed to Tammy Bach, Esq., the attorney for the City. A copy of that letter is marked **Exhibit D** and attached hereto.

Whereas, a meeting was had between Tammy Bach, Esq., Dale Martin, Bryan Simpson, Brett Carter and J. Thomas McKeel, Esq. on the morning of June 18, 2019 in the City's conference room to discuss the matters raised by Mr. Martin in his letter and the Lessee's letter to Tammy Bach, Esq.

Whereas, the City, pursuant to the terms of the Lease, was required to perform maintenance on the commons areas surrounding and in front of Brett's and Brett's has, at its own expense in the amount of approximately \$350.00 per month, paid for the landscaping in front of and adjacent to Brett's in order to beautify the property and make it an attractive venue for the visitors of the City and the customers of Brett's. In addition, Brett's has, at its own expense, maintained the deck adjacent to the restaurant, the railing, the overhead ceiling and the roof of the area of the walkway in question. The maintenance of this area is also the responsibility of the City under the terms of the lease. The City has acquiesced and Brett's has performed this maintenance at its own expense in performing this duty which is the duty of the City, under the terms of the Lease. Brett's estimate of the cost of this maintenance on an annual basis is approximately \$2,500.00.

Whereas, in an effort to amicably resolve the differences of opinion as expressed in Mr. Martin's letter as well as the Lessee's letter to Tammy Bach, Esq., the parties have agreed to the following:

1. The Lease has approximately six (6) years left on the initial term of thirty (30) years. The Lessee agrees to continue the maintenance of the landscaping as reflected in the photographs attached to Exhibit D and also agrees to continue the normal maintenance of the railing, the deck, the wall underneath the roof, the ceiling and the roof of the walkway at no additional expense to the City.

2. In return for the maintenance of the landscaping and the walkway, the City agrees to allow Brett's to use the portion of the walkway adjacent to the restaurant as long as Brett's leaves an area free and clear of all obstructions (temporary or permanent) of no less than five (5) feet measured from the southern railing to the north for public ingress/egress. Brett's may place tables and chairs to serve its customers during the months of October, November, December, January, February and March in order to accommodate Brett's customers during colder months.

CENTRE STREET RESTAURANT GROUP, LTD, a Florida limited partnership

Signed, sealed and delivered
In the presence of:

Witness
Sanetha bas
Witness

CENTRE STREET RESTAURANT
GROUP, INC, its General Partner

By: [Signature]
Its Vice President

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 19 day of August, 2019, by Bryan Simpson, Jr., as Vice President of Centre Street Restaurant Group, Inc., the general partner of Centre Street Restaurant Group, Ltd.



[Signature]
Notary Public
State of Florida at large
My Commission expires:
(Notary Seal)

THE CITY OF FERNANDINA BEACH, a municipal corporation

Signed, sealed and delivered
In the presence of:

Witness
[Signature]
Witness
[Signature]

THE CITY OF FERNANDINA BEACH,
a municipal corporation under the laws
of Florida

By: [Signature]
Its Mayor - Commissioner

APPROVED AS TO FORM :

[Signature]

Attest: Caroline Best
Its City Clerk

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 19th day of September, 2019, by Tammie Beck and John A Miller the Mayor - Commissioner and City Clerk, respectively, of The City of Fernandina Beach, a municipal corporation under the law of Florida, on behalf of the municipal corporation.

[Signature]
Notary Public
State of Florida at large
My Commission expires
(Notary seal)



KIMBERLY ELLIOTT-BRILEY
Notary Public, State of Florida
My Comm. Expires Feb. 5, 2020
Commission No. FF 947535

LEASE

THIS LEASE is made as of this 1ST day of January, 1997, by and between the City of Fernandina Beach, a municipal corporation (the "City"), and Centre Street Restaurant Group, Ltd., a Florida limited partnership (the "Lessee") (hereinafter the "Lease").

WITNESSETH:

WHEREAS, City is the owner of certain real property located on the waterfront of Fernandina Beach, Nassau County, Florida, lying immediately west of the Seaboard System Rail Right-of-Way and commonly referred to as "City Marina and Hugh Stone Property" (the "Harbour Market" or the "Property"), which is more fully described on Exhibit "A" attached hereto, and

WHEREAS, the City executed a Development and Lease Agreement with The Center Street Waterfront Group, Inc., ("CSWFG") the predecessor to Fernandina Harbor Joint Venture ("FHJV") of October, 1984, and FHJV executed a sublease for part of the Property with Fernandina Marina Investors, Ltd., ("FMI"), and another sublease for part of the Property with Lessee, and the City executed a Recognition Agreement pertaining to these subleases, (copies of which are attached hereto as Exhibit "B") and

WHEREAS, a Planned Unit Development ("PUD") has been adopted which applies to this Property (a copy of which is attached hereto as Exhibit "C"), and

WHEREAS Lessee has executed a mortgage on its leasehold referred to as the CBDG Block Grant Mortgage (a copy of which is attached hereto as Exhibit "D"), and

WHEREAS FHJV has obligated itself on certain bonds ("the Bonds") (copies of which are attached hereto as Composite Exhibit "E") which Lessee has agreed to pay to the extent it can from the Lease Parcel, and

WHEREAS Lessee has entered into certain sub-sub leases with Amelia's Restaurant, Inc. and Front and Centre, Inc. (copies of which are attached hereto as Exhibit "F"), and

WHEREAS City and Lessee, among other things, has entered into a Settlement Agreement which terminates the Development and Lease Agreement, (a copy of which is attached hereto as Exhibit "G"), and

WHEREAS, City and Lessee, pursuant to the Settlement Agreement, now wish to enter into a direct lease of a portion of the Property described on Exhibit "H" annexed hereto (the "Lease Parcel").

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations of the parties hereto, City and the Lessee each covenant and agree as follows:

ARTICLE I

The Lease Parcel

1.1 Subject to the terms and conditions set forth herein the City leases to the Lessee, and the Lessee leases from the City, the Lease Parcel, together with all the tenements, improvements and appurtenances thereto belonging or appertaining to the Lease Parcel, and together with and subject to all easements benefiting or burdening the Lease Parcel. The City acknowledges that Lessee has entered into certain existing subleases which subleases are listed on attached Exhibit "F", and copies of which are attached hereto.

1.2 Lessee shall have the right in common with others to use Common Areas on the Property. All Common Areas, as hereinafter defined, shall at all times be subject to the exclusive control and management of the City and the City shall have the right but not the obligation to construct, maintain and operate lighting facilities on all said areas; to police the same; to change the area, level, location and arrangement of parking areas and other facilities and to restrict parking by tenants, their officers, agents and employees to employee parking areas.

"Common Facilities" or "Common Areas" means all areas, space, equipment and special services provided by the City for the common or joint use and benefit of the occupants of the Property, their employees, agents, servants, customers, members of the public and other invitees of the City and the Lessee, including, without limitation, parking areas, access roads, driveways, retaining walls, landscaped areas, loading docks, pedestrian malls, courts, stairs, ramps and sidewalks, comfort and first-aid stations, washrooms, community hall or auditorium (if any) and parcel pick-up stations.

The City shall have the right to close all or any portion of the Common Areas or facilities to such extent as may, in the opinion of the City's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein, to close temporarily all or any portion of the parking areas or facilities to discourage non-customer parking, so long as such closure does not create an unreasonable hardship on the operation of the Lease Parcel. The City shall keep Common Areas located on all the Property, except the Lease Parcel, and the Lessee shall keep the Common Areas located on the Lease Parcel, clean and in good repair and available for the purposes for which they were intended. The City or its designee shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Common Areas and facilities on the Property.

1.3 The City reserves the right, at any time, to add to or reduce or to relocate the various buildings (other than on the Lease Parcel), automobile parking areas, and other Common Areas on the Property as shown on the site plan of Harbour Market (the "Site Plan") attached hereto as Exhibit "I" subject to the applicable PUD. The City agrees the existing parking on the Property, and any changes to that parking, will comply with the PUD, and will satisfy Lessee's obligation to provide parking for operation of the Lease Parcel under all applicable municipal zoning. Lessee acknowledges that there will be inconveniences to the restaurant and the use of parking spaces during construction on the Property. Lessee agrees that it will not make any claim for interference with the Lease Parcel or any operation thereon on account of such interruptions, so long as such interruptions do not deprive Lessee of reasonable access to the Lease Parcel.

1.4 The City will use its good faith efforts to cause any patrons or employees of any gambling boat regularly moored at the City Marina to park other than on the Property.

ARTICLE II

Lease Term

2.1 The term of this Lease shall be for a period commencing on the date hereof and continuing until a date forty years from the commencement of construction of marina improvements which is December 1, 2025.

ARTICLE III

Lease Payments

3.1 Rent.

(a) The Lessee shall pay as rent five percent (5%) of all Gross Revenues which it receives from the Lease Parcel. An example of this rent calculation is attached hereto as Exhibit "J".

(b) The Lessee shall pay all sales taxes due on such rentals.

(c) The rent payable hereunder shall be net to the City and Lessee agrees therefore to pay all expenses of ownership of the leasehold estate and improvements on the Lease Parcel, including, without limitation, all insurance premiums, ad valorem taxes found to be due after the date of the dismissal of the FMI bankruptcy Case Number 95-1624 for any period of time after such dismissal, but not for any prior period as referred to in the Settlement Agreement and other taxes and any other costs attributable thereto, including maintenance, repair and replacement of any and all improvements and structures now or hereafter on the Lease Parcel.

3.2 The rent shall be payable on a monthly basis and shall be due commencing on the first day of March, 1996.

3.2.5 Lessee agrees that all monies generated by the Lease Parcel to Lessee will be paid only to satisfy the following debts in the following sequence until the CBDG Block Grant Mortgage and the Bonds are paid in full:

- A. CBDG Block Mortgage installment payments or prepayments.
- B. Rent and any other obligations under this Lease.
- C. Installment payments to Barnett Bank, or its successor, required by the Bonds.

3.3 "Gross Revenues" includes only all revenues actually received by Lessee from the Lease Parcel. These revenues do not include those amounts held by Lessee as a deposit to secure a prospective tenant to lease to begin in the future; damage deposits, sums collected and paid out as a conduit such as sales, excise and other taxes, or other amounts which are generally not income under generally accepted accounting principles or federal income tax laws.

3.4 Accounting Procedures.

(a) All sales shall be registered on a cash register except sales derived from vending machines and rental revenues and those sales shall be recorded on daily ledger sheets and all financial records of Lessee shall be subject to inspection by the City.

(b) The Lessee shall make available within the City of Fernandina Beach true and complete records and accounts of all Gross Revenues and business transactions, including daily bank deposits, and annually furnish within one hundred five (105) days of the end of each fiscal year, a true and accurate statement for the preceding fiscal year of all such revenues and business transacted during such preceding year, which statement shall be verified by Lessee's certified public accountant as being correct. Lessee agrees to establish and maintain a system of bookkeeping satisfactory to the City's auditor and to give the City access, during reasonable hours, to such books and records. The City's auditor and the City Manager, and their respective authorized representatives, shall each have the right at any time and from time to time to audit all of the books of account, bank statements, documents, records, returns, papers, and files of the Lessee pertaining to business transacted and the Lessee, on request by any of them, shall make all such matters available for such examination. If the City shall make or have such an audit made for any year and the gross revenues and business

transacted shown by the Lessee's statement for such year shall be found to be understated by more than one percent (1%), the Lessee shall pay the City, the cost of such audit. The right of the City to have such an audit made with respect to any year shall expire three (3) years after the Lessee's statement for any year shall have been delivered to the City.

(c) The Lessee agrees to furnish to the City a true and correct copy of the State Sales and Use Tax Report as required by the Florida Department of Revenue and shall furnish a State Sales and Use Tax Report Number upon the execution of this Lease.

(d) Lessee hereby authorizes the City to apply to the Florida Department of Revenue for information and reports of Lessee as will enable the City to determine the amount of Lessee's Gross Receipts for the period comprising the term of this Lease.

3.5 Late Payment. Any Lease payments which are received by the City more than ten (10) days from their due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid.

3.6 Common Area Maintenance.

(a) The City agrees to pay the total cost and expense incurred in operating, maintaining and repairing the Common Areas located on the Property exclusive of the Lease Parcel and, the Lessee agrees to pay the total cost and expense incurred in the operating, maintaining and repairing the Common Areas located on the Lease Parcel. Said costs and expense shall specifically include, without limitation, property management, gardening, landscaping and irrigation for landscape, repairs, line painting, lighting, sanitary control, removal of trash, rubbish and garbage, and other expense and cost of personnel to implement such services, to direct parking and to police the facilities, any ad valorem taxes found to be due after the date of the dismissal of the FMI bankruptcy Case Number 95-1624 for any period of time after such dismissal, but not for any prior period as referred to in the Settlement Agreement, and liability insurance premiums related thereto, although the City agrees to continue to permit Lessee to locate a dumpster (which will be paid for by Lessee) on the Property at a reasonable location designated by the City, at no charge for this location.

(b) The City covenants and agrees to give Lessee written notice of the tax assessments, whether tentative or final, levied or proposed to be levied against the Lease Parcel within ten (10) days after receipt by the City of notice thereof. Upon Lessee's written request, the City agrees to exert its best efforts to bring about the elimination or reduction of tax assessments covering the Lease Parcel, not including litigation. Lessee may institute related legal proceedings in its own name, or in the

name of the City as property owner, when appropriate, but Lessee shall pay all costs and attorney's fees relating to such efforts or proceedings brought by Lessee.

ARTICLE IV Quiet Enjoyment

4.1 Lessee, upon paying the rent and other charges due hereunder and observing and performing all other covenants and agreements herein on its part to be performed and performing all obligations under the CBDG Block Grant Mortgage, may quietly have and enjoy the Lease Parcel during the term hereof without hindrance or molestation by anyone. With the exception of the right to approve plans as described in Section 6.2 and any other rights specifically granted to the City hereunder, the City shall have no authority over or voice in the affairs of Lessee.

ARTICLE V Purpose and Use

5.1 It is the purpose of the City in granting this Lease to assure the continued operation of a first-class restaurant for the residents of the City of Fernandina Beach and people utilizing the marina facility adjacent thereto.

5.2 The Lease Parcel shall be used only for the operation of restaurants and bars, and gift shops including catering and take-out service and including gifts and the incidental sale at retail of items designed to promote the restaurant and gift businesses and which are customarily sold in restaurants and gift stores as part of their operations, including such items as hats and T-shirts bearing the name or marks of the restaurant operated on the premises. No different other use is or shall be permitted without the prior written approval of the City.

5.3 Lessee shall not sell any bait or fishing tackle, nor any fresh seafood for off-premises consumption except for seafood which has been prepared for restaurant take-out or catering service.

5.4 In no event shall any portion of the Lease Parcel be used for offices except such executive office as may be reasonable and necessary for use of the on-site restaurant manager without the prior written consent of the City.

ARTICLE VI Construction

6.1 The building housing the restaurant and gift shop and other improvements on the Lease Parcel shown on the plans approved by the City (the "Plans") have already been constructed.

6.2 No other improvements may be constructed on the Lease Parcel until the plans and specification therefor have been approved by the City in writing. Any Plans submitted to the City and not acted on by the City within forty-five (45) days after receipt thereof shall be deemed to be approved.

6.3 Notwithstanding any other provision of this Lease, the interest of the City in the Property shall not be subject to liens for improvements made by or for Lessee and in no event shall the City be liable for or subjected to any mechanic's, materialmen's or laborer's liens for work done by Lessee for or with the consent of Lessee or for which Lessee is responsible. If any such lien is asserted against the interest of the City, Lessee agrees to cause the same to be discharged of record (either by payment or by bond as permitted by law) within thirty (30) days after notice to Lessee and failure to do so shall constitute a default hereunder.

ARTICLE VII

Ownership of Improvements

7.1 At the end of the term of the Lease, any improvements constructed by Lessee shall be the property of the City, free and clear of all liens or claims whatsoever, except that personal property installed by Lessee not permanently affixed to the facilities may be removed, provided that, if said removal causes any damages to the facilities, Lessee will repair said damages in a proper and satisfactory manner to the City at Lessee's own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be classified as personal property and shall be considered as part of the real estate owned by the City.

ARTICLE VIII

Access to Lease Parcel

8.1 Subsequent to the date hereof, the Lessee shall permit the representatives of the City unlimited access to the Lease Parcel and every part thereof, subject to reasonable notice and security measures imposed by Lessee at all reasonable times.

ARTICLE IX

Warranty

9.1 The Lessee warrants that all public improvements upon the Lease Parcel which will be for public use shall be fit for their intended use. "Public improvements," for the purpose of this section, shall mean all improvements other than private offices and tenant occupied space.

ARTICLE X
Covenants and Restrictions

10.1 The City and the Lessee agree that the following restrictions shall be covenants running with the title to any interest in the Lease Parcel for the duration of this Lease and shall be binding on the City, the Lessee and the successors and assigns of the parties and all other successors in interest to the Lease Parcel or any part thereof:

(a) That the Lease Parcel shall be devoted and used in accordance with the uses specified in Article V of this Lease.

(b) That all utility distribution lines shall be placed underground.

(c) That the City shall retain a perpetual easement to be set forth in an appropriate instrument in recordable form for ingress, egress and right-of-way on and over any public promenade which has been or may be constructed on the Lease Parcel for the purpose of providing access to any public facilities on the Property, provided the same does not unreasonably interfere with the operation of the Lease Parcel, which easement is to be described in a document to be recorded within ninety days of the date of execution of this Lease, and will include those portions of the Lease Parcel as shown on the attached a sketch attached hereto as Exhibit "K", to be negotiated consistent with the PUD.

ARTICLE XI
Representations as to Lessee

11 The Lessee represents and agrees that this Lease of the Lease Parcel and its other undertakings pursuant hereto are for the purpose of development and operation of the Lease Parcel and not for speculation in land holding.

ARTICLE XII
Special Provisions

12.1 Lessee may not assign its interest in this Lease without the prior written approval of the City, which approval shall not be unreasonably withheld. A Lender may, however, assign this Lease after foreclosure to any person or entity to which assignment is permitted hereunder.

12.2 The Lessee shall be responsible for the development of all improvements on the Lease Parcel at the Lessee's sole cost and expense, pursuant to the terms and conditions of this Lease.

12.3 The restaurant and gift shop on the Lease Parcel shall be operated so as

to provide employment and service, without regard to age, religion, sex, race, other condition, or the political subdivision in which the customer may reside.

12.4 The parties understand and agree that, subject to the conditions set forth herein and particularly the provisions relating to the use of the Lease Parcel, no subleases executed by the Lessee shall be affected by the termination of this Lease. The conditions of this nondisturbance provision shall be:

(a) that the sublease not exceed a term of five (5) years, including renewals; or

(b) that, if the term of such sublease exceeds five (5) years that it be approved by the City Manager and the City Commission prior to the execution thereof to ascertain that said sublease is the result of arms-length negotiations and reasonable under the circumstances; and

(c) that the sublessee is not in default of its sublease agreement; and the form of the sublease agreement has been given prior written approval by the City Attorney; and

(d) the form of the sublease agreement has been approved by the City Attorney which approval shall not be unreasonably withheld or delayed;

(e) such sublease does not provide for rentals to be payable for more than one (1) month in advance.

12.5 The City shall cooperate with the Lessee in securing all required municipal permits and approvals in accord with the City's adopted regulations and procedures.

The City Manager, City Attorney and the City Commission have approved the terms, conditions and the form of the subleases by the Lessee to Amelia's Restaurant, Inc., a Florida corporation, dated August 1, 1988, as amended and the lease to Front and Centre dated October 1, 1993, copies of which are attached.

ARTICLE XIII

Indemnification and Hold Harmless

13.1 The Lessee shall defend and indemnify the City and save it harmless from any actions, damages, liability and expense of life, bodily or personal injury, or from or out of any occurrence in, upon, or under the Lease Parcel and will indemnify the City from all claims, suits, in connection with loss property damage arising at or about the Lease Parcel or any part thereof throughout the entire lease term, or occasioned wholly or in part by any act or omission of the Lessee, its agents, contractors, employees,

servants, invitees, licensees, or concessionaires.

ARTICLE XIV Insurance Required

14.1 The Lessee shall maintain hazard and liability insurance with the City named as an additional insured and provide the City with certificates of insurance during the term of this Lease Agreement. The City has the right of approval of the insurance contracts which shall provide minimum liability coverage in amounts equal to those which would be commercially reasonable in the industry; and shall provide casualty and hazard insurance on the improvements in an amount equal to their fair market value.

14.2 Lessee shall provide, at Lessee's cost, general liability insurance coverage with single limits as may be reasonably required by the City (but not less than \$1,000,000), naming the City and persons claiming by, through or under the City as insureds.

ARTICLE XV Operational Requirements

15.1 The Lessee shall comply with the following operational requirements:

(a) To secure and maintain all licenses required and to pay when due all taxes and assessments which shall be imposed or assessed by governmental units in connection with the business or operation conducted, pursuant to the provisions of this agreement and to otherwise comply with all applicable taxes, ordinances, rules, regulations, or policies established by the City or any local, state or federal governmental unit or authority.

(b) To keep and maintain the buildings, piers, pier foundations, docks and structures located on the Lease Parcel clean, orderly, and in a good state of repair and free and clear of any obstruction, rubbish or litter, in accordance with Florida State Sanitation Laws and the laws, ordinances, rules, regulations or policies of any local, state or federal governmental body and in a structurally sound condition.

(c) To maintain good public relations, to conduct said facilities in a manner which is courteous and fair to the public and to be responsible to customers' requests and complaints.

(d) To pay all utilities, including water, sewer, garbage disposal fees and electrical charges in connection with the operation of the facilities.

(e) To install at its own expense all facilities and equipment, including

not limited to public access and utility services.

(f) To be the insurer of the City against risk of loss or theft of or damage to any City fixtures, equipment and personal property which are a part of or located in and on the Lease Parcel and shall promptly replace or repair the same within sixty (60) days of such loss, theft or damage.

(g) To pay promptly all taxes, excise or license fees of whatever nature including ad valorem taxes found to be due after the date of the dismissal of the FMI bankruptcy Case Number 95-1624 for any period of time after such dismissal, but not for any prior period as referred to in the Settlement Agreement, applicable to this operation or property or Lease Parcel and take out and keep current all licenses, municipal, state or federal, required for the conduct of the business, and further shall not permit any of said taxes, excise or license fees to become delinquent. Lessee shall comply with all local, state and federal rules and regulations relating to the operation of said facilities. Lessee shall not permit any mechanic's or materialmen's or any other lien to be imposed upon the property hereinabove described or any part or parcel thereof by reason of any work or labor performed or materials furnished by any mechanic or materialmen to said facilities or upon or regarding said property or said facilities herein granted. Lessee shall pay promptly when due all bills, debts and obligations incurred in connection with the operation of the Lease Parcel and not permit same to become delinquent and suffer no lien, mortgage, judgment, execution or levy against the Lease Parcel.

15.2 Upon inspection of the Lease Parcel by the City Manager or his designee (as provided below), if it is found that conditions or practices exist which are in violation of Section 15.1 of this lease, or otherwise constitute operational defaults, the City Manager or his designee shall furnish the Lessee with a list of those violations that said inspection revealed, and give the Lessee thirty (30) days' written notice to remedy said violations. Failure of the Lessee to remedy said violations within said specific time shall constitute a default by Lessee and entitle the City to exercise its remedies as herein provided.

15.3 A default of any of the duties or obligations of the Participating Partners of the CBDG Block Grant Mortgage shall constitute a default of this Lease.

ARTICLE XVI

Default

16.1 If Lessee defaults in the payment of rent and such default continues for fifteen (15) days after written notice thereof to Lessee or if Lessee defaults in the performance of any other of its obligations hereunder and such default continues for a period of thirty (30) days after written notice thereof to Lessee, the City may terminate

this Lease and may re-enter and retake possession of the Lease Parcel, subject, however, to the rights of leasehold mortgagees under section XVII of this Lease. If any default other than the payment of money is of a nature that it cannot be cured using due diligence within the thirty (30) day period provided for, the period for effecting such cure shall be extended for a reasonable time, but not more than sixty (60) days, so long as Lessee is diligently prosecuting the work required to effect such cure except as to structural repairs which must be corrected promptly. The Lessee is required to diligently prosecute the work required to effect such cure of structural repairs.

16.2 The City shall have all other rights and remedies available to landlords under Florida law.

16.3 The failure of the City to insist in any one or more cases upon the strict performance of any of the covenants of this Lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by the City of rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach and no waiver by the City of any provision of this Lease shall be deemed to have been made unless expressed in writing. In addition to the other remedies in this Lease provided, the City shall be entitled to the restraint by injunction of the violations, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Lease.

16.4 No default (other than a default in the payment of money) shall be deemed to exist or continue if and so long as the default shall be caused by reason of Lessee being delayed in or prevented from remedying the same by fire, casualty, strikes, lockouts or labor disturbances, act of God or the public enemy, or order, direction or lawful interference by any municipal, state, or governmental agency, but, if and when the occurrence or condition which caused, delayed or prevented the remedying of such default shall be removed or cease to exist, it shall be the obligation of Lessee to remedy such default as speedily as practicable and with all due diligence.

16.5 Upon termination hereof, by either expiration or by default and repossession as provided above, all improvements shall become the property of the City except that, if Lessee is not in default, Lessee shall have the right to remove from the Lease Parcel all personal property installed by Lessee not permanently affixed to the facilities, subject, however, to any valid lien or claim which the City may have for unpaid fees or charges for repair of the facilities, provided also that, if said removal causes any damage to the Lease Parcel, said Lessee will repair the same in a proper and satisfactory manner at its own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be considered personal property.

16.6 No termination of this Lease, pursuant to the above, nor taking or recovering possession of the premises, pursuant to Section 16.1 above, shall deprive

the City of any other action against Lessee for possession, for rent, or for damages, nor shall any action for rent or damages prevent the City from proceeding to recover possession, pursuant to the provisions of this Lease. In no case shall any omission by the City to enforce any forfeiture or to exercise any other remedy belonging to it or to require a strict performance of all the terms of this lease be deemed or taken to be a waiver by the City of a right to enforce a forfeiture or pursue any other remedy or remedies herein given or allowed by law, or of the right to have and expect a strict performance of all the covenants of this lease by Lessee. The consent or approval of the City given in any instance with respect to any particular matter shall not be or be deemed to be a consent or approval with respect to the same or any other similar or dissimilar matter in any other instance.

ARTICLE XVII

Leasehold Mortgage

17.1 It is contemplated by the parties that Lessee has financed a portion of the total development and construction cost of improvements on the Lease Parcel by means of a mortgage of the leasehold estate created by this Lease and of Lessee's entire interest in the Lease Parcel, but it is also contemplated that such mortgage will and it is agreed that such shall be subordinate to the City's right as Lessor under this Lease. Lessee shall also have the right from time to time during the term of this Lease to place any substitute or additional mortgage on the leasehold estate created by this lease and on Lessee's interest in the Lease Parcel, but all such mortgages shall be subordinate to the City's interest as Lessor under this Lease.

17.2 In the event that at any time during the term of this Lease the leasehold interest of Lessee is subject to a mortgage in accordance with the provisions of Section 17.1 above, then so long as such mortgage is outstanding and unreleased a copy of any notice at any time required or permitted under the terms of this Lease to be given by the City to Lessee shall at the same time be sent to the mortgagee, provided that prior thereto Lessee shall have given written notice to the City of the existence of said mortgage and that the holder's name and address are on file with the City and have stated in said notice the address of the mortgagee to which copies of all notices under this Lease shall be delivered or made.

17.3 The City may, at its option, prohibit the transfer of this Lease to or by Lessee's mortgagee(s) provided that, if the City exercises such option, City shall pay to such mortgagee(s) an amount equal to the then outstanding obligations secured by such mortgage loan. The City shall exercise this option within forty-five (45) days of receipt of notice of default of Lessee by the City. Such payment shall be made by the City within one hundred eighty (180) days of the notice of default under such mortgage(s) to the City.

17.4 Any mortgage shall be subject to the limitations as to the amount which may be secured thereby which are provided for in the Development and Lease Agreement (Exhibit "B"). In determining the limitations in the amount of mortgages permitted, the Lease Parcel shall be considered as separate from the remainder of the Property and the amount of any such loan shall in no event exceed seventy-five percent (75%) of the value of the improvements on the Lease Parcel determined as provided in the Development and Lease Agreement (Exhibit "B"). Section 12.02 of the Development and Lease Agreement (Exhibit "B") provides that the mortgage securing the CBDG Block Grant Mortgage shall not be included in this mortgage amount to determine the loan-to-value ratio. The parties affirm that it is their intent that the provisions of the Development and Lease Agreement (Exhibit "B") be applicable in determining limitations on mortgage amounts provided for in this Section.

ARTICLE XVIII The Agreement

18.1 This Lease shall be governed by and construed in accordance with the laws of the State of Florida.

18.2 Any amendments to this Lease will be in writing and shall be executed by both Lessee and the City with the same formality as this Lease.

18.3 For purposes of this Lease, any notice required to be given shall be given in accordance with this document by delivering written notice to the City Manager at Post Office Box 668, Fernandina Beach, Florida 32234. Notice shall be given to the Lessee by delivering written notice to Joseph M. Hixon, 4400 Marsh Landing Boulevard, Suite 7, Ponte Vedra Beach, Florida 32082, Attention: Thomas Ingram, and to Bryan Simpson, Jr., 1061 Riverside Avenue, Jacksonville, Florida 32204.

18.4 In the event it becomes necessary to file suit in connection with this Lease, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs against the losing party.

18.4.5 Any and all disputes arising between the parties to this Lease shall be resolved by binding, mandatory arbitration. If any party to this Lease becomes aware of any such dispute, it may give written notice to the other party. Such notice shall include the nature of the dispute, its position as to the dispute, and the identity of an arbitrator designated by that party. The party who receives this notice shall, within twenty (20) days of receipt of the notice, deliver a written response stating its position as to the dispute, and identifying an arbitrator designated by that party. Within fifteen (15) days of the designation of the second arbitrator, the two designated arbitrators shall select a third arbitrator who will act as the chairman of the panel. The panel shall convene an arbitration hearing to decide the claim within forty-five (45) days of selection of the

chairman. The fees of the arbitrators and costs of the proceeding will be paid one-half by each party, although these fees and costs may be taxed against either party by the arbitrators at the conclusion of the matter. In all other respects, the arbitration shall be governed by the Florida Arbitration statute in effect at the time of the arbitration.

18.5 All covenants, warranties, conditions and agreements set forth in this Lease shall survive the execution of this Lease and other documents at any time executed and delivered under, pursuant to, or by reason of this Lease, and the payment of all monetary sums paid under, pursuant to, or by reason of this Lease shall continue to be binding on the Lessee and on its successors and assigns.

18.6 Lessee shall perform the conditions of this Lease as an independent contract and nothing contained herein shall be construed to be inconsistent with this relationship or status. Nothing in this agreement shall be in any way construed to constitute the Lessee or any of his agents or employee or representative of the City.

IN WITNESS WHEREOF, the City and the Lessee have caused this Lease to be executed as of the day and year first above written by their authorized representative as follows:

Approval by Resolution of the City Commission of the City of Fernandina Beach and attested and executed by the Authorized Representative of the City of Fernandina Beach, Florida, and Centre Street Restaurant Group, Ltd.

CENTRE STREET RESTAURANT GROUP, LTD. a Florida limited partnership

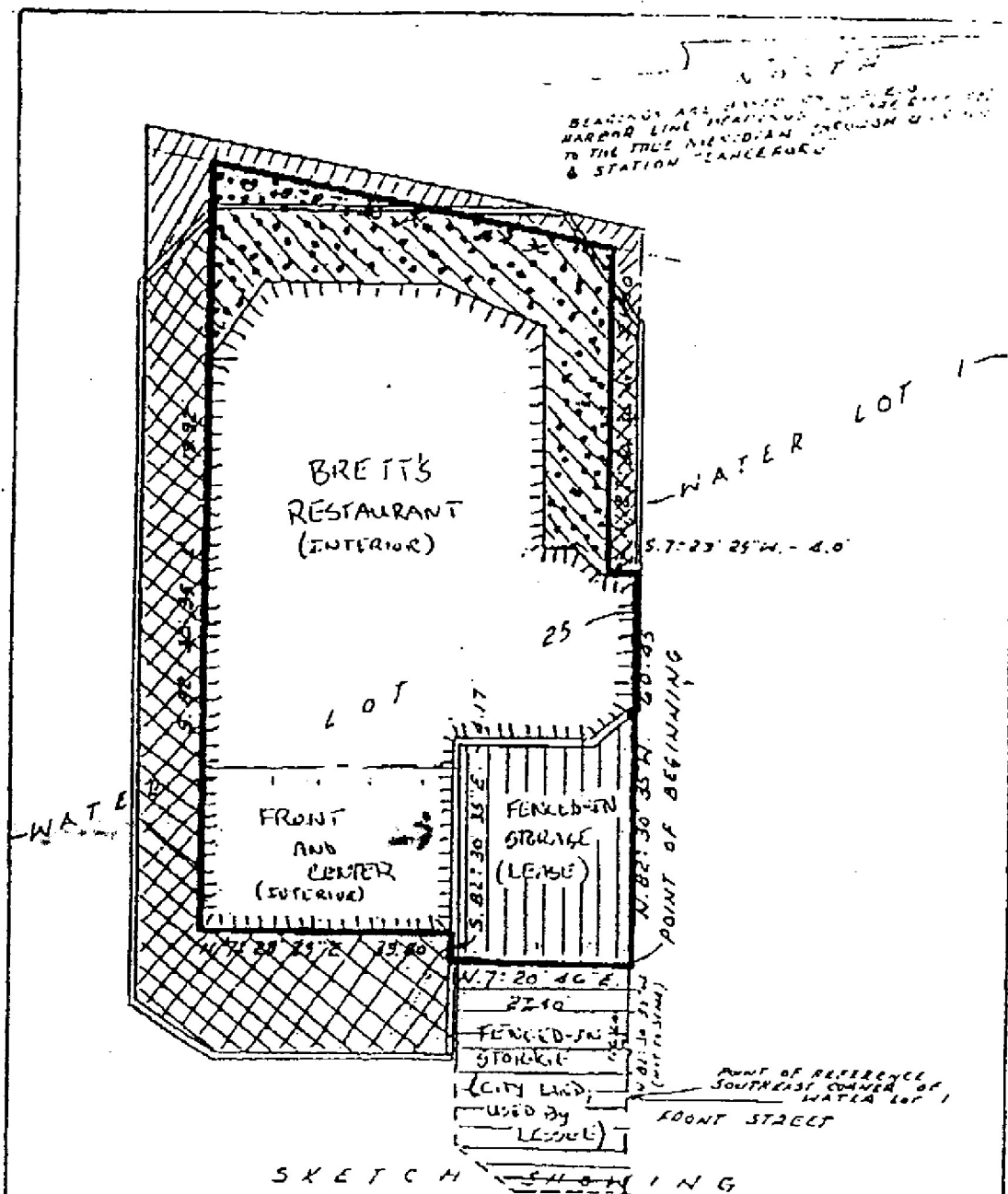
Signed, sealed and delivered
in the presence of:

Joy W. Jison
Stephen H. Hunt

BY: CENTRE STREET RESTAURANT
GROUP, INC., its general partner

By: Bryan Scarpis, Jr.
Its VICE President

and



A PORTION OF WATER LOT 25, FERNANDINA BEACH, FLORIDA.

AS SHOWN ON THE OFFICIAL PLAT OF SAID CITY (AS LITHOGRAPHED AND ISSUED BY THE FLORIDA RAILROAD COMPANY IN 1887 AND ENLARGED, REVISED AND RE-ISSUED BY THE FLORIDA TOWN IMPROVEMENT COMPANY IN 1881 AND 1901).

CITY OF FERNANDINA BEACH, FLORIDA.

THIS SKETCH DOES NOT PURPORT TO REPRESENT A FIELD SURVEY

PREPARED BY

SCALE: 1" = 20'
DATE: DECEMBER 9, 1996

VERNON N. DRAKE P.S. & M. NO. 1524
VERNON N. DRAKE & ASSOC., INC.
TELE 304-261-5370 - FAX 304-261-0160
20 BOX 262 - 103 SOUTH TENTH STREET
FERNANDINA BEACH, FLORIDA

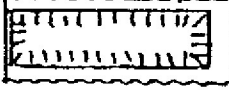
FILE NO. A15-B-1

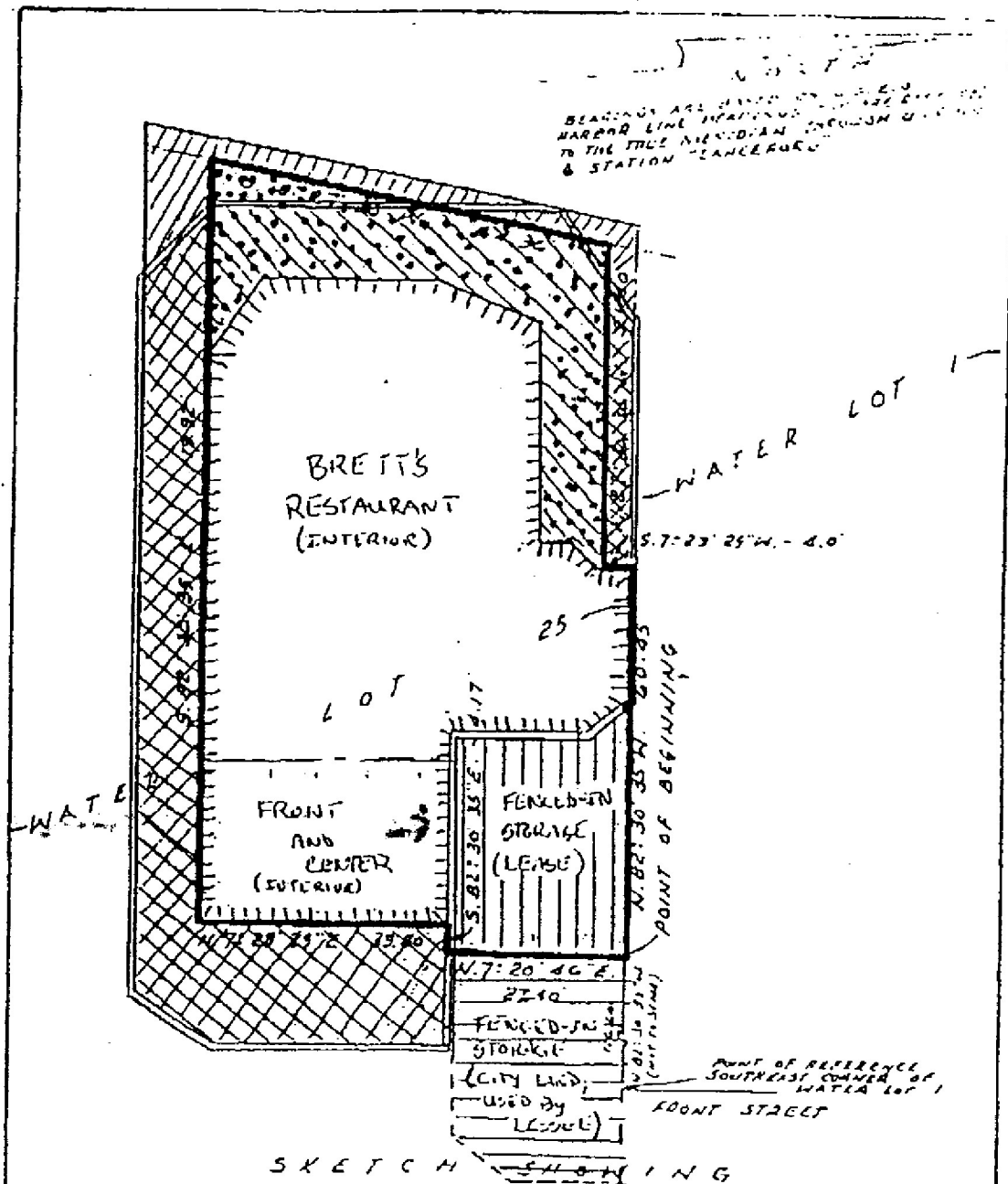


City of Fernandina Beach

OFFICE OF THE MARINA DIRECTOR

LEGEND

	 PUBLIC RIGHT-OF-WAY
	 LESSEE PORCH AREA
	 BORDER OF LEASE
	 EDGE OF ROOF
	 WALLS OF BUILDING



SKETCH SHOWING
A PORTION OF WATER LOT 25,
FERNANDINA BEACH, FLORIDA.

AS SHOWN ON THE OFFICIAL PLAT OF SAID CITY (AS LITHOGRAPHED AND
ISSUED BY THE FLORIDA RAILROAD COMPANY IN 1887 AND ENLARGED
REVISED AND RE-ISSUED BY THE FLORIDA TOWN IMPROVEMENT COMPANY IN 1881
AND 1901).

-FOR-
CITY OF FERNANDINA BEACH, FLORIDA.

THIS SKETCH DOES NOT PURPORT
TO REPRESENT A FIELD SURVEY

PREPARED BY

SCALE: 1" = 20'
DATE: DECEMBER 9, 1996

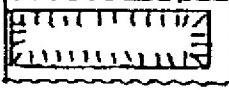
Vernon N. Drake
VERNON N. DRAKE P.S. & M. NO. 1524
VERNON N. DRAKE & ASSOC., INC.
TEL: 304-261-5370 - FAX 304-261-0160
20 BOX 262 - 103 SOUTH TENTH STREET
FERNANDINA BEACH, FLORIDA



City of Fernandina Beach

OFFICE OF THE MARINA DIRECTOR

LEGEND

	 PUBLIC RIGHT-OF-WAY
	 LESSEE PORCH AREA
	 BORDER OF LEASE
	 EDGE OF ROOF
	 WALLS OF BUILDING



City of Fernandina Beach
Office of the City Manager

Mr. Dale L. Martin
dmartin@fbfl.org

May 1, 2019

Brett's Waterway Cafe
Centre Street Restaurant Group
Attn: B. Simpson
PO Box 3317
Ponte Vedra, FL 32004-3317

Dear Mr. Simpson:

Based upon observation, it appears that Brett's Waterway Café has operated outside the bounds of the defined lease area: specifically, into an area of City property intended to serve as a walkway. A diagram depicting the leasehold is enclosed.

If you wish to open the current lease agreement for additional consideration of the subject area, please advise me; otherwise, please discontinue operations outside of the leasehold area.

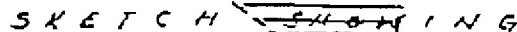
If you have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dale L. Martin".

Dale L. Martin
City Manager

Enclosure:
Leasehold diagram



- 48 -

FILE NO. A15 - 851

J. THOMAS McKEEL, P.A.
ATTORNEY AT LAW

303 CENTRE STREET, SUITE 103
FERNANDINA BEACH, FLORIDA 32034

(904) 261-9437 • FAX (904) 261-9438
EMAIL: jtm@mckeellaw.com
WEBSITE: www.mckeellaw.com

J. THOMAS McKEEL, ESQ.
FLORIDA SUPREME COURT CERTIFIED CIRCUIT MEDIATOR

June 11, 2019

Tammi Bach, Esq.
City of Fernandina Beach
516 S. 10th Street, Suite 213
Fernandina Beach, Florida 32034



RE: Lease dated January 1, 1997
Brett's Waterway Cafe
Centre Street Restaurant Group, Ltd.

Dear Tammi:

I have been retained by Bryan Simpson of Centre Street Restaurant Group, Ltd. for the purpose of seeking a resolution to a dispute that has arisen recently as a result of Dale L. Martin, the City Manager's, letter dated May 1, 2019, (copy attached) regarding the City's assertion that Brett's Waterway Café has been operating the restaurant outside the bounds of the defined lease area, specifically, an area of City property intended to serve as a walkway. I have attached a copy of a diagram of the leased property and the walkway which came attached to Mr. Martin's letter.

I have been advised that a meeting has been scheduled for Tuesday, June 18, 2019 at 9:00 A.M. at City Hall in the conference room, which would include Bryan Simpson, myself and presumably Mr. Martin, in an effort to see if we can come to some amicable resolution of the substance of the letter.

I am advised by Mr. Simpson that the restaurant has been utilizing a portion of the walkway directly adjacent to the outer boundary of the restaurant ever since the lease has been in force, approximately 22 years, without any previous complaint or interference by the City of Fernandina Beach.

I have reviewed the terms of the lease and based upon my interpretation of the lease, the City is responsible for maintaining that walkway, the railing and the ceiling and the roof of the walkway. I am told by Mr. Simpson that Centre Street Restaurant Group has always maintained that part of the walkway which includes painting, renovation and repairs, not only of the walkway and the overhang, but of the roof itself. The restaurant has always incurred this expense without asking the City for reimbursement with the understanding that it be considered a *quid pro quo* for the restaurant to use part of the walkway so long as it did not impair traffic on the walkway.

In addition, by my reading of the lease, the lease requires the City of Fernandina Beach to maintain the landscaping in front of and to the side of the restaurant and I am advised by Mr. Simpson that the restaurant has always paid for maintenance of the landscaping, which currently runs somewhere in the neighborhood of \$350.00 per month. I recently inspected the landscaping, shrubbery, etc. in front of the restaurant and it is well maintained and attractive in such a manner that I am sure it encourages customers to enter the restaurant and the souvenir store on the front part of the restaurant property. This maintenance has been provided as long as Mr. Simpson can remember, and that also gave Centre Street Restaurant Group the impression that maintaining the walkway and the landscaping was a contributing factor in the City's acquiescence in the restaurant using a small part of the walkway for its customers.

I have attached hereto for your review some photographs of the landscaping and also photographs of the entrance way which has severe cracks in the concrete which need to be addressed and which expose the City to liability, should any customers of the store, the restaurant or any visitors who might catch a heel or trip and injure themselves while entering either the store or the restaurant over City property

One cannot tell from Mr. Martin's letter how far outside the bounds of the defined lease area he believes the restaurant is operating, but I would hope that we would come to some understanding, given the above, that the restaurant can continue periodic use of a small portion of the walkway. I have done some research on prescriptive easements, and if what I am told is accurate, i.e., the restaurant has been using a portion of the walkway in excess of 20 (twenty) years, there also may be an issue of whether or not the City's acquiescence of such use has blossomed into a prescriptive easement, which would allow the restaurant to continue to use a portion of the walkway, so long as it did not impede the normal traffic of non-restaurant visitors.

I mention the above in an effort to lay out what I hope will be ground work, or a starting point, which can lead to an amicable resolution of the restaurant's use of a small portion of the walkway adjacent to the restaurant which would leave ample room for non-restaurant customers to traverse to and from the marina.

I look forward to meeting with you and, as always, if you have any comments or questions, please do not hesitate to call upon me.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "J. Thomas McKeel". The signature is fluid and cursive, with the first name "J. Thomas" and the last name "McKeel" clearly distinguishable.

J. Thomas McKeel

JTM/lb

Enclosures

cc: Bryan Simpson, Jr.
Dale L. Martin



City of Fernandina Beach
Office of the City Manager

Mr. Dale L. Martin
dmartin@fbfl.org

May 1, 2019

Brett's Waterway Cafe
Centre Street Restaurant Group
Attn: B. Simpson
PO Box 3317
Ponte Vedra, FL 32004-3317

Dear Mr. Simpson:

Based upon observation, it appears that Brett's Waterway Café has operated outside the bounds of the defined lease area: specifically, into an area of City property intended to serve as a walkway. A diagram depicting the leasehold is enclosed.

If you wish to open the current lease agreement for additional consideration of the subject area, please advise me; otherwise, please discontinue operations outside of the leasehold area.

If you have any questions, please contact me.

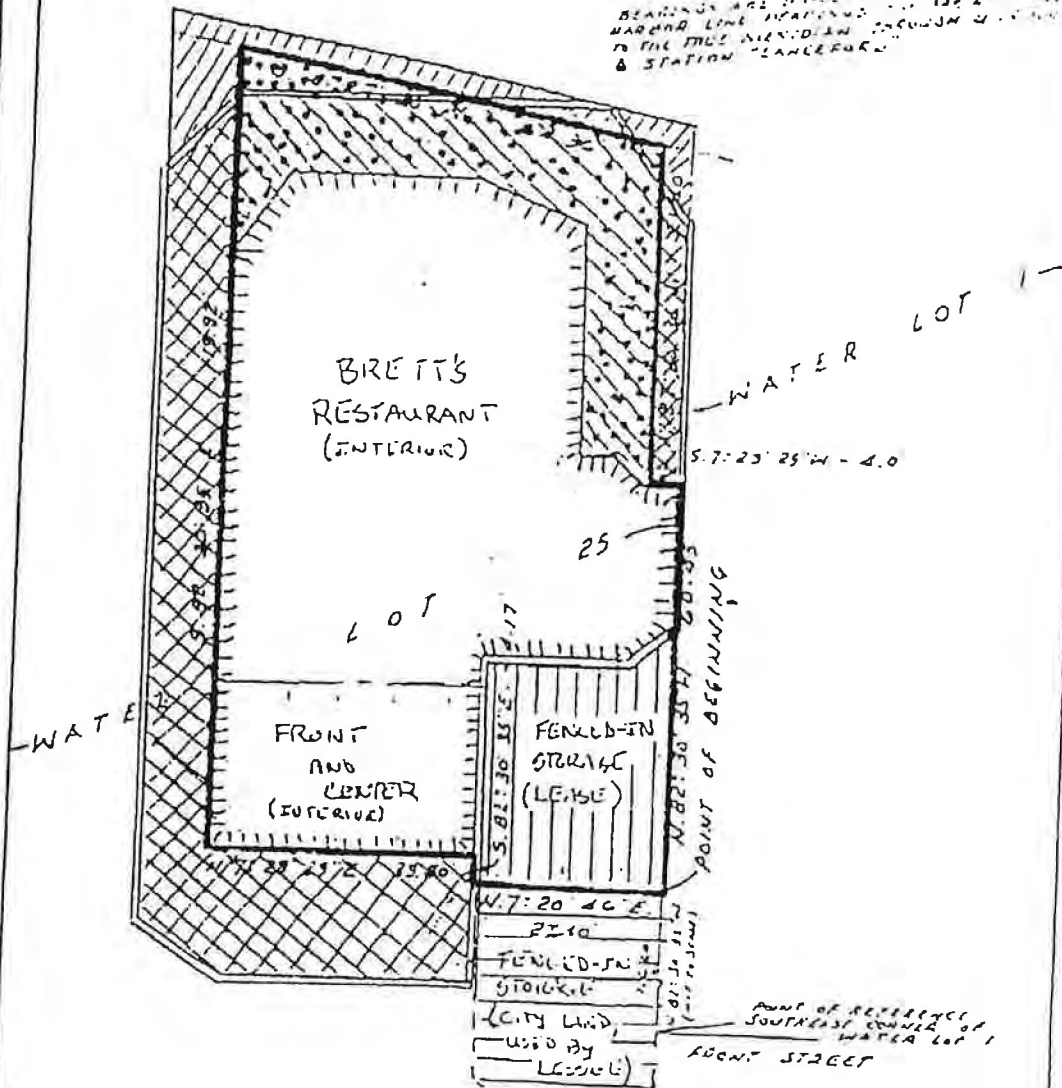
Sincerely,

A handwritten signature in dark ink, appearing to read "Dale L. Martin", is written over a light blue horizontal line.

Dale L. Martin
City Manager

Enclosure:

Leasehold diagram



SKETCH

A PORTION OF WATER LOT 25, FERNANDINA BEACH, FLORIDA

AS SHOWN ON THE OFFICIAL PLAT OF SAID CITY (AS LITHOGRAPHED AND ISSUED BY THE FLORIDA RAILROAD COMPANY IN 1857 AND 1864, AND REVISED AND RE-ISSUED BY THE FLORIDA TOWN IMPROVEMENT COMPANY IN 1887 AND 1891).

CITY OF FERNANDINA BEACH, FLORIDA.

THIS SKETCH DOES NOT PURPORT TO REPRESENT A FIELD SURVEY

PREPARED BY

SCALE 1" = 25'
DATE, DECEMBER 9 1936

WENON M. DRAKE P.S.E.M. NO. 1551
WENON M. DRAKE & ASSOC. INC.
FILE 904-201-5776 - FAX 304-121-0162
20 001 702 - 103 SOUTH FIFTH STREET
FERNANDINA BEACH, FLORIDA

FILE NO. A15-B11









RESOLUTION 2023-35

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, DIRECTING THE INTERIM CITY MANAGER AND CITY ATTORNEY TO TAKE NO FURTHER ACTION TO REPAIR OR DEMOLISH THE SUBSTRUCTURE OF BRETT'S WATERWAY CAFÉ AND TO MONITOR THE CONDITION OF THE SUBSTRUCTURE ANNUALLY AND AFTER STORM EVENTS WITH ANY CHANGES DOCUMENTED IN WRITING; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on July 2, 2021, the City Engineer issued a Notice of Unsafe Structure to the City of Fernandina Beach as property owner and Center Street Restaurant Group, Inc. ("Notice") as lessee regarding the leasehold at the waterfront known as "Brett's Waterway Café", citing concerns with structural deficiencies related to the concrete substructure; and

WHEREAS, the Notice required repairs to the substructure or vacating the leased property, and Center Street Restaurant Group, Inc., appealed the Notice to the City's Board of Adjustment ("BOA"), which appeal was denied by the BOA; and

WHEREAS, Center Street Restaurant Group, Inc., appealed the BOA's denial of the appeal to the Fourth Judicial Circuit Court, and on August 18, 2022, the BOA decision was quashed by the Court; and

WHEREAS, to date, the Notice of Unsafe Structure has not been further addressed by the Court or the City; and

WHEREAS, the City Commission does not wish for the City to take further action regarding the Notice of Unsafe Structure due to the results of imaging tests, deconstructive testing, and several engineers' reports of the concrete substructure. The conflicting engineers' reports disagree as to the safety of the substructure with no reports saying that the substructure is likely to collapse fully or partially; and

WHEREAS, estimated repairs to the portions of the substructure that are the City's responsibility exceed the dollar threshold (30% of value of structure) that would require the entire building to conform to the latest Florida Building Code standards and City floodplain ordinances, which means either demolition or complete renovation/reconstruction of the structure at a cost of over \$1 Million; and

WHEREAS, there are less than 3 years left in the lease term for Center Street Restaurant Group, and it is impractical and not financially feasible for the City to spend over \$1 Million in general fund tax dollars to demolish or reconstruct a building that has less than 3 years left in the lease term; and

WHEREAS, the City Commission believes it to be in the best interest of the City to allow Brett's Waterway Café to continue operations through the end of the City's lease with Center Street Restaurant Group in December 2025 with mandatory annual visual inspections of the substructure under Brett's Waterway Café to be performed by the City and mandatory post-storm event inspections required to be performed by Center Street Restaurant Group.

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

SECTION 1. The City Commission directs that the Interim City Manager and City Attorney pursue no further action to enforce the Notice of Unsafe Structure dated July 2, 2021, and to

communicate that decision in writing to Center Street Restaurant Group, Inc. including the requirement that Center Street Restaurant Group perform post-storm event inspections with written report(s) delivered to the City Engineer at their own cost. The Interim City Manager and any successor City Manager must perform annual inspections of the substructure under Brett's Waterway Café, at the City's cost, under the supervision of the City Engineer. Any changes to the substructure must be documented in writing by the City Engineer.

SECTION 2. This Resolution is effective immediately upon passage.

ADOPTED this 7th day of March, 2023.

CITY OF FERNANDINA BEACH



BRADLEY M. BEAN
Commissioner - Mayor

ATTEST:

APPROVED AS TO FORM AND LEGALITY:



CAROLINE BEST
City Clerk



TAMMI E. BACH
City Attorney



City of Fernandina Beach

Charles George, PE

City Engineer

cgeorge@fbfl.org

July 2, 2021

Notice of Unsafe Building and Intent to Condemn

From: City of Fernandina Beach, Florida – Owner
204 Ash Street
Fernandina Beach, Florida 32034

To: Center Street Restaurant Group, INC. – Lease Holder
4349 Duval Drive
Jacksonville Beach, Florida 32250

Ref: Brett's Waterway Cafe
1 Front Street, Fernandina Beach, Florida 32034
Parcel # 00-00-31-1760-0025-001L
PT OF LOT 25 "25-1L" UNR LEASE DATED 1-1-1997

The structure located on the above-referenced property has been declared unsafe by the City building official and City engineer pursuant to Chapter 22, section 26 of the City of Fernandina Beach Code of Ordinances. A summary report documenting the conditions determined to have rendered the building unsafe under the provisions of the City of Fernandina Beach Code are as follows:

Visual observations indicate numerous deficiencies observed: active collapse of a concrete double-tee substructure member. Based on preliminary structural assessment, Staff believes the substructure at Brett's Waterway Café has surpassed its useful life and could suffer significant damage during a hurricane or other high wind event. Due to the elevated risk of substructure failure, collateral damage and repairs necessary, City staff believes that the deteriorating structure condition is a potential life-safety risk to the public, to continue to occupy this structure.

**A full and complete copy of the engineer's report and findings may be obtained from the City Clerk's Office: 204 Ash Street, Fernandina Beach, Florida 32034. Phone: 904.310.3115*

The following actions are required to be commenced or completed by the dates and times specified below:



City of Fernandina Beach

Charles George, PE

City Engineer

cgeorge@fbfl.org

All necessary permits shall be secured, and the work commenced within sixty (60) days of the date of this notice. If repairs are not commenced within sixty (60) days, the structure must be vacated on or before **September 2, 2021**.

If the required actions above are not completed by **September 2, 2021**, the property will be ordered vacated and posted by the building official, or his designee, to prevent further occupancy until the work is completed and the building official, or his designee, may cause the work to be done and all costs incurred charged against the property or owner of record.

Any person entitled to service in accordance with the provisions of Chapter 3 of the 1985 Standard Unsafe Building Abatement Code may appeal any action of the building official, or his designee, under this code to the Code Enforcement and Appeals Board. Such appeal must be filed in writing with the building official, or his designee, within thirty (30) days from the date of service and must contain at least the following information:

1. Identification of the building or structure concerned by street address or legal description.
2. A statement identifying the legal interest of each appellant.
3. A statement identifying the specific order or section being appealed.
4. A statement detailing the issues on which the appellant desires to be heard.
5. The legal signature of all appellants and their official mailing address.

Signature:

A handwritten signature in black ink, appearing to read "Chs GE", is written over a horizontal line.

Charles George, PE

City Engineer

Office: 904-310.3420

Email: cgeorge@fbfl.org

Method of Delivery:

USPS Certified Mail, return receipt requested: 7018 3090 0000 0045 4805. Signature indicates only that a copy of this Notice has been received and does not indicate admission of guilt or concurrence with the Code Enforcement Officer's findings.



City of Fernandina Beach

Charles George, PE

City Engineer

cgeorge@fbfl.org

IF CERTIFIED MAIL: (ATTACH RECEIPT TO DEPARTMENT COPY)

I HEREBY CERTIFY that the above Notice of Unsafe Building was mailed to the above violator by certified mail, postage prepaid, return receipt requested, on July 5, 2021.



City Clerk Caroline Best

NOTICE OF APPEAL OF NOTICE OF UNSAFE BUILDING
AND INTENT TO CONDEMN DATED JULY 2, 2021

To: Code Enforcement and Appeals Board

JUL302021PM2:21

City of Fernandina Beach

204 Ash Street

Fernandina Beach, FL 32034

CITY CLERK'S OFFICE

Attention: City Engineer

From: Centre Street Restaurant, Ltd.

Re: Brett's Waterway Café

CITY OF FERNANDINA BEACH

1 Front Street, Fernandina Beach, FL 32034

Parcel #00-00-31-1760-0025-001L

PT OF LOT 25 "25-1L" UNR LEASE DATED 1-1-1997

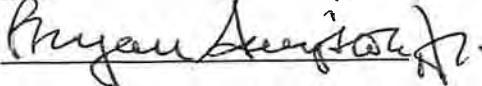
Please be advised that Centre Street Restaurant, Ltd., a Florida limited partnership (Appellant No. 1), is the lessee of certain real property described above from City of Fernandina Beach, a Florida municipal corporation. Amelia's Restaurant, Inc., a Florida corporation (Appellant No. 2), is a sublessee of a portion of the subject property, and owns Brett's Waterway Café, a restaurant on the subject property operated and managed by Brett's Waterway Café, Inc., a Florida corporation (Appellant No. 3).

Appellants Nos. 1, 2, and 3 appeal the determination of the City Engineer that the substructure of Brett's Waterway Café has surpassed its useful life based on the visual observation of the collapse of a concrete double-T substructure member. Appellants state that the referred to double-T is not part of the structural support of the building. The Appellants disagree with the opinion of City staff that the deteriorating structure condition is a life-safety risk to the public by continued occupancy.

The Appellants desire to be heard on these matters.

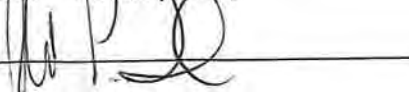
Dated this ____ day of July, 2021.

Centre Street Restaurant Group, Ltd.

By 

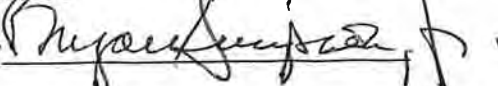
1061 Riverside Ave., Jacksonville, FL 32204

Brett's Waterway Café, Inc.

By 

21 North 2nd St., Fernandina Bch., FL 32034

Amelia's Restaurant, Inc.

By 

1061 Riverside Ave., Jacksonville, FL 32204

DELIVERED BY HAND ON JULY 30, 2021

CENTER STREET RESTAURANT GROUP, INC.
BRETT'S WATERWAY CAFÉ
1 S Front St,
Fernandina Beach, FL 32034

August 8, 2022

Via Email Delivery (at dmartin@fbfl.org)
Dale L. Martin, City Manager
City of Fernandina Beach, Florida
204 Ash Street
Fernandina Beach, FL 32034

CITY CLERK'S OFFICE

AUG102022PM12:45

CITY OF FERNANDINA BEACH

Re: City of Fernandina Beach's Duty to Repair

Dear Mr. Martin:

We send this letter to address the City of Fernandina Beach's Notice of Violation issued for the building leased to us through Centre Street Restaurant Group and operated by us as Brett's Waterway Café. As you know, the Notice required that repairs be made within a stated time period or close the restaurant. However, the Notice did not identify any specific repairs to be done, just stated that the repairs had to be done in 60 days. The Notice did reference a July 1, 2021 report from an engineering firm, Passero Associates. The Passero report said that the structure had "surpassed its useful life and could suffer significant damage during a hurricane or other high wind event," but recommended only that the City "regularly inspect the building condition". The Passero report did not find that the structure currently was unsafe or needed to be closed.

After receiving this Notice, Center Street confirmed to City officials that safety was our paramount interest, and agreed to regularly inspect and monitor the structure as the Passero report suggested. Center Street then hired an experienced structural engineer, Mark Keister, to inspect the structure to confirm the safety of the structure, and to identify any repairs that might or should be done. Mr. Keister did this inspection and provided a report that in his professional opinion, the structure was aging but remained safe. Center Street and Mr. Keister also agreed, that in an abundance of caution, for Mr. Keister to continue to inspect the structure on a regular basis to ensure it remained safe, and in particular, to inspect the structure after any significant weather event before reopening to the public.

During this process, Center Street fully shared Mr. Keister's reports with the City, and paid for Mr. Keister to meet with the City Engineer to review all of his work and opinions, with the hope and expectation that the City would withdraw the Notice since we agreed to do as the Passero report suggested – to monitor the structure going forward, particularly after any significant weather event. Unfortunately, this agreement then became not enough for the City, which said further testing was required, even though such work had not been identified in the Notice.

Center Street nonetheless agreed to do and pay for the additional testing. This testing was done by GeoView, Inc., which did impact echo concrete testing of the five concrete beams, called Pile Caps, that largely support the structure. The GeoView report identified certain cracks across the concrete in each of the structure's Pile Caps. Under the Center Street lease with the City, the City is responsible to maintain Pile Caps A, B and C, and Center Street is required to maintain Pile Caps D

and E. After reviewing the GeoView report, Mr. Keister issued an updated opinion that stated in his professional opinion, while the cracks should be monitored, the structure still remained safe. Again, however, this did not satisfy the City which then required that the concrete in the areas of the cracks be removed to allow visual inspection of the steel rebar within the concrete Pile Caps, to confirm the steel was still sufficient to carry the structural load. While this request was far beyond what the Passero report had suggested, Center Street then hired and paid Intron Technologies, Inc. to do this work on the Pile Caps D and E that Center Street was required to maintain. Center Street also arranged for Intron to do the same work for the Pile Caps A, B and C that the City was required to maintain. However, the City refused to spend the money to have Intron perform this work on the City's Pile Caps.

Center Street then proceeded on its own with Intron, which removed the concrete in the cracked areas and exposed the steel rebar on Pile Caps D and E for inspection by Mr. Keister and the City's engineers. While the steel rebar showed some deterioration, Mr. Keister determined in his professional opinion that the steel rebar still had sufficient size and strength to support the structure without any additional repairs. Intron then treated the steel rebar against further corrosion, and recovered the steel with concrete to complete its work. Mr. Keister then issued a further updated report advising again that the structure remained safe for use. Center Street again requested that the Notice be withdrawn, and noted that if the City had continuing concerns regarding Pile Caps A, B and C, which the City was responsible to maintain, that the City hire Intron to do the same work so that all concerns could be addressed.

The City refused to do so, and instead asked structural engineers hired from Illinois to advise the City what to do. These engineers then rendered a report that recommended that instead of allowing Intron to perform the same inspection and repairs done for Center Street on Pile Caps D and E, the City engage in a much more costly process to remove portions of the concrete substructure at a cost of \$390,000.00, and then perform concrete removal and repair work like Intron had performed but for \$380,000.00, for a total cost of \$770,000.00. The City refused to pay for these repairs to be made, which we understood was for cost reasons.

To address this high cost, Center Street asked Intron to provide an estimate to do the same concrete removal and repair work for the City on the City's Pile Caps A, B and C as Intron had done for Center Street on Pile Caps D and E. Intron has provided this estimate at \$179,000.00, which estimate is attached. Center Street advised the City of this estimate and asked that the City's engineers meet with Mr. Keister and the Intron representative to confirm the work and the price, which hopefully would then resolve this dispute. The City declined this request, saying the repairs are too extensive and costly, even though the City is obligated to maintain these Pile Caps under the lease.

This is disappointing to say the least. The City's refusal even to meet to discuss these repairs, and then to perform these repairs, in conjunction with the City's Notice that requires that such repairs be made for the restaurant to remain open, is a clear breach of the City's maintenance obligations under the lease. This breach also will result in damages that Center Street will then sue

<August 8, 2022>

Page 3

the City for that are far in excess of the \$170,000.00 Intron repair estimate. Also, the City's refusal will cause a host of other intangible harms, including the loss of jobs for 70 or more employees who work at Brett's, the closing of a decades old icon at the end of Center Street, and turning this important part of the waterfront marina into a boarded up eyesore.

We would expect the City would do better, and therefore ask that it reconsider this position.

This letter therefore asks that within seven days, you inform us in writing whether the City refuses to make the repairs that the City claims in the current legal proceedings are necessary to comply with the Notice, and in doing so, breaching the City's lease with CenterStreet.

Sincerely,

Bryan Simpson
C. Brett Carter
Robert P. Fisher

CC:

City Commissioners (via email at bbean@fbfl.org; dsturges@fbfl.org; cross@fbfl.org; mlednovich@fbfl.org; lkreger@fbfl.org)

City Attorney (via email at tbach@fbfl.org)

**INTRON TECHNOLOGIES, INC.**CONCRETE RESTORATION SPECIALISTS
FOUNDATION REPAIR SYSTEMS**PROPOSAL**Date
7/27/2022

AUG102022PM12:45

CITY CLERK'S OFFICE

CITY OF FERNANDINA BEACH

Proposal #
5245**Name/Address**Center Street Restaurant Group, Ltd.
1601 Riverside Avenue
Jacksonville, FL 32204**Contact:****Telephone:****Email:****Terms:**

Bryan Simpson, Jr.

bsimpson@medcombenefits.com

Net 30

Project Name/LocationBrett's Waterway Café Beams A, B, & C Concrete Repair
1 South Front Street
Fernandina Beach, FL**Person Quoting****Email:****Office:****Mobile:**

Jody Windsor

jody@introntech.com

(904) 731-1445

(904) 545-2993

Description of Work:

Provide all labor, material, equipment, supplies, and supervision to survey, layout, and repair all spalled areas on Beam/Caps A, B and C at Brett's Waterway Café in Fernandina Beach, FL. Areas to be repaired are those identified in "red" on the Geophysical Investigation performed by Geoview on 10/12/21. The following proposal provides an estimated quantity of 156 Cubic Feet of repair which may be more or less than the actual repair quantity. Repairs will be billed based on the unit price shown below.

Note: This proposal does not include engineering or permitting if required.

	Qty	Unit	Unit Price	Total
Mobilization, General Conditions, Survey with Layout	1	LS	\$ 12,870.00	\$ 12,870.00
Structural Concrete Repairs	156	CF	\$ 1,011.00	\$ 157,716.00

Accepted/Date:	TOTAL	\$170,586.00
----------------	--------------	---------------------

Intron Technologies, Inc. may encounter field conditions that are different than we would reasonably believe or were led to believe would be encountered. The contract price and schedule are based on conditions that were expected. Intron is required to notify the owner within 24 hours after an unexpected condition is encountered. Dispute Resolution: Interest on past due items shall accrue from due date at the highest rate allowable under Florida law; in any action brought for enforcement or interpretation of this agreement the prevailing party shall also recover all costs including reasonable attorney fees. Venue shall only be Duval County, State of Florida.

TO: Mr. Dale Martin
From: Mr. Robert P. Fisher
Brett's Waterway Cafe'

CE 100

CI POLER™ OFFICE

AUG102022PM12:40

LEASE

THIS LEASE is made as of this 1ST day of January, 1997, by and between the City of Fernandina Beach, a municipal corporation (the "City"), and Centre Street Restaurant Group, Ltd., a Florida limited partnership (the "Lessee") (hereinafter the "Lease").

WITNESSETH:

WHEREAS, City is the owner of certain real property located on the waterfront of Fernandina Beach, Nassau County, Florida, lying immediately west of the Seaboard System Rail Right-of-Way and commonly referred to as "City Marina and Hugh Stone Property" (the "Harbour Market" or the "Property"), which is more fully described on Exhibit "A" attached hereto, and

WHEREAS, the City executed a Development and Lease Agreement with The Center Street Waterfront Group, Inc., ("CSWFG") the predecessor to Fernandina Harbor Joint Venture ("FHJV") of October, 1984, and FHJV executed a sublease for part of the Property with Fernandina Marina Investors, Ltd., ("FMI"), and another sublease for part of the Property with Lessee, and the City executed a Recognition Agreement pertaining to these subleases, (copies of which are attached hereto as Exhibit "B") and

WHEREAS, a Planned Unit Development ("PUD") has been adopted which applies to this Property (a copy of which is attached hereto as Exhibit "C"), and

WHEREAS Lessee has executed a mortgage on its leasehold referred to as the CBDG Block Grant Mortgage (a copy of which is attached hereto as Exhibit "D"), and

WHEREAS FHJV has obligated itself on certain bonds ("the Bonds") (copies of which are attached hereto as Composite Exhibit "E") which Lessee has agreed to pay to the extent it can from the Lease Parcel, and

WHEREAS Lessee has entered into certain sub-sub leases with Amelia's Restaurant, Inc. and Front and Centre, Inc. (copies of which are attached hereto as Exhibit "F"), and

WHEREAS City and Lessee, among other things, has entered into a Settlement Agreement which terminates the Development and Lease Agreement, (a copy of which is attached hereto as Exhibit "G"), and

WHEREAS, City and Lessee, pursuant to the Settlement Agreement, now wish to enter into a direct lease of a portion of the Property described on Exhibit "H" annexed hereto (the "Lease Parcel").

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations of the parties hereto, City and the Lessee each covenant and agree as follows:

ARTICLE I The Lease Parcel

1.1 Subject to the terms and conditions set forth herein the City leases to the Lessee, and the Lessee leases from the City, the Lease Parcel, together with all the tenements, improvements and appurtenances thereto belonging or appertaining to the Lease Parcel, and together with and subject to all easements benefiting or burdening the Lease Parcel. The City acknowledges that Lessee has entered into certain existing subleases which subleases are listed on attached Exhibit "F", and copies of which are attached hereto.

1.2 Lessee shall have the right in common with others to use Common Areas on the Property. All Common Areas, as hereinafter defined, shall at all times be subject to the exclusive control and management of the City and the City shall have the right but not the obligation to construct, maintain and operate lighting facilities on all said areas; to police the same; to change the area, level, location and arrangement of parking areas and other facilities and to restrict parking by tenants, their officers, agents and employees to employee parking areas.

"Common Facilities" or "Common Areas" means all areas, space, equipment and special services provided by the City for the common or joint use and benefit of the occupants of the Property, their employees, agents, servants, customers, members of the public and other invitees of the City and the Lessee, including, without limitation, parking areas, access roads, driveways, retaining walls, landscaped areas, loading docks, pedestrian malls, courts, stairs, ramps and sidewalks, comfort and first-aid stations, washrooms, community hall or auditorium (if any) and parcel pick-up stations.

The City shall have the right to close all or any portion of the Common Areas or facilities to such extent as may, in the opinion of the City's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein, to close temporarily all or any portion of the parking areas or facilities to discourage non-customer parking, so long as such closure does not create an unreasonable hardship on the operation of the Lease Parcel. The City shall keep Common Areas located on all the Property, except the Lease Parcel, and the Lessee shall keep the Common Areas located on the Lease Parcel, clean and in good repair and available for the purposes for which they were intended. The City or its designee shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Common Areas and facilities on the Property.

1.3 The City reserves the right, at any time, to add to or reduce or to relocate the various buildings (other than on the Lease Parcel), automobile parking areas, and other Common Areas on the Property as shown on the site plan of Harbour Market (the "Site Plan") attached hereto as Exhibit "I" subject to the applicable PUD. The City agrees the existing parking on the Property, and any changes to that parking, will comply with the PUD, and will satisfy Lessee's obligation to provide parking for operation of the Lease Parcel under all applicable municipal zoning. Lessee acknowledges that there will be inconveniences to the restaurant and the use of parking spaces during construction on the Property. Lessee agrees that it will not make any claim for interference with the Lease Parcel or any operation thereon on account of such interruptions, so long as such interruptions do not deprive Lessee of reasonable access to the Lease Parcel.

1.4 The City will use its good faith efforts to cause any patrons or employees of any gambling boat regularly moored at the City Marina to park other than on the Property.

ARTICLE II

Lease Term

2.1 The term of this Lease shall be for a period commencing on the date hereof and continuing until a date forty years from the commencement of construction of marina improvements which is December 1, 2025.

ARTICLE III

Lease Payments

3.1 Rent.

(a) The Lessee shall pay as rent five percent (5%) of all Gross Revenues which it receives from the Lease Parcel. An example of this rent calculation is attached hereto as Exhibit "J".

(b) The Lessee shall pay all sales taxes due on such rentals.

(c) The rent payable hereunder shall be net to the City and Lessee agrees therefore to pay all expenses of ownership of the leasehold estate and improvements on the Lease Parcel, including, without limitation, all insurance premiums, ad valorem taxes found to be due after the date of the dismissal of the FMI bankruptcy Case Number 95-1624 for any period of time after such dismissal, but not for any prior period as referred to in the Settlement Agreement and other taxes and any other costs attributable thereto, including maintenance, repair and replacement of any and all improvements and structures now or hereafter on the Lease Parcel.

3.2 The rent shall be payable on a monthly basis and shall be due commencing on the first day of March, 1996.

3.2.5 Lessee agrees that all monies generated by the Lease Parcel to Lessee will be paid only to satisfy the following debts in the following sequence until the CBDG Block Grant Mortgage and the Bonds are paid in full:

- A. CBDG Block Mortgage installment payments or prepayments.
- B. Rent and any other obligations under this Lease.
- C. Installment payments to Barnett Bank, or its successor, required by the Bonds.

3.3 "Gross Revenues" includes only all revenues actually received by Lessee from the Lease Parcel. These revenues do not include those amounts held by Lessee as a deposit to secure a prospective tenant to lease to begin in the future; damage deposits, sums collected and paid out as a conduit such as sales, excise and other taxes, or other amounts which are generally not income under generally accepted accounting principles or federal income tax laws.

3.4 Accounting Procedures.

(a) All sales shall be registered on a cash register except sales derived from vending machines and rental revenues and those sales shall be recorded on daily ledger sheets and all financial records of Lessee shall be subject to inspection by the City.

(b) The Lessee shall make available within the City of Fernandina Beach true and complete records and accounts of all Gross Revenues and business transactions, including daily bank deposits, and annually furnish within one hundred five (105) days of the end of each fiscal year, a true and accurate statement for the preceding fiscal year of all such revenues and business transacted during such preceding year, which statement shall be verified by Lessee's certified public accountant as being correct. Lessee agrees to establish and maintain a system of bookkeeping satisfactory to the City's auditor and to give the City access, during reasonable hours, to such books and records. The City's auditor and the City Manager, and their respective authorized representatives, shall each have the right at any time and from time to time to audit all of the books of account, bank statements, documents, records, returns, papers, and files of the Lessee pertaining to business transacted and the Lessee, on request by any of them, shall make all such matters available for such examination. If the City shall make or have such an audit made for any year and the gross revenues and business

transacted shown by the Lessee's statement for such year shall be found to be understated by more than one percent (1%), the Lessee shall pay the City, the cost of such audit. The right of the City to have such an audit made with respect to any year shall expire three (3) years after the Lessee's statement for any year shall have been delivered to the City.

(c) The Lessee agrees to furnish to the City a true and correct copy of the State Sales and Use Tax Report as required by the Florida Department of Revenue and shall furnish a State Sales and Use Tax Report Number upon the execution of this Lease.

(d) Lessee hereby authorizes the City to apply to the Florida Department of Revenue for information and reports of Lessee as will enable the City to determine the amount of Lessee's Gross Receipts for the period comprising the term of this Lease.

3.5 Late Payment. Any Lease payments which are received by the City more than ten (10) days from their due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid.

3.6 Common Area Maintenance.

(a) The City agrees to pay the total cost and expense incurred in operating, maintaining and repairing the Common Areas located on the Property exclusive of the Lease Parcel and, the Lessee agrees to pay the total cost and expense incurred in the operating, maintaining and repairing the Common Areas located on the Lease Parcel. Said costs and expense shall specifically include, without limitation, property management, gardening, landscaping and irrigation for landscape, repairs, line painting, lighting, sanitary control, removal of trash, rubbish and garbage, and other expense and cost of personnel to implement such services, to direct parking and to police the facilities, any ad valorem taxes found to be due after the date of the dismissal of the FMI bankruptcy Case Number 95-1624 for any period of time after such dismissal, but not for any prior period as referred to in the Settlement Agreement, and liability insurance premiums related thereto, although the City agrees to continue to permit Lessee to locate a dumpster (which will be paid for by Lessee) on the Property at a reasonable location designated by the City, at no charge for this location.

(b) The City covenants and agrees to give Lessee written notice of the tax assessments, whether tentative or final, levied or proposed to be levied against the Lease Parcel within ten (10) days after receipt by the City of notice thereof. Upon Lessee's written request, the City agrees to exert its best efforts to bring about the elimination or reduction of tax assessments covering the Lease Parcel, not including litigation. Lessee may institute related legal proceedings in its own name, or in the

name of the City as property owner, when appropriate, but Lessee shall pay all costs and attorney's fees relating to such efforts or proceedings brought by Lessee.

ARTICLE IV Quiet Enjoyment

4.1 Lessee, upon paying the rent and other charges due hereunder and observing and performing all other covenants and agreements herein on its part to be performed and performing all obligations under the CBDG Block Grant Mortgage, may quietly have and enjoy the Lease Parcel during the term hereof without hindrance or molestation by anyone. With the exception of the right to approve plans as described in Section 6.2 and any other rights specifically granted to the City hereunder, the City shall have no authority over or voice in the affairs of Lessee.

ARTICLE V Purpose and Use

5.1 It is the purpose of the City in granting this Lease to assure the continued operation of a first-class restaurant for the residents of the City of Fernandina Beach and people utilizing the marina facility adjacent thereto.

5.2 The Lease Parcel shall be used only for the operation of restaurants and bars, and gift shops including catering and take-out service and including gifts and the incidental sale at retail of items designed to promote the restaurant and gift businesses and which are customarily sold in restaurants and gift stores as part of their operations, including such items as hats and T-shirts bearing the name or marks of the restaurant operated on the premises. No different other use is or shall be permitted without the prior written approval of the City.

5.3 Lessee shall not sell any bait or fishing tackle, nor any fresh seafood for off-premises consumption except for seafood which has been prepared for restaurant take-out or catering service.

5.4 In no event shall any portion of the Lease Parcel be used for offices except such executive office as may be reasonable and necessary for use of the on-site restaurant manager without the prior written consent of the City.

ARTICLE VI Construction

6.1 The building housing the restaurant and gift shop and other improvements on the Lease Parcel shown on the plans approved by the City (the "Plans") have already been constructed.

6.2 No other improvements may be constructed on the Lease Parcel until the plans and specification therefor have been approved by the City in writing. Any Plans submitted to the City and not acted on by the City within forty-five (45) days after receipt thereof shall be deemed to be approved.

6.3 Notwithstanding any other provision of this Lease, the interest of the City in the Property shall not be subject to liens for improvements made by or for Lessee and in no event shall the City be liable for or subjected to any mechanic's, materialmen's or laborer's liens for work done by Lessee for or with the consent of Lessee or for which Lessee is responsible. If any such lien is asserted against the interest of the City, Lessee agrees to cause the same to be discharged of record (either by payment or by bond as permitted by law) within thirty (30) days after notice to Lessee and failure to do so shall constitute a default hereunder.

ARTICLE VII Ownership of Improvements

7.1 At the end of the term of the Lease, any improvements constructed by Lessee shall be the property of the City, free and clear of all liens or claims whatsoever, except that personal property installed by Lessee not permanently affixed to the facilities may be removed, provided that, if said removal causes any damages to the facilities, Lessee will repair said damages in a proper and satisfactory manner to the City at Lessee's own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be classified as personal property and shall be considered as part of the real estate owned by the City.

ARTICLE VIII Access to Lease Parcel

8.1 Subsequent to the date hereof, the Lessee shall permit the representatives of the City unlimited access to the Lease Parcel and every part thereof, subject to reasonable notice and security measures imposed by Lessee at all reasonable times.

ARTICLE IX Warranty

9.1 The Lessee warrants that all public improvements upon the Lease Parcel which will be for public use shall be fit for their intended use. "Public improvements," for the purpose of this section, shall mean all improvements other than private offices and tenant occupied space.

ARTICLE X
Covenants and Restrictions

10.1 The City and the Lessee agree that the following restrictions shall be covenants running with the title to any interest in the Lease Parcel for the duration of this Lease and shall be binding on the City, the Lessee and the successors and assigns of the parties and all other successors in interest to the Lease Parcel or any part thereof:

(a) That the Lease Parcel shall be devoted and used in accordance with the uses specified in Article V of this Lease.

(b) That all utility distribution lines shall be placed underground.

(c) That the City shall retain a perpetual easement to be set forth in an appropriate instrument in recordable form for ingress, egress and right-of-way on and over any public promenade which has been or may be constructed on the Lease Parcel for the purpose of providing access to any public facilities on the Property, provided the same does not unreasonably interfere with the operation of the Lease Parcel, which easement is to be described in a document to be recorded within ninety days of the date of execution of this Lease, and will include those portions of the Lease Parcel as shown on the attached a sketch attached hereto as Exhibit "K", to be negotiated consistent with the PUD.

ARTICLE XI
Representations as to Lessee

11 The Lessee represents and agrees that this Lease of the Lease Parcel and its other undertakings pursuant hereto are for the purpose of development and operation of the Lease Parcel and not for speculation in land holding.

ARTICLE XII
Special Provisions

12.1 Lessee may not assign its interest in this Lease without the prior written approval of the City, which approval shall not be unreasonably withheld. A Lender may, however, assign this Lease after foreclosure to any person or entity to which assignment is permitted hereunder.

12.2 The Lessee shall be responsible for the development of all improvements on the Lease Parcel at the Lessee's sole cost and expense, pursuant to the terms and conditions of this Lease.

12.3 The restaurant and gift shop on the Lease Parcel shall be operated so as

to provide employment and service, without regard to age, religion, sex, race, other condition, or the political subdivision in which the customer may reside.

12.4 The parties understand and agree that, subject to the conditions set forth herein and particularly the provisions relating to the use of the Lease Parcel, no subleases executed by the Lessee shall be affected by the termination of this Lease. The conditions of this nondisturbance provision shall be:

(a) that the sublease not exceed a term of five (5) years, including renewals; or

(b) that, if the term of such sublease exceeds five (5) years that it be approved by the City Manager and the City Commission prior to the execution thereof to ascertain that said sublease is the result of arms-length negotiations and reasonable under the circumstances; and

(c) that the sublessee is not in default of its sublease agreement; and the form of the sublease agreement has been given prior written approval by the City Attorney; and

(d) the form of the sublease agreement has been approved by the City Attorney which approval shall not be unreasonably withheld or delayed;

(e) such sublease does not provide for rentals to be payable for more than one (1) month in advance.

12.5 The City shall cooperate with the Lessee in securing all required municipal permits and approvals in accord with the City's adopted regulations and procedures.

The City Manager, City Attorney and the City Commission have approved the terms, conditions and the form of the subleases by the Lessee to Amelia's Restaurant, Inc., a Florida corporation, dated August 1, 1988, as amended and the lease to Front and Centre dated October 1, 1993, copies of which are attached.

ARTICLE XIII Indemnification and Hold Harmless

13.1 The Lessee shall defend and indemnify the City and save it harmless from any actions, damages, liability and expense of life, bodily or personal injury, or from or out of any occurrence in, upon, or under the Lease Parcel and will indemnify the City from all claims, suits, in connection with loss property damage arising at or about the Lease Parcel or any part thereof throughout the entire lease term, or occasioned wholly or in part by any act or omission of the Lessee, its agents, contractors, employees,

servants, invitees, licensees, or concessionaires.

ARTICLE XIV Insurance Required

14.1 The Lessee shall maintain hazard and liability insurance with the City named as an additional insured and provide the City with certificates of insurance during the term of this Lease Agreement. The City has the right of approval of the insurance contracts which shall provide minimum liability coverage in amounts equal to those which would be commercially reasonable in the industry; and shall provide casualty and hazard insurance on the improvements in an amount equal to their fair market value.

14.2 Lessee shall provide, at Lessee's cost, general liability insurance coverage with single limits as may be reasonably required by the City (but not less than \$1,000,000), naming the City and persons claiming by, through or under the City as insureds.

ARTICLE XV Operational Requirements

15.1 The Lessee shall comply with the following operational requirements:

(a) To secure and maintain all licenses required and to pay when due all taxes and assessments which shall be imposed or assessed by governmental units in connection with the business or operation conducted, pursuant to the provisions of this agreement and to otherwise comply with all applicable taxes, ordinances, rules, regulations, or policies established by the City or any local, state or federal governmental unit or authority.

(b) To keep and maintain the buildings, piers, pier foundations, docks and structures located on the Lease Parcel clean, orderly, and in a good state of repair and free and clear of any obstruction, rubbish or litter, in accordance with Florida State Sanitation Laws and the laws, ordinances, rules, regulations or policies of any local, state or federal governmental body and in a structurally sound condition.

(c) To maintain good public relations, to conduct said facilities in a manner which is courteous and fair to the public and to be responsible to customers' requests and complaints.

(d) To pay all utilities, including water, sewer, garbage disposal fees and electrical charges in connection with the operation of the facilities.

(e) To install at its own expense all facilities and equipment, including

not limited to public access and utility services.

(f) To be the insurer of the City against risk of loss or theft of or damage to any City fixtures, equipment and personal property which are a part of or located in and on the Lease Parcel and shall promptly replace or repair the same within sixty (60) days of such loss, theft or damage.

(g) To pay promptly all taxes, excise or license fees of whatever nature including ad valorem taxes found to be due after the date of the dismissal of the FMI bankruptcy Case Number 95-1624 for any period of time after such dismissal, but not for any prior period as referred to in the Settlement Agreement, applicable to this operation or property or Lease Parcel and take out and keep current all licenses, municipal, state or federal, required for the conduct of the business, and further shall not permit any of said taxes, excise or license fees to become delinquent. Lessee shall comply with all local, state and federal rules and regulations relating to the operation of said facilities. Lessee shall not permit any mechanic's or materialmen's or any other lien to be imposed upon the property hereinabove described or any part or parcel thereof by reason of any work or labor performed or materials furnished by any mechanic or materialmen to said facilities or upon or regarding said property or said facilities herein granted. Lessee shall pay promptly when due all bills, debts and obligations incurred in connection with the operation of the Lease Parcel and not permit same to become delinquent and suffer no lien, mortgage, judgment, execution or levy against the Lease Parcel.

15.2 Upon inspection of the Lease Parcel by the City Manager or his designee (as provided below), if it is found that conditions or practices exist which are in violation of Section 15.1 of this lease, or otherwise constitute operational defaults, the City Manager or his designee shall furnish the Lessee with a list of those violations that said inspection revealed, and give the Lessee thirty (30) days' written notice to remedy said violations. Failure of the Lessee to remedy said violations within said specific time shall constitute a default by Lessee and entitle the City to exercise its remedies as herein provided.

15.3 A default of any of the duties or obligations of the Participating Partners of the CBDG Block Grant Mortgage shall constitute a default of this Lease.

ARTICLE XVI Default

16.1 If Lessee defaults in the payment of rent and such default continues for fifteen (15) days after written notice thereof to Lessee or if Lessee defaults in the performance of any other of its obligations hereunder and such default continues for a period of thirty (30) days after written notice thereof to Lessee, the City may terminate

this Lease and may re-enter and retake possession of the Lease Parcel, subject, however, to the rights of leasehold mortgagees under section XVII of this Lease. If any default other than the payment of money is of a nature that it cannot be cured using due diligence within the thirty (30) day period provided for, the period for effecting such cure shall be extended for a reasonable time, but not more than sixty (60) days, so long as Lessee is diligently prosecuting the work required to effect such cure except as to structural repairs which must be corrected promptly. The Lessee is required to diligently prosecute the work required to effect such cure of structural repairs.

16.2 The City shall have all other rights and remedies available to landlords under Florida law.

16.3 The failure of the City to insist in any one or more cases upon the strict performance of any of the covenants of this Lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by the City of rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach and no waiver by the City of any provision of this Lease shall be deemed to have been made unless expressed in writing. In addition to the other remedies in this Lease provided, the City shall be entitled to the restraint by injunction of the violations, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Lease.

16.4 No default (other than a default in the payment of money) shall be deemed to exist or continue if and so long as the default shall be caused by reason of Lessee being delayed in or prevented from remedying the same by fire, casualty, strikes, lockouts or labor disturbances, act of God or the public enemy, or order, direction or lawful interference by any municipal, state, or governmental agency, but, if and when the occurrence or condition which caused, delayed or prevented the remedying of such default shall be removed or cease to exist, it shall be the obligation of Lessee to remedy such default as speedily as practicable and with all due diligence.

16.5 Upon termination hereof, by either expiration or by default and repossession as provided above, all improvements shall become the property of the City except that, if Lessee is not in default, Lessee shall have the right to remove from the Lease Parcel all personal property installed by Lessee not permanently affixed to the facilities, subject, however, to any valid lien or claim which the City may have for unpaid fees or charges for repair of the facilities, provided also that, if said removal causes any damage to the Lease Parcel, said Lessee will repair the same in a proper and satisfactory manner at its own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be considered personal property.

16.6 No termination of this Lease, pursuant to the above, nor taking or recovering possession of the premises, pursuant to Section 16.1 above, shall deprive

the City of any other action against Lessee for possession, for rent, or for damages, nor shall any action for rent or damages prevent the City from proceeding to recover possession, pursuant to the provisions of this Lease. In no case shall any omission by the City to enforce any forfeiture or to exercise any other remedy belonging to it or to require a strict performance of all the terms of this lease be deemed or taken to be a waiver by the City of a right to enforce a forfeiture or pursue any other remedy or remedies herein given or allowed by law, or of the right to have and expect a strict performance of all the covenants of this lease by Lessee. The consent or approval of the City given in any instance with respect to any particular matter shall not be or be deemed to be a consent or approval with respect to the same or any other similar or dissimilar matter in any other instance.

ARTICLE XVII Leasehold Mortgage

17.1 It is contemplated by the parties that Lessee has financed a portion of the total development and construction cost of improvements on the Lease Parcel by means of a mortgage of the leasehold estate created by this Lease and of Lessee's entire interest in the Lease Parcel, but it is also contemplated that such mortgage will and it is agreed that such shall be subordinate to the City's right as Lessor under this Lease. Lessee shall also have the right from time to time during the term of this Lease to place any substitute or additional mortgage on the leasehold estate created by this lease and on Lessee's interest in the Lease Parcel, but all such mortgages shall be subordinate to the City's interest as Lessor under this Lease.

17.2 In the event that at any time during the term of this Lease the leasehold interest of Lessee is subject to a mortgage in accordance with the provisions of Section 17.1 above, then so long as such mortgage is outstanding and unreleased a copy of any notice at any time required or permitted under the terms of this Lease to be given by the City to Lessee shall at the same time be sent to the mortgagee, provided that prior thereto Lessee shall have given written notice to the City of the existence of said mortgage and that the holder's name and address are on file with the City and have stated in said notice the address of the mortgagee to which copies of all notices under this Lease shall be delivered or made.

17.3 The City may, at its option, prohibit the transfer of this Lease to or by Lessee's mortgagee(s) provided that, if the City exercises such option, City shall pay to such mortgagee(s) an amount equal to the then outstanding obligations secured by such mortgage loan. The City shall exercise this option within forty-five (45) days of receipt of notice of default of Lessee by the City. Such payment shall be made by the City within one hundred eighty (180) days of the notice of default under such mortgage(s) to the City.

17.4 Any mortgage shall be subject to the limitations as to the amount which may be secured thereby which are provided for in the Development and Lease Agreement (Exhibit "B"). In determining the limitations in the amount of mortgages permitted, the Lease Parcel shall be considered as separate from the remainder of the Property and the amount of any such loan shall in no event exceed seventy-five percent (75%) of the value of the improvements on the Lease Parcel determined as provided in the Development and Lease Agreement (Exhibit "B"). Section 12.02 of the Development and Lease Agreement (Exhibit "B") provides that the mortgage securing the CBDG Block Grant Mortgage shall not be included in this mortgage amount to determine the loan-to-value ratio. The parties affirm that it is their intent that the provisions of the Development and Lease Agreement (Exhibit "B") be applicable in determining limitations on mortgage amounts provided for in this Section.

ARTICLE XVIII The Agreement

18.1 This Lease shall be governed by and construed in accordance with the laws of the State of Florida.

18.2 Any amendments to this Lease will be in writing and shall be executed by both Lessee and the City with the same formality as this Lease.

18.3 For purposes of this Lease, any notice required to be given shall be given in accordance with this document by delivering written notice to the City Manager at Post Office Box 668, Fernandina Beach, Florida 32234. Notice shall be given to the Lessee by delivering written notice to Joseph M. Hixon, 4400 Marsh Landing Boulevard, Suite 7, Ponte Vedra Beach, Florida 32082, Attention: Thomas Ingram, and to Bryan Simpson, Jr., 1061 Riverside Avenue, Jacksonville, Florida 32204.

18.4 In the event it becomes necessary to file suit in connection with this Lease, the prevailing party shall be entitled to recover reasonable attorneys' fees and court costs against the losing party.

18.4.5 Any and all disputes arising between the parties to this Lease shall be resolved by binding, mandatory arbitration. If any party to this Lease becomes aware of any such dispute, it may give written notice to the other party. Such notice shall include the nature of the dispute, its position as to the dispute, and the identity of an arbitrator designated by that party. The party who receives this notice shall, within twenty (20) days of receipt of the notice, deliver a written response stating its position as to the dispute, and identifying an arbitrator designated by that party. Within fifteen (15) days of the designation of the second arbitrator, the two designated arbitrators shall select a third arbitrator who will act as the chairman of the panel. The panel shall convene an arbitration hearing to decide the claim within forty-five (45) days of selection of the

chairman. The fees of the arbitrators and costs of the proceeding will be paid one-half by each party, although these fees and costs may be taxed against either party by the arbitrators at the conclusion of the matter. In all other respects, the arbitration shall be governed by the Florida Arbitration statute in effect at the time of the arbitration.

18.5 All covenants, warranties, conditions and agreements set forth in this Lease shall survive the execution of this Lease and other documents at any time executed and delivered under, pursuant to, or by reason of this Lease, and the payment of all monetary sums paid under, pursuant to, or by reason of this Lease shall continue to be binding on the Lessee and on its successors and assigns.

18.6 Lessee shall perform the conditions of this Lease as an independent contract and nothing contained herein shall be construed to be inconsistent with this relationship or status. Nothing in this agreement shall be in any way construed to constitute the Lessee or any of his agents or employee or representative of the City.

IN WITNESS WHEREOF, the City and the Lessee have caused this Lease to be executed as of the day and year first above written by their authorized representative as follows:

Approval by Resolution of the City Commission of the City of Fernandina Beach and attested and executed by the Authorized Representative of the City of Fernandina Beach, Florida, and Centre Street Restaurant Group, Ltd.

CENTRE STREET RESTAURANT GROUP, LTD. a Florida limited partnership

Signed, sealed and delivered
in the presence of:

Jay W. Wilson
Stephen H. Hunt

BY: CENTRE STREET RESTAURANT
GROUP, INC., its general partner

By: Byron Ferguson, Jr.
Its VICE President

and

THE CITY OF FERNANDINA BEACH, a municipal corporation

Signed, sealed and delivered
in the presence of:

Mary L. Mercer
Vicki P. Cannon

THE CITY OF FERNANDINA BEACH,
a municipal corporation under the laws
of Florida

By: Carl Boen
Its Mayor - Commissioner

APPROVED AS TO FORM:

Anthony J. Leggio 8/14/97
ANTHONY J. LEGGIO
CITY ATTORNEY

Attest: Vicki P. Cannon
Its City Clerk

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of April,
1997, by Bryan Simpson Jr., the Vice President of Centre Street
Restaurant Group, Inc., the general partner of Centre Street Restaurant Group, Inc. Ltd

FLA DL

Joy Walton
Notary Public
State of Florida at Large
My Commission expires: January 12, 2000



STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me this 17th day of
September, 1997, by Aaron P. Bean, and,
Vicki P. Cannon, the Mayor - Commissioner and City Clerk,
respectively, of THE CITY OF FERNANDINA BEACH, a municipal corporation under the
laws of Florida, on behalf of the municipal corporation.

Mary L. Mercer
Notary Public
State of Florida at Large
My Commission expires:

(Notarial Seal)

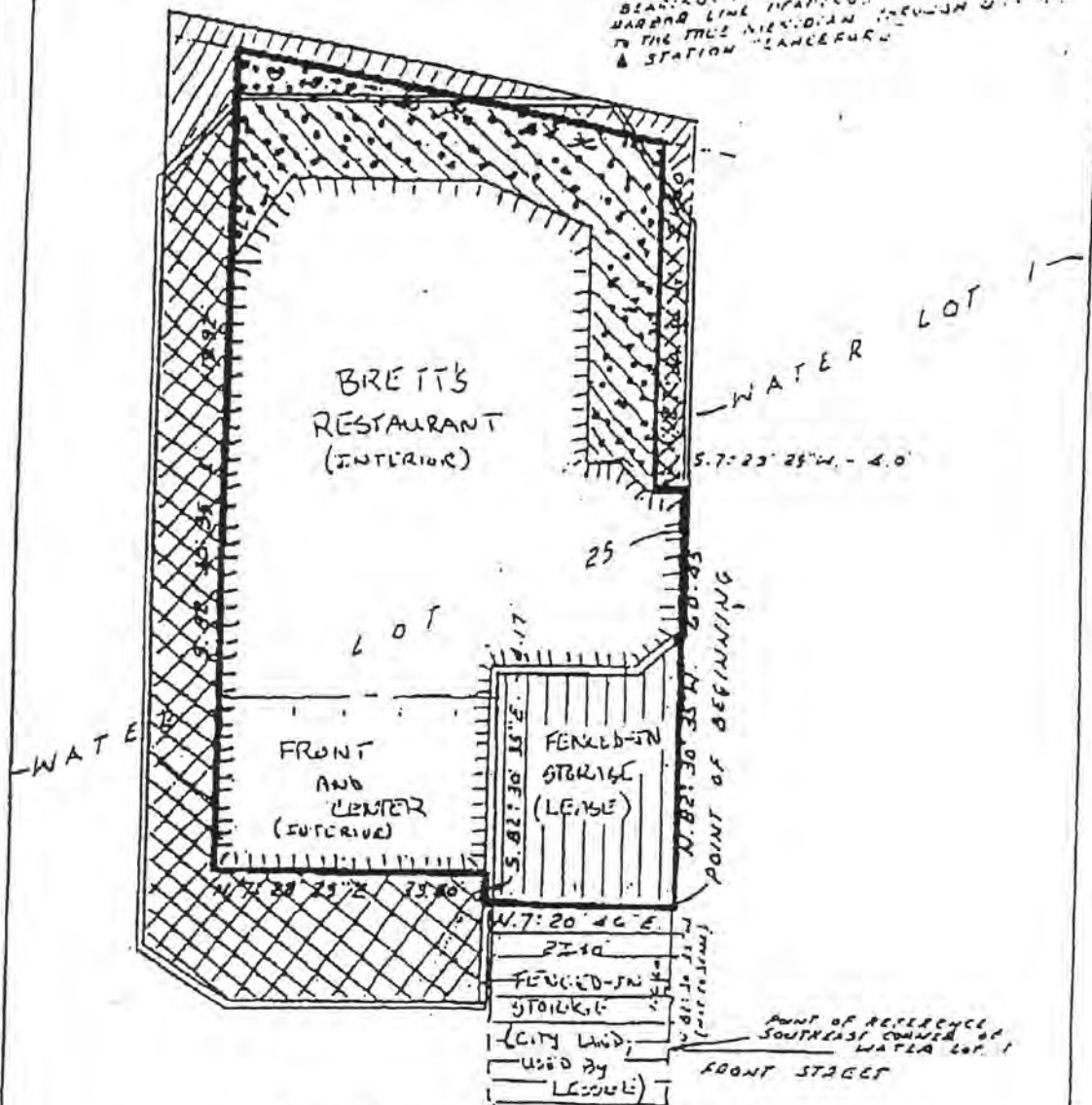


04/08/97 14:04
Feb-21-97 17:46

0904 J. 5842
FERNANDINA Harbor Marina

MARTIN, ADE. B&M

0008
P.03



SKETCH SHOWING

A PORTION OF WATER LOT 25, FERNANDINA BEACH, FLORIDA.

AS SHOWN ON THE OFFICIAL PLAT OF SAID CITY (AS LITHOGRAPHED AND
ISSUED BY THE FLORIDA RAILROAD COMPANY IN 1881 AND ENLARGED,
REVISED AND RE-ISSUED BY THE FLORIDA TOWN IMPROVEMENT COMPANY IN 1881
AND 1901).

-FOR-
CITY OF FERNANDINA BEACH, FLORIDA.

THIS SKETCH DOES NOT PURPORT
TO REPRESENT A FIELD SURVEY

PREPARED BY

SCALE 1" = 20'
DATE, DECEMBER 9 1996

Vernon M. Drake
VERNON M. DRAKE P.S.E.M. NO. 1551
VERNON M. DRAKE & ASSOC., INC
P.O. BOX 202 - 103 SOUTH TENTH STREET
FERNANDINA BEACH, FLORIDA

FILE NO. A15-B51



City of Fernandina Beach

OFFICE OF THE MARINA DIRECTOR

LEGEND

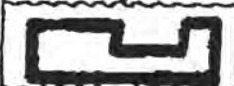
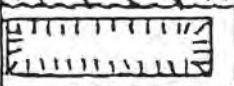
	 PUBLIC RIGHT-OF-WAY
	 LESSEE PORCH AREA
	 BORDER OF LEASE
	 EDGE OF ROOF
	 WALLS OF BUILDING

EXHIBIT "A"PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

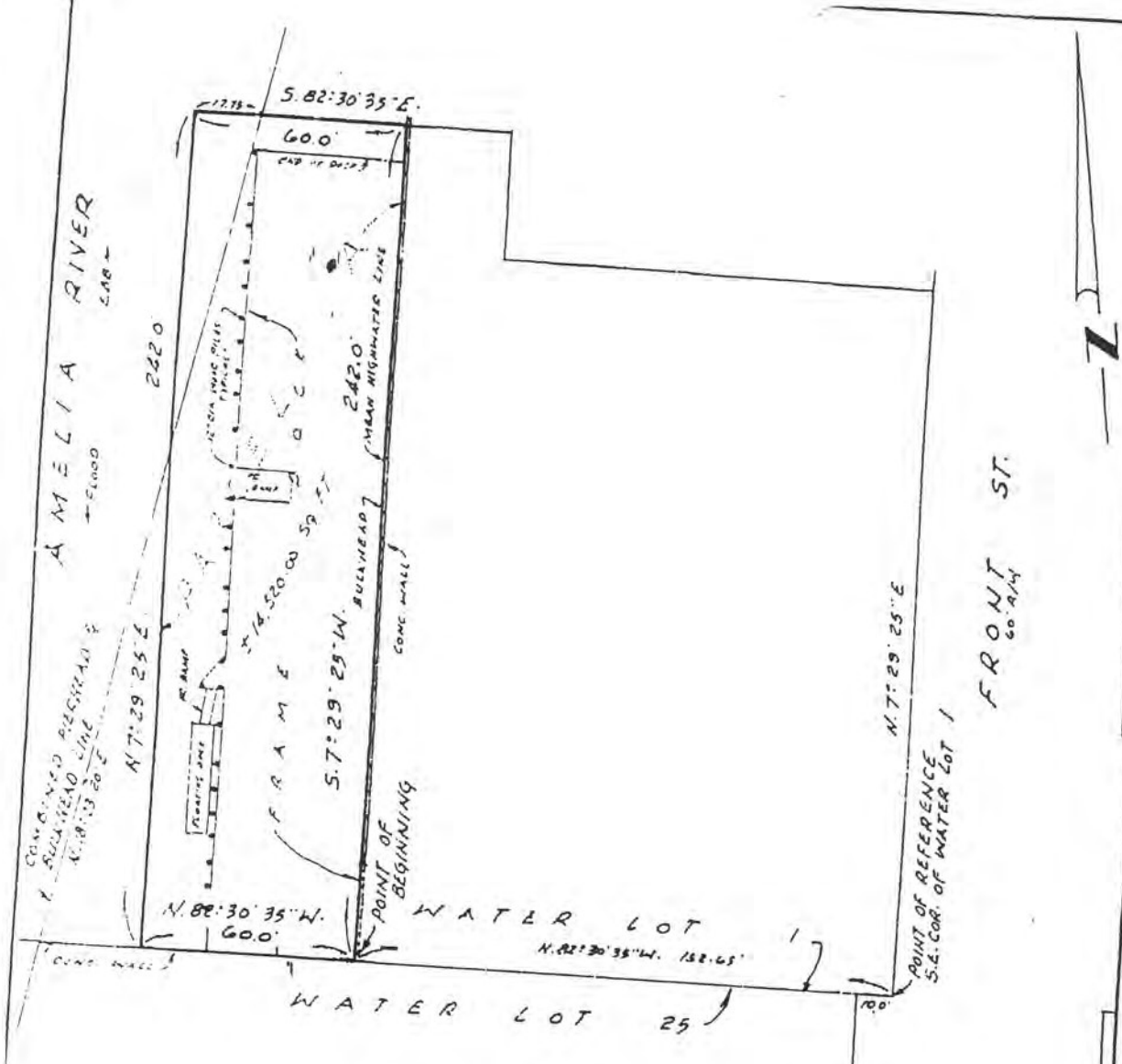
ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of Fernandina Beach during the term of this Lease.



MAP TO SHOW AS BUILT SURVEY OF
 A PORTION OF WATER LOT 1, (SUBMERGED),
 CITY OF FERNANDINA BEACH,
 NASSAU COUNTY, FLORIDA.

AS SHOWN IN THE OFFICIAL PLAT OF SAID CITY (AS LITHOGRAPHED AND ISSUED BY THE
 FLORIDA RAILROAD COMPANY IN 1857 AND ENLARGED, REVISED AND RE-ISSUED BY
 THE FLORIDA TOWN IMPROVEMENT COMPANY IN 1887 AND 1891).

FOR
 CENTRE STREET WATERFRONT GROUP

NOTES

BEARINGS USED REFER TO U.S.C. HARBOR LINE BEARINGS
 AND ARE REFERRED TO THE TRUE MERIDIAN THROUGH
 U.S.C. 85° STR. "LANCERFORD"

BOUNDARY DESCRIPTION FURNISHED ON SEPARATE SHEET.

PORTION SUBMITTED IN 1985 BY CS AND SHOWN ON
 CITY FILE NO. 99-103.

I HEREBY CERTIFY TO CENTRE STREET
 WATERFRONT GROUP THIS AS BUILT SURVEY
 WAS PERFORMED UNDER MY SUPERVISION
 SEPTEMBER 6, 1991 AND DURING AROUNDANCE
 WITH THE ALTA. TECH. STANDARDS FOR
 LAND SURVEYING UNDER CHAPTER 218.00,
 FEA. ADMIN. CODE.

Vernon N. Drake
 VERNON N. DRAKE P.E.S. NO. 1558
 VERNON N. DRAKE & ASSOC.

P.O. BOX 702
 103 SOUTH TENTH STREET
 FERNANDINA BEACH, FLORIDA



DOB NO 9999

F.B. NO. 208

FILE NO. A15-350

TELEPHONE 261-5376

VERNON N. DRAKE & ASSOCIATES

103 SOUTH 10TH STREET
FERNANDINA BEACH, FLORIDA 32034

P. O. BOX 742

REGISTERED
LAND SURVEYORS

August 29th, 1985

DESCRIPTION FOR CENTRE STREET WATER FRONT GROUP

PARCEL "B"

A PORTION OF WATERLOTS 29, 30, 31, 32, 33 AND 34 (SUBMERGED),
CITY OF FERNANDINA BEACH, NASSAU COUNTY, FLORIDA.

As shown on the official plat of said City (as lithographed and issued by the
Florida Railroad Company in 1857 and enlarged, revised and re-issued by
the Florida Town Improvement Company, in 1887 and 1901).

Being more particularly described as follows: For a point of reference
commence at the Southeast corner of Lot 33 aforementioned; and run North
66°-09'-14" West along the Southerly line of said Lot, a distance of 130.28'
feet to the Mean High Water line of Amelia River for the POINT OF
BEGINNING.

From the Point of Beginning thus described run the following courses and
distances along said Mean Water line: South 40°-40'-09" West, 16.11' feet;
South 9°-11'-41" West, 28.02' feet; South 16°-11'-13" West, 14.10' feet;
South 34°-03'-43" West, 9.86' feet; run thence North 57°-30'-35" West
departing said Highwater line, a distance of 394.19' feet to the Southwest
corner of Lot 33 aforementioned; run thence North 26°-29'-25" East along
the Westerly line of said Water Lots 29, 30, 31, 32 and 33, a distance of
502.97' feet to the Northwest corner of Lot 29 aforementioned; run thence
South 74°-50'-09" East along said Northerly line, a distance of 371.33' feet
to the Mean High Water line of Amelia River aforementioned; run the
following courses and distances along said High Water line: South 28°-23'-
23" West, 46.85' feet; South 12°-13'-23" West, 24.53' feet; South 24°-53'-
44" West, 38.97' feet; South 59°-00'-09" West, 22.74' feet; South 34°-38'-
11" West, 51.09' feet; South 19°-23'-07" West, 79.37' feet; South 39°-20'-
28" West, 39.59' feet; South 54°-37'-45" West, 27.55' feet; South 52°-33'-
11" West, 27.16' feet; South 38°-32'-27" West, 27.37' feet; South 48°-17'-
54" West, 25.21' feet; South 12°-38'-49" West, 110.98' feet to the POINT
OF BEGINNING.

The portion of land thus described contains 197,651,418 square feet, more
or less.

EXHIBIT

B

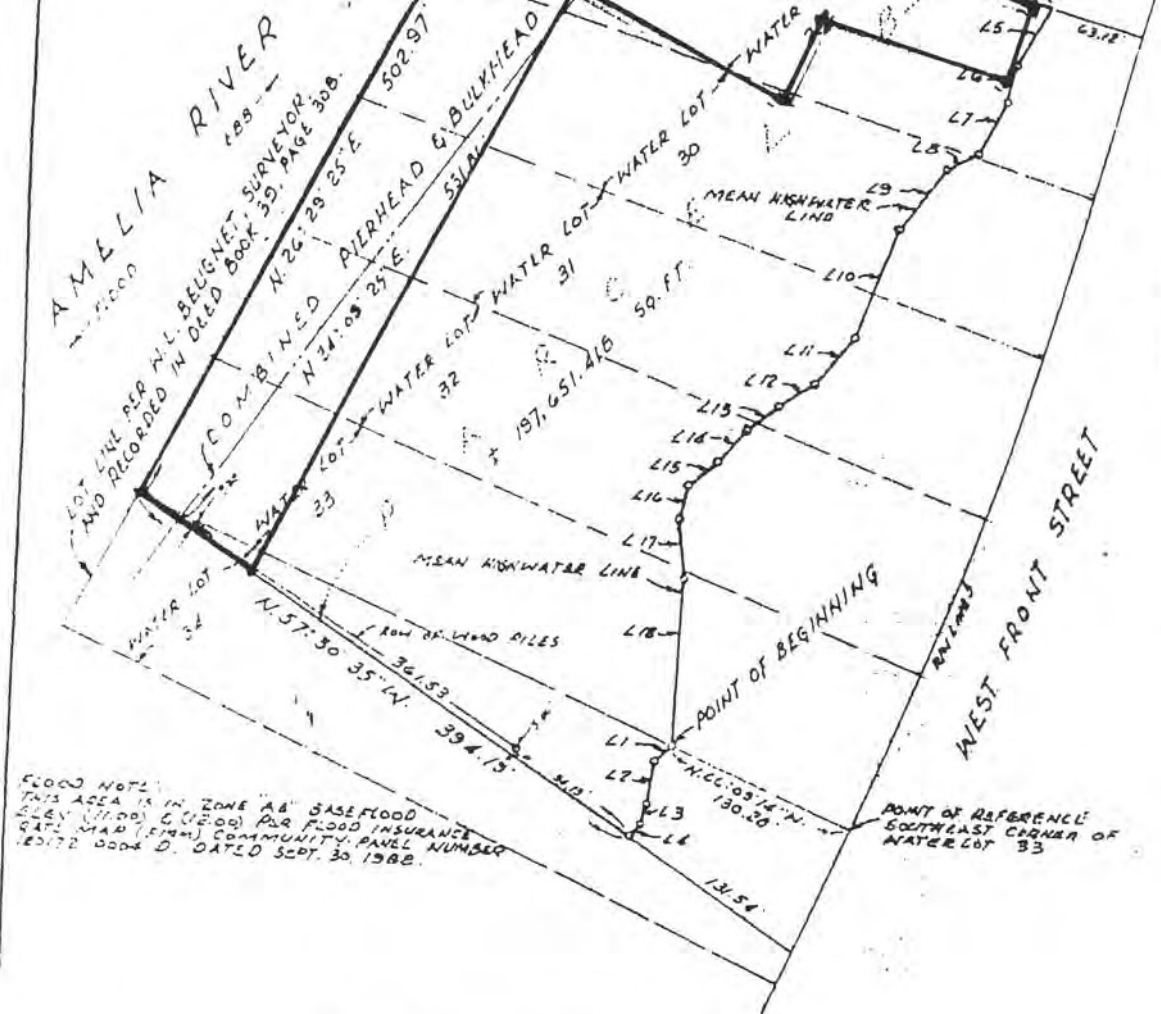
Prepared by

Vernon N. Drake
Vernon N. Drake,
PLS NO. 1558

66,355 sq ft.

L1	S 40° 40' 05" W	16.11
L2	S 09° 11' 41" W	26.02
L3	S 16° 11' 13" W	14.10
L4	S 34° 03' 43" W	9.26
L5	S 28° 23' 23" W	46.85
L6	S 12° 13' 23" W	24.53
L7	S 24° 53' 44" W	38.97
L8	S 39° 00' 05" W	22.76
L9	S 38° 35' 11" W	51.09
L10	S 13° 23' 07" W	79.37
L11	S 39° 20' 28" W	39.59

L12	S 54° 37' 45" W	27.55
L13	S 52° 33' 11" W	27.16
L14	S 38° 32' 27" W	27.37
L15	S 42° 17' 54" W	25.21
L16	S 12° 38' 49" W	23.18
L17	S 07° 48' 21" E	39.62
L18	S 01° 11' 37" W	110.98



MAP TO SHOW AS BUILT SURVEY OF
A PORTION OF WATER LOTS 29, 30, 31, 32, 33 AND 34
(SUBMERGED), CITY OF FERNANDINA BEACH,
NASSAU COUNTY, FLORIDA.

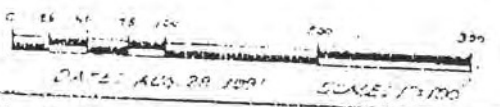
AS SHOWN ON THE OFFICIAL PLAT OF SAID CITY (AS LITHOGRAPHED AND ISSUED BY THE FLORIDA
MAPPING COMPANY IN 1917 AND ENLARGED, REVISED AND RE-ISSUED BY THE FLORIDA TOWN
MAPPING COMPANY, IN 1907 AND 1951).

FOR
CENTRE STREET WATERFRONT GROUP

- NOTES:
- 1. BEARINGS WERE REFERRED TO U.S.G.O. HARBOR LINE BEARINGS AND ARE REFERRED TO THE TRUE MERIDIAN THROUGH U.S.C.E.S. STA. "LANCERFORD".
 - 2. MEAN HIGHWATER LINE ESTABLISHED BY CONTOUR METHOD CONDUCTED BY LUTTER DATED AUG. 7, 1905.
 - 3. BOUNDARY DESCRIPTION FURNISHED ON SEPARATE SHEET.
 - 4. BOUNDARY SURVEYED IN 1985 AND SHOWN ON OUR FILE NO. 200-20.

I HEREBY CERTIFY TO CENTRE STREET WATERFRONT GROUP THAT AS BUILT SURVEY WAS PERFORMED UNDER MY SUPERVISION AUGUST 27 AND 28, 1991, AND DONE IN ACCORDANCE WITH THE FLA. STAT. FOR LAND SURVEYING UNDER CHAPTER 61N-6, F.L.A. ADMIN. CODE.

Vernon R. Drake
VERNON R. DRAKE F.L.S. NO. 1355
VERNON R. DRAKE & ASSOC.
P.O. BOX 782
103 SOUTH TENTH STREET
FERNANDINA BEACH, FLORIDA



NO. 3899

F.B. No. 208

FILE NO. A15-329

SHEET 1 OF 4 SHEETS

DEVELOPMENT AND LEASE AGREEMENT

THIS DEVELOPMENT AND LEASE AGREEMENT, hereinafter referred to as "agreement", by and between the CITY OF FERNANDINA BEACH, a municipal corporation organized and existing under the laws of the State of Florida, hereinafter referred to as the "CITY", and THE CENTER STREET WATERFRONT GROUP, INC., a Florida corporation, hereinafter referred to as the "LESSEE";

W I T N E S S E T H:

WHEREAS, the CITY is the owner of certain real property located on the waterfront of Fernandina Beach, Nassau County, Florida, lying immediately West of Seaboard System Rail Right-of-Way, and commonly referred to as "CITY MARINA AND HUGH STONE PROPERTY" (hereinafter referred to as the "PROPERTY"), which is more fully described on Exhibit "A" attached hereto; and

WHEREAS, the CITY has advertised and requested proposals to be submitted for the development and lease of the property; and

WHEREAS, CITY has determined that it is in the best interests of the CITY OF FERNANDINA BEACH to award the lease to LESSEE;

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations of the parties hereto, the CITY, and the LESSEE each covenant and agree as follows:

ARTICLE I. THE PROPERTY

Subject to the terms and conditions set forth herein:

1.01) The CITY Leases to the LESSEE, and the LESSEE leases from the CITY, the property, as described on Exhibit "A" attached hereto, together with all the tenements, improvements and appurtenances thereto belonging or appertaining to the property, subject to any existing leases or the rights of any tenants in possession.

1.02) During the term of the lease, the CITY grants to the LESSEE a right of first refusal to lease or sublease from the CITY any additional property owned or controlled by the CITY adjacent to the subject property. Accordingly, the CITY shall not offer to sell, lease, sublease or grant a license on any such property without first offering to the LESSEE said property on the same terms and conditions as offered to any third party.

ARTICLE II. LEASE TERM

2.01) The term of this Lease for subject property shall be for a period of forty (40) years, commencing from the date of commencement of the improvements herein, and continuing until 11:59 p.m. on the last day of the 40th year thereafter. Possession of the property shall be delivered to LESSEE upon commencement of construction of the improvements and LESSEE shall be entitled to receive all revenues from the marina operations thereafter.

ARTICLE III. LEASE PAYMENTS

3.01) Ground Rent

The LESSEE shall pay to the CITY an annual ground rent based on percentages of the gross revenues actually received by the LESSEE. These percentages shall be phased in over a five-year period, as described in Paragraph (A), below.

(A) (1) The LESSEE shall pay to the CITY five-percent (5%) of the "GROSS REVENUES", excluding fuel sales, as hereinafter defined, actually received by the LESSEE from the project, except that this percentage is to be phased in over the following period in the following amounts:

(a) In the first year of operation the percentage shall be one-percent (1%), or \$5,000.00, whichever is greater;

(b) In the second year of operation the percentage shall be two-percent (2%), or \$10,000.00, whichever is greater;

(c) In the third year of operation the percentage shall be three-percent (3%), or \$15,000.00, whichever is greater;

(d) In the fourth year of operation the percentage shall be four-percent (4%), or a minimum of \$20,000.00, whichever is greater; and,

(e) In the fifth year of operation and every year thereafter, the percentage shall be five-percent (5%), or a minimum of \$20,000.00 per year, whichever is greater.

(2) The LESSEE shall pay to the CITY one-percent (1%) of the Gross Revenues received by LESSEE from marine fuel sales, plus sales tax.

(3) The LESSEE shall pay all sales taxes due on such rentals.

(B) The rent shall be payable on an annual basis and shall be due one hundred twenty (120) days after the end of each fiscal year of the LESSEE. The LESSEE's first fiscal year shall begin on the first day of the month during which the LESSEE

has commenced construction of the improvements and assumed possession and control of the property, pursuant to this Agreement.

(C) Gross Revenues include all revenues received by LESSEE from the project. These revenues do not include those amounts held by LESSEE as a deposit to secure a prospective tenant to lease to begin in the future; damage deposits, sums collected and paid out as a conduit such as sales, excise and other taxes, or other amounts which are generally not income under Generally Accepted Accounting Principles or Federal Income Tax Laws.

(D) Accounting Procedures

(1) All sales shall be registered on a cash register except sales relating to vending machines and rental revenues and those sales shall be recorded on daily ledger sheets and all financial records shall be subject to inspection by the CITY.

(2) The LESSEE shall keep within the CITY OF FERNANDINA BEACH true and complete records and accounts of all gross revenues and business transacted, including daily bank deposits, and annually furnish within ONE HUNDRED TWENTY (120) days of the end of each fiscal year, a true and accurate statement for the preceding fiscal year of all such revenues and business transacted during such preceding year which statement shall be verified by LESSEE's certified public accountant as being correct. A separate profit and loss statement on the Fernandina Beach Marina shall be supplied to the City Manager within SIXTY (60) days after the end of the fiscal year. LESSEE agrees to establish and maintain a system of bookkeeping satisfactory to the CITY's auditor and to give the CITY access during reasonable hours to such books and records. LESSEE agrees that it will keep and preserve for at least two years all sales slips, cash register tapes, sales books, bank books or duplicate deposit slips, and other evidence of gross revenues and business transacted for such period. The CITY's auditor and City Manager and their respective authorized representatives shall have the right at any time and from time to time to audit all of the books of account, bank statements, documents, records, returns, papers, and files of the LESSEE relating to gross receipts and business transacted and the LESSEE, on request by either, shall make all such matters available for such examination at the premises. If the CITY shall make or have such an audit made for any year and the gross revenues and business transacted shown by the LESSEE's statement for such year should be found to be understated by more than one percent, the LESSEE shall pay to the CITY the cost of such audit. The CITY's right to have such an audit made with respect to any year shall expire three (3) years after the LESSEE's statement for any year shall have been delivered to the CITY.

(3) In addition, the LESSEE covenants with the CITY to furnish a true and correct copy of the State Sales and Use Tax Report as required by the Florida Department of Revenue and shall furnish the CITY a State Sales and Use Tax Report Number upon the execution of this Agreement.

(4) LESSEE hereby authorizes the CITY to apply to the Florida Department of Revenue for information and such reports of LESSEE as will enable the CITY to determine the amount of LESSEE's gross receipts for the period comprising the term of this Agreement.

(E) Late Payment

Any lease payments which are received by the CITY more than FIFTEEN (15) days from their due date shall bear interest at the rate of TEN PERCENT (10%) per annum from the due date until paid.

ARTICLE IV. INSURABLE TITLE

4.01 CITY shall, within TEN (10) days of date of this Agreement, provide LESSEE with a commitment for title insurance, issued by a reputable title insurance company, showing the CITY to be the owner in fee simple of the property. LESSEE shall state its objections, if any, to any exceptions or title defects shown in such commitment, within FIFTEEN (15) days after receipt of the same from CITY. CITY shall thereupon, at its option, either cure such defects at its expense, or terminate this agreement, and both parties shall be relieved of any further obligation to each other hereunder. In the event CITY elects to cure such defects, then the commencement date of this Agreement shall be deferred until such time as the CITY has cured the defects to the satisfaction of LESSEE.

ARTICLE V. PURPOSE

5.01 It is the purpose of the CITY in granting this lease to have developed on the property a first-class marina and related facilities for the residents of the CITY OF FERNANDINA BEACH and people utilizing the marina facility.

ARTICLE VI. TIME BY WHICH LESSEE MUST COMPLETE PRE-DEVELOPMENT PLANS AND BEGIN CONSTRUCTION ACTIVITY

6.01 The LESSEE is obligated to commence and complete, at no expense to CITY, certain pre-development activities within the time period stated below. The intent of the parties is that this Lease will provide a legally sufficient basis by which the LESSEE may continue to spend time, effort and resources in completing the pre-development activities. The failure of the LESSEE to complete any of these pre-development steps within the time periods stated, shall cause this lease to be cancelled in full. The reason for the LESSEE's failure to complete a pre-development step, whether by inability to perform or by the LESSEE's own choice, shall not affect the question of cancellation of the lease and all mutual rights and obligations of the parties herein.

6.02 (A) Permit Applications

Necessary permit applications must be prepared and submitted to the Department of Environmental Regulation, The Army Corp of Engineers and the Department of Natural Resources within NINETY (90) days from the date of final execution of this lease by all necessary parties.

(B) (1) Engineering and Architectural Plans

Engineering and Architectural plans must be completed and submitted for approval to the CITY within ONE HUNDRED TWENTY (120) days following the final approval of all permit applications by the respective permitting authorities.

(2) The parties recognize that the LESSEE must obtain project approvals of design, structure and content from many different public regulatory bodies before the final

Architectural and Engineering plans are submitted to the CITY for final approval. The LESSEE shall provide the CITY with copies of all approval applications during the course of this approval process. Accordingly, the CITY covenants that it will reasonably and constructively exercise its plan approval discretion in a manner that is consistent with successful completion of the project. If the CITY breaches this promise, it shall be in default of this Agreement and the LESSEE shall be entitled to reimbursement of its pre-development costs as liquidated damages, in lieu of all other damages. Any plans not approved or denied by CITY within SIXTY (60) days of their submission shall be deemed to have been approved. CITY shall not unreasonably withhold its approval.

(C) Final Plan Specification and Bid Documents

All plan specifications and bid documents must be completed and submitted to CITY within SIXTY (60) days after the final approval of the architectural and engineering plans and estimates set forth in Sub-Paragraph 6.02 (B). Additionally, by this date, the bid documents are to be submitted to the prospective contractors for purposes of determining their contracting bids.

(D) Final Selection of Contractor

Within ONE HUNDRED TWENTY (120) days after the submission of the bid documents to prospective contractors, the LESSEE shall finally select a contractor or contractors with appropriate performance bonds to perform the necessary improvements and shall inform the CITY of its selection of the same.

(E) Final Determination of Financing Arrangements

Within ONE HUNDRED EIGHTY (180) days after the final selection of a contractor or contractors by the LESSEE, the LESSEE shall submit to CITY its proposals for the final financial arrangement.

(F) Construction

(1) Within ONE HUNDRED TWENTY (120) days following the final determination of financial arrangements, and the obtaining of the necessary financial commitments, the construction work on the first phase of the project must have begun.

(2) In no event shall the LESSEE fail to commence construction on the first phase of the project within TWO (2) years from the date of the execution of this Agreement. Construction of the first phase of the marina portion of the property, consisting of a minimum of the relevant portion of the floating breakwater and no less than twenty-five (25) slips, shall be completed within TWO HUNDRED SEVENTY (270) days of commencement of the Lease. LESSEE shall thereafter proceed with due diligence to complete construction of the remaining improvements as they relate to the marina portion, but shall be permitted to proceed at its own rate for the other commercial improvements, based on market demand.

(G) Payment and Performance Bond

(1) Prior to the commencement of this lease and for the full term hereof, LESSEE shall furnish unto CITY a payment bond conditioned upon its faithful performance of all the terms and conditions of this lease, in the amount of \$50,000.00.

In the event LESSEE shall abandon the leased premises after commencement of construction of the improvements or otherwise be in default for which the CITY terminates the lease, the principal amount of the bond shall be paid to the CITY as liquidated damages.

(2) In order to insure that the improvements will be constructed by LESSEE after approval by CITY, the LESSEE shall furnish to the CITY, prior to commencement of construction, a performance bond in an amount equal to the estimated cost of construction of the improvements, in a form to be approved by the CITY attorney. Said performance bond may come from LESSEE's General Contractor, if the CITY is named as additional payee or insured under said bond. LESSEE shall further establish an escrow account with a bank in Fernandina Beach, Florida, and shall deposit in advance of commencement of construction of each phase of the improvements an amount equal to the projected cost of the improvements for each phase, and LESSEE shall be authorized to withdraw from said account, only with the approval of the City Manager, to insure that said improvements will be constructed, and the materialmen, laborers, suppliers and contractors are paid for the work performed on the property. The parties shall coordinate and cooperate with one another in the establishment of said account and execute the necessary documents to accomplish the purpose stated herein. Such escrow account shall be required only to the extent that a similar account is not required by LESSEE's lender or its investors, or by requirement of any grant obtained by LESSEE.

ARTICLE VII. DESCRIPTION OF IMPROVEMENTS

7.01 LESSEE promises to begin construction of, within the time periods set forth in ARTICLE VI, a marina facility substantially similar to the development plan submitted by the CENTER STREET WATERFRONT GROUP to and approved by the CITY. This marina facility will, at the minimum, include the following:

- (A) approximately 100 deep water boat slips;
- (B) approximately 30,000 sq. ft. of retail space;
- (C) a public boat ramp;
- (D) a pedestrian promenade along the river front over-looking the marina;
- (E) approximately seventy percent (70%) of the project set aside as usable space, dedicated to public access, complying with all necessary codes, regulations and permits of the Army Corp of Engineers and Florida Department of Natural Resources, attractively landscaped and consistent with the theme of Centre Street; and
- (F) approximately 8,000 square feet of office-commercial space.

7.02 Building Permit

The LESSEE shall be required to apply for a building permit and comply with applicable ordinances regarding the proposed improvements. The application for building permit shall be prepared by an engineer registered in the State of Florida and the following shall be included as a part of the application:

- (A) Name and address of applicant.

- (B) Location and legal description of the existing marina facilities;
- (C) A complete plan of the proposed alteration or expansion of marina:
 - (1) Location and dimensions of any area in which filling or dredging is proposed.
 - (2) Location and dimensions of all buildings.
 - (3) Location and dimensions of all piers, ramps, walks, main walks, catwalks, berths and pilings.
 - (4) Location and dimensions of all bulkheads.
 - (5) Location and dimensions of parking areas and pedestrian areas.
 - (6) Location and sizes of water, sewer and drainage lines and easements.
 - (7) Location of fire hydrants and other fire fighting equipment.
 - (8) Location of lighting stands.

7.03 Construction Standards

LESSEE shall construct the improvements in accordance with plans and specifications approved by CITY or its designee. Such plans and specifications are by reference incorporated herein. Such plans shall include, among other things, a marina as described above, with concrete pilings, stone or rock bulkhead, concrete breakwater and dock systems.

7.04 Ownership of Improvements

At the end of the term of the agreement, the improvements shall be the property of the CITY free and clear of all liens or claims of LESSEE whatsoever, except that personal property installed by LESSEE not permanently affixed to the facilities may be removed, provided that if said removal causes any damages to the facilities, LESSEE will repair said damages in a proper and satisfactory manner to the city at LESSEE's own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be classified as personal property and shall be considered as part of the real estate owned by the City.

ARTICLE VIII. ACCESS TO PROPERTY

8.01 Subsequent to the date hereof, the LESSEE shall permit the representatives of the CITY unlimited access to the property, other than private offices and storage space occupied by tenants, at all reasonable times deemed necessary for the purposes of this Lease Agreement.

ARTICLE IX. WARRANTY

9.01 The LESSEE will warrant that all public improvements upon the premises which will be for public use shall be fit for their intended use. "Public improvements", for the purpose of this section, shall mean all improvements other than private offices and tenant occupied space.

ARTICLE X. COVENANTS AND RESTRICTIONS

10.01 The CITY and the LESSEE agree that the following restrictions shall be covenants running for the duration of this lease, and shall be binding on the CITY, the LESSEE, and the successors and assigns of the parties, and all other successors in interest to the property, or any part thereof:

(A) That the property shall be devoted and used in accordance with the uses specified in Section V of this Agreement.

(B) That all utility distribution lines shall be placed underground.

(C) That the CITY shall retain a perpetual easement to be set forth in an appropriate instrument in recordable form for ingress, egress, and right-of-way on and over public promenade to be constructed by the LESSEE in the project for the purpose of access to the public marina and other public facilities contained in the project.

ARTICLE XI. REPRESENTATIONS AS TO LESSEE

11.01 The LESSEE represents and agrees that its lease of the subject property, and its other undertakings, pursuant hereto, are for the purpose of development of the subject property and not for speculation in land holding.

ARTICLE XII. SPECIAL PROVISIONS

12.01 LESSEE may assign its interest in this Lease Agreement with the approval of the CITY, and such approval shall not be unreasonably withheld. Nothing contained in the above shall prohibit the LESSEE from forming partnerships or other form of business associations to carry out this Lease Agreement so long as the LESSEE shall remain liable for the lease payments to the CITY under the terms of this Lease Agreement and retains control of management of the marina facility, and provided that the CITY is notified of such partnerships or associations in writing prior thereto.

12.02 LESSEE shall have the right to mortgage its interest in the subject property and the CITY agrees to assist and cooperate with LESSEE in that effort; provided, however, that all rights acquired under the leasehold mortgage shall be subject to all the terms of this Lease Agreement and in no circumstance may the LESSEE encumber by lien the underlying land, nor shall any conventional mortgage on the leasehold exceed at any time an amount equal to SEVENTY PERCENT (70%), nor any industrial development bond exceed an amount equal to EIGHTY PERCENT (80%) of the value of the marina portion of the improvements, or EIGHTY-FIVE PERCENT (85%) of the value of the landside improvements, without the prior approval of the CITY, nor shall the combined leasehold mortgage or bond indebtedness exceed a total average of SEVENTY-FIVE PERCENT (75%) of the value of all such improvements, without such prior approval by the CITY. The value as stated herein shall be based upon the current market value of the improvements, to be constructed or existing at the time of incurring of such debt, using the average of a cost approach appraisal, and an income approach appraisal, and shall exclude consideration of the value of the real property as it existed at the time of commencement of this Lease.

12.03 The LESSEE shall be fully responsible for the development of all improvements at the LESSEE's sole cost and expense, pursuant to the terms and conditions of this Lease Agreement. The CITY shall be responsible for providing site improvements only to the extent allowed by nonmatching appropriations and grants.

12.04 The CITY agrees to assist the LESSEE in securing any permits and approvals necessary to construct piers, docks, boat slips, and all other improvements to be constructed by the LESSEE at the LESSEE's sole expense as part of the public marina.

12.05 The LESSEE shall operate the public marina and the improvements on a non-exclusive basis and implement and impose user fees uniformly, without regard to age, religion, sex, race, other condition, or the political subdivision in which the user may reside. CITY may, however, require LESSEE to provide the use of the boat launch ramp to CITY residents free of charge.

12.06 The CITY and the LESSEE agree to assist each other in securing such further permits as may be necessary to construct additional piers, docks, boat slips and the like, subject to approval of the plans thereof by CITY.

12.07 The LESSEE, its transferees, grantees, successors and assigns, shall irrevocably release the CITY, its agents or assigns, from any and all claims for damages of whatever nature resulting from any dredging by the LESSEE, including the incidental depositing of dredged materials resulting from dredging, bulkheading, and/or construction, and other incidental damage resulting from any construction operations and the like which might occur. The CITY and the LESSEE, their successors and assigns, agree to cooperate with each other in connection with the securing of future dredging of the marina, and in this connection, agree to execute such applications, releases and other documents necessary or incidental to the approval of the U. S. Army Corp of Engineers, or other public agency, to undertake and execute such dredging should dredging ever be required. The CITY and the LESSEE, their successors and assigns, further release each other from any and all claims for damage occasioned or arising from any disturbance of the river bottom, which results as a natural consequence, from normal periodic maintenance, bulkheading, riprapping, or dredging by either party, either in the maintenance and repair of the marina or the use, maintenance and employment of the rights in the marina waterways.

12.08 The CITY shall cooperate in every respect with the LESSEE in securing all required municipal permits and approvals in accord with the CITY's adopted regulations and procedures.

12.09 The LESSEE shall have sole discretion over tenant selections and the marketing program, but such shall comply with all applicable laws and ordinances. The LESSEE agrees to incorporate public marina guidelines (on a publicly advertised first-come, first-served basis) as an addendum to this Lease Agreement prior to the start of marina construction. A copy of these guidelines shall be furnished to the CITY.

12.10 Prior to the signing of this Lease Agreement, the LESSEE agrees to provide the CITY with a copy of the Articles of Incorporation and financial statements of the CENTER STREET WATERFRONT GROUP, INC.

12.11 CITY shall be permitted to retain all docks, buildings and existing materials for their salvage value and LESSEE shall remove and store such materials for CITY's benefit, pending removal by CITY within a reasonable period of time, not to exceed ninety (90) days from their removal and notice to the CITY.

ARTICLE XIII. INDEMNIFICATION AND HOLD HARMLESS

13.01 The LESSEE shall defend and indemnify the CITY and save it harmless from any and all claims, suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or about the leased premises or any part thereof throughout the entire lease term, or occasioned wholly or in part by any act or omission of the LESSEE, its agents, contractors, employees, servants, invitees, licensees, or concessionaires.

ARTICLE XIV. INSURANCE REQUIRED

14.01 The LESSEE shall maintain hazard and liability insurance and provide the CITY with certificates of insurance during the life of this Lease Agreement. The CITY has the right of approval of the insurance contracts which shall provide minimum liability coverage in amounts equal to those which would be commercially reasonable in the industry; and shall provide hazard insurance on the improvements in an amount equal to their fair market value.

ARTICLE XV. ALTERATIONS

15.01 Notwithstanding anything in this Agreement expressed or implied to the contrary, the CITY and the LESSEE agrees to pursue the development of the subject property in good faith to achieve a commercially successful project. In this regard, it is contemplated that this Agreement may be expanded or modified by the agreement of both parties in order to accomplish the proposed or future development. This provision shall not be construed, however, to require CITY to in any way guarantee LESSEE's success in this Project.

ARTICLE XVI. OPERATIONAL REQUIREMENTS

16.01 The LESSEE shall comply with the following operational requirements:

(A) The hours of operation should be a minimum of twelve (12) hours a day or daylight hours, whichever is greater.

(B) Electricity and water service will be provided within a thirty-foot radius of the individual slips.

(C) Toilet and shower facilities shall be open during operating hours. Slip renters shall be provided a key for non-operating hours.

(D) LESSEE shall provide adequate fueling facilities to marina patrons.

(E) LESSEE shall permit permanent live-aboards but limit this number to not more than ten percent (10%) of the total available slippage. They shall be spaced so as to provide security for the Marina. Permanent is herein defined as any rental in excess of THIRTY (30) days.

(F) Slip identity numbers shall be provided on all docks.

(G) Adequate fire protection shall be provided on all facilities in accordance with protection guidelines.

(H) The Marina management shall register all slip renters. The register shall include the following information:

- (1) The name and address of all slip patrons.
- (2) The make, model, year, and registration number of all boats docked in the marina.
- (3) The state and county in which all boats are registered.
- (4) The dates and time periods in which the boat was docked in the marina.
- (5) Such records shall be preserved for a period of two (2) years and made available to authorized law enforcement agencies.

(I) Boats and boaters shall be subject to the following regulations within the marina to be published and posted by the operator:

- (1) A maximum speed of five (5) miles per hour, with no wake permitted in the marina.
- (2) No dumping or litter, garbage, or other debris shall be allowed in any waterway within the Marina area.
- (3) The fuel dock and adjacent water area shall remain open and available for the intended purposes during the hours of operation.
- (4) All appropriate U. S. Coast Guard rules and regulations for boat handling shall be followed at all times within the Marina.

(J) To provide services and maintain an inventory sufficient to satisfy the demands and needs of the boating public at the Marina.

(K) To prepare, upon request of the City Manager, a schedule of fees charged for the goods and services sold by LESSEE. LESSEE hereby warrants and represents that the fees charged by LESSEE for the goods and services will be competitive with other similar marinas in the North Florida area. All fees will be posted on the clubhouse or captain's room bulletin board.

(L) To secure and maintain all licenses required and to pay when due all taxes and assessments which shall be imposed or assessed by governmental units in connection with the business or operation conducted, pursuant to the provisions of this agreement and to otherwise comply with all applicable laws, ordinances, rules, regulations or policies established by the CITY or any local, state or federal governmental unit or authority.

(M) To keep the buildings, piers, docks, and structures and immediate premises clean, orderly and free and clear of any obstruction, rubbish or litter, in accordance with Florida State Sanitation Laws and the laws, ordinances, rules, regulations or policies of any local, state or federal governmental body.

(N) To hire sufficient number and capable personnel to operate the Marina.

(O) To maintain the facilities and any equipment used in connection therewith in good operating condition.

(P) To establish rules regarding customer service, if and when required, subject to the approval of the City Manager or his designee.

(Q) To maintain good public relations, to conduct said facilities in a manner which is courteous and fair to the public and to be responsible to customers' requests and complaints.

(R) To cooperate fully with the City Manager or his designee in all matters relating to the operation and development of the facilities.

(S) To pay all utilities, including water, sewer, garbage disposal fees and electrical charges in connection with the operation of the facilities.

(T) To maintain the marina facilities in good repair and at the termination of this agreement to deliver the premises in good repair.

(U) To install at its own expense all facilities and equipment, including but not limited to berths and slips, boat launching, parking, public access, and utility services.

(V) To be the insurer of the CITY against risk of loss or theft of or damage to any CITY fixtures, equipment and personal property which are a part of or located in and on the premises and shall promptly replace or repair the same within sixty (60) days of such loss, theft or damage.

(W) To pay promptly all taxes, excise or license fees of whatever nature, applicable to this operation and take out and keep current all licenses, municipal, state or federal, required for the conduct of the business, and further shall not permit any of said taxes, excise or license fees to become delinquent. LESSEE shall comply with all local, state and federal rules and regulations relating to the operation of said facilities. LESSEE shall not permit any mechanic's or materialmen's or any other lien to be imposed upon the property hereinabove described or any part or parcel thereof by reason of any work or labor performed or materials furnished by any mechanic or materialmen to said facilities or upon or regarding said property or said facilities herein granted. LESSEE shall pay promptly when due all bills, debts and obligations incurred in connection with the operation of said facilities and not permit same to become delinquent and suffer no lien, mortgage, judgment, execution or levy against the property.

ARTICLE XVII. VIOLATIONS BY LESSEE

17.01 Upon inspection of the Marina by the City Manager or his designee (as provided below), if it is found that conditions or practices exist which are in violation of ARTICLE XVI of this lease, or otherwise constitute operational defaults, the City Manager or his designee shall furnish the LESSEE with a list of those violations that said inspection revealed, and give the LESSEE THIRTY (30) days' written notice to remedy said violations. Failure of the LESSEE to remedy said violations within said specific time shall constitute a default by LESSEE and entitle the CITY to cure such default, and charge the cost of such cure back to LESSEE as additional rent.

ARTICLE XVIII. DEFAULT

18.01 If LESSEE shall make default in the payment of rent, and such default continues for THIRTY (30) days after written notice thereof by CITY to LESSEE, CITY may terminate this Lease and may re-enter and retake possession of the property, subject to ARTICLE 20.03, below.

18.02 If, during the term of this Lease, LESSEE shall make or suffer any default in respect of any of the terms, conditions, agreements, or covenants of this Lease other than the payment of rent, or the provisions of ARTICLE XVI, or any other default relating to the daily operation of the marina, CITY may give LESSEE written notice of such default, and if at the expiration of SIXTY (60) days after the giving of such notice the default upon which such notice was based shall continue to exist, or in the case of a default which cannot, with due diligence, be cured within a period of SIXTY (60) days, if LESSEE fails to proceed within said SIXTY (60) day period or as promptly as possible and with all due diligence after the giving of said notice, and thereafter to prosecute the curing of such default with all due diligence (it being intended that in connection with a default not susceptible of being cured with due diligence within SIXTY (60) days, that the time of LESSEE within which to cure the same shall be extended for such period as may be necessary to complete the same with all due diligence), the CITY may terminate this Lease and re-enter and retake possession of the property, subject to SECTION 20.03, below.

18.03 If LESSEE shall fail or refuse to perform or carry out the construction of the improvements required to be done by it under the terms hereof, and in the manner herein provided, or should it fail to prosecute said work diligently and expeditiously, or should unnecessarily delay the same, CITY shall have the right to take appropriate action against the LESSEE or against the surety on its bond, or against both of them, to insure completion of the work, in accordance with the provisions hereof. CITY may, at its option, by written notice from the City Manager to LESSEE, declare LESSEE in default. If such default is declared, then, unless such default is cured by LESSEE taking such action as aforesaid, within SIXTY (60) days after the giving of such notice, this lease shall thereupon terminate and the term thereof shall expire on the SIXTY-FIRST (61st) day after the giving of said Notice of Default, and thereafter this Lease shall become null, void and of no effect. In the event this Lease is terminated, in accordance with this SECTION 18.03, the surety shall assume and complete or procure the completion of the work provided for herein, subject to and with the benefits of the terms of this lease and shall thereupon be subrogated to all of the rights and privileges enjoyed by the LESSEE, prior to default as shall be evidenced by a lease to be entered into by and between the Mayor and City Commission of Fernandina Beach, and the surety or its nominee, upon the same terms, conditions and agreements as set forth in this Lease Agreement; PROVIDED, HOWEVER, that CITY shall have the option upon such default to refuse to execute a lease with such surety, and shall pay such surety an amount equal to the cost of such improvements then existing, less an amount equal to any grants received by LESSEE, in the same manner as provided for in SECTION 20.03, below.

18.04 No termination of this Lease, pursuant to the above, nor taking or recovering possession of the premises, pursuant to SECTION 18.03, above, shall deprive CITY of any other action against LESSEE for possession, for rent, or for damages, nor shall any action for rent or damages prevent CITY from proceeding to recover possession, pursuant to the provisions of this Lease. In no case shall any omission by CITY to enforce any forfeiture or to exercise any other remedy belonging to it or to require a strict performance of all the terms of this Lease be deemed or taken to be a waiver by CITY of a right to enforce a forfeiture or pursue any other remedy or remedies herein given or allowed by law, or of the right to have and expect a strict performance of all the covenants of this lease by LESSEE. The consent or approval of CITY given in any instance with respect to any particular matter shall not be or be deemed to be a consent or approval with respect to the same or any other similar or dissimilar matter in any other instance.

18.05 The specified remedies to which CITY may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which CITY may be lawfully entitled in case of any breach by LESSEE of any provision of this Lease. The failure of CITY to insist in any one or more cases upon the strict performance of any of the covenants of this Lease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by CITY of rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach and no waiver by CITY of any provision of this Lease shall be deemed to have been made unless expressed in writing and signed on behalf of CITY by the City Manager. In addition to the other remedies in this Lease provided, CITY shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, or provisions of this Lease.

18.06 No default (other than a default in the payment of money) shall be deemed to exist or continue if and so long as the default shall be caused by reason of LESSEE being delayed in or prevented from remedying the same by fire, casualty, strikes, lockouts or labor disturbances, act of god or the public enemy, or order, direction or lawful interference by any municipal, state, or governmental agency; but if and when the occurrence or condition which caused, delayed, or prevented the remedying of such default shall be removed or cease to exist, it shall be the obligation of LESSEE to remedy such default as speedily as practicable and with all due diligence.

18.07 Upon termination hereof, by either expiration or by default and repossession as provided above, all improvements shall become the property of the CITY, subject to SECTION 20.03, below, except LESSEE shall have the right to remove from the property all personal property installed by LESSEE not permanently affixed to the facilities, subject, however, to any valid lien or claim which the CITY may have for unpaid fees or charges for repair of the facilities, provided also, that if said removal causes any damage to the property, said LESSEE will repair the same in a proper and satisfactory manner at its own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be considered personal property.

ARTICLE XIX. PURCHASE OF LEASEHOLD ESTATE

19.01 CITY hereby reserves the right to purchase the leasehold estate hereby created and require a conveyance of the same, with as good title as previously conveyed to LESSEE, together with the improvements erected thereon, together with all appurtenances thereto, free and clear of all liens and encumbrances, at any time during the term thereof, after the expiration of twelve (12) months' accounting from the date of completion of said improvements, upon giving to LESSEE six (6) months' written notice of its intention to so purchase and upon payment of the purchase price determined in accordance with the provisions of this ARTICLE XIX. The settlement date for such purchase shall be the last day of the calendar month next after the expiration of one year after the giving of said notice, of intention to purchase. The purchase price shall be paid to LESSEE in full in cash at the time of settlement.

19.02 In the event CITY exercises its option to purchase from LESSEE the leasehold estate hereby created, pursuant to the provisions of SECTION 19.01, above, the purchase price shall be determined upon the appraised value of the premises and all

appurtenances thereto, mutually agreed upon by two (2) licensed appraisers, LESS an amount equal to any grants received by LESSEE and used for the construction of the improvements. One appraiser shall be selected by CITY and the other selected by LESSEE.

19.03 Within thirty (30) days after the giving of notice by CITY of its intention to purchase, each of the parties hereto shall, by notice to the other, designate an appraiser, and within SIXTY (60) days thereafter, the two appraisers thus designated, shall mutually determine the value of said leasehold interest and appurtenances and submit a copy of their appraisals to each of the parties hereto. If the two appraisers so designated are unable to mutually agree upon the purchase price, a third licensed appraiser, shall be designated by the Chief Judge of the Fourth Judicial Circuit, in and for Nassau County, Florida. If either party shall fail to designate an appraiser within the thirty day period specified, then the other party hereto may request the Chief Judge to designate an appraiser who, when so designated, shall act in the same manner as if he had been the appraiser designated by the party so failing to designate an appraiser. The costs of the appraisal shall be equally divided between the parties. The mutual determination of the purchase price of any two of the three designated appraisers shall be final and conclusive upon the parties hereto.

19.04 The value of the land upon which the building and appurtenances are located, in its condition existing at commencement of the Lease, shall not be taken into consideration or given any value by the appraisers in arriving at the purchase price to be paid by CITY for said leasehold estate. Further, an amount equal to any grants received by LESSEE during the term of this Lease shall be deducted from the purchase price as so determined.

ARTICLE XX. LEASEHOLD MORTGAGE

20.01 It is contemplated by the parties that LESSEE will finance a portion of the total development and construction cost of the project by means of a mortgage of the leasehold estate created by this Lease and of LESSEE's entire interest in the demised premises, but it is also contemplated that such mortgage will and it is agreed that such shall be subordinate to CITY interest as LESSOR under this Lease. LESSEE shall also have the right from time to time during the term of this Lease to place any substitute or additional mortgage on the leasehold estate created by this Lease and on LESSEE's interest in the demised premises, but all such mortgages shall be subordinate to CITY's interest as LESSOR under this Lease.

20.02 In the event that at any time during the term of this Lease the leasehold interest of LESSEE is subject to a mortgage in accordance with the provisions of Section 20.01 above, then so long as such mortgage is outstanding and unreleased a copy of any notices at any time required or permitted under the terms of this Lease to be given by CITY to LESSEE shall at the same time be sent by CITY to the mortgagee, provided that prior thereto LESSEE shall have given written notice to the CITY MANAGER of the existence of said mortgage and have stated in said notice the address of the mortgagee to which copies of all notices under this Lease shall be delivered or made.

20.03 In the event of a default by LESSEE as described in SECTION 18.01 or 18.02, above, and the attempted cure thereof by LESSEE's mortgagee, the CITY may, at its option, prohibit the assumption of this Lease and redemption of LESSEE's interest herein by Lessee's Mortgagee or Mortgagee's, and upon the

exercise of such option, CITY shall pay LESSEE or its Mortgagees an amount equal to the then outstanding obligation of such mortgage loan. Such payment shall be made by CITY within ONE HUNDRED EIGHTY (180) days of the notice of default to LESSEE and CITY's exercise of the above option.

ARTICLE XXI. THE AGREEMENT

21.01 This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

21.02 Any amendments to this Agreement will be in writing and shall be executed by both LESSEE and the CITY with the same formality as this Agreement.

21.03 All covenants, warranties, conditions and agreements set forth in this Lease Agreement shall survive the execution of this Agreement and other documents at any time executed and delivered under, pursuant to, or by reason of this agreement, and the payment of all monetary sums paid under, pursuant to, or by reason of this Agreement shall continue to be binding on THE CENTER STREET WATERFRONT GROUP, INC. and the LESSEE and on their respective successors and assigns.

21.04 Independent Contractor

LESSEE shall perform the conditions of this Agreement as an independent contractor and nothing contained herein shall be construed to be inconsistent with this relationship or status. Nothing in this agreement shall be in any way construed to constitute the LESSEE or any of his agents or employee or representative of the CITY.

21.05 Notice

For purposes of this Agreement, any notice required to be given shall be given, in accordance, with this document by delivering written notice to the City Manager at Post Office Box 668, Fernandina Beach, Florida 32034. Notice shall be given to the LESSEE by delivering written notice to 100 Laura Street, Jacksonville, Florida 32202.

21.06 Attorney's Fees

In the event it becomes necessary to file suit in connection with this Agreement, the prevailing party shall be permitted to recover for attorney's fees and court costs against the losing party.

IN WITNESS WHEREOF, the CITY and the LESSEE have caused this Lease Agreement to be executed by their authorized representatives as follows:

APPROVED by Resolution of the City Commission of the CITY OF FERNANDINA BEACH and attested and executed by the authorized representatives of the CITY OF FERNANDINA BEACH, FLORIDA, and the CENTER STREET WATERFRONT GROUP on this 2ND day of ~~September~~ October, 1984.

CITY OF FERNANDINA BEACH, FLORIDA

Attest: Vicki P. Wingate
VICKI P. WINGATE

Its: City Clerk

By: Ben Sorensen
BEN SORENSEN

Its: Mayor/Commissioner

THE CENTER STREET WATERFRONT
GROUP, INC.

By: Robert S. Allison
ROBERT S. ALLISON

Its: President

(corporate seal)

Stephen C. Harris
Wesley R Poole

STATE OF FLORIDA

COUNTY OF NASSAU

Before me, the undersigned officer, duly commissioned, qualified and acting as Notary Public, in and for the State and County set forth above, personally appeared BEN SORENSEN, and VICKI P. WINGATE known to me to be the Mayor/Commissioner and City Clerk of the CITY OF FERNANDINA BEACH, and acknowledged and declared that they, as the Mayor/Commissioner and City Clerk, respectively, of said CITY, and being duly authorized by it, signed its name and affixed its seal to and executed the said instrument for it as its free act and deed.

~~October~~ WITNESS my hand and official seal, this 3rd day of ~~September~~, 1984.

Wesley R Poole
Notary Public
State of Florida at Large

My Commission Expires:

Notary Public, State of Florida
My Commission Expires June 19, 1985
Bonded Thru Troy Fain - Insurance, Inc.

STATE OF FLORIDA

COUNTY OF NASSAU

Before me, the undersigned officer, duly commissioned, qualified and acting as Notary Public, in and for the State and County set forth above, personally appeared ROBERT S. ALLISON known to me to be the President of THE CENTER STREET WATERFRONT GROUP, INC, a Florida corporation, and acknowledged and declared that he, as the President, respectively, of said corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that it was affixed to said instrument by due and regular corporate authority, and that said instrument is the free act and deed of said corporation.

~~October~~ WITNESS my hand and official seal, this 3rd day of ~~September~~, 1984.

Wesley R Poole
Notary Public
State of Florida at Large

My Commission Expires:

Notary Public, State of Florida
My Commission Expires June 19, 1985
Bonded Thru Troy Fain - Insurance, Inc.

EXHIBIT "A"

PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of Fernandina Beach during the term of this Lease.

TELEPHONE 261-5976

VERNON N. DRAKE & ASSOCIATES

103 SOUTH 10TH STREET
FERNANDINA BEACH, FLORIDA 32034

REGISTERED
LAND SURVEYORS

August 29th, 1985

DESCRIPTION FOR CENTRE STREET WATER FRONT GROUP

PARCEL "B"

A PORTION OF WATERLOTS 29, 30, 31, 32, 33 AND 34 (SUBMERGED),
CITY OF FERNANDINA BEACH, NASSAU COUNTY, FLORIDA.

As shown on the official plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company, in 1887 and 1901).

Being more particularly described as follows: For a point of reference commence at the Southeast corner of Lot 33 aforementioned; and run North $66^{\circ}-09'-14''$ West along the Southerly line of said Lot, a distance of 130.28' feet to the Mean High Water line of Amelia River for the POINT OF BEGINNING.

From the Point of Beginning thus described run the following courses and distances along said Mean Water line: South $40^{\circ}-40'-09''$ West, 16.11' feet; South $9^{\circ}-11'-41''$ West, 28.02' feet; South $16^{\circ}-11'-13''$ West, 14.10' feet; South $34^{\circ}-03'-43''$ West, 9.86' feet; run thence North $57^{\circ}-30'-35''$ West departing said Highwater line, a distance of 394.19' feet to the Southwest corner of Lot 33 aforementioned; run thence North $26^{\circ}-29'-25''$ East along the Westerly line of said Water Lots 29, 30, 31, 32 and 33, a distance of 502.97' feet to the Northwest corner of Lot 29 aforementioned; run thence South $74^{\circ}-50'-09''$ East along said Northerly line, a distance of 371.33' feet to the Mean High Water line of Amelia River aforementioned; run the following courses and distances along said High Water line: South $28^{\circ}-23'-23''$ West, 46.85' feet; South $12^{\circ}-13'-23''$ West, 24.53' feet; South $24^{\circ}-53'-44''$ West, 38.97' feet; South $59^{\circ}-00'-09''$ West, 22.74' feet; South $34^{\circ}-38'-11''$ West, 51.09' feet; South $19^{\circ}-23'-07''$ West, 79.37' feet; South $39^{\circ}-20'-28''$ West, 39.59' feet; South $54^{\circ}-37'-45''$ West, 27.55' feet; South $52^{\circ}-33'-11''$ West, 27.16' feet; South $38^{\circ}-32'-27''$ West, 27.37' feet; South $48^{\circ}-17'-54''$ West, 25.21' feet; South $12^{\circ}-38'-49''$ West, 110.98' feet to the POINT OF BEGINNING.

The portion of land thus described contains 197,651.418 square feet, more or less;

EXHIBIT

B

Prepared by

Vernon N. Drake
Vernon N. Drake,
PLS NO. 1558

MARINA SUBLEASE

THIS SUBLEASE, made as of this 11 day of March, 1988, by and between FERNANDINA HARBOR JOINT VENTURE, a joint venture organized and existing under the laws of the State of Florida ("FHJV"), and FERNANDINA MARINA INVESTORS, LTD., a Florida limited partnership (the "Lessee").

W I T N E S S E T H: That,

WHEREAS, FHJV is the owner of a leasehold estate in certain real property located on the waterfront of Fernandina Beach, Nassau County, Florida, lying immediately west of Seaboard System Rail Right-of-Way and commonly referred to as "City Marina and Hugh Stone Property" (the "Property"), which is more fully described on Exhibit "A" attached hereto, pursuant to a Development and Lease Agreement between the City of Fernandina Beach (the "City"), as landlord, and FHJV, as tenant, dated October 3, 1984, as amended (the "Underlying Lease"); and

WHEREAS, Lessee desires to sublease from FHJV a portion of the Property described on Exhibit "B" annexed hereto (the "Sublease Parcel").

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations of the parties hereto, FHJV and the Lessee each covenant and agree as follows:

ARTICLE I
The Sublease Parcel

1.1 Subject to the terms and conditions set forth herein and subject to all of the terms, covenants and provisions of the Underlying Lease which are applicable to the Sublease Parcel (which lessee does hereby assume and agree to perform), FHJV leases to the Lessee, and the Lessee leases from FHJV, the Sublease Parcel as described on Exhibit "B" attached hereto, together with all the tenements, improvements and appurtenances thereto belonging or appertaining to the Sublease Parcel, subject to any existing leases or the rights of any tenants in possession, and together with and subject to all easements benefiting or burdening the Sublease Parcel.

1.2 Lessee shall have the right in common with others to use Common Areas on the Property. All Common areas, as hereinafter defined, shall at all times be subject to the exclusive control and management of Lessee and Lessee shall have the right to construct, maintain and operate lighting facilities

on all said areas; to police the same; to change the area, level, location and arrangement of parking areas and other facilities; to restrict parking by tenants, their officers, agents and employees to employee parking areas and to enforce parking charges (by operation of meters or otherwise), with appropriate provisions for free parking and/or ticket validating, provided that no charge will be made in the parking areas unless permitted by Section 1.3.

FHJV and Lessee shall have the right to close all or any portion of the Common Areas or facilities to such extent as may, in the opinion of it's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein, to close temporarily all or any portion of the parking areas or facilities, to discourage non-customer parking, and to do and perform such other acts in and to said areas and improvements as, in the use of good business judgment, Lessee shall determine to be advisable with a view to the improvement to the convenience and use thereof by tenants, their officers, agents, employees and customers. Lessee shall keep said Common Areas clean and in good repair and available for the purposes for which they were intended. Lessee shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Common Areas and facilities.

1.3 Lessee reserves the right, at any time, to add to or reduce or to relocate the various buildings (other than the restaurant building and other improvements on the parcel of land leased to Centre Street Waterfront Group, Inc. [the "Restaurant Parcel"]), automobile parking areas, and other Common Areas as shown on the site plan, provided that 100 parking spaces shall remain within 250 feet of the Restaurant Parcel.

1.4 FHJV does hereby sell, assign and set over to lessee for the term of this Sublease all monies due to FHJV as contributions to the cost of operating and maintaining the Common Areas.

ARTICLE II Sublease Term

2.1 The term of this Sublease shall be for a period commencing on the date hereof and continuing until 11:00 p.m. on the last day of the term of the Underlying Lease.

ARTICLE III
Sublease Payments

3.1 Ground Rent.

(a) The Lessee shall pay to FHJV five percent (5%) of the "Gross Revenues," excluding fuel sales, as hereinafter defined, actually received by the Lessee from the Sublease Parcel, except that this percentage is to be phased in over the same periods and at the same rate as provided in the Underlying Lease, provided that Lessee shall pay as ground rent not less than ninety percent (90%) of the combined minimum rent due under the Underlying Lease and the lease between the Trustees of the Hardee Estate and Centre Street Waterfront Group, Inc., dated February 5, 1985, the Lessee's interest in which is owned by Fernandina Marina Investors, Ltd. (the "Hardee Lease").

(b) The Lessee shall pay to FHJV one percent (1%) of the Gross Revenues received by Lessee from marine fuel sales, plus sales tax.

(c) The Lessee shall pay all sales taxes due on such rentals.

3.2 The rent shall be payable on an annual basis and shall be due one hundred twenty (120) days after the end of each fiscal year of FHJV. Lessee agrees to adopt the same fiscal year as FHJV.

3.3 "Gross Revenues" includes all revenues received by Lessee from the Sublease Parcel. These revenues do not include those amounts held by Lessee as a deposit to secure a prospective tenant to lease to begin in the future; damage deposits, sums collected and paid out as a conduit such as sales, excise and other taxes, or other amounts which are generally not income under generally accepted accounting principles or federal income tax laws.

3.4 Accounting Procedures.

(a) All sales shall be registered on a cash register except sales relating to vending machines and rental revenues and those sales shall be recorded on daily ledger sheets and all financial records shall be subject to inspection by FHJV and by the City.

(b) The Lessee shall keep within the City of Fernandina Beach true and complete records and accounts of all gross revenues and business transactions, including daily bank deposits, and annually furnish within one hundred twenty (120) days of the end of each fiscal year, a true and accurate statement for the preceding fiscal year of all such

revenues and business transacted during such preceding year, which statement shall be verified by Lessee's certified public accountant as being correct. A separate profit and loss statement shall be supplied to FHJV and the City Manager within sixty (60) days after the end of the fiscal year. Lessee agrees to establish and maintain a system of bookkeeping satisfactory to the City's auditor and to give the City and FHJV access, during reasonable hours, to such books and records. Lessee agrees that it will keep and preserve for at least two (2) years all sales slips, cash register tapes, sales books, bank books or duplicate deposit slips, and other evidence of gross revenues and business transacted for such period. FHJV, the City's auditor and the City Manager, and their respective authorized representatives, shall each have the right at any time and from time to time to audit all of the books of account, bank statements, documents, records, returns, papers, and files of the Lessee relating to gross receipts and business transacted and the Lessee, on request by any of them, shall make all such matters available for such examination at the Sublease Parcel. If FHJV or the City shall make or have such an audit made for any year and the gross revenues and business transacted shown by the Lessee's statement for such year shall be found to be understated by more than one percent (1%), the Lessee shall pay FHJV or the City, as the case may be, the cost of such audit. The right of FHJV and the City to have such an audit made with respect to any year shall expire three (3) years after the Lessee's statement for any year shall have been delivered to the City.

(c) In addition, the Lessee agrees to furnish to FHJV a true and correct copy of the State Sales and Use Tax Report as required by the Florida Department of Revenue and shall furnish a State Sales and Use Tax Report Number upon the execution of this Sublease.

(d) Lessee hereby authorizes FHJV and the City, or either of them, to apply to the Florida Department of Revenue for information and such reports of Lessee as will enable the City to determine the amount of Lessee's gross receipts for the period comprising the term of this Sublease.

3.5 Late Payment. Any Sublease payments which are received by FHJV more than fourteen (14) days from their due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid.

3.6 Mortgagee's Rights. Notwithstanding the foregoing provisions, if a leasehold mortgagee (the "Lender") institutes a proceeding to foreclose its mortgage, the lease payments required by Section 3.1 shall be suspended during the foreclosure proceedings and, in lieu thereof, Lender shall pay rent equal to

an average of such payments over the two year period immediately preceding the commencement of the foreclosure proceedings. Upon completion of the foreclosure and acquisition of title by Lender (or the assignment thereof to a third party), Lender shall provide an accounting to FHJV and shall pay any additional rent payments, if any, which would have been due under Section 3.1 during the suspension period. For a period of two years after acquisition of title by Lender, FHJV's sole remedy against the Lender for a Lender's default under the Lease as successor of Lessee shall be to terminate the Lease and retake possession. If Lender should fail to further assign the acquired leasehold interest within two years from the date of such acquisition, then FHJV shall have all remedies available to it under the Lease Agreement for any obligations arising after the expiration of that two year period.

3.7 Common Area Maintenance.

(a) Lessee agrees to keep and maintain all of the common areas on the Sublease Parcel.

(b) "Common Facilities" or "Common Areas" means all areas, space, equipment and special services provided by FHJV for the common or joint use and benefit of the occupants of the Harbour Market, their employees, agents, servants, customers and other invitees, including, without limitation, parking areas, access roads, driveways, retaining walls, landscaped areas, trust serviceways, loading docks, pedestrian malls, courts, stairs, ramps and sidewalks, comfort and first-aid stations, washrooms, community hall or auditorium (if any) and parcel pick-up stations.

(c) Lessee shall be entitled to receive from FHJV any contributions received by FHJV from others on account of the expense of operating and maintaining the Common Facilities or any part thereof.

ARTICLE IV Quiet Enjoyment

4.1 Lessee, upon paying the rent and other charges due hereunder and observing and performing all other covenants and agreements herein on its part to be performed, shall quietly have and enjoy the Sublease Parcel during the term hereof without hindrance or molestation by anyone.

ARTICLE V

Purpose

5.1 It is the purpose of FHJV in granting this Sublease to assure the continued operation of a first-class marina on the Sublease Parcel and to have the remainder of the Sublease Parcel developed in a first-class marina for the residents of the City of Fernandina Beach and people utilizing the marina facility.

ARTICLE VI

Construction

6.1 No construction will be undertaken on the Sublease Parcel except in strict compliance with the provisions of the Underlying Lease and Lessee and Lender shall be entitled to the benefits of the provisions of the Underlying Lease relating thereto.

ARTICLE VII

Ownership of Improvements

7.1 At the end of the term of the Sublease, any improvements constructed by Lessee shall be the property of FHJV, free and clear of all liens or claims of Lessee whatsoever, except that personal property installed by Lessee not permanently affixed to the facilities may be removed, provided that, if said removal causes any damages to the facilities, Lessee will repair said damages in a proper and satisfactory manner to FHJV at Lessee's own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be classified as personal property and shall be considered as part of the real estate owned by the City and subject to the Underlying Lease.

ARTICLE VIII

Access to Sublease Parcel

8.1 Subsequent to the date hereof, the Lessee shall permit the representatives of FHJV and the City unlimited access to the Sublease Parcel, other than private offices and storage space occupied by tenants, at all reasonable times deemed necessary for the purposes of this Sublease.

ARTICLE IX

Warranty

9.1 The Lessee warrants that all public improvements upon the Sublease Parcel which will be for public use shall be fit for their intended use. "Public improvements," for the purpose of this section, shall mean all improvements other than private offices and tenant occupied space.

ARTICLE X
Covenants and Restrictions

10.1 FHJV and the Lessee agree that the following restrictions shall be covenants running for the duration of this Sublease and shall be binding on FHJV, the Lessee and the successors and assigns of the parties and all other successors in interest to the Sublease Parcel or any part thereof:

(a) That the Sublease Parcel shall be devoted and used in accordance with the uses specified in Article V of this Sublease.

(b) That all utility distribution lines shall be placed underground.

(c) That FHJV and the City shall retain a perpetual easement to be set forth in an appropriate instrument in recordable form for ingress, egress and right-of-way on and over public promenade which may be constructed by the Lessee for the purpose of access to the public marina and other public facilities contained on the Sublease Parcel.

ARTICLE XI
Representations as to Lessee

11.1 The Lessee represents and agrees that this Sublease of the Sublease Parcel and its other undertakings pursuant hereto are for the purpose of development of the Sublease Parcel and not for speculation in land holding.

ARTICLE XII
Special Provisions

12.1 Lessee may not assign its interest in this Sublease without the approval of FHJV, which approval shall not be unreasonably withheld. Refusal of the City to grant its approval to any assignment shall be grounds for denial of FHJV's approval. A Lender may, however, assign this Sublease after foreclosure to any person or entity to which assignment is permitted under the Underlying Lease. Nothing contained in the above shall prohibit the Lessee from forming partnerships or other form of business associations to carry out this Sublease so long as the Lessee shall remain liable for the lease payments under the terms of this Sublease and provided that the City is notified of such partnerships or associations in writing prior thereto.

12.2 The Lessee shall be responsible for the development of all improvements on the Sublease Parcel at the Lessee's sole cost and expense, pursuant to the terms and conditions of this Sublease and the Underlying Lease.

12.3 The Lessee shall operate the public marina and the improvements on a non-exclusive basis and implement and impose user fees uniformly, without regard to age, religion, sex, race, other condition, or the political subdivision in which the user may reside. FHJV may, however, require Lessee to provide the use of the boat launch ramp to City residents free of charge if required to do so under the provisions of the Underlying lease.

12.4 The Lessee, its transferees, grantees, successors and assigns, shall irrevocably release FHJV and the City and their respective agents and assigns from any and all claims for damages of whatever nature resulting from any dredging by the Lessee, including the incidental depositing of dredged materials, resulting from dredging, bulkheading and/or construction, and other incidental damage resulting from any construction operations and the like which might occur. FHJV and the Lessee, and their respective successors and assigns, agree to cooperate with each other in connection with the securing of future dredging of the marina and, in this connection, agree to execute such applications, releases and other documents necessary or incidental to the approval of the U. S. Army Corps of Engineers, or other public agency, to undertake and execute such dredging, should dredging ever be required. FHJV and the Lessee, and their respective successors and assigns, each releases the City from any and all claims for damage occasioned or arising from any disturbance of the river bottom which results as a natural consequence from normal periodic maintenance, bulkheading, riprapping or dredging by either party, either in the maintenance and repair of the marina or the use, maintenance and employment of the rights in the marina waterways.

12.5 The Lessee shall have sole discretion over tenant selections and the marketing program but such shall comply with all applicable laws and ordinances. The Lessee agrees to incorporate public marina guidelines (on a publicly advertised first-come, first-served basis) as an addendum to this Sublease. A copy of these guidelines shall be furnished to the City.

12.6 Nondisturbance. The parties understand and agree that, subject to the conditions set forth herein, no subleases executed by the Lessee shall be affected by the termination of this Sublease. The conditions of this nondisturbance provision shall be:

(a) that the sublease not exceed a term of five (5) years, including renewals; or

(b) that, if the term of such sublease exceeds five (5) years that it be approved by FHJV and the City Manager prior to the execution thereof to ascertain that said sublease is the result of arms-length negotiations and reasonable under the circumstances; and

(c) that the sublessee is not in default of its sublease agreement; and

(d) the form of the sublease agreement has been approved by the City Attorney; and

(e) such sublease does not provide for rentals to be payable for more than one (1) month in advance.

FHJV will use its best efforts to obtain from the City a similar agreement with respect to such subleases.

ARTICLE XIII Indemnification and Hold Harmless

13.1 The Lessee shall defend and indemnify FHJV and the City and save them harmless from any and all claims, suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or about the Sublease Parcel or any part thereof throughout the entire lease term, and occasioned wholly or in part by any act or omission of the Lessee, its agents, contractors, employees, servants, invitees, licensees, or concessionaries.

ARTICLE XIV Insurance Required

14.1 Lessee shall provide such insurance coverages as may be required by the Underlying Lease with respect to the Sublease Parcel. Proceeds of such insurance shall be payable in the manner provided for in the Underlying Lease.

14.2 Lessee shall provide, at Lessee's cost, general liability insurance coverage with single limits as may be reasonably required by FHJV (but not less than \$1,000,000), naming FHJV and persons claiming by, through or under FHJV as insureds.

ARTICLE XV
Operational Requirements

15.1 The Lessee shall comply with all of the operation requirements with respect to the marina which are set forth in Article XVI of the Underlying Lease.

ARTICLE XVI
Default

16.1 If Lessee defaults in the payment of rent and such default continues for fifteen (15) days after written notice thereof to Lessee, FHJV may terminate this Lease and may re-enter and retake possession of the Sublease Parcel, subject, however, to the rights of leasehold mortgagees.

16.2 Any act or omission by Lessee which constitutes a default under the Underlying Lease shall constitute a default under this Sublease. FHJV shall have the right after reasonable notice (but not more than ten [10] days) to cure any such default on the part of Lessee and the cost of effecting such cure shall be payable by Lessee to FHJV on demand. The cost of effecting such cure shall include, without limitation, reasonable attorneys' fees. In determining what is reasonable notice, due consideration shall be given to the periods of grace provided under th Underlying Lease. If necessary to avoid a forfeiture of the Underlying Lease, FHJV may take such action as may be required to cure such defaults without notice.

16.3 FHJV shall have all other rights and remedies available to landlords under Florida law.

16.4 The failure of FHJV to insist in any one or more cases upon the strict performance of any of the covenants of this Sublease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by FHJV of rent with knowledge of the breach of any covenant of this Sublease shall not be deemed a waiver of such breach and no waiver by FHJV of any provision of this Sublease shall be deemed to have been made unless expressed in writing. In addition to the other remedies in this Sublease provided, FHJV shall be entitled to the restraint by injunction of the violations, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Sublease.

16.5 No default (other than a default in the payment of money) shall be deemed to exist or continue if and so long as the default shall be caused by reason of Lessee being delayed in or prevented from remedying the same by fire, casualty, strikes, lockouts or labor disturbances, act of God or the public enemy, or order, direction or lawful interference by any municipal, state, or governmental agency, but, if and when the occurrence or

condition which caused, delayed or prevented the remedying of such default shall be removed or cease to exist, it shall be the obligation of Lessee to remedy such default as speedily as practicable and with all due diligence.

16.6 Upon termination hereof, by either expiration or by default and repossession as provided above, all improvements shall become the property of FHJV, except that, if Lessee is not in default, Lessee shall have the right to remove from the Sublease Parcel all personal property installed by Lessee not permanently affixed to the facilities, subject, however, to any valid lien or claim which FHJV may have for unpaid fees or charges for repair of the facilities, provided also that, if said removal causes any damage to the Sublease Parcel, said Lessee will repair the same in a proper and satisfactory manner at its own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be considered personal property.

ARTICLE XVII Leasehold Mortgage

17.1 It is contemplated by the parties that Lessee will finance a portion of the total development and construction cost of improvements on the Sublease Parcel by means of a mortgage of the leasehold estate created by this Sublease and of Lessee's entire interest in the Sublease Parcel, but it is also contemplated that such mortgage will and it is agreed that such shall be subordinate to FHJV's right as Lessor under this Sublease and City's rights as Lessor under the Underlying Lease. Lessee shall also have the right from time to time during the term of this Sublease to place any substitute or additional mortgage on the leasehold estate created by this Sublease and on Lessee's interest in the Sublease Parcel, but all such mortgages shall be subordinate to FHJV's interest as Lessor under this Sublease and City's rights as Lessor under the Underlying Lease.

17.2 In the event that at any time during the term of this Sublease the leasehold interest of Lessee is subject to a mortgage in accordance with the provisions of Section 17.1 above, then so long as such mortgage is outstanding and unreleased a copy of any notice at any time required or permitted under the terms of this Sublease to be given by FHJV to Lessee shall at the same time be sent to the mortgagee, provided that prior thereto Lessee shall have given written notice to FHJV of the existence of said mortgage and have stated in said notice the address of the mortgagee to which copies of all notices under this Sublease shall be delivered or made.

17.3 It is understood that the City, as landlord under the Underlying Lease, may, at its option, prohibit the transfer of this Sublease to or by Lessee's mortgagee or mortgagees, provided that, if the City exercises such option, City shall pay to such

mortgagees an amount equal to the then outstanding obligations secured by such mortgage loan. Such payment shall be made by the City within one hundred eighty (180) days of the notice of default to Lessee and the City's exercise of the above option.

17.4 Any mortgage shall be subject to the limitations as to the amount which may be secured thereby which are provided for in the Underlying Lease.

ARTICLE XVIII
The Agreement

18.1 This Sublease shall be governed by and construed in accordance with the laws of the State of Florida.

18.2 Any amendments to this Sublease will be in writing and shall be executed by both Lessee and FHJV with the same formality as this Sublease.

18.3 Notice. For purposes of this Sublease, any notice required to be given shall be given in accordance with this document by delivering written notice to FHJV at 2915 Independent Square, Jacksonville, Florida, 32202. Notice shall be given to the Lessee by delivering written notice to 100 Laura Street, Jacksonville, Florida, 32202.

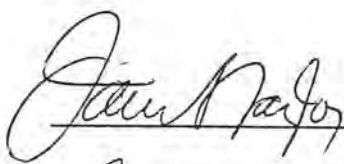
18.4 Attorneys' Fees. In the event it becomes necessary to file suit in connection with this Sublease, the prevailing party shall be permitted to recover its attorneys' fees and court costs against the losing party.

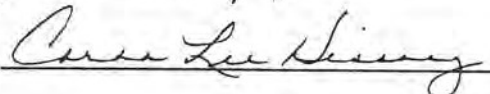
IN WITNESS WHEREOF, FHJV and the Lessee have caused this Sublease to be executed as of the day and year first above written.

FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner





By: 
Its _____ President

and

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

Fernando
Sanchez

By: Fernandina Marina Investors,
Inc., its general partner

By J. Paul Surfer
Its Vice President

FERNANDINA MARINA INVESTORS, LTD.,
a Florida limited partnership

Fernando
Sanchez

By: Fernandina Marina Investors,
Inc., its general partner

By J. Paul Surfer
Its Vice President

Exhibit "A" - Description of the Property
Exhibit "B" - Description of Sublease Parcel

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by Robert Scott Allison, the President of The Centre Street Waterfront Group, Inc., the general partner of Centre Street Waterfront Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Caren Lee Sherry
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surface, the Vice President of Fernandina Marina Investors, Inc., the general partner of Fernandina Marina Investors, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Caren Lee Sherry
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Deval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surace, the Vice President of Fernandina Marina Investors, Inc., the general partner of FERNANDINA MARINA INVESTORS, LTD., a Florida limited partnership, on behalf of the partnership.

Carole Lee Nissong
Notary Public, State and County
aforesaid

My Commission expires:

NOTARY PUBLIC, STATE OF FLORIDA
(Notarial Seal) My commission expires Aug. 22, 1988.

EXHIBIT "A"

PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of Fernandina Beach during the term of this lease.

EXHIBIT "B"

All of the property described in Exhibit "A" except for the Restaurant Parcel described as:

A portion of Water Lot 25, Fernandina Beach, Nassau County, Florida as shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901) being more particularly described as follows:

COMMENCE at the Southeast corner of Water Lot 1, of said city; thence run N.82°30'35" W. along the division line of Water Lots 1 and 25, a distance of 126.60 feet to THE POINT OF BEGINNING; thence continue N.82°30'35"W. still along said division line a distance of 115.15 feet + to the waters of Amelia River; thence S.18°23'20" W. along the waters of said Amelia River a distance of 74.45 feet; thence S.82°32'35" E. a distance of 164.41 feet; thence N.7°20'46"E. a distance of 50.00 feet; thence N.82°32'35" W. a distance of 35.00 feet; thence run N.7°20'46" E. a distance of 23.03 feet to THE POINT OF BEINNING.

Containing 10,684.6697 sq. ft. or
0.245 acres, more or less.

RESTAURANT SUBLEASE

THIS SUBLEASE, made as of this 11 day of March, 1988, by and between FERNANDINA HARBOR JOINT VENTURE, a joint venture organized and existing under the laws of the State of Florida ("FHJV"), and CENTRE STREET RESTAURANT GROUP, LTD., a Florida limited partnership (the "Lessee").

W I T N E S S E T H: That,

WHEREAS, FHJV is the owner of a leasehold estate in certain real property located on the waterfront of Fernandina Beach, Nassau County, Florida, lying immediately west of Seaboard System Rail Right-of-Way and commonly referred to as "City Marina and Hugh Stone Property" (the "Harbour Market" or the "Property"), which is more fully described on Exhibit "A" attached hereto, pursuant to a Development and Lease Agreement between the City of Fernandina Beach (the "City"), as landlord, and FHJV, as tenant, dated October 3, 1984, as amended (the "Underlying Lease"); and

WHEREAS, Lessee desires to sublease from FHJV a portion of the Property described on Exhibit "B" annexed hereto (the "Sublease Parcel").

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations of the parties hereto, FHJV and the Lessee each covenant and agree as follows:

ARTICLE I
The Sublease Parcel

1.1 Subject to the terms and conditions set forth herein and subject to all of the terms, covenants and provisions of the Underlying Lease which are applicable to the Sublease Parcel (which Lessee does hereby assume and agree to perform), FHJV leases to the Lessee, and the Lessee leases from FHJV, the Sublease Parcel, together with all the tenements, improvements and appurtenances thereto belonging or appertaining to the Sublease Parcel, subject to any existing leases or the rights of any tenants in possession, and together with and subject to all easements benefiting or burdening the Sublease Parcel.

1.2 Lessee shall have the right in common with others to use Common Areas on the Property. All Common areas, as hereinafter defined, shall at all times be subject to the exclusive control and management of FHJV and FHJV shall have the right to construct, maintain and operate lighting facilities on

all said areas; to police the same; to change the area, level, location and arrangement of parking areas and other facilities and to restrict parking by tenants, their officers, agents and employees to employee parking areas.

FHJV shall have the right to close all or any portion of the Common Areas or facilities to such extent as may, in the opinion of FHJV's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein, to close temporarily all or any portion of the parking areas or facilities to discourage non-customer parking, so long as such closure does not create a verifiable hardship on the operation of the restaurant. FHJV or its successors shall not institute or levy any charges or fees for the public use of the 100 spaces provided to Lessee. FHJV shall keep said Common Areas (except the Common Areas described in Section 3.6) clean and in good repair and available for the purposes for which they were intended. FHJV shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Common Areas and facilities.

1.3 FHJV reserves the right, at any time, to add to or reduce or to relocate the various buildings (other than on the Sublease Parcel), automobile parking areas, and other Common Areas on the Property as shown on the site plan of Harbour Market (the "Site Plan") attached hereto as Exhibit "C". Lessee acknowledges that there will be inconveniences to the restaurant and the use of parking spaces during construction on the Property and during the installation of underground storage tanks. Lessee agrees that it will not make any claim for interference with the Sublease Parcel or any operation thereon on account of such interruptions, so long as such interruptions do not deprive Lessee of reasonable access to the Sublease Parcel.

1.4 FHJV acknowledges that there will be inconveniences to the marina during construction on the Sublease Parcel and agrees not to make any claim for interference on account of such interruptions, so long as such interruptions do not deprive FHJV of reasonable access to the marina.

ARTICLE II Sublease Term

2.1 The term of this Sublease shall be for a period commencing on the date hereof and continuing until 11:00 p.m. on the last day of the term of the Underlying Lease.

2.2 If the City grants an extension of the Underlying Lease and permits the extension of this Sublease, then the term of this Sublease will be extended for a period of time equal to the extension granted or permitted.

ARTICLE III
Sublease Payments

3.1 Ground Rent.

(a) The Lessee shall pay to FHJV as ground rent a sum equal to the greater of (i) the rent due under the Underlying Lease plus the rent due under the lease between the Trustees of the Hardee Estate and Centre Street Waterfront Group, Inc., dated February 5, 1985, the Lessee's interest in which is owned by Fernandina Marina Investors, Ltd. [the "Hardee Lease"]] which is attributable to the Sublease Parcel or (ii) ten percent (10%) of the combined minimum rent due under the Underlying Lease and the Hardee Lease.

(b) The Lessee shall pay all sales taxes due on such rentals.

(c) The rent payable hereunder is intended to be net to FHJV and Lessee agrees therefore to pay all expenses of ownership of the leasehold estate created hereby and improvements on the Sublease Parcel, including, without limitation, all insurance premiums, taxes and other costs attributable thereto. FHJV agrees to pay the rents received hereunder to the lessors under the Underlying Lease and the Hardee Lease, as the case may be, promptly on receipt thereof from Lessee.

3.2 The rent shall be payable on an annual basis and shall be due one hundred five (105) days after the end of each fiscal year of FHJV. Lessee agrees to adopt the same fiscal year as FHJV.

3.3 "Gross Revenues" includes all revenues actually received by Lessee from the Sublease Parcel. These revenues do not include those amounts held by Lessee as a deposit to secure a prospective tenant to lease to begin in the future; damage deposits, sums collected and paid out as a conduit such as sales, excise and other taxes, or other amounts which are generally not income under generally accepted accounting principles or federal income tax laws.

3.4 Accounting Procedures.

(a) All sales shall be registered on a cash register except sales relating to vending machines and rental revenues and those sales shall be recorded on daily ledger sheets and all financial records shall be subject to inspection by FHJV and by the City.

(b) The Lessee shall keep within the City of Fernandina Beach true and complete records and accounts of all gross revenues and business transactions, including daily bank deposits, and annually furnish within one hundred five (105) days of the end of each fiscal year, a true and accurate statement for the preceding fiscal year of all such revenues and business transacted during such preceding year, which statement shall be verified by Lessee's certified public accountant as being correct. A separate profit and loss statement shall be supplied to FHJV and the City Manager within forty-five (45) days after the end of the fiscal year. Lessee agrees to establish and maintain a system of bookkeeping satisfactory to the City's auditor and to give the City and FHJV access, during reasonable hours, to such books and records. Lessee agrees that it will keep and preserve for at least two (2) years all sales slips, cash register tapes, sales books, bank books or duplicate deposit slips, and other evidence of gross revenues and business transacted for such period. FHJV, the City's auditor and the City Manager, and their respective authorized representatives, shall each have the right at any time and from time to time to audit all of the books of account, bank statements, documents, records, returns, papers, and files of the Lessee relating to gross receipts and business transacted and the Lessee, on request by any of them, shall make all such matters available for such examination at the Sublease Parcel. If FHJV or the City shall make or have such an audit made for any year and the gross revenues and business transacted shown by the Lessee's statement for such year shall be found to be understated by more than one percent (1%), the Lessee shall pay FHJV or the City, as the case may be, the cost of such audit. The right of FHJV and the City to have such an audit made with respect to any year shall expire three (3) years after the Lessee's statement for any year shall have been delivered to the City.

(c) In addition, the Lessee agrees to furnish to FHJV a true and correct copy of the State Sales and Use Tax Report as required by the Florida Department of Revenue and shall furnish a State Sales and Use Tax Report Number upon the execution of this Sublease.

(d) Lessee hereby authorizes FHJV and the City, or either of them, to apply to the Florida Department of Revenue for information and such reports of Lessee as will enable the City to determine the amount of Lessee's gross receipts for the period comprising the term of this Sublease.

3.5 Late Payment. Any Sublease payments which are received by FHJV more than ten (10) days from their due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid.

3.6 Common Area Maintenance.

(a) FHJV agrees to pay the total cost and expense incurred in operating, maintaining and repairing the Common Areas. Said costs and expense shall specifically include, without limitation, property management, gardening, landscaping and irrigation for landscape, repairs, line painting, lighting, sanitary control, removal of trash, rubbish and garbage, and other expense and cost of personnel to implement such services, to direct parking and to police the facilities, any ad valorem taxes and liability insurance premiums related thereto.

(b) Lessee agrees to pay a proportionate part of the expenses of maintaining the Common Facilities provided for in a Declaration of Easement affecting the Property dated the same day as this Sublease.

ARTICLE IV
Quiet Enjoyment

4.1 Lessee, upon paying the rent and other charges due hereunder and observing and performing all other covenants and agreements herein on its part to be performed, shall quietly have and enjoy the Sublease Parcel during the term hereof without hindrance or molestation by anyone. With the exception of the right to approve plans as described in Section 6.2 and any other rights specifically granted to FHJV hereunder, Lessor shall have no authority or voice in the affairs of Lessee.

ARTICLE V
Purpose and Use

5.1 It is the purpose of FHJV in granting this Sublease to assure the continued operation of a first-class marina and restaurant within Harbour Market for the residents of the City of Fernandina Beach and people utilizing the marina facility. To that end, each party agrees to cooperate with the other in connection with the development of the restaurant and the remainder of the Property and in obtaining the permits, easements, zoning and consents necessary or helpful in pursuing such development.

5.2 The Sublease Parcel shall be used only for the operation of restaurants and bars, including catering and take-

out service and including the incidental sale at retail of items designed to promote Lessee's restaurant business and which are customarily sold in restaurants as part of restaurant promotions, including such items as hats and T-shirts bearing the name or marks of the restaurant operated on the premises. No other use is permitted without the approval of FHJV.

5.3 The plans and specifications for the Restaurant, including the number of seats provided therein, shall be subject to approval of FHJV.

5.4 Restrictions. Lessee shall not sell any bait or fishing tackle, nor any fresh seafood for off-premises consumption except for seafood which has been prepared for restaurant take-out or catering service.

5.5 In no event shall any portion of the Sublease Parcel be used for offices except such executive office as may be reasonable and necessary for use of the on-site restaurant manager without the consent of FHJV.

ARTICLE VI Construction

6.1 Lessee agrees to construct at its sole cost and expense the restaurant building and other improvements on the Sublease Parcel shown on the plans approved by FHJV (the "Plans"). Such construction shall be undertaken in strict compliance with the provisions of the Underlying Lease and the Grant Agreement providing for funds for the construction of such improvements between the City and The Centre Street Waterfront Group, Inc., et al., as amended, and Lessee and Lender shall be entitled to the benefits of the provisions of the Underlying Lease and the Grant Agreement relating thereto.

6.2 No improvements will be constructed on the Sublease Parcel until the plans and specifications therefor have been approved by FHJV. Any Plans submitted to FHJV and not acted on by FHJV within ten (10) days after receipt thereof shall be deemed to be approved.

6.3 Notwithstanding any other provision of this lease, the interest of FHJV in the Property shall not be subject to liens for improvements made by or for Lessee and in no event shall FHJV be liable for or subjected to any mechanic's, materialmen's or laborer's liens for work done by Lessee or for which Lessee is responsible. If any such lien is asserted against the interest of FHJV or against the landlord under the Underlying Lease, Lessee agrees to cause the same to be discharged of record (either by payment or by bond as permitted by law) within ten (10) days after notice to Lessee and failure to do so shall constitute a default hereunder.

ARTICLE VII
Ownership of Improvements

7.1 At the end of the term of the Sublease, any improvements constructed by Lessee shall be the property of FHJV, free and clear of all liens or claims of Lessee whatsoever, except that personal property installed by Lessee not permanently affixed to the facilities may be removed, provided that, if said removal causes any damages to the facilities, Lessee will repair said damages in a proper and satisfactory manner to FHJV at Lessee's own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be classified as personal property and shall be considered as part of the real estate owned by the City and subject to the Underlying Lease.

ARTICLE VIII
Access to Sublease Parcel

8.1 Subsequent to the date hereof, the Lessee shall permit the representatives of FHJV and the City unlimited access to the Sublease Parcel and every part thereof, subject to reasonable security measures imposed by Lessee at all reasonable times deemed necessary for the purposes of this agreement or the Underlying Lease.

ARTICLE IX
Warranty

9.1 The Lessee warrants that all public improvements upon the Sublease Parcel which will be for public use shall be fit for their intended use. "Public improvements," for the purpose of this section, shall mean all improvements other than private offices and tenant occupied space.

ARTICLE X
Covenants and Restrictions

10.1 FHJV and the Lessee agree that the following restrictions shall be covenants running for the duration of this Sublease and shall be binding on FHJV, the Lessee and the successors and assigns of the parties and all other successors in interest to the Sublease Parcel or any part thereof:

(a) That the Sublease Parcel shall be devoted and used in accordance with the uses specified in Article V of this Sublease.

(b) That all utility distribution lines shall be placed underground.

(c) That FHJV and the City shall retain a perpetual easement to be set forth in an appropriate instrument in recordable form for ingress, egress and right-of-way on and over any public promenade which may be constructed on the Sublease Parcel for the purpose of providing access to any public facilities contained on the Property.

ARTICLE XI Representations as to Lessee

11.1 The Lessee represents and agrees that this Sublease of the Sublease Parcel and its other undertakings pursuant hereto are for the purpose of development of the Sublease Parcel and not for speculation in land holding.

ARTICLE XII Special Provisions

12.1 Lessee may not assign its interest in this Sublease without the approval of FHJV, which approval shall not be unreasonably withheld. Refusal of the City to grant its approval to any assignment shall be grounds for denial of FHJV's approval. A Lender may, however, assign this Sublease after foreclosure to any person or entity to which assignment is permitted under the Underlying Lease. Nothing contained in the above shall prohibit the Lessee from forming partnerships or other form of business associations to carry out this Sublease so long as the Lessee shall remain liable for the lease payments under the terms of this Sublease and provided that the City is notified of such partnerships or associations in writing prior thereto.

12.2 The Lessee shall be responsible for the development of all improvements on the Sublease Parcel at the Lessee's sole cost and expense, pursuant to the terms and conditions of this Sublease and the Underlying Lease.

12.3 The restaurant on the Sublease Parcel shall be operated so as to provide employment and service, without regard to age, religion, sex, race, other condition, or the political subdivision in which the customer may reside.

12.4 Nondisturbance. The parties understand and agree that, subject to the conditions set forth herein and particularly the provisions relating to the use of the Sublease Parcel, no subleases executed by the Lessee shall be affected by the termination of this Sublease. The conditions of this nondisturbance provision shall be:

(a) that the sublease not exceed a term of five (5) years, including renewals; or

(b) that, if the term of such sublease exceeds five (5) years that it be approved by FHJV and the City Manager prior to the execution thereof to ascertain that said sublease is the result of arms-length negotiations and reasonable under the circumstances; and

(c) that the sublessee is not in default of its sublease agreement; and

(d) the form of the sublease agreement has been approved by the City Attorney; and

(e) such sublease does not provide for rentals to be payable for more than one (1) month in advance.

FHJV will use its best efforts to obtain from the City a similar agreement with respect to such subleases.

ARTICLE XIII Indemnification and Hold Harmless

13.1 The Lessee shall defend and indemnify FHJV and the City and save them harmless from any and all claims, suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or about the Sublease Parcel or any part thereof throughout the entire lease term, or occasioned wholly or in part by any act or omission of the Lessee, its agents, contractors, employees, servants, invitees, licensees, or concessionaries.

ARTICLE XIV Insurance Required

14.1 Lessee shall provide such insurance coverages as may be required by the Underlying Lease with respect to the Sublease Parcel. Proceeds of such insurance shall be payable in the manner provided for in the Underlying Lease.

14.2 Lessee shall provide, at Lessee's cost, general liability insurance coverage with single limits as may be reasonably required by FHJV (but not less than \$1,000,000), naming FHJV and persons claiming by, through or under FHJV as insureds.

ARTICLE XV
Operational Requirements

15.1 The Lessee shall comply with any operation requirements with respect to the restaurant which are imposed by the Underlying Lease.

ARTICLE XVI
Default

16.1 If Lessee defaults in the payment of rent and such default continues for fifteen (15) days after written notice thereof to Lessee or if Lessee defaults in the performance of any other of its obligations hereunder and such default continues for a period of thirty (30) days after written notice thereof to Lessee, FHJV may terminate this Lease and may re-enter and retake possession of the Sublease Parcel, subject, however, to the rights of leasehold mortgagees. If any default is of a nature that it cannot be cured using due diligence within the thirty (30) day period provided for, the period for effecting such cure shall be extended for a reasonable time (but not more than 60 days) so long as Lessee is diligently prosecuting the work required to effect such cure.

16.2 Notwithstanding the provisions of Section 16.1, any act or omission by Lessee which constitutes a default under the Underlying Lease shall constitute a default under this Sublease. FHJV shall have the right after reasonable notice (but not more than ten [10] days) to cure any such default on the part of Lessee and the cost of effecting such cure shall be payable by Lessee to FHJV on demand. The cost of effecting such cure shall include, without limitation, reasonable attorneys' fees. In determining what is reasonable notice, due consideration shall be given to the periods of grace provided under the Underlying Lease. If necessary to avoid a forfeiture of the Underlying Lease, FHJV may take such action as may be required to cure such defaults without notice.

16.3 FHJV shall have all other rights and remedies available to landlords under Florida law.

16.4 The failure of FHJV to insist in any one or more cases upon the strict performance of any of the covenants of this Sublease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by FHJV of rent with knowledge of the breach of any covenant of this Sublease shall not be deemed a waiver of such breach and no waiver by FHJV of any provision of this Sublease shall be deemed to have been made unless expressed in writing. In addition to the other remedies in this Sublease provided, FHJV shall be entitled to the restraint by injunction

of the violations, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Sublease.

16.5 No default (other than a default in the payment of money or a default which would constitute a default under the Underlying Lease) shall be deemed to exist or continue if and so long as the default shall be caused by reason of Lessee being delayed in or prevented from remedying the same by fire, casualty, strikes, lockouts or labor disturbances, act of God or the public enemy, or order, direction or lawful interference by any municipal, state, or governmental agency, but, if and when the occurrence or condition which caused, delayed or prevented the remedying of such default shall be removed or cease to exist, it shall be the obligation of Lessee to remedy such default as speedily as practicable and with all due diligence.

16.6 Upon termination hereof, by either expiration or by default and repossession as provided above, all improvements shall become the property of FHJV, except that, if Lessee is not in default, Lessee shall have the right to remove from the Sublease Parcel all personal property installed by Lessee not permanently affixed to the facilities, subject, however, to any valid lien or claim which FHJV may have for unpaid fees or charges for repair of the facilities, provided also that, if said removal causes any damage to the Sublease Parcel, said Lessee will repair the same in a proper and satisfactory manner at its own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be considered personal property.

ARTICLE XVII Leasehold Mortgage

17.1 It is contemplated by the parties that Lessee will finance a portion of the total development and construction cost of improvements on the Sublease Parcel by means of a mortgage of the leasehold estate created by this Sublease and of Lessee's entire interest in the Sublease Parcel, but it is also contemplated that such mortgage will and it is agreed that such shall be subordinate to FHJV's right as Lessor under this Sublease and City's rights as Lessor under the Underlying Lease. Lessee shall also have the right from time to time during the term of this Sublease to place any substitute or additional mortgage on the leasehold estate created by this Sublease and on Lessee's interest in the Sublease Parcel, but all such mortgages shall be subordinate to FHJV's interest as Lessor under this Sublease and City's rights as Lessor under the Underlying Lease.

17.2 In the event that at any time during the term of this Sublease the leasehold interest of Lessee is subject to a mortgage in accordance with the provisions of Section 17.1 above, then so long as such mortgage is outstanding and unreleased a

copy of any notice at any time required or permitted under the terms of this Sublease to be given by FHJV to Lessee shall at the same time be sent to the mortgagee, provided that prior thereto Lessee shall have given written notice to FHJV of the existence of said mortgage and have stated in said notice the address of the mortgagee to which copies of all notices under this Sublease shall be delivered or made.

17.3 It is understood that the City, as landlord under the Underlying Lease, may, at its option, prohibit the transfer of this Sublease to or by Lessee's mortgagee or mortgagees, provided that, if the City exercises such option, City shall pay to such mortgagees an amount equal to the then outstanding obligations secured by such mortgage loan. Such payment shall be made by the City within one hundred eighty (180) days of the notice of default to Lessee and the City's exercise of the above option.

17.4 Any mortgage shall be subject to the limitations as to the amount which may be secured thereby which are provided for in the Underlying Lease. In determining the limitations in the amount of mortgages permitted, the Sublease Parcel shall be considered as separate from the remainder of the Property and the amount of any such loan shall in no event exceed 75% of the value of the improvements on the Sublease Parcel determined as provided in the Underlying Lease. Section 12.02 of the Underlying Lease provides that the mortgage securing the CBDG loan shall not be included in this mortgage amount to determine the loan-to-value ratio. The parties affirm that it is their intent that the provisions of the Underlying Lease be applicable in determining limitations on mortgage amounts provided for in this Section.

ARTICLE XVIII The Agreement

18.1 This Sublease shall be governed by and construed in accordance with the laws of the State of Florida.

18.2 Any amendments to this Sublease will be in writing and shall be executed by both Lessee and FHJV with the same formality as this Sublease.

18.3 Notice. For purposes of this Sublease, any notice required to be given shall be given in accordance with this document by delivering written notice to FHJV in care of Joseph M. Hixon, 2915 Independent Square, Jacksonville, Florida, 32202, Attention: Thomas Ingram. Notice shall be given to the Lessee by delivering written notice to 100 Laura Street, Jacksonville, Florida, 32202.

18.4 Attorneys' Fees. In the event it becomes necessary to file suit in connection with this Sublease, the prevailing party

shall be entitled to recover its attorneys' fees and court costs against the losing party.

IN WITNESS WHEREOF, FHJV and the Lessee have caused this Sublease to be executed as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner

Sam Hays
Sam Hays

By *Robert H. Allen*
its President

and

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

By: Fernandina Marina Investors,
Inc., its general partner

Sam Hays
Sam Hays

By *J. Frank Dufour*
its Vice President

CENTRE STREET RESTAURANT GROUP,
Ltd., a Florida limited
partnership

John Taylor
Carole Lee Sisson

By: Centre Street Restaurant
Group, Inc., its general
partner

By Robert Scott Allison
its President

Exhibit "A" - Description of the Property
Exhibit "B" - Description of Sublease Parcel
Exhibit "C" - Site Plan

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this
11th day of March, 1988, by Robert Scott Allison,
the _____ President of The Centre Street Waterfront
Group, Inc., the general partner of Centre Street Waterfront
Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT
VENTURE, a Florida general partnership, on behalf of the
partnership.

Carole Lee Sisson
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surface, the Vice President of Fernandina Marina Investors, Inc., the general partner of Fernandina Marina Investors, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Cara Lee Hissong
Notary Public, State and County
aforesaid

My Commission expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by Robert Scott Allison, the President of Centre Street Restaurant Group, Inc., the general partner of CENTRE STREET RESTAURANT GROUP, LTD., a Florida limited partnership, on behalf of the partnership.

Cara Lee Hissong
Notary Public, State and County
aforesaid

My Commission expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

EXHIBIT "A"

PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of Fernandina Beach during the term of this lease.

A portion of Water Lot 25, Fernandina Beach, Nassau County, Florida as shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901) being more particularly described as follows:

COMMENCE at the Southeast corner of Water Lot 1, of said city; thence run N.82°30'35" W. along the division line of Water Lots 1 and 25, a distance of 126.60 feet to THE POINT OF BEGINNING; thence continue N.82°30'35"W. still along said division line a distance of 115.15 feet + to the waters of Amelia River; thence S.18°23'20" W. along the waters of said Amelia River a distance of 74.45 feet; thence S.82°32'35" E. a distance of 164.41 feet; thence N.7°20'46"E. a distance of 50.00 feet; thence N.82°32'35" W. a distance of 35.00 feet; thence run N.7°20'46" E. a distance of 23.03 feet to THE POINT OF BEGINNING.

Containing 10,684.6697 sq. ft. or
0.245 acres, more or less.

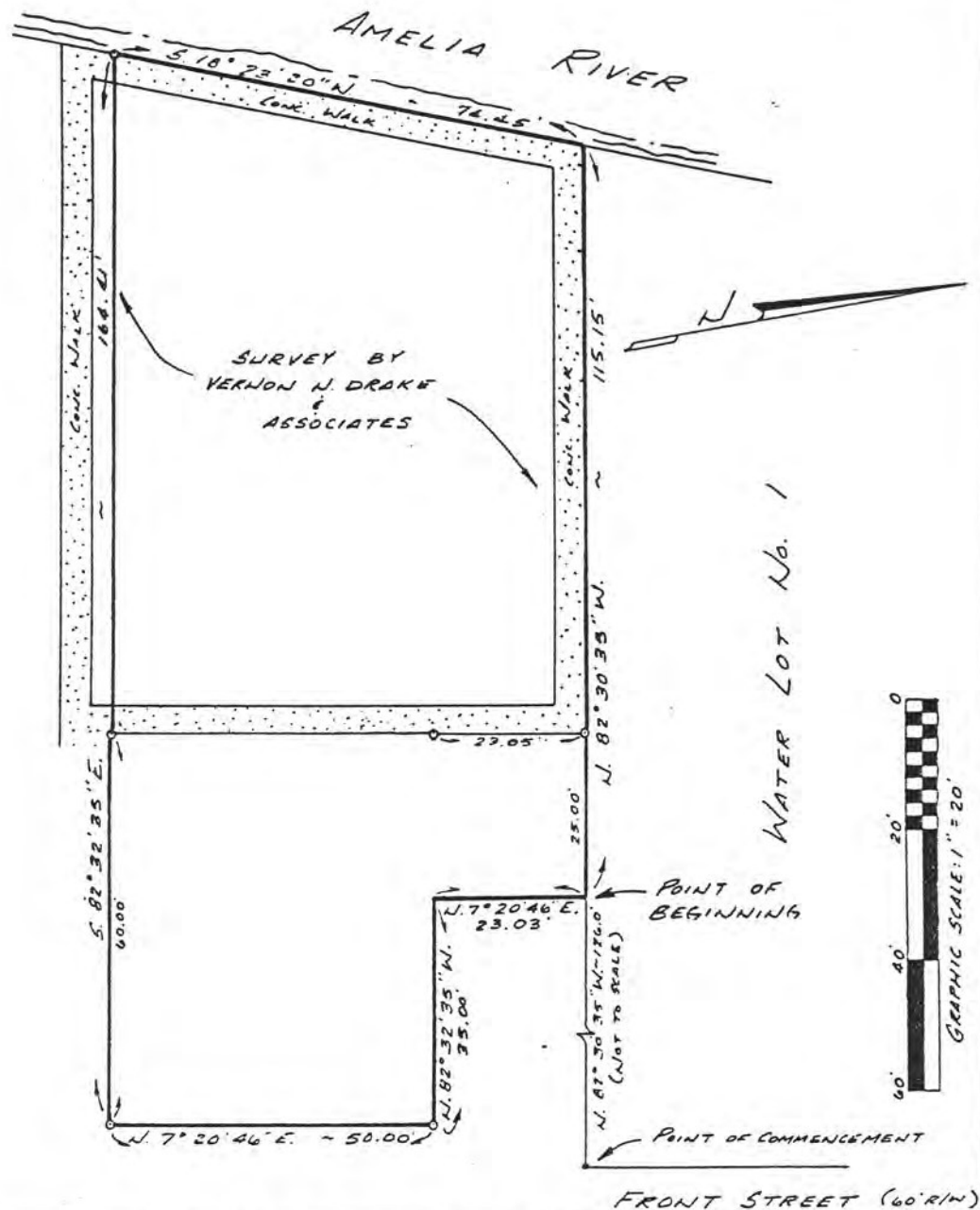
EXHIBIT "B"

EXHIBIT "C"

Site Plan

MAP SHOWING BOUNDARY SURVEY OF

NOTE: SKETCH ONLY



I HEREBY CERTIFY THAT THE ABOVE LANDS WERE SURVEYED UNDER MY DIRECTION, THAT THERE ARE NO VISIBLE ENCROACHMENTS EXCEPT AS SHOWN AND THAT THE SURVEY MEETS THE MINIMUM STANDARDS SET FORTH BY THE FLORIDA BOARD OF LAND SURVEYORS, PURSUANT TO SECTION 472.027, FLORIDA STATUTES
SURVEY NOT VALID WITHOUT EMBOSSED SEAL.

JOB NO.
F.B. NO. Ps.
DWG. NO.
SCALE 1" = 20'
SIGNED 19

REGISTERED SURVEY NO. 1443 FLORIDA
BENNETT R. WATTLES & ASSOC. INC.
5202 SAN JUAN AVENUE, JACKSONVILLE, FLORIDA 32210
303 CENTRE ST., FERNANDINA BEACH FL., 32034

SHORT FORM LEASE

THIS SHORT FORM LEASE, made this 11 day of March, 1988, between FERNANDINA HARBOR JOINT VENTURE, a Florida joint venture (the "Lessor"), and CENTRE STREET RESTAURANT GROUP, LTD., a Florida limited partnership (the "Lessee"), whose address is 100 West Laura Street, Jacksonville, Florida, 32202.

W I T N E S S E T H: That,

For valuable considerations, the receipt of which are recited in a certain sublease entitled "Restaurant Sublease" between Lessor and Lessee dated the same day as this Short Form Lease, the Lessor does hereby lease to Lessee the premises known as the Harbour Market described in Exhibit "A" annexed hereto.

The term of this lease shall expire at 11:00 p.m. on December 1, 2025.

All of the terms, covenants and conditions of the Restaurant Sublease are incorporated herein by reference. Copies of such Sublease may be obtained by written request to the Lessor at the address stated above.

The interest of the Lessor in the premises shall not be subject to any lien for the improvement of the property made by Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Short Form Lease as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner

By: [Signature]
Its President

RECORD AND RETURN TO:

THIS INSTRUMENT WAS PREPARED BY:
JAMES S. TAYLOR of
ULMER, MURCHISON, ASHBY, TAYLOR & CORRIGAN
P. O. BOX 479
1600 ATLANTIC BANK BUILDING
JACKSONVILLE, FLORIDA 32202

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

[Signature]
[Signature]

By: Fernandina Marina Investors,
Inc., its general partner

By [Signature]
Its [Signature] President

CENTRE STREET RESTAURANT GROUP,
Ltd., a Florida limited
partnership

[Signature]
[Signature]

By: Centre Street Restaurant
Group, Inc., its general
partner

By [Signature]
Its [Signature] President

Exhibit "A" -

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this
11th day of March, 1988, by Robert Scott Allison,
the President of The Centre Street Waterfront
Group, Inc., the general partner of Centre Street Waterfront
Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT
VENTURE, a Florida general partnership, on behalf of the
partnership.

[Signature]
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

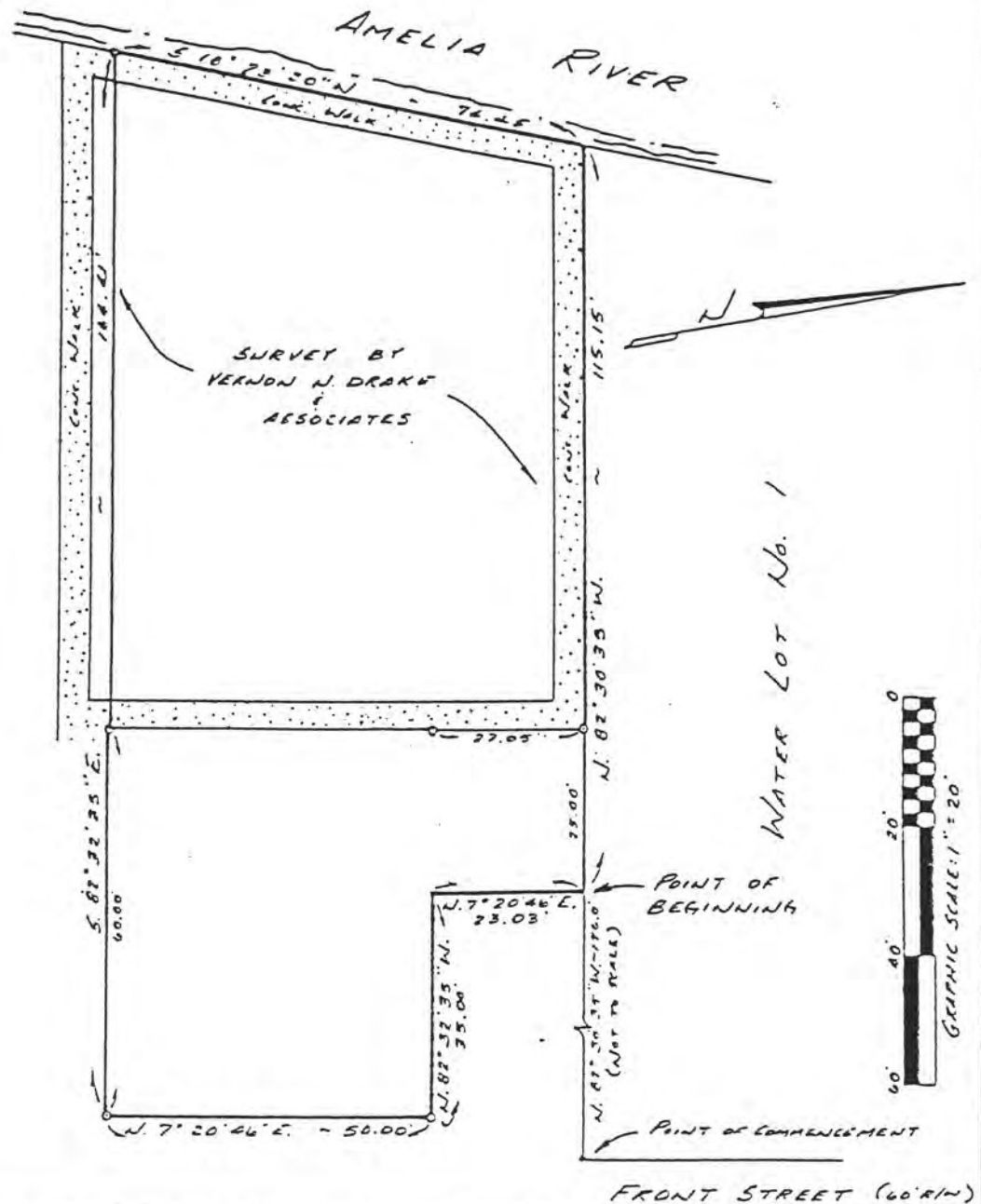
A portion of Water Lot 25, Fernandina Beach, Nassau County, Florida as shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901) being more particularly described as follows:

COMMENCE at the Southeast corner of Water Lot 1, of said city; thence run N.82°30'35" W. along the division line of Water Lots 1 and 25, a distance of 126.60 feet to THE POINT OF BEGINNING; thence continue N.82°30'35"W. still along said division line a distance of 115.15 feet + to the waters of Amelia River; thence S.18°23'20" W. along the waters of said Amelia River a distance of 74.45 feet; thence S.82°32'35" E. a distance of 164.41 feet; thence N.7°20'46"E. a distance of 50.00 feet; thence N.82°32'35" W. a distance of 35.00 feet; thence run N.7°20'46" E. a distance of 23.03 feet to THE POINT OF BEGINNING.

Containing 10,684.6697 sq. ft. or
0.245 acres, more or less.

MAP SHOWING BOUNDARY SURVEY OF

NOTE: SKETCH ONLY



I HEREBY CERTIFY THAT THE ABOVE LANDS WERE SURVEYED UNDER MY DIRECTION, THAT THERE ARE NO VISIBLE ENCROACHMENTS EXCEPT AS SHOWN AND THAT THE SURVEY MEETS THE MINIMUM STANDARDS SET FORTH BY THE FLORIDA BOARD OF LAND SURVEYORS, PURSUANT TO SECTION 472.027, FLORIDA STATUTES
SURVEY NOT VALID WITHOUT EMBOSSED SEAL.

JOB NO.
F.B. NO. Ps.
DWS. NO.
SCALE 1" = 20'
SIGNED 19

REGISTERED SURVEY NO. 3443 FLORIDA
BENNETT R. WATLES & ASSOC. INC.
5202 SAN JUAN AVENUE, JACKSONVILLE, FLORIDA 32210
303 CENTRE ST., FERNANDINA BEACH FL., 32034

SHORT FORM LEASE

THIS SHORT FORM LEASE, made this 11th day of March, 1988, between FERNANDINA HARBOR JOINT VENTURE, a Florida joint venture (the "Lessor"), and FERNANDINA MARINA INVESTORS, LTD., a Florida limited partnership (the "Lessee"), whose address is 100 West Laura Street, Jacksonville, Florida, 32202.

W I T N E S S E T H: That,

For valuable considerations, the receipt of which are recited in a certain sublease entitled "Marina Sublease" between Lessor and Lessee dated the same day as this Short Form Lease, the Lessor does hereby lease to Lessee the premises known as the Harbour Market described in Exhibit "A" annexed hereto.

The term of this lease shall expire at 11:00 p.m. on December 1, 2025.

All of the terms, covenants and conditions of the Marina Sublease are incorporated herein by reference. Copies of such Sublease may be obtained by written request to the Lessor at the address stated above.

The interest of the Lessor in the premises shall not be subject to any lien for the improvement of the property made by Lessee.

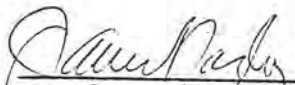
IN WITNESS WHEREOF, Lessor and Lessee have executed this Short Form Lease as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

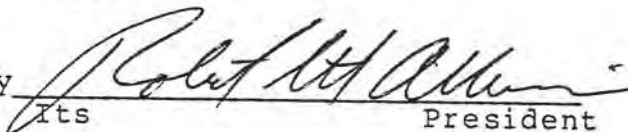
FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner



Carol Lee Hession

By  President
Its

and

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

Caren Lee Hession
Attorney at Law

By: Fernandina Marina Investors,
Inc., its general partner

By J. Frank Surace
Its VICE President

FERNANDINA MARINA INVESTORS, LTD.,
a Florida limited partnership

Caren Lee Hession
Attorney at Law

By: Fernandina Marina Investors,
Inc., its general partner

By J. Frank Surace
Its VICE President

Exhibit "A" -

STATE OF FLORIDA

COUNTY OF Dee

The foregoing instrument was acknowledged before me this
11th day of March, 1988, by Robert Scott Allison,
the _____ President of The Centre Street Waterfront
Group, Inc., the general partner of Centre Street Waterfront
Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT
VENTURE, a Florida general partnership, on behalf of the
partnership.

Caren Lee Hession
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Deval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surface, the Vice President of Fernandina Marina Investors, Inc., the general partner of Fernandina Marina Investors, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Cara Lee Hissong
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Deval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surface, the Vice President of Fernandina Marina Investors, Inc., the general partner of FERNANDINA MARINA INVESTORS, LTD., a Florida limited partnership, on behalf of the partnership.

Cara Lee Hissong
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

EXHIBIT "A"

PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of Fernandina Beach during the term of this Lease.

AND LESS AND EXCEPT the following described lands:

A portion of Water Lot 25, Fernandina Beach, Nassau County, Florida as shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901) being more particularly described as follows:

COMMENCE at the Southeast corner of Water Lot 1, of said city; thence run N.82°30'35" W. along the division line of Water Lots 1 and 25, a distance of 126.60 feet to THE POINT OF BEGINNING; thence continue N.82°30'35"W. still along said division line a distance of 115.15 feet + to the waters of Amelia River; thence S.18°23'20" W. along the waters of said Amelia River a distance of 74.45 feet; thence S.82°32'35" E. a distance of 164.41 feet; thence N.7°20'46"E. a distance of 50.00 feet; thence N.82°32'35" W. a distance of 35.00 feet; thence run N.7°20'46" E. a distance of 23.03 feet to THE POINT OF BEGINNING.

Containing 10,684.6697 sq. ft. or
0.245 acres, more or less.

ADDENDUM NO. 1 TO DEVELOPMENT
AND LEASE AGREEMENT

THIS ADDENDUM is made and executed this 2nd day of April, 1986, by and between the CITY OF FERNANDINA BEACH, hereinafter called CITY, and THE CENTER STREET WATERFRONT GROUP, INC., herein called LESSEE, to that certain Development and Lease Agreement between the parties dated October 2, 1984;

WITNESSETH: That in order to clarify the parties' understanding and agreement as to certain items of the aforesaid Development and Lease Agreement (the "Lease") and to modify certain provisions of the same, as reflected by the existing section number of the Lease the parties do hereby agree to amend the Development and Lease Agreement by the following provisions:

2.01 Lease Term. The commencement date of the 40 - (forty) year lease term is December 1, 1985.

3.01 Lender's Rental Payment Upon Foreclosure. In the event of a foreclosure by LESSEE's lender who is secured by a lien on this leasehold estate ("Lender") of Lender's security interest, the lease payments required by Section 3.01 shall be suspended during the foreclosure proceedings, and in lieu thereof, Lender shall pay rent equal to an average of such

payments over the two-year period immediately preceding the commencement of the foreclosure proceedings. Upon completion of the foreclosure and acquisition of title by Lender (or the assignment thereof to a third party), Lender shall provide an accounting to CITY and shall pay any additional rent payments, if any, which would have been due under Section 3.01 during the suspension period. For a period of two years after acquisition of title by Lender, the CITY's sole remedy against the Lender for a Lender's default under the Lease as successor of LESSEE shall be to terminate the Lease and retake possession. If Lender should fail to further assign the acquired leasehold interest within two years from the date of such acquisition, then the CITY shall have all remedies available to it under Article XVIII under the Lease Agreement for any obligations arising after the expiration of that two-year period.

6.02(f)(2): Construction. Section 6.02(f)(2) shall be and is hereby amended to read in its entirety as follows:

LESSEE shall commence and complete construction of the first phase of the Marina portion of the property ("First Phase Marina"), consisting of a minimum of the relative portion of the floating break water and no less than 96 (ninety six) slips on or before April 1, 1987, and LESSEE shall have filed all necessary documents required for the issuance of a building permit for the First Phase Marina construction within sixty days after the CITY's approval of the architectural and engineering plan per Section 6.02(B)(1). LESSEE's obligation to complete First Phase Marina construction may be extended in the event of delay in the issuance of a building permit for each day beyond 30 (thirty) days from the submission of the completed application by LESSEE for the same, such delay being attributed to the CITY's review process and not due to the fault of LESSEE. LESSEE shall thereafter proceed with due diligence to complete construction of the remaining marina improvements and shall be permitted to proceed at its own rate for the other commercial improvements based on market demand.

E - financial plan
6.02 Predevelopment Activities. The predevelopment activities described in Article VI that remain to be performed by Lessee to fulfill its predevelopment obligations ^{*as to Phase I*} are the submission and approval of architectural and engineering plans under Section 6.02(B)(1) and (2), the construction of improvements under Section 6.02(f)(2), and the securing of performance bonds under Section 6.02(g). ^{*(DE)*} All other predevelopment obligations ^{*as they pertain to phase I*} ^{*PSA*} are considered successfully completed by Lessee and shall be of no further force and effect.

6.02(G)(2) Performance Bond. Any performance bond proceeds shall be applied or directed to be applied towards the completion of construction of the bonded improvements. However, if the CITY is the beneficiary and receives bond proceeds, it shall pay the bond proceeds to Lender in reimbursement of Lender's expenditures made in completion of construction of the bonded improvements, or for the purpose of Lender applying the bond proceeds towards the completion of the construction.

OK
12.01. Mortgagee Assignment of Lease Following Foreclosure. Section 12.01 is hereby modified to the extent that in the event of a default by LESSEE under the terms of its loan or loans, and the subsequent foreclosure by Lender of its secured interest in the leasehold, the Lender may assign its title or interest in the Lease without the prior approval of the CITY to any of the following: an individual or entity who has a minimum of 5 years experience of operating marinas of similar size and configuration and has a net worth of at least \$1,000,000, or an individual or entity having a minimum net worth of \$5,000,000, \$1,250,000 of which represents assets

which may be liquidated within 30 days. No further or other assignments without the CITY's approval described in Section 12.01 shall be permitted.

12.02. Mortgage Lien to Value. The value of the improvements to be constructed by LESSEE for the purpose of computing the maximum mortgage lien to value ratio set forth in Section 12.02 shall be the values determined by Lender in its appraisal of the improvements to be constructed at the time of commencement of the construction of such improvements. Lender shall separately appraise the marina improvements and the landside improvements, and the Lender's appraisal in either case shall be based on an average of a cost approach appraisal and an income approach appraisal, and the value determined shall exclude consideration of the value of the real property as it exists at the time of commencement of the Lease. The amount of the mortgage lien for purpose of computing the mortgage lien to value ratio shall not include any mortgage lien securing repayment of loan funds from Community Development Block Grants.

12.09. Public Marina Guidelines. Attached is Exhibit A, which is a copy of the "Public Marina Guidelines", which shall be an addendum to this Lease.

12.11. Salvage. Section 12.11 shall be and is hereby amended to read in its entirety as follows:

CITY shall be permitted to retain all docks, buildings, and existing materials for their salvage value, and LESSEE shall remove and store such materials for CITY's benefit, pending removal by CITY within a reasonable period of time, not to exceed

fifteen (15) days from the removal and notice to CITY.

12.12. Nondisturbance. The parties understand and agree that subject to the conditions set forth herein, any subleases executed by LESSEE shall not be disturbed in the event of termination of the Lease by a default by LESSEE or by the exercise by CITY of its option to purchase the leasehold estate in Section 19.01. The conditions of this nondisturbance provision shall be: a) That the subleases not exceed a period of five (5) years, including renewals; or b) that if such sublease exceeds five (5) years that it be approved by the City Manager prior to the execution thereof to ascertain that said Lease sublease is the result of arms-length negotiations and reasonable under the circumstances; and c) that the subleasee is not itself in default of its sublease agreement; and d) the form of the sublease agreement has been approved by the City Attorney, and such sublease does not provide for rentals to be payable any longer than one (1) month in advance.

14.01. Casualty Insurance. Section 14.01 shall include the following additional language:

Any and all proceeds of hazard or casualty insurance shall be paid to the LESSEE's Lender to be disbursed to rebuild the project in accordance with the Lender's loan documents and the Lease Agreement provided the loan documents require Lender to make all such proceeds available for rebuilding or repairing the destroyed or damaged property and if insurance proceeds are insufficient to rebuild the project, or if rebuilding is impossible or impractical (for example, if permits are no longer available), the proceeds shall be retained by Lender to repay mortgage lien debt obligations of the LESSEE.

14.02 Condemnation Proceeds. In the event of condemnation of all or any part of the property, which is subject of the Lease, any proceeds or award resulting from such condemnation shall be paid to both CITY and the LESSEE according to the award thereof as determined in the condemnation proceedings, and LESSEE shall be required by its Lender to first apply its condemnation award or proceeds to the repayment of LESSEE's bank debt.

16.01. Certain Defaults Suspended. The parties agree that the provisions of 16.01(Q) and (R) shall not provide the sole and exclusive basis for declaring a default against LESSEE.

16.01(W). Mechanic's Liens. Section 16.01(W) is hereby modified to the extent that LESSEE shall be permitted to post a substitute bond in the manner as set forth in Chapter 713, Florida Statutes, in the event of a contest of any lien filed or attempted to be recorded by any of LESSEE's contractors, subcontractors, material men, or laborers.

18.03. Performance Bond and Surety's Rights. All rights of the Surety described in Section 18.03 arising in the event Surety is called upon to complete or procure the completion of the construction shall also be available to LESSEE's Lender, if Lender, rather than the Surety, causes the completion of the bond of construction.

19.01. CITY's Option to Purchase. Section 19.01 is hereby amended to read as follows:

The CITY hereby reserves the right to purchase the

leasehold estate hereby created and require a conveyance of the same, with as good title as previously conveyed to LESSEE, together with the improvements erected thereon, together with all appurtenances thereto, free and clear of all liens and encumbrances, at any time during the term thereof, after the expiration of 60 (sixty) months accounting from the date of completion of First Phase Marina improvements, upon giving to LESSEE six (6) months written notice of its intention to purchase, and upon payment of the purchase price determined in accordance with the provisions of Article XIX. The settlement date for such purchase shall be the last day of the calendar month next after the expiration of one year after giving of said notice, of intention to purchase. The purchase price shall be paid to LESSEE in full and cash at the time of settlement.

20.03. CITY's Option to Prohibit Assumption. LESSEE's Lender shall have the right to attempt to cure any default by LESSEE under the terms of the Lease subject to Section 20.03. The CITY must exercise its option to prohibit the assumption of the Lease by LESSEE's Lender upon default within 90 (ninety) days after commencement of foreclosure proceedings by the Lender with payment being made by CITY no later than six (6) months after the date the option is exercised.

Other Provisions Unchanged. Except as specifically modified or clarified herein, the original Development and Lease Agreement shall remain unchanged and in full force and effect and the amendments stated above shall not be to the exclusion of existing Development and have Amendment provisions unless this Addendum specifically provides to the contrary.

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

Attest:

By: Vicki P. Drizgale
Its: City Clerk

CITY OF FERNANDINA BEACH
(CITY)

By: Don Belmont
Its: Mayor-Commissioner
(seal)

CENTRE STREET WATERFRONT
GROUP, INC. (LESSEE)

By: Vicki P. Drizgale
Its: Judy W. Lee

By: Robert H. Allen
Its: President
(corporate seal)

26+

**CONSENT TO SUBLEASE AND
LEASE CLARIFICATION AGREEMENT**
(Addendum No. 2)

THIS AGREEMENT made this 3rd day of March, 1987, by and between THE CITY OF FERNANDINA BEACH, a municipal corporation under the laws of Florida (the "City"), and FERNANDINA HARBOR JOINT VENTURE ("Lessee"), a Florida general partnership comprised of Centre Street Waterfront Group, Ltd., a Florida limited partnership ("CSWG"), and Fernandina Marina Investors, Ltd., a Florida limited partnership ("FMI").

W I T N E S S E T H: That,

WHEREAS, under date of October 3, 1984, City entered into a Development and Lease Agreement with The Centre Street Waterfront Group, Inc., which has been modified by Addendum No. 1 to Development and Lease Agreement dated April 2, 1986 (collectively, the "Lease"); and

WHEREAS, by mesne assignments, each of which has been consented to by the City, the interest of CSWG has become vested in Lessee; and

WHEREAS, Lessee has agreed to enter into a sublease of portions of the property demised by the Lease to FMI in the form annexed hereto as Exhibit 1 (the "Marina Sublease") and has requested that the City consent to the Marina Sublease; and

WHEREAS, Lessee has also agreed to enter into a sublease of the Restaurant Parcel to Centre Street Restaurant Group, Ltd., a Florida limited partnership ("Centre Street") in the form annexed hereto as Exhibit 2 (the "Restaurant Sublease") and has requested that City consent to the Restaurant Sublease; and

WHEREAS, City and Lessee have agreed in Article XV of the Lease that they would pursue the development of the Property in good faith to achieve a commercially successful project and recognized that, in order to accomplish the proposed or future development of the Property, it might become necessary for the Lease to be expanded or modified; and

WHEREAS, Lessee has requested City to confirm certain understandings as to the meaning of the Lease and the parties believe it to be in their mutual best interests that any doubts as to the meaning of the Lease be resolved and clarified by this agreement so as to facilitate the commercial development of the Property.

EXHIBIT "B"

NOW, THEREFORE, the parties have entered into this agreement to confirm and clarify the provisions of the Lease in the following respects:

1. Consent to Sublease. City hereby consents to the Marina Sublease and the Restaurant Sublease.

2. Applicability of Certain Provisions. The following provisions of the Lease are intended to be applicable only to the Marina Sublease and shall not be applicable to any other portion of the project contemplated by the Lease, including the Restaurant Sublease, to wit: Sections 12.04, 12.05 (except that Section 12.05 shall apply to the improvements on the Restaurant Parcel), 12.06, 12.07, 12.09 (as amended), 12.11 (as amended), and Sections 16.01(A) through (K), inclusive, and (N), (O), (P), and (T)

3. Definitions. The term "project" as used in the Lease has the same meaning as the term "property" and is intended to mean the real property described in the Lease and the marina, the restaurant and all other improvements constructed thereon.

4. Rents Paid under Marina Sublease and Restaurant Sublease. The Marina Sublease and Restaurant Sublease require payment to the Lessee of the rents provided for therein. Notwithstanding any other provision of any agreement between the parties, it is agreed that any rents paid to the Lessee by the sublessee under the Marina Sublease and by the sublessee under the Restaurant Sublease will be collected by the Lessee for the account of the City and remitted to the City promptly upon receipt, provided that the aggregate of such rents shall not exceed the minimum rent and percentage rent that would be payable under this Lease if such subleases were direct leases between the City and such sublessees. This payment shall be in lieu of all other rent provided for in the Lease with respect to the gross revenues derived by Lessee or any sublessee or operator from the property covered by the Marina Sublease or the Restaurant Sublease. Any payments received by City as rent pursuant to this paragraph shall be a credit against the minimum rent due by Lessee under the Lease.

5. Ratification. The Lease is hereby ratified and confirmed and is in full force and effect. The parties acknowledge that Lessee's interest in the Lease is held by the Lessee. To the best of the knowledge of the parties, no default exists on the part of either party with respect to the performance of their respective obligations under the Lease.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their proper officers thereunto duly authorized.

Signed, sealed and delivered
in the presence of:

THE CITY OF FERNANDINA BEACH,
a municipal corporation under
the laws of Florida

By Ronnie S. S.
Its Mayor - Commissioner

Attest: Vicki P. Dinegate
Its City Clerk

FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner

C. H. Cole
Cassandra B. M. Steele

By [Signature]
Its President

and

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

By: Fernandina Marina Investors,
Inc., its general partner

[Signature]
Chen Lee Hsiung

By J. Frank Dufour
Its Vice President

Exhibit 1 - Marina Sublease
Exhibit 2 - Restaurant Sublease

STATE OF FLORIDA

COUNTY OF Nassau

The foregoing instrument was acknowledged before me this 10th day of March, 1988, by Lonnie Sgar and Vicki P. Wingate, the Mayor - Commissioner and City Clerk, respectively, of THE CITY OF FERNANDINA BEACH, a municipal corporation under the laws of Florida, on behalf of the municipal corporation.

Cassandra P. Mitchell
Notary Public, State and County
aforesaid

Notary Public, State of Florida
My Commission Expires April 27, 1990
Bonded thru Troy Fair Insurance Co.

My Commission expires

(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Nassau

The foregoing instrument was acknowledged before me this 9th day of March, 1988, by Robert Allison, the President of The Centre Street Waterfront Group, Inc., the general partner of Centre Street Waterfront Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Cassandra P. Mitchell
Notary Public, State and County
aforesaid

Notary Public, State of Florida

My Commission expires: My Commission Expires April 27, 1990

Bonded thru Troy Fair Insurance Co.

(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 3rd day of March, 1988, by J. Frank Surface, the Vice President of Fernandina Marina Investors, Inc., the general partner of Fernandina Marina Investors, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Carol Lee Sisson
Notary Public, State and County
aforesaid

My Commission expires:

(Notarial Seal)

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988

MARINA SUBLEASE

THIS SUBLEASE, made as of this _____ day of _____, 1988, by and between FERNANDINA HARBOR JOINT VENTURE, a joint venture organized and existing under the laws of the State of Florida ("FHJV"), and FERNANDINA MARINA INVESTORS, LTD., a Florida limited partnership (the "Lessee").

W I T N E S S E T H: That,

WHEREAS, FHJV is the owner of a leasehold estate in certain real property located on the waterfront of Fernandina Beach, Nassau County, Florida, lying immediately west of Seaboard System Rail Right-of-Way and commonly referred to as "City Marina and Hugh Stone Property" (the "Property"), which is more fully described on Exhibit "A" attached hereto, pursuant to a Development and Lease Agreement between the City of Fernandina Beach (the "City"), as landlord, and FHJV, as tenant, dated October 3, 1984, as amended (the "Underlying Lease"); and

WHEREAS, Lessee desires to sublease from FHJV a portion of the Property described on Exhibit "B" annexed hereto (the "Sublease Parcel").

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations of the parties hereto, FHJV and the Lessee each covenant and agree as follows:

ARTICLE I The Sublease Parcel

1.1 Subject to the terms and conditions set forth herein and subject to all of the terms, covenants and provisions of the Underlying Lease which are applicable to the Sublease Parcel (which lessee does hereby assume and agree to perform), FHJV leases to the Lessee, and the Lessee leases from FHJV, the Sublease Parcel as described on Exhibit "B" attached hereto, together with all the tenements, improvements and appurtenances thereto belonging or appertaining to the Sublease Parcel, subject to any existing leases or the rights of any tenants in possession, and together with and subject to all easements benefiting or burdening the Sublease Parcel.

1.2 Lessee shall have the right in common with others to use Common Areas on the Property. All Common areas, as hereinafter defined, shall at all times be subject to the exclusive control and management of Lessee and Lessee shall have the right to construct, maintain and operate lighting facilities

MARINA SUBLEASE

THIS SUBLEASE, made as of this 11 day of March, 1988, by and between FERNANDINA HARBOR JOINT VENTURE, a joint venture organized and existing under the laws of the State of Florida ("FHJV"), and FERNANDINA MARINA INVESTORS, LTD., a Florida limited partnership (the "Lessee").

W I T N E S S E T H: That,

WHEREAS, FHJV is the owner of a leasehold estate in certain real property located on the waterfront of Fernandina Beach, Nassau County, Florida, lying immediately west of Seaboard System Rail Right-of-Way and commonly referred to as "City Marina and Hugh Stone Property" (the "Property"), which is more fully described on Exhibit "A" attached hereto, pursuant to a Development and Lease Agreement between the City of Fernandina Beach (the "City"), as landlord, and FHJV, as tenant, dated October 3, 1984, as amended (the "Underlying Lease"); and

WHEREAS, Lessee desires to sublease from FHJV a portion of the Property described on Exhibit "B" annexed hereto (the "Sublease Parcel").

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations of the parties hereto, FHJV and the Lessee each covenant and agree as follows:

ARTICLE I
The Sublease Parcel

1.1 Subject to the terms and conditions set forth herein and subject to all of the terms, covenants and provisions of the Underlying Lease which are applicable to the Sublease Parcel (which lessee does hereby assume and agree to perform), FHJV leases to the Lessee, and the Lessee leases from FHJV, the Sublease Parcel as described on Exhibit "B" attached hereto, together with all the tenements, improvements and appurtenances thereto belonging or appertaining to the Sublease Parcel, subject to any existing leases or the rights of any tenants in possession, and together with and subject to all easements benefiting or burdening the Sublease Parcel.

1.2 Lessee shall have the right in common with others to use Common Areas on the Property. All Common areas, as hereinafter defined, shall at all times be subject to the exclusive control and management of Lessee and Lessee shall have the right to construct, maintain and operate lighting facilities

on all said areas; to police the same; to change the area, level, location and arrangement of parking areas and other facilities; to restrict parking by tenants, their officers, agents and employees to employee parking areas and to enforce parking charges (by operation of meters or otherwise), with appropriate provisions for free parking and/or ticket validating, provided that no charge will be made in the parking areas unless permitted by Section 1.3.

FHJV and Lessee shall have the right to close all or any portion of the Common Areas or facilities to such extent as may, in the opinion of it's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein, to close temporarily all or any portion of the parking areas or facilities, to discourage non-customer parking, and to do and perform such other acts in and to said areas and improvements as, in the use of good business judgment, Lessee shall determine to be advisable with a view to the improvement to the convenience and use thereof by tenants, their officers, agents, employees and customers. Lessee shall keep said Common Areas clean and in good repair and available for the purposes for which they were intended. Lessee shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Common Areas and facilities.

1.3 Lessee reserves the right, at any time, to add to or reduce or to relocate the various buildings (other than the restaurant building and other improvements on the parcel of land leased to Centre Street Waterfront Group, Inc. [the "Restaurant Parcel"]), automobile parking areas, and other Common Areas as shown on the site plan, provided that 100 parking spaces shall remain within 250 feet of the Restaurant Parcel.

1.4 FHJV does hereby sell, assign and set over to lessee for the term of this Sublease all monies due to FHJV as contributions to the cost of operating and maintaining the Common Areas.

ARTICLE II Sublease Term

2.1 The term of this Sublease shall be for a period commencing on the date hereof and continuing until 11:00 p.m. on the last day of the term of the Underlying Lease.

ARTICLE III
Sublease Payments

3.1 Ground Rent.

(a) The Lessee shall pay to FHJV five percent (5%) of the "Gross Revenues," excluding fuel sales, as hereinafter defined, actually received by the Lessee from the Sublease Parcel, except that this percentage is to be phased in over the same periods and at the same rate as provided in the Underlying Lease, provided that Lessee shall pay as ground rent not less than ninety percent (90%) of the combined minimum rent due under the Underlying Lease and the lease between the Trustees of the Hardee Estate and Centre Street Waterfront Group, Inc., dated February 5, 1985, the Lessee's interest in which is owned by Fernandina Marina Investors, Ltd. (the "Hardee Lease").

(b) The Lessee shall pay to FHJV one percent (1%) of the Gross Revenues received by Lessee from marine fuel sales, plus sales tax.

(c) The Lessee shall pay all sales taxes due on such rentals.

3.2 The rent shall be payable on an annual basis and shall be due one hundred twenty (120) days after the end of each fiscal year of FHJV. Lessee agrees to adopt the same fiscal year as FHJV.

3.3 "Gross Revenues" includes all revenues received by Lessee from the Sublease Parcel. These revenues do not include those amounts held by Lessee as a deposit to secure a prospective tenant to lease to begin in the future; damage deposits, sums collected and paid out as a conduit such as sales, excise and other taxes, or other amounts which are generally not income under generally accepted accounting principles or federal income tax laws.

3.4 Accounting Procedures.

(a) All sales shall be registered on a cash register except sales relating to vending machines and rental revenues and those sales shall be recorded on daily ledger sheets and all financial records shall be subject to inspection by FHJV and by the City.

(b) The Lessee shall keep within the City of Fernandina Beach true and complete records and accounts of all gross revenues and business transactions, including daily bank deposits, and annually furnish within one hundred twenty (120) days of the end of each fiscal year, a true and accurate statement for the preceding fiscal year of all such

revenues and business transacted during such preceding year, which statement shall be verified by Lessee's certified public accountant as being correct. A separate profit and loss statement shall be supplied to FHJV and the City Manager within sixty (60) days after the end of the fiscal year. Lessee agrees to establish and maintain a system of bookkeeping satisfactory to the City's auditor and to give the City and FHJV access, during reasonable hours, to such books and records. Lessee agrees that it will keep and preserve for at least two (2) years all sales slips, cash register tapes, sales books, bank books or duplicate deposit slips, and other evidence of gross revenues and business transacted for such period. FHJV, the City's auditor and the City Manager, and their respective authorized representatives, shall each have the right at any time and from time to time to audit all of the books of account, bank statements, documents, records, returns, papers, and files of the Lessee relating to gross receipts and business transacted and the Lessee, on request by any of them, shall make all such matters available for such examination at the Sublease Parcel. If FHJV or the City shall make or have such an audit made for any year and the gross revenues and business transacted shown by the Lessee's statement for such year shall be found to be understated by more than one percent (1%), the Lessee shall pay FHJV or the City, as the case may be, the cost of such audit. The right of FHJV and the City to have such an audit made with respect to any year shall expire three (3) years after the Lessee's statement for any year shall have been delivered to the City.

(c) In addition, the Lessee agrees to furnish to FHJV a true and correct copy of the State Sales and Use Tax Report as required by the Florida Department of Revenue and shall furnish a State Sales and Use Tax Report Number upon the execution of this Sublease.

(d) Lessee hereby authorizes FHJV and the City, or either of them, to apply to the Florida Department of Revenue for information and such reports of Lessee as will enable the City to determine the amount of Lessee's gross receipts for the period comprising the term of this Sublease.

3.5 Late Payment. Any Sublease payments which are received by FHJV more than fourteen (14) days from their due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid.

3.6 Mortgagee's Rights. Notwithstanding the foregoing provisions, if a leasehold mortgagee (the "Lender") institutes a proceeding to foreclose its mortgage, the lease payments required by Section 3.1 shall be suspended during the foreclosure proceedings and, in lieu thereof, Lender shall pay rent equal to

an average of such payments over the two year period immediately preceding the commencement of the foreclosure proceedings. Upon completion of the foreclosure and acquisition of title by Lender (or the assignment thereof to a third party), Lender shall provide an accounting to FHJV and shall pay any additional rent payments, if any, which would have been due under Section 3.1 during the suspension period. For a period of two years after acquisition of title by Lender, FHJV's sole remedy against the Lender for a Lender's default under the Lease as successor of Lessee shall be to terminate the Lease and retake possession. If Lender should fail to further assign the acquired leasehold interest within two years from the date of such acquisition, then FHJV shall have all remedies available to it under the Lease Agreement for any obligations arising after the expiration of that two year period.

3.7 Common Area Maintenance.

(a) Lessee agrees to keep and maintain all of the common areas on the Sublease Parcel.

(b) "Common Facilities" or "Common Areas" means all areas, space, equipment and special services provided by FHJV for the common or joint use and benefit of the occupants of the Harbour Market, their employees, agents, servants, customers and other invitees, including, without limitation, parking areas, access roads, driveways, retaining walls, landscaped areas, trust serviceways, loading docks, pedestrian malls, courts, stairs, ramps and sidewalks, comfort and first-aid stations, washrooms, community hall or auditorium (if any) and parcel pick-up stations.

(c) Lessee shall be entitled to receive from FHJV any contributions received by FHJV from others on account of the expense of operating and maintaining the Common Facilities or any part thereof.

ARTICLE IV Quiet Enjoyment

4.1 Lessee, upon paying the rent and other charges due hereunder and observing and performing all other covenants and agreements herein on its part to be performed, shall quietly have and enjoy the Sublease Parcel during the term hereof without hindrance or molestation by anyone.

ARTICLE V
Purpose

5.1 It is the purpose of FHJV in granting this Sublease to assure the continued operation of a first-class marina on the Sublease Parcel and to have the remainder of the Sublease Parcel developed in a first-class marina for the residents of the City of Fernandina Beach and people utilizing the marina facility.

ARTICLE VI
Construction

6.1 No construction will be undertaken on the Sublease Parcel except in strict compliance with the provisions of the Underlying Lease and Lessee and Lender shall be entitled to the benefits of the provisions of the Underlying Lease relating thereto.

ARTICLE VII
Ownership of Improvements

7.1 At the end of the term of the Sublease, any improvements constructed by Lessee shall be the property of FHJV, free and clear of all liens or claims of Lessee whatsoever, except that personal property installed by Lessee not permanently affixed to the facilities may be removed, provided that, if said removal causes any damages to the facilities, Lessee will repair said damages in a proper and satisfactory manner to FHJV at Lessee's own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be classified as personal property and shall be considered as part of the real estate owned by the City and subject to the Underlying Lease.

ARTICLE VIII
Access to Sublease Parcel

8.1 Subsequent to the date hereof, the Lessee shall permit the representatives of FHJV and the City unlimited access to the Sublease Parcel, other than private offices and storage space occupied by tenants, at all reasonable times deemed necessary for the purposes of this Sublease.

ARTICLE IX
Warranty

9.1 The Lessee warrants that all public improvements upon the Sublease Parcel which will be for public use shall be fit for their intended use. "Public improvements," for the purpose of this section, shall mean all improvements other than private offices and tenant occupied space.

ARTICLE X
Covenants and Restrictions

10.1 FHJV and the Lessee agree that the following restrictions shall be covenants running for the duration of this Sublease and shall be binding on FHJV, the Lessee and the successors and assigns of the parties and all other successors in interest to the Sublease Parcel or any part thereof:

(a) That the Sublease Parcel shall be devoted and used in accordance with the uses specified in Article V of this Sublease.

(b) That all utility distribution lines shall be placed underground.

(c) That FHJV and the City shall retain a perpetual easement to be set forth in an appropriate instrument in recordable form for ingress, egress and right-of-way on and over public promenade which may be constructed by the Lessee for the purpose of access to the public marina and other public facilities contained on the Sublease Parcel.

ARTICLE XI
Representations as to Lessee

11.1 The Lessee represents and agrees that this Sublease of the Sublease Parcel and its other undertakings pursuant hereto are for the purpose of development of the Sublease Parcel and not for speculation in land holding.

ARTICLE XII
Special Provisions

12.1 Lessee may not assign its interest in this Sublease without the approval of FHJV, which approval shall not be unreasonably withheld. Refusal of the City to grant its approval to any assignment shall be grounds for denial of FHJV's approval. A Lender may, however, assign this Sublease after foreclosure to any person or entity to which assignment is permitted under the Underlying Lease. Nothing contained in the above shall prohibit the Lessee from forming partnerships or other form of business associations to carry out this Sublease so long as the Lessee shall remain liable for the lease payments under the terms of this Sublease and provided that the City is notified of such partnerships or associations in writing prior thereto.

12.2 The Lessee shall be responsible for the development of all improvements on the Sublease Parcel at the Lessee's sole cost and expense, pursuant to the terms and conditions of this Sublease and the Underlying Lease.

12.3 The Lessee shall operate the public marina and the improvements on a non-exclusive basis and implement and impose user fees uniformly, without regard to age, religion, sex, race, other condition, or the political subdivision in which the user may reside. FHJV may, however, require Lessee to provide the use of the boat launch ramp to City residents free of charge if required to do so under the provisions of the Underlying lease.

12.4 The Lessee, its transferees, grantees, successors and assigns, shall irrevocably release FHJV and the City and their respective agents and assigns from any and all claims for damages of whatever nature resulting from any dredging by the Lessee, including the incidental depositing of dredged materials, resulting from dredging, bulkheading and/or construction, and other incidental damage resulting from any construction operations and the like which might occur. FHJV and the Lessee, and their respective successors and assigns, agree to cooperate with each other in connection with the securing of future dredging of the marina and, in this connection, agree to execute such applications, releases and other documents necessary or incidental to the approval of the U. S. Army Corps of Engineers, or other public agency, to undertake and execute such dredging, should dredging ever be required. FHJV and the Lessee, and their respective successors and assigns, each releases the City from any and all claims for damage occasioned or arising from any disturbance of the river bottom which results as a natural consequence from normal periodic maintenance, bulkheading, riprapping or dredging by either party, either in the maintenance and repair of the marina or the use, maintenance and employment of the rights in the marina waterways.

12.5 The Lessee shall have sole discretion over tenant selections and the marketing program but such shall comply with all applicable laws and ordinances. The Lessee agrees to incorporate public marina guidelines (on a publicly advertised first-come, first-served basis) as an addendum to this Sublease. A copy of these guidelines shall be furnished to the City.

12.6 Nondisturbance. The parties understand and agree that, subject to the conditions set forth herein, no subleases executed by the Lessee shall be affected by the termination of this Sublease. The conditions of this nondisturbance provision shall be:

(a) that the sublease not exceed a term of five (5) years, including renewals; or

(b) that, if the term of such sublease exceeds five (5) years that it be approved by FHJV and the City Manager prior to the execution thereof to ascertain that said sublease is the result of arms-length negotiations and reasonable under the circumstances; and

(c) that the sublessee is not in default of its sublease agreement; and

(d) the form of the sublease agreement has been approved by the City Attorney; and

(e) such sublease does not provide for rentals to be payable for more than one (1) month in advance.

FHJV will use its best efforts to obtain from the City a similar agreement with respect to such subleases.

ARTICLE XIII Indemnification and Hold Harmless

13.1 The Lessee shall defend and indemnify FHJV and the City and save them harmless from any and all claims, suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or about the Sublease Parcel or any part thereof throughout the entire lease term, and occasioned wholly or in part by any act or omission of the Lessee, its agents, contractors, employees, servants, invitees, licensees, or concessionaries.

ARTICLE XIV Insurance Required

14.1 Lessee shall provide such insurance coverages as may be required by the Underlying Lease with respect to the Sublease Parcel. Proceeds of such insurance shall be payable in the manner provided for in the Underlying Lease.

14.2 Lessee shall provide, at Lessee's cost, general liability insurance coverage with single limits as may be reasonably required by FHJV (but not less than \$1,000,000), naming FHJV and persons claiming by, through or under FHJV as insureds.

ARTICLE XV
Operational Requirements

15.1 The Lessee shall comply with all of the operation requirements with respect to the marina which are set forth in Article XVI of the Underlying Lease.

ARTICLE XVI
Default

16.1 If Lessee defaults in the payment of rent and such default continues for fifteen (15) days after written notice thereof to Lessee, FHJV may terminate this Lease and may re-enter and retake possession of the Sublease Parcel, subject, however, to the rights of leasehold mortgagees.

16.2 Any act or omission by Lessee which constitutes a default under the Underlying Lease shall constitute a default under this Sublease. FHJV shall have the right after reasonable notice (but not more than ten [10] days) to cure any such default on the part of Lessee and the cost of effecting such cure shall be payable by Lessee to FHJV on demand. The cost of effecting such cure shall include, without limitation, reasonable attorneys' fees. In determining what is reasonable notice, due consideration shall be given to the periods of grace provided under the Underlying Lease. If necessary to avoid a forfeiture of the Underlying Lease, FHJV may take such action as may be required to cure such defaults without notice.

16.3 FHJV shall have all other rights and remedies available to landlords under Florida law.

16.4 The failure of FHJV to insist in any one or more cases upon the strict performance of any of the covenants of this Sublease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by FHJV of rent with knowledge of the breach of any covenant of this Sublease shall not be deemed a waiver of such breach and no waiver by FHJV of any provision of this Sublease shall be deemed to have been made unless expressed in writing. In addition to the other remedies in this Sublease provided, FHJV shall be entitled to the restraint by injunction of the violations, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Sublease.

16.5 No default (other than a default in the payment of money) shall be deemed to exist or continue if and so long as the default shall be caused by reason of Lessee being delayed in or prevented from remedying the same by fire, casualty, strikes, lockouts or labor disturbances, act of God or the public enemy, or order, direction or lawful interference by any municipal, state, or governmental agency, but, if and when the occurrence or

condition which caused, delayed or prevented the remedying of such default shall be removed or cease to exist, it shall be the obligation of Lessee to remedy such default as speedily as practicable and with all due diligence.

16.6 Upon termination hereof, by either expiration or by default and repossession as provided above, all improvements shall become the property of FHJV, except that, if Lessee is not in default, Lessee shall have the right to remove from the Sublease Parcel all personal property installed by Lessee not permanently affixed to the facilities, subject, however, to any valid lien or claim which FHJV may have for unpaid fees or charges for repair of the facilities, provided also that, if said removal causes any damage to the Sublease Parcel, said Lessee will repair the same in a proper and satisfactory manner at its own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be considered personal property.

ARTICLE XVII Leasehold Mortgage

17.1 It is contemplated by the parties that Lessee will finance a portion of the total development and construction cost of improvements on the Sublease Parcel by means of a mortgage of the leasehold estate created by this Sublease and of Lessee's entire interest in the Sublease Parcel, but it is also contemplated that such mortgage will and it is agreed that such shall be subordinate to FHJV's right as Lessor under this Sublease and City's rights as Lessor under the Underlying Lease. Lessee shall also have the right from time to time during the term of this Sublease to place any substitute or additional mortgage on the leasehold estate created by this Sublease and on Lessee's interest in the Sublease Parcel, but all such mortgages shall be subordinate to FHJV's interest as Lessor under this Sublease and City's rights as Lessor under the Underlying Lease.

17.2 In the event that at any time during the term of this Sublease the leasehold interest of Lessee is subject to a mortgage in accordance with the provisions of Section 17.1 above, then so long as such mortgage is outstanding and unreleased a copy of any notice at any time required or permitted under the terms of this Sublease to be given by FHJV to Lessee shall at the same time be sent to the mortgagee, provided that prior thereto Lessee shall have given written notice to FHJV of the existence of said mortgage and have stated in said notice the address of the mortgagee to which copies of all notices under this Sublease shall be delivered or made.

17.3 It is understood that the City, as landlord under the Underlying Lease, may, at its option, prohibit the transfer of this Sublease to or by Lessee's mortgagee or mortgagees, provided that, if the City exercises such option, City shall pay to such

mortgagees an amount equal to the then outstanding obligations secured by such mortgage loan. Such payment shall be made by the City within one hundred eighty (180) days of the notice of default to Lessee and the City's exercise of the above option.

17.4 Any mortgage shall be subject to the limitations as to the amount which may be secured thereby which are provided for in the Underlying Lease.

ARTICLE XVIII
The Agreement

18.1 This Sublease shall be governed by and construed in accordance with the laws of the State of Florida.

18.2 Any amendments to this Sublease will be in writing and shall be executed by both Lessee and FHJV with the same formality as this Sublease.

18.3 Notice. For purposes of this Sublease, any notice required to be given shall be given in accordance with this document by delivering written notice to FHJV at 2915 Independent Avenue, Jacksonville, Florida, 32202. Notice shall be given to the Lessee by delivering written notice to 100 Laura Street, Jacksonville, Florida, 32202.

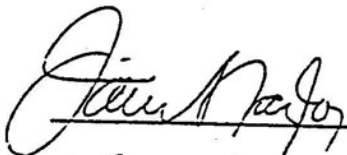
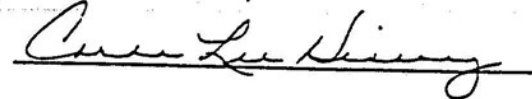
18.4 Attorneys' Fees. In the event it becomes necessary to file suit in connection with this Sublease, the prevailing party shall be permitted to recover its attorneys' fees and court costs against the losing party.

IN WITNESS WHEREOF, FHJV and the Lessee have caused this Sublease to be executed as of the day and year first above written.

FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner

By: 
Its President

and

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

Fernando
Paul D. Conrad

By: Fernandina Marina Investors,
Inc., its general partner

By *J. Paul Dufar*
Its *Dict* President

FERNANDINA MARINA INVESTORS, LTD.,
a Florida limited partnership

Fernando
Paul D. Conrad

By: Fernandina Marina Investors,
Inc., its general partner

By *J. Paul Dufar*
Its *Dict* President

Exhibit "A" - Description of the Property
Exhibit "B" - Description of Sublease Parcel

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by Robert Scott Allison, the President of The Centre Street Waterfront Group, Inc., the general partner of Centre Street Waterfront Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Caren Lee Shing
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surace, the Vice President of Fernandina Marina Investors, Inc., the general partner of Fernandina Marina Investors, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Caren Lee Shing
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Alachua

The foregoing instrument was acknowledged before me this
11th day of March 1988, by J. Frank Surace,
the Vice President of Fernandina Marina Investors, Inc.,
the general partner of FERNANDINA MARINA INVESTORS, LTD., a
Florida limited partnership, on behalf of the partnership.

Carol Lee Wilson
Notary Public, State and County
aforesaid

My Commission expires:

NOTARY PUBLIC, STATE OF FLORIDA
(Notarial Seal) My commission expires Aug. 22, 1988..

EXHIBIT "A"

PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of

EXHIBIT "B"

All of the property described in Exhibit "A" except for the Restaurant Parcel described as:

A portion of Water Lot 25, Fernandina Beach, Nassau County, Florida as shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901) being more particularly described as follows:

COMMENCE at the Southeast corner of Water Lot 1, of said city; thence run N.82°30'35" W. along the division line of Water Lots 1 and 25, a distance of 126.60 feet to THE POINT OF BEGINNING; thence continue N.82°30'35"W. still along said division line a distance of 115.15 feet + to the waters of Amelia River; thence S.18°23'20" W. along the waters of said Amelia River a distance of 74.45 feet; thence S.82°32'35" E. a distance of 164.41 feet; thence N.7°20'46"E. a distance of 50.00 feet; thence N.82°32'35" W. a distance of 35.00 feet; thence run N.7°20'46" E. a distance of 23.03 feet to THE POINT OF BEINNING.

Containing 10,684.6697 sq. ft. or
0.245 acres, more or less.

2

RESTAURANT SUBLEASE

THIS SUBLEASE, made as of this 11 day of March, 1988, by and between FERNANDINA HARBOR JOINT VENTURE, a joint venture organized and existing under the laws of the State of Florida ("FHJV"), and CENTRE STREET RESTAURANT GROUP, LTD., a Florida limited partnership (the "Lessee").

W I T N E S S E T H: That,

WHEREAS, FHJV is the owner of a leasehold estate in certain real property located on the waterfront of Fernandina Beach, Nassau County, Florida, lying immediately west of Seaboard System Rail Right-of-Way and commonly referred to as "City Marina and Hugh Stone Property" (the "Harbour Market" or the "Property"), which is more fully described on Exhibit "A" attached hereto, pursuant to a Development and Lease Agreement between the City of Fernandina Beach (the "City"), as landlord, and FHJV, as tenant, dated October 3, 1984, as amended (the "Underlying Lease"); and

WHEREAS, Lessee desires to sublease from FHJV a portion of the Property described on Exhibit "B" annexed hereto (the "Sublease Parcel").

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations of the parties hereto, FHJV and the Lessee each covenant and agree as follows:

ARTICLE I
The Sublease Parcel

1.1 Subject to the terms and conditions set forth herein and subject to all of the terms, covenants and provisions of the Underlying Lease which are applicable to the Sublease Parcel (which Lessee does hereby assume and agree to perform), FHJV leases to the Lessee, and the Lessee leases from FHJV, the Sublease Parcel, together with all the tenements, improvements and appurtenances thereto belonging or appertaining to the Sublease Parcel, subject to any existing leases or the rights of any tenants in possession, and together with and subject to all easements benefiting or burdening the Sublease Parcel.

1.2 Lessee shall have the right in common with others to use Common Areas on the Property. All Common areas, as hereinafter defined, shall at all times be subject to the exclusive control and management of FHJV and FHJV shall have the right to construct, maintain and operate lighting facilities on

all said areas; to police the same; to change the area, level, location and arrangement of parking areas and other facilities and to restrict parking by tenants, their officers, agents and employees to employee parking areas.

FHJV shall have the right to close all or any portion of the Common Areas or facilities to such extent as may, in the opinion of FHJV's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein, to close temporarily all or any portion of the parking areas or facilities to discourage non-customer parking, so long as such closure does not create a verifiable hardship on the operation of the restaurant. FHJV or its successors shall not institute or levy any charges or fees for the public use of the 100 spaces provided to Lessee. FHJV shall keep said Common Areas (except the Common Areas described in Section 3.6) clean and in good repair and available for the purposes for which they were intended. FHJV shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the Common Areas and facilities.

1.3 FHJV reserves the right, at any time, to add to or reduce or to relocate the various buildings (other than on the Sublease Parcel), automobile parking areas, and other Common Areas on the Property as shown on the site plan of Harbour Market (the "Site Plan") attached hereto as Exhibit "C". Lessee acknowledges that there will be inconveniences to the restaurant and the use of parking spaces during construction on the Property and during the installation of underground storage tanks. Lessee agrees that it will not make any claim for interference with the Sublease Parcel or any operation thereon on account of such interruptions, so long as such interruptions do not deprive Lessee of reasonable access to the Sublease Parcel.

1.4 FHJV acknowledges that there will be inconveniences to the marina during construction on the Sublease Parcel and agrees not to make any claim for interference on account of such interruptions, so long as such interruptions do not deprive FHJV of reasonable access to the marina.

ARTICLE II Sublease Term

2.1 The term of this Sublease shall be for a period commencing on the date hereof and continuing until 11:00 p.m. on the last day of the term of the Underlying Lease.

2.2 If the City grants an extension of the Underlying Lease and permits the extension of this Sublease, then the term of this Sublease will be extended for a period of time equal to the extension granted or permitted.

ARTICLE III
Sublease Payments

3.1 Ground Rent.

(a) The Lessee shall pay to FHJV as ground rent a sum equal to the greater of (i) the rent due under the Underlying Lease plus the rent due under the lease between the Trustees of the Hardee Estate and Centre Street Waterfront Group, Inc., dated February 5, 1985, the Lessee's interest in which is owned by Fernandina Marina Investors, Ltd. [the "Hardee Lease"]] which is attributable to the Sublease Parcel or (ii) ten percent (10%) of the combined minimum rent due under the Underlying Lease and the Hardee Lease.

(b) The Lessee shall pay all sales taxes due on such rentals.

(c) The rent payable hereunder is intended to be net to FHJV and Lessee agrees therefore to pay all expenses of ownership of the leasehold estate created hereby and improvements on the Sublease Parcel, including, without limitation, all insurance premiums, taxes and other costs attributable thereto. FHJV agrees to pay the rents received hereunder to the lessors under the Underlying Lease and the Hardee Lease, as the case may be, promptly on receipt thereof from Lessee.

3.2 The rent shall be payable on an annual basis and shall be due one hundred five (105) days after the end of each fiscal year of FHJV. Lessee agrees to adopt the same fiscal year as FHJV.

3.3 "Gross Revenues" includes all revenues actually received by Lessee from the Sublease Parcel. These revenues do not include those amounts held by Lessee as a deposit to secure a prospective tenant to lease to begin in the future; damage deposits, sums collected and paid out as a conduit such as sales, excise and other taxes, or other amounts which are generally not income under generally accepted accounting principles or federal income tax laws.

3.4 Accounting Procedures.

(a) All sales shall be registered on a cash register except sales relating to vending machines and rental revenues and those sales shall be recorded on daily ledger sheets and all financial records shall be subject to inspection by FHJV and by the City.

(b) The Lessee shall keep within the City of Fernandina Beach true and complete records and accounts of all gross revenues and business transactions, including daily bank deposits, and annually furnish within one hundred five (105) days of the end of each fiscal year, a true and accurate statement for the preceding fiscal year of all such revenues and business transacted during such preceding year, which statement shall be verified by Lessee's certified public accountant as being correct. A separate profit and loss statement shall be supplied to FHJV and the City Manager within forty-five (45) days after the end of the fiscal year. Lessee agrees to establish and maintain a system of bookkeeping satisfactory to the City's auditor and to give the City and FHJV access, during reasonable hours, to such books and records. Lessee agrees that it will keep and preserve for at least two (2) years all sales slips, cash register tapes, sales books, bank books or duplicate deposit slips, and other evidence of gross revenues and business transacted for such period. FHJV, the City's auditor and the City Manager, and their respective authorized representatives, shall each have the right at any time and from time to time to audit all of the books of account, bank statements, documents, records, returns, papers, and files of the Lessee relating to gross receipts and business transacted and the Lessee, on request by any of them, shall make all such matters available for such examination at the Sublease Parcel. If FHJV or the City shall make or have such an audit made for any year and the gross revenues and business transacted shown by the Lessee's statement for such year shall be found to be understated by more than one percent (1%), the Lessee shall pay FHJV or the City, as the case may be, the cost of such audit. The right of FHJV and the City to have such an audit made with respect to any year shall expire three (3) years after the Lessee's statement for any year shall have been delivered to the City.

(c) In addition, the Lessee agrees to furnish to FHJV a true and correct copy of the State Sales and Use Tax Report as required by the Florida Department of Revenue and shall furnish a State Sales and Use Tax Report Number upon the execution of this Sublease.

(d) Lessee hereby authorizes FHJV and the City, or either of them, to apply to the Florida Department of Revenue for information and such reports of Lessee as will enable the City to determine the amount of Lessee's gross receipts for the period comprising the term of this Sublease.

3.5 Late Payment. Any Sublease payments which are received by FHJV more than ten (10) days from their due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid.

3.6 Common Area Maintenance.

(a) FHJV agrees to pay the total cost and expense incurred in operating, maintaining and repairing the Common Areas. Said costs and expense shall specifically include, without limitation, property management, gardening, landscaping and irrigation for landscape, repairs, line painting, lighting, sanitary control, removal of trash, rubbish and garbage, and other expense and cost of personnel to implement such services, to direct parking and to police the facilities, any ad valorem taxes and liability insurance premiums related thereto.

(b) Lessee agrees to pay a proportionate part of the expenses of maintaining the Common Facilities provided for in a Declaration of Easement affecting the Property dated the same day as this Sublease.

ARTICLE IV
Quiet Enjoyment

4.1 Lessee, upon paying the rent and other charges due hereunder and observing and performing all other covenants and agreements herein on its part to be performed, shall quietly have and enjoy the Sublease Parcel during the term hereof without hindrance or molestation by anyone. With the exception of the right to approve plans as described in Section 6.2 and any other rights specifically granted to FHJV hereunder, Lessor shall have no authority or voice in the affairs of Lessee.

ARTICLE V
Purpose and Use

5.1 It is the purpose of FHJV in granting this Sublease to assure the continued operation of a first-class marina and restaurant within Harbour Market for the residents of the City of Fernandina Beach and people utilizing the marina facility. To that end, each party agrees to cooperate with the other in connection with the development of the restaurant and the remainder of the Property and in obtaining the permits, easements, zoning and consents necessary or helpful in pursuing such development.

5.2 The Sublease Parcel shall be used only for the operation of restaurants and bars, including catering and take-

out service and including the incidental sale at retail of items designed to promote Lessee's restaurant business and which are customarily sold in restaurants as part of restaurant promotions, including such items as hats and T-shirts bearing the name or marks of the restaurant operated on the premises. No other use is permitted without the approval of FHJV.

5.3 The plans and specifications for the Restaurant, including the number of seats provided therein, shall be subject to approval of FHJV.

5.4 Restrictions. Lessee shall not sell any bait or fishing tackle, nor any fresh seafood for off-premises consumption except for seafood which has been prepared for restaurant take-out or catering service.

5.5 In no event shall any portion of the Sublease Parcel be used for offices except such executive office as may be reasonable and necessary for use of the on-site restaurant manager without the consent of FHJV.

ARTICLE VI Construction

6.1 Lessee agrees to construct at its sole cost and expense the restaurant building and other improvements on the Sublease Parcel shown on the plans approved by FHJV (the "Plans"). Such construction shall be undertaken in strict compliance with the provisions of the Underlying Lease and the Grant Agreement providing for funds for the construction of such improvements between the City and The Centre Street Waterfront Group, Inc., et al., as amended, and Lessee and Lender shall be entitled to the benefits of the provisions of the Underlying Lease and the Grant Agreement relating thereto.

6.2 No improvements will be constructed on the Sublease Parcel until the plans and specifications therefor have been approved by FHJV. Any Plans submitted to FHJV and not acted on by FHJV within ten (10) days after receipt thereof shall be deemed to be approved.

6.3 Notwithstanding any other provision of this lease, the interest of FHJV in the Property shall not be subject to liens for improvements made by or for Lessee and in no event shall FHJV be liable for or subjected to any mechanic's, materialmen's or laborer's liens for work done by Lessee or for which Lessee is responsible. If any such lien is asserted against the interest of FHJV or against the landlord under the Underlying Lease, Lessee agrees to cause the same to be discharged of record (either by payment or by bond as permitted by law) within ten (10) days after notice to Lessee and failure to do so shall constitute a default hereunder.

ARTICLE VII
Ownership of Improvements

7.1 At the end of the term of the Sublease, any improvements constructed by Lessee shall be the property of FHJV, free and clear of all liens or claims of Lessee whatsoever, except that personal property installed by Lessee not permanently affixed to the facilities may be removed, provided that, if said removal causes any damages to the facilities, Lessee will repair said damages in a proper and satisfactory manner to FHJV at Lessee's own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be classified as personal property and shall be considered as part of the real estate owned by the City and subject to the Underlying Lease.

ARTICLE VIII
Access to Sublease Parcel

8.1 Subsequent to the date hereof, the Lessee shall permit the representatives of FHJV and the City unlimited access to the Sublease Parcel and every part thereof, subject to reasonable security measures imposed by Lessee at all reasonable times deemed necessary for the purposes of this agreement or the Underlying Lease.

ARTICLE IX
Warranty

9.1 The Lessee warrants that all public improvements upon the Sublease Parcel which will be for public use shall be fit for their intended use. "Public improvements," for the purpose of this section, shall mean all improvements other than private offices and tenant occupied space.

ARTICLE X
Covenants and Restrictions

10.1 FHJV and the Lessee agree that the following restrictions shall be covenants running for the duration of this Sublease and shall be binding on FHJV, the Lessee and the successors and assigns of the parties and all other successors in interest to the Sublease Parcel or any part thereof:

(a) That the Sublease Parcel shall be devoted and used in accordance with the uses specified in Article V of this Sublease.

(b) That all utility distribution lines shall be placed underground.

(c) That FHJV and the City shall retain a perpetual easement to be set forth in an appropriate instrument in recordable form for ingress, egress and right-of-way on and over any public promenade which may be constructed on the Sublease Parcel for the purpose of providing access to any public facilities contained on the Property.

ARTICLE XI Representations as to Lessee

11.1 The Lessee represents and agrees that this Sublease of the Sublease Parcel and its other undertakings pursuant hereto are for the purpose of development of the Sublease Parcel and not for speculation in land holding.

ARTICLE XII Special Provisions

12.1 Lessee may not assign its interest in this Sublease without the approval of FHJV, which approval shall not be unreasonably withheld. Refusal of the City to grant its approval to any assignment shall be grounds for denial of FHJV's approval. A Lender may, however, assign this Sublease after foreclosure to any person or entity to which assignment is permitted under the Underlying Lease. Nothing contained in the above shall prohibit the Lessee from forming partnerships or other form of business associations to carry out this Sublease so long as the Lessee shall remain liable for the lease payments under the terms of this Sublease and provided that the City is notified of such partnerships or associations in writing prior thereto.

12.2 The Lessee shall be responsible for the development of all improvements on the Sublease Parcel at the Lessee's sole cost and expense, pursuant to the terms and conditions of this Sublease and the Underlying Lease.

12.3 The restaurant on the Sublease Parcel shall be operated so as to provide employment and service, without regard to age, religion, sex, race, other condition, or the political subdivision in which the customer may reside.

12.4 Nondisturbance. The parties understand and agree that, subject to the conditions set forth herein and particularly the provisions relating to the use of the Sublease Parcel, no subleases executed by the Lessee shall be affected by the termination of this Sublease. The conditions of this nondisturbance provision shall be:

(a) that the sublease not exceed a term of five (5) years, including renewals; or

(b) that, if the term of such sublease exceeds five (5) years that it be approved by FHJV and the City Manager prior to the execution thereof to ascertain that said sublease is the result of arms-length negotiations and reasonable under the circumstances; and

(c) that the sublessee is not in default of its sublease agreement; and

(d) the form of the sublease agreement has been approved by the City Attorney; and

(e) such sublease does not provide for rentals to be payable for more than one (1) month in advance.

FHJV will use its best efforts to obtain from the City a similar agreement with respect to such subleases.

ARTICLE XIII Indemnification and Hold Harmless

13.1 The Lessee shall defend and indemnify FHJV and the City and save them harmless from any and all claims, suits, actions, damages, liability and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or about the Sublease Parcel or any part thereof throughout the entire lease term, or occasioned wholly or in part by any act or omission of the Lessee, its agents, contractors, employees, servants, invitees, licensees, or concessionaries.

ARTICLE XIV Insurance Required

14.1 Lessee shall provide such insurance coverages as may be required by the Underlying Lease with respect to the Sublease Parcel. Proceeds of such insurance shall be payable in the manner provided for in the Underlying Lease.

14.2 Lessee shall provide, at Lessee's cost, general liability insurance coverage with single limits as may be reasonably required by FHJV (but not less than \$1,000,000), naming FHJV and persons claiming by, through or under FHJV as insureds.

ARTICLE XV
Operational Requirements

15.1 The Lessee shall comply with any operation requirements with respect to the restaurant which are imposed by the Underlying Lease.

ARTICLE XVI
Default

16.1 If Lessee defaults in the payment of rent and such default continues for fifteen (15) days after written notice thereof to Lessee or if Lessee defaults in the performance of any other of its obligations hereunder and such default continues for a period of thirty (30) days after written notice thereof to Lessee, FHJV may terminate this Lease and may re-enter and retake possession of the Sublease Parcel, subject, however, to the rights of leasehold mortgagees. If any default is of a nature that it cannot be cured using due diligence within the thirty (30) day period provided for, the period for effecting such cure shall be extended for a reasonable time (but not more than 60 days) so long as Lessee is diligently prosecuting the work required to effect such cure.

16.2 Notwithstanding the provisions of Section 16.1, any act or omission by Lessee which constitutes a default under the Underlying Lease shall constitute a default under this Sublease. FHJV shall have the right after reasonable notice (but not more than ten [10] days) to cure any such default on the part of Lessee and the cost of effecting such cure shall be payable by Lessee to FHJV on demand. The cost of effecting such cure shall include, without limitation, reasonable attorneys' fees. In determining what is reasonable notice, due consideration shall be given to the periods of grace provided under the Underlying Lease. If necessary to avoid a forfeiture of the Underlying Lease, FHJV may take such action as may be required to cure such defaults without notice.

16.3 FHJV shall have all other rights and remedies available to landlords under Florida law.

16.4 The failure of FHJV to insist in any one or more cases upon the strict performance of any of the covenants of this Sublease or to exercise any option herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by FHJV of rent with knowledge of the breach of any covenant of this Sublease shall not be deemed a waiver of such breach and no waiver by FHJV of any provision of this Sublease shall be deemed to have been made unless expressed in writing. In addition to the other remedies in this Sublease provided, FHJV shall be entitled to the restraint by injunction

of the violations, or attempted or threatened violation, of any of the covenants, conditions or provisions of this Sublease.

16.5 No default (other than a default in the payment of money or a default which would constitute a default under the Underlying Lease) shall be deemed to exist or continue if and so long as the default shall be caused by reason of Lessee being delayed in or prevented from remedying the same by fire, casualty, strikes, lockouts or labor disturbances, act of God or the public enemy, or order, direction or lawful interference by any municipal, state, or governmental agency, but, if and when the occurrence or condition which caused, delayed or prevented the remedying of such default shall be removed or cease to exist, it shall be the obligation of Lessee to remedy such default as speedily as practicable and with all due diligence.

16.6 Upon termination hereof, by either expiration or by default and repossession as provided above, all improvements shall become the property of FHJV, except that, if Lessee is not in default, Lessee shall have the right to remove from the Sublease Parcel all personal property installed by Lessee not permanently affixed to the facilities, subject, however, to any valid lien or claim which FHJV may have for unpaid fees or charges for repair of the facilities, provided also that, if said removal causes any damage to the Sublease Parcel, said Lessee will repair the same in a proper and satisfactory manner at its own expense. Docks, walkways, pilings, cat walks, mooring facilities, etc., shall not be considered personal property.

ARTICLE XVII Leasehold Mortgage

17.1 It is contemplated by the parties that Lessee will finance a portion of the total development and construction cost of improvements on the Sublease Parcel by means of a mortgage of the leasehold estate created by this Sublease and of Lessee's entire interest in the Sublease Parcel, but it is also contemplated that such mortgage will and it is agreed that such shall be subordinate to FHJV's right as Lessor under this Sublease and City's rights as Lessor under the Underlying Lease. Lessee shall also have the right from time to time during the term of this Sublease to place any substitute or additional mortgage on the leasehold estate created by this Sublease and on Lessee's interest in the Sublease Parcel, but all such mortgages shall be subordinate to FHJV's interest as Lessor under this Sublease and City's rights as Lessor under the Underlying Lease.

17.2 In the event that at any time during the term of this Sublease the leasehold interest of Lessee is subject to a mortgage in accordance with the provisions of Section 17.1 above, then so long as such mortgage is outstanding and unreleased a

copy of any notice at any time required or permitted under the terms of this Sublease to be given by FHJV to Lessee shall at the same time be sent to the mortgagee, provided that prior thereto Lessee shall have given written notice to FHJV of the existence of said mortgage and have stated in said notice the address of the mortgagee to which copies of all notices under this Sublease shall be delivered or made.

17.3 It is understood that the City, as landlord under the Underlying Lease, may, at its option, prohibit the transfer of this Sublease to or by Lessee's mortgagee or mortgagees, provided that, if the City exercises such option, City shall pay to such mortgagees an amount equal to the then outstanding obligations secured by such mortgage loan. Such payment shall be made by the City within one hundred eighty (180) days of the notice of default to Lessee and the City's exercise of the above option.

17.4 Any mortgage shall be subject to the limitations as to the amount which may be secured thereby which are provided for in the Underlying Lease. In determining the limitations in the amount of mortgages permitted, the Sublease Parcel shall be considered as separate from the remainder of the Property and the amount of any such loan shall in no event exceed 75% of the value of the improvements on the Sublease Parcel determined as provided in the Underlying Lease. Section 12.02 of the Underlying Lease provides that the mortgage securing the CBDG loan shall not be included in this mortgage amount to determine the loan-to-value ratio. The parties affirm that it is their intent that the provisions of the Underlying Lease be applicable in determining limitations on mortgage amounts provided for in this Section.

ARTICLE XVIII The Agreement

18.1 This Sublease shall be governed by and construed in accordance with the laws of the State of Florida.

18.2 Any amendments to this Sublease will be in writing and shall be executed by both Lessee and FHJV with the same formality as this Sublease.

18.3 Notice. For purposes of this Sublease, any notice required to be given shall be given in accordance with this document by delivering written notice to FHJV in care of Joseph M. Hixon, 2915 Independent Square, Jacksonville, Florida, 32202, Attention: Thomas Ingram. Notice shall be given to the Lessee by delivering written notice to 100 Laura Street, Jacksonville, Florida, 32202.

18.4 Attorneys' Fees. In the event it becomes necessary to file suit in connection with this Sublease, the prevailing party

shall be entitled to recover its attorneys' fees and court costs against the losing party.

IN WITNESS WHEREOF, FHJV and the Lessee have caused this Sublease to be executed as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner

Paul H. Taylor
Paul H. Taylor

By *Robert H. Allen*
its President

and

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

By: Fernandina Marina Investors,
Inc., its general partner

Paul H. Taylor
Paul H. Taylor

By *J. Frank Dufour*
its Vice President

CENTRE STREET RESTAURANT GROUP,
Ltd., a Florida limited
partnership

John Taylor
Caren Lee Sisk

By: Centre Street Restaurant
Group, Inc., its general
partner

By Robert Scott Allison
its President

Exhibit "A" - Description of the Property
Exhibit "B" - Description of Sublease Parcel
Exhibit "C" - Site Plan

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this
11th day of March, 1988, by Robert Scott Allison,
the President of The Centre Street Waterfront
Group, Inc., the general partner of Centre Street Waterfront
Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT
VENTURE, a Florida general partnership, on behalf of the
partnership.

Caren Lee Sisk
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surprenant, the Vice President of Fernandina Marina Investors, Inc., the general partner of Fernandina Marina Investors, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Caren Lee Sherry
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by Robert Scott Allison, the President of Centre Street Restaurant Group, Inc., the general partner of CENTRE STREET RESTAURANT GROUP, LTD., a Florida limited partnership, on behalf of the partnership.

Caren Lee Sherry
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

EXHIBIT "A"

PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of

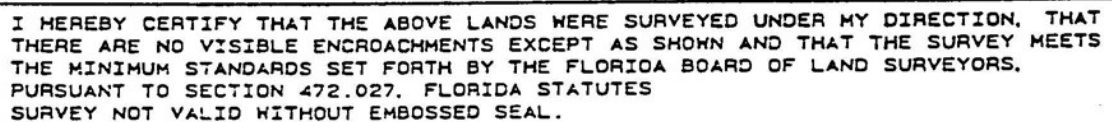
A portion of Water Lot 25, Fernandina Beach, Nassau County, Florida as shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901) being more particularly described as follows:

COMMENCE at the Southeast corner of Water Lot 1, of said city; thence run N.82°30'35" W. along the division line of Water Lots 1 and 25, a distance of 126.60 feet to THE POINT OF BEGINNING; thence continue N.82°30'35"W. still along said division line a distance of 115.15 feet + to the waters of Amelia River; thence S.18°23'20" W. along the waters of said Amelia River a distance of 74.45 feet; thence S.82°32'35" E. a distance of 164.41 feet; thence N.7°20'46"E. a distance of 50.00 feet; thence N.82°32'35" W. a distance of 35.00 feet; thence run N.7°20'46" E. a distance of 23.03 feet to THE POINT OF BEGINNING.

Containing 10,684.6697 sq. ft. or
0.245 acres, more or less.

EXHIBIT "B"

NOTE: SKETCH ONLY



REGISTERED SURVEY NO. 1443 FLORIDA
BENNETT R. WATTLES & ASSOC. INC.
5202 SAN JUAN AVENUE, JACKSONVILLE, FLORIDA 32210
303 CENTRE ST., FERNANDINA BEACH FL. 32034

SHORT FORM LEASE

THIS SHORT FORM LEASE, made this 11 day of March, 1988, between FERNANDINA HARBOR JOINT VENTURE, a Florida joint venture (the "Lessor"), and CENTRE STREET RESTAURANT GROUP, LTD., a Florida limited partnership (the "Lessee"), whose address is 100 West Laura Street, Jacksonville, Florida, 32202.

W I T N E S S E T H: That,

For valuable considerations, the receipt of which are recited in a certain sublease entitled "Restaurant Sublease" between Lessor and Lessee dated the same day as this Short Form Lease, the Lessor does hereby lease to Lessee the premises known as the Harbour Market described in Exhibit "A" annexed hereto.

The term of this lease shall expire at 11:00 p.m. on December 1, 2025.

All of the terms, covenants and conditions of the Restaurant Sublease are incorporated herein by reference. Copies of such Sublease may be obtained by written request to the Lessor at the address stated above.

The interest of the Lessor in the premises shall not be subject to any lien for the improvement of the property made by Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Short Form Lease as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

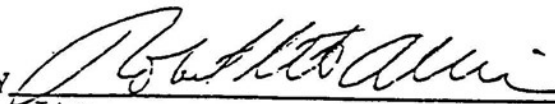
FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner



James S. Taylor

By: 

Its President

and

AND RETURN TO:

THIS INSTRUMENT WAS PREPARED BY:
JAMES S. TAYLOR of
ULMER, MURCHISON, ASHBY, TAYLOR & CORRIGAN
P. O. BOX 479
1600 ATLANTIC BANK BUILDING
JACKSONVILLE, FLORIDA 32202

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

[Signature]
[Signature]

By: Fernandina Marina Investors,
Inc., its general partner

By [Signature]
Its VIC President

CENTRE STREET RESTAURANT GROUP,
Ltd., a Florida limited
partnership

By: Centre Street Restaurant
Group, Inc., its general
partner

[Signature]
[Signature]

By [Signature]
Its President

Exhibit "A" -

STATE OF FLORIDA

COUNTY OF Duval

The foregoing instrument was acknowledged before me this
11th day of March, 1988, by Robert Scott Allison,
the President of The Centre Street Waterfront
Group, Inc., the general partner of Centre Street Waterfront
Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT
VENTURE, a Florida general partnership, on behalf of the
partnership.

[Signature]
Notary Public, State and County
aforesaid

My Commission expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surfaer, the Vice President of Fernandina Marina Investors, Inc., the general partner of Fernandina Marina Investors, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Carrie Lee Henson
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by Robert Scott Allison, the President of Centre Street Restaurant Group, Inc., the general partner of CENTRE STREET RESTAURANT GROUP, LTD., a Florida limited partnership, on behalf of the partnership.

Carrie Lee Henson
Notary Public, State and County
aforesaid

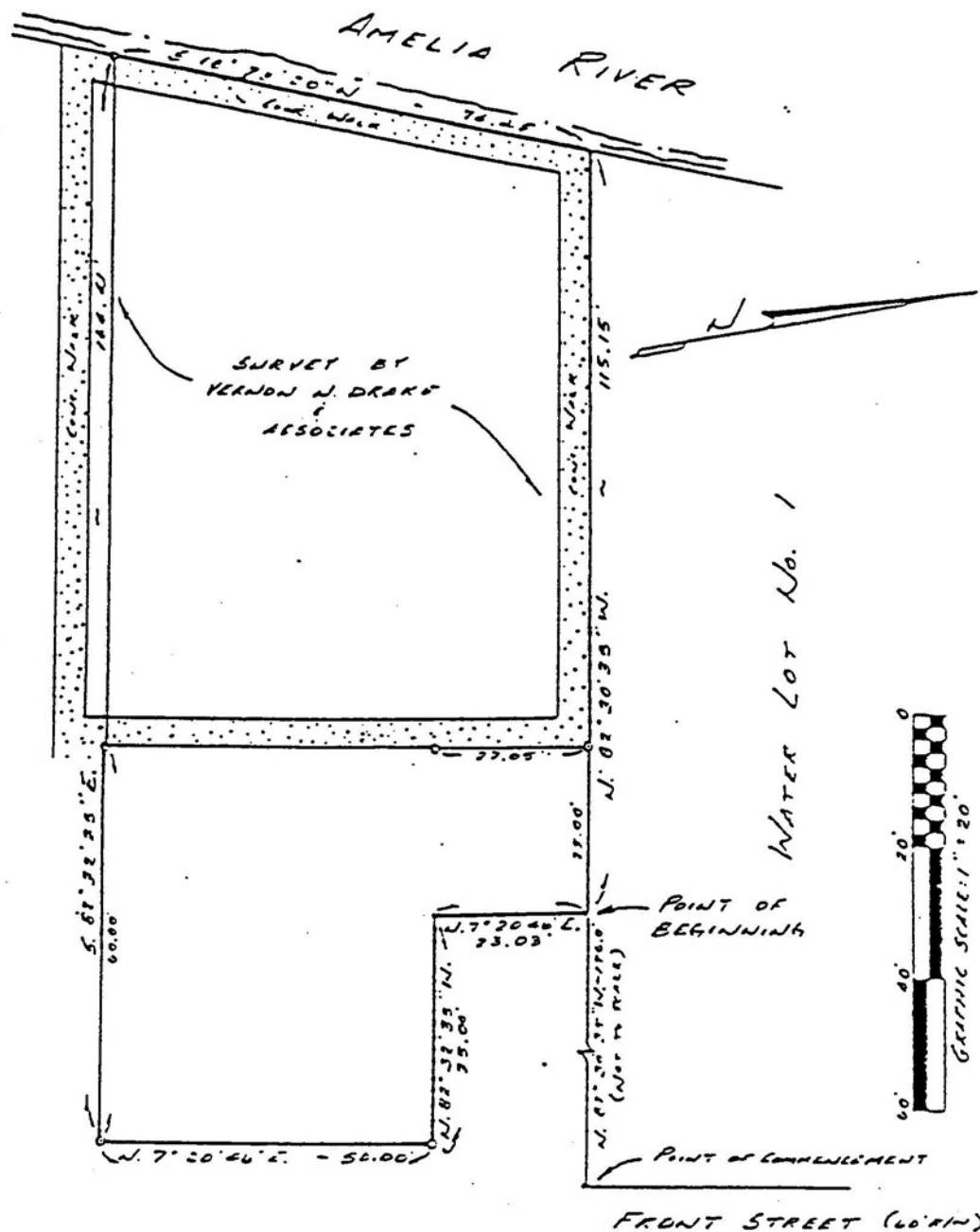
My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

A portion of Water Lot 25, Fernandina Beach, Nassau County, Florida as shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901) being more particularly described as follows:

COMMENCE at the Southeast corner of Water Lot 1, of said city; thence run N.82°30'35" W. along the division line of Water Lots 1 and 25, a distance of 126.60 feet to THE POINT OF BEGINNING; thence continue N.82°30'35"W. still along said division line a distance of 115.15 feet + to the waters of Amelia River; thence S.18°23'20" W. along the waters of said Amelia River a distance of 74.45 feet; thence S.82°32'35" E. a distance of 164.41 feet; thence N.7°20'46"E. a distance of 50.00 feet; thence N.82°32'35" W. a distance of 35.00 feet; thence run N.7°20'46" E. a distance of 23.03 feet to THE POINT OF BEINNING.

Containing 10,684.6697 sq. ft. or
0.245 acres, more or less.

NOTE: SKETCH ONLY
NOTE: SKETCH ONLY



I HEREBY CERTIFY THAT THE ABOVE LANDS WERE SURVEYED UNDER MY DIRECTION, THAT THERE ARE NO VISIBLE ENCRDACHMENTS EXCEPT AS SHOWN AND THAT THE SURVEY MEETS THE MINIMUM STANDARDS SET FORTH BY THE FLORIDA BOARD OF LAND SURVEYDORS. PURSUANT TO SECTION 472.027, FLORIDA STATUTES
SURVEY NOT VALID WITHOUT EMBOSSED SEAL.

JDS NO.
F.E. NO. Ps.
DNG. NO.
SCALE 1" = 20'
SIGNED 19

REGISTERED SURVEY NO. 1443 FLORIDA
BENNETT R. WATTLES & ASSOC. INC.
5252 SAN JUAN AVENUE JACKSONVILLE, FLORIDA 32210
303 CENTRE ST., FERNANDINA BEACH FL., 32034

Lease Agreement
Sang Mung + CSWG

EXHIBIT B

Percentage Rent Schedule

Annual Gross Receipts up to \$1,000,000 11% of Gross Receipts

Annual Gross Receipts in excess of \$1,000,000 but less than \$2,000,000. 15% of Gross Receipts

Annual Gross Receipts over \$2,000,000. 16% of Gross Receipts

Rent is to be paid on the tenth (10) day of the month for all gross receipts resulting from the preceding month. In determining which of the above percentages to apply monthly, gross receipts up to \$83,333.33 shall be multiplied by 11%, monthly gross receipts in excess of \$83,333.33 up to \$166,666.67 shall be paid ^{at} 15% and monthly gross receipts in excess of \$166,666.67 ^{shall} be paid at 16%; provided, however, that the parties will adjust unto one another annually as contemplated in Section 2.02(a).

1655w

\$648,000.00

February 17, 1986
Jacksonville, Florida

MORTGAGE NOTE

For value received, the undersigned, THE CENTER STREET WATERFRONT GROUP, INC., and FERNANDINA HARBOR JOINT VENTURE, jointly and severally, promise to pay to the order of the CITY OF FERNANDINA BEACH, the principal sum of Six Hundred Forty-eight Thousand and No/100 Dollars (\$648,000.00), or so much thereof is outstanding, with interest thereon at the rate of zero percent (0%) per annum from date until maturity, said principal being payable in lawful money of the United States of America at P. O. Box 668, Fernandina Beach, Florida 32034, or at such other address as the holder from time to time may specify by written notice to the maker, said principal to be paid on the dates and in the manner following:

In annual installments beginning on the date determined by reference to the Loan Agreement mentioned below, and continuing on the same date of each year thereafter, until paid in full; said payments being in amounts equal to 4% of the gross receipts received by Fernandina Harbor Joint Venture or its successors or assigns from the operation of the restaurant to be constructed on a portion of the property encumbered by the Mortgage mentioned below. However, if not sooner paid, the balance shall be payable on October 1, 2224. Reference is made to a Loan agreement of even date among the parties for certain definitions and other terms respecting the repayment of this loan. This note may be prepaid in whole or in part from time to time without notice or penalty.

This note is to be construed and enforced according to the laws of the State of Florida, and is secured by mortgage of even date herewith encumbering a leasehold estate.

If default be made in the payment of any of said sums or in the performance of any agreements contained herein or in the the mortgage then, at the option of the holder of the same, the principal sum then remaining unpaid shall immediately become due and collectible if the same is not paid within fifteen (15) days after the holder has given maker written notice, and said principal sum shall bear interest at ten percent per annum from the payment due date until paid.

Each maker and endorser waives presentment, protest, notice of protest and notice of dishonor and agrees to pay all costs, including a reasonable attorney's fee, whether suit be brought or not, if counsel shall after maturity of this note or default hereunder or under said mortgage, be employed to collect this note or to protest the security thereof.

FERNANDINA HARBOR JOINT
VENTURE, a Florida partnership

By: Center Street Waterfront
Group, Ltd.
A joint venture partner

By: Center Street Waterfront
Group, Inc.
Its General Partner

By: Robert S. Allison
Robert S. Allison, Its
President

THE CENTER STREET WATERFRONT
GROUP, INC.

By: Robert S. Allison
Its President

Attest: James H. [Signature]
Its Secretary

FERNANDINA MARINA INVESTORS, LTD.
A joint venture partner

By: Fernandina Marina Investors,
Inc.

By: Frank Surface
Frank Surface
Its Vice President

Maker's Address:
P. O. Box 1481
Fernandina Beach,
Florida 32034

A G R E E M E N T

THIS AGREEMENT entered into and effective this 17th day of February, 1986, by and between THE CITY OF FERNANDINA BEACH, a municipal corporation (herein called "Recipient"), THE CENTER STREET WATERFRONT GROUP, INC., a Florida corporation, ("CSWG") and FERNANDINA HARBOR JOINT VENTURE ("FHJV"), CSWG and FHJV referred to together as "Participating Partners";

WHEREAS, CSWG and individual investors have formed partnership entities to joint venture the development of the project;

WHEREAS, the entity to joint venture the project development is FHJV, which intends to become a co-obligor with CSWG under this Agreement.

WITNESSETH: That in consideration of the mutual covenants and promises herein contained, the parties agree as follows:

1. Recipient shall loan to Participating Parties, Community Block Development Grant (CBDG) funds in an amount not to exceed \$648,000, said loan to be used by Participating Parties for the demolition, renovation, construction, landscaping and improvements of the building known as the Florida Marine Welcome Station to create a 200 seat restaurant, and to pay the partial costs of construction and site improvements of a twenty room bed and breakfast inn of approximately 16,000 square feet generally located on the waterfront at the foot of Centre Street, Fernandina Beach, Florida, and legally described in that certain Lease Agreement between the parties, dated October 2, 1984, as amended. The loan is evidenced by a note of even date executed by the Participating Partners in favor of the Recipient.

2. Participating Parties shall repay the loan funds, without interest, at the rate of 4% per annum of the gross receipts, determined under generally accepted accounting principles, from the restaurant. In the unforeseen event the restaurant facility is not constructed and the State of Florida, Department of Commerce, Division of Economic Development, approves or condones the construction of an alternative facility that otherwise complies with the CBDG award and the terms of this Agreement then the repayment of loan funds shall be repaid by Participating Parties at the rate of 4% of the gross receipts received by the bed and breakfast inn and the business conducted in the alternative facility. The repayment shall be made in annual payments beginning 90 days after the end of the first year of operation of the restaurant or the alternative facility, which first year period begins on the date of issuance of the certificate of occupancy by Recipient, and continuing on the same day of each year thereafter until paid in full.

3. Participating Parties shall secure the repayment of the funds by executing a Second Leasehold Mortgage in favor of Recipient. Such mortgage shall be in the form attached hereto as Exhibit "A", and shall remain in full force and effect until the loan is paid in full.

4. In addition to the loan of \$648,000, above, Recipient may use up to \$27,000 of the CBDG funds with total amount of \$675,000 for eligible administrative costs.

5. In addition to the construction of the restaurant and bed and breakfast inn mentioned above, Participating Parties shall further cause the following to occur: restaurant equipment and supplies to be purchased; construction of a dockside marina; and, payment of partial costs of construction for the restaurant and inn, and to this end, shall contribute an amount not less than \$1,750,000 to complete said activities.

6. The activities described herein shall be completed by Participating Parties within eighteen (18) months of the

effective date of the CBDG Award Agreement between Recipient and State of Florida, Department of Community Affairs.

7. Participating Parties, together with their designated other participating parties, shall collectively create eighty-two (82) jobs for low and moderate income persons within twelve (12) months following the completion of the activities described herein.

8. Participating Parties shall comply with all federal, state, and local laws, rules and regulations, regarding the use of similar CDBG funds and shall fully cooperate with Recipient in assuring compliance for itself and with other participating parties, with such laws, rules and regulations, as well as the CDBG Award Agreement between Recipient and the State of Florida.

9. Participating Parties warrants that all federal and state governmental approvals and reviews required by law have been obtained.

10. Participating Parties shall (i) keep and maintain books, records and other documents relating to the receipt and disbursement of grant funds; (ii) permit any duly authorized representative of the Department of Community Affairs ("DCA") to have, at reasonable times, access to and the right to inspect, copy, audit, and examine all its such books, records and other documents until the completion of all close-out procedures respecting the grant and the final settlement and conclusion of all issues arising out of the grant; and (iii) permit any duly authorized representative of the DCA to have, at all reasonable times, physical access to any portion of the project in which such Participating Party is involved until the completion of all close-out procedures respecting the grant.

11. Participating Parties shall insure for themselves and any other participating parties that no member, officer or employee of Recipient, or its designees or agents, nor member of the City Commission, nor any public official of Recipient who may exercise any functions or responsibilities with respect to the CBDG program during his tenure or for one year

thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under the Recipients' Award Agreement.

12. The obligations of Participating Parties hereunder shall arise upon the first request by Participating Parties for a loan advance and shall terminate when any outstanding balance has been repaid in full.

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

ATTEST:

Vicki P. Wingate
By: Vicki P. Wingate

ATTEST:

James H. Miller
Its: Secretary

"RECIPIENT"
CITY OF FERNANDINA BEACH

By: Don Roberts
Its: Mayor-Commissioner

"CO-PARTICIPATING PARTY"
CENTER STREET WATERFRONT
GROUP, INC.

By: Robert S. Allison
Robert S. Allison
Its: President

"CO-PARTICIPATING PARTY"
FERNANDINA HARBOR JOINT VENTURE

By: Robert S. Allison
Robert S. Allison
Its: President of Center Street
Waterfront Group, Inc.,
General Partner of Center
Street Waterfront Group,
Ltd., Co-Joint Venturer

By: J. Frank Surface
J. Frank Surface
Its: Vice President of
Fernandina Marina
Investors, Inc., General
Partner of Fernandina
Marina Investors, Ltd.,
Co-Joint Venturer

1404T

CASH FLOW ANALYSIS - CDBG REPAYMENT

<u>City Rent</u>	<u>City Fuel</u>	<u>City Restaurant</u>	<u>4% Grant Repayment</u>	<u>1.5% Grant Repayment</u>	<u>Totals City Rent #1, #2, #4</u>	<u>Totals City Rent #1, #2, #5</u>
4,706	5,316	600	40,000	15,000	50,622	25,622
9,883	5,582	2,520	42,000	15,750	59,985	33,735
15,566	5,861	3,969	44,100	16,538	69,496	41,934
21,792	6,154	5,557	46,305	17,364	79,808	50,867
28,602	6,462	7,293	48,620	18,232	90,977	60,589
30,032	6,785	7,658	51,051	19,144	95,526	63,619
31,533	7,124	8,041	53,604	20,101	100,302	66,799
33,110	7,481	8,443	56,284	21,107	105,318	70,141
34,765	7,855	8,865	59,081	22,162	110,566	73,647
36,504	8,247	9,308	62,053	23,270	116,112	77,329
38,329	8,659	9,773	65,156	24,433	121,917	81,194
40,245	9,092	10,262	68,414	25,655	128,013	85,254
42,258	9,547	10,775	47,332	26,938	134,414	89,518
44,371	10,024	11,314		28,285	65,709	93,994
46,589	10,525	11,879		29,699	68,993	98,692
48,919	11,052	12,473		31,184	72,444	103,628
51,365	11,604	13,097		32,743	76,066	108,809
53,933	12,184	13,751		34,380	79,868	114,248
56,629	12,794	14,440		36,099	83,863	119,962
59,461	13,433	15,161		37,904	88,055	125,959
62,434	14,105	15,919		39,799	92,458	132,257
65,556	14,810	16,715		41,789	97,081	138,870
68,834	15,551	17,551		43,879	101,936	145,815
72,275	16,328	18,428		26,545	107,031	133,576
75,889	17,145	19,350			112,384	112,384
79,684	18,002	20,318			118,004	118,004
83,668	18,902	21,333			123,903	123,903
87,851	19,847	22,400			130,098	130,098
92,244	20,839	23,520			136,603	136,603
96,856	21,881	24,696			143,433	143,433
101,699	22,975	25,930			150,604	150,604
106,784	24,124	27,227			158,135	158,135
112,123	25,330	28,588			166,041	166,041
117,730	26,597	30,018			174,345	174,345
123,616	27,927	31,519			183,062	183,062
129,797	29,323	33,094			192,214	192,214
136,287	30,789	34,749			201,825	201,825
143,101	32,329	36,487			211,917	211,917
150,256	33,945	38,311			222,512	222,512
157,769	35,642	40,227			233,638	233,638

RESOLUTION NO.: 788

IN RE: APPLICATION FOR CONDITIONAL USE NO.: PUD 0485

WHEREAS, Centre Street Waterfront Group, Inc., has applied for a Conditional use under Section 26-11 (K) of the Code of Ordinances of the City of Fernandina Beach, Florida, Application No.: 0485; and

WHEREAS, the Planning Advisory Board has considered such application and rendered its report and recommendations on The same; and

WHEREAS, Notice of Hearing on such application was published in the Fernandina Beach Newslender, a newspaper of general circulation in Fernandina Beach, Nassau County, Florida, on October 2nd, 1985, and on October 9th, 1985, and also posted on the subject property; and

WHEREAS, a public hearing was held on such application by the City Commission of the City of Fernandina Beach, Florida on November 5th, 1985; and

WHEREAS, after consideration of the testimony and evidence presented on such application and at the public hearing thereon, the City Commission made the following findings:

- 1.) That the Commission is empowered under Section 26-10.3 of the Zoning Code of the City of Fernandina Beach, to grant the conditional use described in the application.
- 2.) That the grant of the conditional use will not adversely affect the public interest of health, safety and welfare.
- 3.) That the specific rules governing the conditional use, if any, as required by Section 26-10.3 of the Zoning Code have been met, and that satisfactory provisions and arrangements have been made concerning those certain matters specified in Section 26-11(K)(4), (a) through (h) of the Zoning Code.

NOW, THEREFORE, BE IT RESOLVED by the CITY COMMISSION of the CITY OF FERNANDINA BEACH, FLORIDA, at its meeting duly called and assembled, that Application for Conditional Use No.: PUD0485, filed by Centre Street Waterfront Group, be and the same is hereby approved, subject to the following conditions:

See Exhibit "A" attached hereto.

ADOPTED this 5th day of November, 1985.

CITY OF FERNANDINA BEACH, FLORIDA

BY Don Roberts
DON ROBERTS

Its: Mayor-Commissioner

ATTEST: Vicki P. Wingate
VICKI P. WINGATE

Its: City Clerk

EXHIBIT D

EXHIBIT "A" TO RESOLUTION NO: 788

1. Resolution No: 757, approving Application No: PUD0185 is hereby terminated and deemed null and void.
2. The Applicant/Developer shall at all times maintain sufficient parking facilities to provide parking for 62% of the existing code requirements for same. The developer shall provide a minimum of 334 parking spaces for the total development as represented in its mast Site Plan dated November 4, 1985, which by reference is incorporated herein.
3. All parking shall be paved with concrete or asphalt according to city specifications, striped, and completed in accordance with the dates set forth in Exhibit "B", attached hereto.
4. The applicant/developer shall complete those certain improvements at the times stated in Exhibit "B" attached, which are predicated on a December 1, 1985, takeover date.
5. Applicant/Developer shall submit detailed plans and qualifications for the public park and landscaping no later than January 30, 1987, for review and approval by the Planning Advisory Board and City Commission.
6. No construction materials, salvage materials, nor construction equipment shall be transported upon or across any portion of Centre Street without prior approval of the City Manager.
7. Two-way traffic shall be maintained on Front Street until construction on Front Street itself commences, and shall resume immediately upon completion of the the same.
8. The Applicant/Developer shall submit monthly progress reports setting forth estimated percentages of completion of the various project elements as described in Exhibit "B".
9. All exterior signs shall conform with existing Ordinances and regulations as they may be adopted or amended from time to time.

EXHIBIT "B" TO RESOLUTION NO.: 788

PROJECT ELEMENT

COMPLETION DATE

PHASE I: Fuel Service

Demolish Welcome Station	January 31, 1986
Establish Spoil Site/ Demolish Stone & Hardee property	February 28, 1986
Dredge Widener	March 31, 1986
Relocate Landscape	April 30, 1986
Front Street Relocation	May 31, 1986
Breakwater and New Fuel	July 31, 1986
Fill Revertment & Riverwalk	August 31, 1986
Demolish Old Fuel Dock & Atlantic Seafood Docks	September 30, 1986
Demolish Spoil Site/Complete Construction of approximately 96 slips (excluding breakwater) and boat ramp	October 31, 1986
Complete new retail seafood building	January 31, 1987
Complete Site improvements	March 31, 1987
Complete Marina Building, Restaurant, Inn, 254 parking spaces; public park	January 31, 1987
	June 30, 1987

PHASE II: Balance of slips on breakwater;
commercial/retail space;
parking (approximately 80
spaces); site improvements

December 31, 1990*

*This date may be extended by the City Commission upon a showing of lack of market demands justifying the construction of remaining commercial/retail space, and any additional slips at the breakwater.

city.miscel.2
conduse.app

A G R E E M E N T

THIS AGREEMENT entered into and effective this 17th day of February, 1986, by and between THE CITY OF FERNANDINA BEACH, a municipal corporation (herein called "Recipient"), THE CENTER STREET WATERFRONT GROUP, INC., a Florida corporation, ("CSWG") and FERNANDINA HARBOR JOINT VENTURE ("FHJV"), CSWG and FHJV referred to together as "Participating Partners";

WHEREAS, CSWG and individual investors have formed partnership entities to joint venture the development of the project;

WHEREAS, the entity to joint venture the project development is FHJV, which intends to become a co-obligor with CSWG under this Agreement.

WITNESSETH: That in consideration of the mutual covenants and promises herein contained, the parties agree as follows:

1. Recipient shall loan to Participating Parties, Community Block Development Grant (CBDG) funds in an amount not to exceed \$648,000, said loan to be used by Participating Parties for the demolition, renovation, construction, landscaping and improvements of the building known as the Florida Marine Welcome Station to create a 200 seat restaurant, and to pay the partial costs of construction and site improvements of a twenty room bed and breakfast inn of approximately 16,000 square feet generally located on the waterfront at the foot of Centre Street, Fernandina Beach, Florida, and legally described in that certain Lease Agreement between the parties, dated October 2, 1984, as amended. The loan is evidenced by a note of even date executed by the Participating Partners in favor of the Recipient.

2. Participating Parties shall repay the loan funds, without interest, at the rate of 4% per annum of the gross receipts, determined under generally accepted accounting principles, from the restaurant. In the unforeseen event the restaurant facility is not constructed and the State of Florida, Department of Commerce, Division of Economic Development, approves or condones the construction of an alternative facility that otherwise complies with the CBDG award and the terms of this Agreement then the repayment of loan funds shall be repaid by Participating Parties at the rate of 4% of the gross receipts received by the bed and breakfast inn and the business conducted in the alternative facility. The repayment shall be made in annual payments beginning 90 days after the end of the first year of operation of the restaurant or the alternative facility, which first year period begins on the date of issuance of the certificate of occupancy by Recipient, and continuing on the same day of each year thereafter until paid in full.

3. Participating Parties shall secure the repayment of the funds by executing a Second Leasehold Mortgage in favor of Recipient. Such mortgage shall be in the form attached hereto as Exhibit "A", and shall remain in full force and effect until the loan is paid in full.

4. In addition to the loan of \$648,000, above, Recipient may use up to \$27,000 of the CBDG funds with total amount of \$675,000 for eligible administrative costs.

5. In addition to the construction of the restaurant and bed and breakfast inn mentioned above, Participating Parties shall further cause the following to occur: restaurant equipment and supplies to be purchased; construction of a dockside marina; and, payment of partial costs of construction for the restaurant and inn, and to this end, shall contribute an amount not less than \$1,750,000 to complete said activities.

6. The activities described herein shall be completed by Participating Parties within eighteen (18) months of the

effective date of the CBDG Award Agreement between Recipient and State of Florida, Department of Community Affairs.

7. Participating Parties, together with their designated other participating parties, shall collectively create eighty-two (82) jobs for low and moderate income persons within twelve (12) months following the completion of the activities described herein.

8. Participating Parties shall comply with all federal, state, and local laws, rules and regulations, regarding the use of similar CDBG funds and shall fully cooperate with Recipient in assuring compliance for itself and with other participating parties, with such laws, rules and regulations, as well as the CDBG Award Agreement between Recipient and the State of Florida.

9. Participating Parties warrants that all federal and state governmental approvals and reviews required by law have been obtained.

10. Participating Parties shall (i) keep and maintain books, records and other documents relating to the receipt and disbursement of grant funds; (ii) permit any duly authorized representative of the Department of Community Affairs ("DCA") to have, at reasonable times, access to and the right to inspect, copy, audit, and examine all its such books, records and other documents until the completion of all close-out procedures respecting the grant and the final settlement and conclusion of all issues arising out of the grant; and (iii) permit any duly authorized representative of the DCA to have, at all reasonable times, physical access to any portion of the project in which such Participating Party is involved until the completion of all close-out procedures respecting the grant.

11. Participating Parties shall insure for themselves and any other participating parties that no member, officer or employee of Recipient, or its designees or agents, nor member of the City Commission, nor any public official of Recipient who may exercise any functions or responsibilities with respect to the CBDG program during his tenure or for one year

thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under the Recipients' Award Agreement.

12. The obligations of Participating Parties hereunder shall arise upon the first request by Participating Parties for a loan advance and shall terminate when any outstanding balance has been repaid in full.

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

ATTEST:

Vicki P. Wingate
By: Vicki P. Wingate

"RECIPIENT"
CITY OF FERNANDINA BEACH

By: [Signature]
Its: Mayor-Commissioner

ATTEST:

[Signature]
Its: Secretary

"CO-PARTICIPATING PARTY"
CENTER STREET WATERFRONT
GROUP, INC.

By: [Signature]
Robert S. Allison
Its: President

"CO-PARTICIPATING PARTY"
FERNANDINA HARBOR JOINT VENTURE

By: [Signature]
Robert S. Allison
Its: President of Center Street
Waterfront Group, Inc.,
General Partner of Center
Street Waterfront Group,
Ltd., Co-Joint Venturer

By: [Signature]
J. Frank Surface
Its: Vice President of
Fernandina Marina
Investors, Inc., General
Partner of Fernandina
Marina Investors, Ltd.,
Co-Joint Venturer

Handwritten: Make advise re configuration



RECEIVED
MAY 20 1996

STATE OF FLORIDA
DEPARTMENT OF COMMUNITY AFFAIRS

Community Development Dept.

EMERGENCY MANAGEMENT • HOUSING AND COMMUNITY DEVELOPMENT • RESOURCE PLANNING AND MANAGEMENT

LAWTON CHILES
Governor

MAY 16 1996

JAMES F. MURLEY
Secretary

RECEIVED
MAY 22 1996

Mr. Craig Duay
Community Development Director
City of Fernandina Beach
Post Office Box 668
Fernandina Beach, Florida 32034-0668

Community Development Dept.

RE: Contract Numbers: 87DB-91-04-55-02-H73, Program Income
86DB-68-04-55-02-E47, Program Income

Dear Mr. Duay:

On May 9, 1996, Mr. Rick Stauts from the Department of Community Affairs visited your jurisdiction to monitor the receipt and expenditure of program income generated from prior Community Development Block Grants (CDBG).

The implementation of the program income policy adopted by the jurisdiction appears to be in general compliance with statutory and regulatory objectives and rules that were in effect on the effective date of the CDBG Award Agreement. Please be advised that the report is based on a sample of activities and is not intended to relieve the jurisdiction of its obligation to administer program income in accordance with applicable federal and state administrative rules and regulations, as well as sound management practices.

The City receives monthly payments from Bretts' Restaurant, and these funds are added to an existing program income account when received. Of the \$214,055 currently banked by the City, \$95,144 was received prior to closeout of the City's last CDBG contract and is subject to full CDBG oversight and compliance requirements. Though the balance of \$118,910 must be used on eligible CDBG activities and the Department wants to ensure compliance with this requirement, it is not subject to CDBG control and monitoring. The City may be able to carve out a portion of the project and spend the balance of the \$95,144 in such a way as to avoid Federal labor standards compliance or other more onerous federal requirements. The Department will assist the City in conceptualizing this process if the City desires. The City must be cautious and not remove the \$95,144 from the revolving loan fund at any point in time when they are in the process of requesting funds from the Department for the City's new Neighborhood Revitalization project in Old Town.

Mr. Craig Duay
Page Two

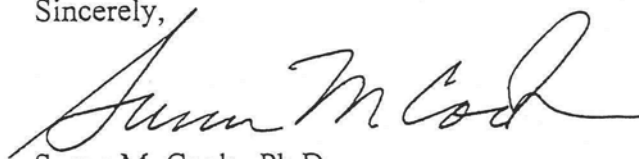
There is also periodic housing program income from a prior housing grant that totals \$22,775. Of this amount, \$13,449 is subject to CDBG control and monitoring. The City has never expended any program income received from either CDBG project, so no review of any actual expenditures or eligibility documentation could be completed. Currently, program income received from the previous housing grant and program income received from the economic development grant is each controlled by a separate program income revolving loan fund policy. The City is considering using the housing funds in conjunction with Habitat for Humanity's efforts, and technical assistance was provided to the City on this issue.

The City of Fernandina Beach will be receiving this program income for many years to come, and the Department is ready to provide technical assistance to the City at any time in the use of these funds. The City may also choose to factor the balance of the loan to increase the scope and impact of its proposed downtown revitalization project.

Based on the review, the Department hereby releases administrative and engineering funds for the project. The City should immediately undertake its environmental assessment. When the plans for the project are complete, please forward a set to the Department for review prior to awarding bids for construction. After the review is complete, the Department will release the balance of the funds for construction purposes.

We appreciate the helpful and cooperative attitude of all persons who provided assistance during the visit. If there are any additional questions or if further technical assistance is required, please contact Mr. Stauts at (904) 487-3644.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan M. Cook", written in a cursive style.

Susan M. Cook, Ph.D.
Community Program Administrator
Bureau of Community Development

SMC/rgs

City of Hermandia Beach

Florida

32034

MEMORANDUM

TO: FERRIS JONES, CITY MANAGER
FROM: WESLEY R. POOLE, CITY ATTORNEY
DATE: MAY 21, 1985
RE: FLORIDA DEPARTMENT OF COMMERCE SMALL CITIES CDBG
AWARD AGREEMENT - CENTRE STREET WATERFRONT GROUP

The following comments represent my initial comments after a cursory review of the proposed CDBG Award Agreement. It is not intended to be all inclusive but to highlight certain problems that I would be consider to be major hurdles in the initial review process.

1.) Paragraph 3, Page 2 contains the usual contingency of availability of Federal funds to support the program. Should such funds not be appropriated, this would leave an obvious short fall of \$675,000.00 for the project.

2.) Paragraph 3B, Page 2 requires compliance with environmental review procedures within thirty (30) days following the execution of this agreement.

3.) Paragraph 13, Page 10 provides a commencement date of April 29, 1985 and a termination date eighteen months thereafter.

4.) Paragraph 17, Page 14, the City guarantees and obligates itself to create the number of jobs represented in the grant application. The obvious question here therefore is whether the City by executing this agreement has thus committed itself to the two 200 seat restaurants as presented in the original application, in order to meet the minimum jobs requirement.

City of Fernandina Beach

5.) Paragraph 18B, Page 15, the City guarantees that all federal, state and local governmental approvals have been obtained that are necessary and required to undertake and complete the project.

6.) Paragraph 19, Page 17 requires clear and convincing proof that each participating party has the necessary financing to carry out the promises of completing the activities in making the specified investment. To my knowledge such proof has not been presented to date by the Centre Street Waterfront Group.

7.) The agreement contemplates renovation and changes in the existing Marine Welcome Station building, whereas, the group has represented to the Commission its intention to remove the building.

8.) Attachment C requires that the loan agreement between the City and CSWG shall provide a mortgage and security interest to secure the repayment by CSWG. Question whether this will be possible with other financial commitments of CSWG and the requirements of its lenders to secure other loans.

9.) Attachment F requires that evidentiary materials be submitted to the Department within thirty (30) days following execution of the Award Agreement. Many of these items have not been obtained and will not conceivably be obtained within the thirty (30) days. Attachment F also includes verification that City has considered the comments made by the State clearing house in the development of the design and construction phases of this project. The commission has not considered or received any such comments.

10.) Paragraph 5 of Attachment F requires evidence that CSWG has on hand an amount not less than \$1,750,000.00 necessary to complete the project.

11.) Finally, the agreement contemplates compliance with several different O M B circulars and federal regulations, none of which I have copies of or immediate access to. It will be necessary that we obtain copies of all such regulations, executive orders, etc. so that I may give my opinion that we have complied with all of the same in executing the agreement, and carrying out the terms thereof.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT •
Community Development Block Grant, Rental Rehabilitation
and Housing Development Grant Programs

ENVIRONMENTAL REVIEWS AT THE COMMUNITY LEVEL

ENVIRONMENTAL
REVIEW RECORD

FORMAT II

ENVIRONMENTAL ASSESSMENT

PROJECT : CDBG - City of Fernandina

Beach - Centre Street Marina

PROGRAM : CDBG - Economic Development

Program

PROJECT ABSTRACT

FORMAT II

ENVIRONMENTAL ASSESSMENT

Name of Grantee

City of Fernandina Beach

Application/Grant Number

FL8503150933C

From: 8/85 *To:* 12/85

Original XX

Revisions

Amendments

Name and Title of Certifying Officer:

Donald W. Roberts, Mayor

P.O. Box 668

Fernandina Beach, FL 32034

Project Name:

Centre Street Waterfront Group - Marina Renovation

Locations of Physical Development(s): Foot of Centre Street on Amelia River
in Fernandina Beach (Nassau County), FL

Lead Agency:

City of Fernandina Beach

Address: P.O. Box 668

Fernandina Beach, FL 32034

Project Representative: Bob Allison *Telephone:* 904/261-3487

Address: P.O. Box 1481, Fernandina Beach, FL 32034

Project Information: Langton Associates, Inc. *Telephone:* 904/387-3342

Address: 4244 St. Johns Ave., Jacksonville, FL 32210

<i>Project Summary Description:</i>	<i>CDBG Funds</i> <i>(Projected)</i>	<i>Other</i>
1. Commercial/Industrial Facilities	\$331,000	-0-
2. Equipment Purchase	-0-	\$100,000
3. Construction - Dockside	-0-	\$604,000
4. Construction - Landside	\$317,000	\$1,046,000
5. General Administration	\$27,000	-0-

PROJECT SUMMARY - All Activities - CDBG and other		☒ ORIGINAL (each year) ☐ REVISION, DATED _____ ☐ AMENDMENT, DATED _____			
Env. Review Status	Project Name Component Activities Locations of Physical Development Activities	TIMING AND ESTIMATED FUNDING (In thousands of \$)			
		Total Estimated Cost	YEAR I	YEAR II	YEAR III
	1. Commercial/Industrial Facilities	\$331,000			
	The former Marina Welcome Station is to be renovated into a full-service restaurant and lounge. Additions to the existing building will be necessary to convert it to a restaurant facility.	CDBG - \$331,000 Other- -0-			
	2. Equipment Purchase	\$100,000			
	Equipment list includes \$100,000 of equipment for the restaurant facility.	CDBG - \$100,000 Other- -0-			
	3. Phase I Marina/Dockside Construction	\$604,000			
	Phase I of the fullsize marina will provide 49 deepwater boat slips, dry storage, boat ramp, fuel service and accomodations for transient boaters traveling the intercoastal waterway.	CDBG - -0- Other- \$604,000			
	4. Phase I Landisde Construction	1,363,000			
	A twenty room bed and breakfast type waterfront inn will be constructed of approximately 16,000 sq. ft. All facilities will be designed in a turn of the century victorian maritime theme.	CDBG - \$317,000 Other- 1,046,000			
	5. Grant Administration	\$27,000			
	Costs include salary of a city staff person or consulting firm to administer and manage the disbursement of CDBG funds and activities.	CDBG - \$27,000 Other- -0-			

Environmental Assessment

page

PROJECT DATA

PURPOSE OF THE PROJECT:

The primary purpose and objective of this project is to principally benefit low to moderate income persons. The proposed activities relating to the restaurants, marina/dockside facility, and Inn will allow 82 low to moderate income positions to be created.

STATUS OF THE PROJECT:

The City is currently awaiting approval of this assessment prior to beginning the construction activities.

The permitting process is complete and the project is ready to begin.

PROJECT AND AREA DESCRIPTION:

The property is located at the foot of Centre Street beyond Front Street on the Amelia River in Fernandina Beach (Nassau County), Florida. It is not located in a heavily residential area. When completed, the project will have maintained the same victorian maritime theme that is present down Centre Street in the central business district. The project is located approximately $7\frac{1}{2}$ miles from a municipal airport, 1 mile from A1A, a major thoroughfare, and approximately $1\frac{1}{2}$ miles from Ft. Clinch State Park.

Environmental Assessment

page

PROJECT DATA

EXISTING CONDITIONS AND TRENDS:

The property is currently occupied by a delapidated marina facility and the former marine welcome station. The project site sits at the terminus of 2 primary city streets (Ash & Centre) on the northern terminance, is a Seaboard Coastline Switchyard Servicing major paper mills, etc., which is somewhat of a noise factor, but will not affect the project site. The soil of the area is a sandy/clay mixture.

The site is appropriate for the proposed usage in that it's current usage is also a marina facility. The project intends to renovate and expand this facility.

Though it has been agreed by the City and County and Chamber of Commerce, that there is a need to renovate this facility and create jobs, the feasibility of the project would be virtually non-existent without the aid of CDBG funds.

PROJECT AND AREA MAPS AND PLANS:

Please see attached maps/plans.

Environmental Assessment

Checklist of Applicable Statutes and Regulations

Project Name and Identification No. City of Fernandina Beach
FL8503150933C

Statutory Checklist

Area of Statutory-Regulatory Compliance

(Precise citations for applicable statutes and regulations are printed on the back of this Checklist.)

Not Applicable to This Project
Consultation Required
Review Required
Permits Required
Determination of Consistency
Approvals, Permits Obtained
Conditions and/or Mitigation
Actions Required

Reference to Notes Providing
Documentation Sources and
Correspondence

HISTORIC PROPERTIES			XX				Division of Archives & History Bureau of Historic Preservation IC&R Process, Louis Tesar
FLOODPLAIN MANAGEMENT			XX				Florida Department of Environmental Regulation IC&R process John Outland
WETLANDS PROTECTION			XX				Steps have been taken to insure preservation of wetlands
COASTAL AREAS PROTECTION AND MANAGEMENT			XX				Corps of Engineers permits in place
WATER QUALITY: SOLE SOURCE AQUIPERS				XX			Corps of Engineers permits are in place
ENDANGERED SPECIES		XX					A manatee awareness program has been developed.
WILD AND SCENIC RIVERS	XX						
AIR QUALITY		XX					Will not be adversely affected by the project.
FARMLANDS PROTECTION	XX						
NOISE	XX						SCL Switchyard located on northside of property. There will be no adverse effect.
RUNWAY CLEAR ZONES, CLEAR ZONES AND ACCIDENT POTENTIAL ZONES	XX						
THERMAL AND EXPLOSIVE HAZARDS	XX						

(continued, page 2)

Permits, Licences, Forms of Compliances Under Other Laws

(FEDERAL, STATE AND LOCAL LAWS)

[illegible]

Statutory Checklist

(continued, page 3)

Summary of Findings and Conclusions:

After examining all areas for possible adverse impact, it has been determined that there are no areas that will be adversely affected by the proposed project. All previous concerns expressed by state agencies have been resolved.

Summary of Environmental Conditions:

No adverse impact is expected in regard to the completion of the proposed project.

Project Modifications and Alternatives Considered:

Alternative I: to construct and renovate as indicated. This is the most logical and beneficial course of action since this project will not proceed without the use of CDBG funds and 82 low to moderate income jobs will be lost.

Alternative II: would be to construct and renovate only the marina facility and not construct the restaurants and inn. This course of action would not be logical since a majority (approximately 72) of the jobs would be lost.

Alternative III; take no action. This option is not feasible since all 82 jobs would be lost.

Statutory Checklist

(continued, page 4)

Additional Studies Performed (Attach Study or Summary)

Contacts with various state agencies regarding potential problems was necessary.

All concerns have been resolved and attached to this record.

Various correspondence relating to these matters is on file and available from
the Centre Street Waterfront Group.

Mitigation Measures Needed:

No mitigation measures will be necessary as indicated by affected agencies.

Statutory Checklist

(continued, page 5)

Checklist of Applicable Statutes and Regulations

Noise

HUD Regulations (24 CFR Part 51, Subpart B)

Air Quality

Clean Air Act of 1970 as Amended (42 U.S.C. 7401-76 42) EPA Regulation 40 CFR Part 50, and Partially 40 CFR Part 51, 52, 61.

Historic Properties

National Historic Preservation Act of 1966, Section 106 (16 U.S.C. 470 - 470 +) *

Preservation of Historic and Archaeological Data Act of 1974 (16 U.S.C. 469-469c)

Executive Order 11593—Protection and Enhancement of the Cultural Environment

* *Except as provided in 24 CFR 58.17 and Section 17(i)(1), United States Housing Act of 1937, as amended.*

Coastal Areas

Coastal Zone Management Act of 1972 as Amended (16 U.S.C. 1451-1464)

Coastal Barrier Resources Act of 1982 (16 U.S.C. 3501 +)

Wild and Scenic Rivers

Wild and Scenic Rivers Act of 1968 as Amended (16 U.S.C. 1271 +)

Wetlands and Floodplain

Executive Order 11990, Protection of Wetlands
Executive Order 11988--Floodplain Management and U.S. Water Resources Council Guidelines

Farmlands

Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 +)

Water Quality

Federal Water Pollution Control Act, as Amended (33 U.S.C. 1251-1376)

Safe Drinking Water Act of 1974 (42 U.S.C. 300f-300j-10) as Amended

U.S. Environmental Protection Agency (EPA) Implementing Regulations 40 CFR Parts 100-149

Solid Waste Disposal

Solid Waste Disposal Act as Amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6901-6987)

U.S. Environmental Protection Agency (EPA) Implementing Regulations 40 CFR Parts 240-265

Man-made Hazards

HUD Regulations (24 CFR Part 51, Subpart C and Subpart D)

Fish and Wildlife

Fish and Wildlife Coordination Act (16 U.S.C. 661-666c)

Endangered Species

Endangered Species Act of 1973 as Amended (16 U.S.C. 1531-1543)

Prepared By

Maureen France

Title

Public Affairs Consultant

Date 11/22/85

Environmental Assessment

Environmental Assessment Checklist

Project Name and Identification No. FL850 315 0933C City of Fernandina Beach

Impact Categories	1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation Only	4 Potentially Adverse Requires More Study	5 Needs Mitigation	6 Requires Project Modification	7 Source or Documentation (Note date of contact or page reference) Additional material may be attached.
Land Development							
Conformance With Comprehensive Plans and Zoning	XX						
Compatibility and Urban Impact		XX					The facility will add character to the area and is in keeping with current themes. The project will create jobs needed in the area.
Slope	XX						
Erosion	XX						
Soil Suitability	XX						
Hazards and Nuisances, Including Site Safety		XX					The present condition of the facility is dangerous and delapidated. The condition will be improved with the implementation of this project.
Energy Consumption	XX						
Noise							
Effects of Ambient Noise on Project and Contribution to Community Noise Levels	XX						The project itself will not contribute to noise levels. Some noise is already prevalent.

Environmental Assessment Checklist

(continued, page 2)

Project Name and Identification No. FL 850 315 0933C City of Fernandina Beach

Impact Categories	1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation Only	4 Potentially Adverse Requires More Study	5 Needs Mitigation	6 Requires Project Modification	7 Source or Documentation (Note date of contact or page reference) Additional material may be attached.
Air Quality							
Effects of Ambient Air Quality on Project and Contribution to Community Pollution Levels	XX						
Environmental Design and Historic Values							
Visual Quality—Coherence, Diversity, Compatible Use, and Scale		XX					Design will be victorian-maritime theme will be compatible with theme on Centre Street.
Historic, Cultural, and Archaeological Resources		XX					Will add cultural benefits to the area. A walk along the river is proposed.
Socioeconomic							
Demographic/Character Changes		XX					The current facility is in a delapidated state. The proposed facility will add charm and character.
Displacement	XX						
Employment and Income Patterns		XX					The completion of this project will create 82 low to moderate income positions.
Community Facilities and Services							
Educational Facilities	XX						
Commercial Facilities		XX					No facilities of this type are available in the area.
Health Care	XX						
Social Services	XX						

**Environmental
Assessment Checklist**
(continued, page 3)

Project Name and Identification No. FL 850 315 0933C City of Fernandina Beach

Impact Categories		1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation Only	4 Potentially Adverse Requires More Study Needs Mitigation	5 Requires Project Modification	6	7	Source or Documentation (Note date of contact or page reference) Additional material may be attached.
Community Facilities and Services (Continued)									
Solid Waste		XX							
Waste Water		XX							
Storm Water		XX							
Water Supply		XX							
Public Safety	Police	XX							
	Fire	XX							
	Emergency Medical	XX							
Open Space and Recreation	Open Space		XX						This project will potentially benefit open space, recreational and cultural activities. Boating activities will be enhanced. A river walkway is proposed among the proposed restaurants/Inn in a park-like atmosphere with plants/ small garden area.
	Recreation		XX						
	Cultural Facilities		XX						
Transportation		XX							

**Environmental
Assessment Checklist**
(continued, page 4)

Project Name and Identification No. FL 850 315 0933C City of Fernandina Beach

Impact Categories	1 No Impact Anticipated	2 Potentially Beneficial	3 Potentially Adverse Requires Documentation Only	4 Potentially Adverse Requires More Study Needs Mitigation	5 Requires Project Modification	6	7	Source or Documentation (Note date of contact or page reference) Additional material may be attached.
Natural Features								
Water Resources	XX							
Surface Water	XX							
Floodplains		XX						IC & Review process showed no adverse impact. (DER)
Wetlands		XX						Care will be taken to preserve specific wetlands vegetation.
Coastal Zone		XX						No adverse impact anticipated. Clearance from DER has been given.
Unique Natural Features and Agricultural Lands	XX							
Vegetation and Wildlife	XX							

Environmental Assessment Checklist

(continued, page 5)

Summary of Findings and Conclusions:

The Centre Street Marina renovation will benefit the area in a number of ways including improving the character of the area, drawing tourists, providing further recreational opportunities, improving safety conditions and employment.

Summary of Environmental Conditions:

The site is fit for this type of development. No adverse environmental impacts are expected.

Project Modifications and Alternatives Considered:

- I. To proceed as planned and create 82 low to moderate income jobs as well as other benefits.
- II. To make only marina improvements and provide no boat slips etc. This is not viable since the restaurants/inn and retail space would not locate there and 82 jobs would be lost.
- III. To not proceed with the project. This is not viable since 82 jobs would be lost.

Environmental Assessment Checklist

(continued, page 6)

Additional Studies Performed (Attach Study or Summary)

Various agencies were contacted regarding potential problems/concerns.

All concerns have been resolved. Certain guidelines set by these
agencies will be met while this project is underway.

Mitigation Measures Needed:

No mitigation measures are now necessary. All potential conflicts
have been positively resolved.

Environmental Assessment

page

Project Name and Identification No. FL 850 315 0933C - City of Fernandina Beach

1. Is project in compliance with applicable laws and regulations? ☒ Yes ☐ No
2. Is an EIS required? ☐ Yes ☒ No
3. A Finding of No Significant Impact (FONSI) can be made. Project will not significantly affect the quality of the human environment. ☒ Yes ☐ No

Prepared by

Maureen France, Langton Associates, Inc.

Title

Public Affairs Consultant

Date 11/22/85

page

ENVIRONMENTAL REVIEW FINDING

A FINDING OF NO SIGNIFICANT IMPACT

11/20/85

Don Roberts, Mayor

P.O. Box 668

Fernandina Beach, FL 32034

A FINDING OF SIGNIFICANT IMPACT

(Date)

Signature, Title and Address of Certifying Officer

City of Fernandina Beach

File - CSWG

Florida 32034

OFFICE OF
THE MAYOR

December 3, 1985

Honorable Tom Lewis
Secretary, Department
of Community Affairs
2571 Executive Center
Circle East
Tallahassee, Florida 32301

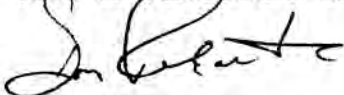
Dear Secretary Lewis:

This letter is to confirm to your office that the present plans for the expansion of the Fernandina Beach Marina including the renovation and improvement of the landside have been modified to take into consideration those concerns expressed by the various regulatory agencies through the Governor's Clearinghouse. As you may remember, the major inconsistencies included potential endangerment of manatees, potential damage to water quality, the destruction of marsh grass and the filling of State owned submerged lands. Letters from the regulatory agencies including the Department of Natural Resources, Department of Environmental Regulation, U. S. Corp of Engineers, U. S. Fish and Wildlife, and the Florida Game and Freshwater Game Commission have been mailed to the Governor's Clearinghouse certifying their approval of our plan changes and this project's consistency with the Coastal Zone Management Plan.

Our C.D.B.G. grant contract requires that we, in the form of this letter, advise you that we have responded to all of those concerns expressed through the Governor's Clearinghouse. Please advise us if you need additional information.

Sincerely,

CITY OF FERNANDINA BEACH



Don Roberts
Mayor

DR/vw

cc: Langton and Associates
Ferris Jones, City Manager
Wesley R. Poole, City Attorney
Bob Allison, Centre Street Waterfront Group



Centre Street Waterfront Group

January 15, 1985

RECEIVED

JAN 25 1985

BUREAU OF LAND &
WATER MANAGEMENT
DRI SECTION

State of Florida
Department of Community Affairs
Division of Local Resource Management
Bureau of Land and Water Management
2571 Executive Center Circle, East
Tallahassee, Florida 32301

Dear Sir,

In compliance with your letter the following information is sent according to your format. In addition, as exhibit "J" is a copy of your letter of October 15th requesting additional information and following is the clarification of certain items you needed to begin your formal review.

A. IDENTIFY THE DEVELOPMENT

This development is the renovation and expansion of the Fernandina Beach City Marina. The Developers are the City of Fernandina Beach and the Centre Street Waterfront Group, Inc. and the authorized agent is Bob Allison. The property, which is owned by the City of Fernandina Beach and Suzanne Hardee and Ernest Davis is located in Section 22, Township 3 North, and Range 28 East. The Florida Administrative Code, Chapter 27F - 2.09 "Port Facilities" reads "Water Ports Designed Primarily For The Mooring Or Storage Of Watercraft Used Exclusively For Sport Or Pleasure Of Less Than 100 Slips For Moorings" - are presumed not be developemnts of regional impact. Proposed is the renovation of the existing 36 slips built in 1963 and the addition of 96 new slips. There are no other properties owned, optioned, or leased by the developers adjoining or within $\frac{1}{2}$ mile of the proposed site that would be developed or affected by the proposed renovation and expansion of the Marina.

B. DESCRIBE THE PROJECT

Eleven point eight acres are being renovated with five point two acres of new boat basin and six point six acres of landside improvements. The property is zoned industrial waterfront so no zoning changes will be required. The land use breakdown is as follows:

Public Street and Roads	29,480 Sq. Feet
Retail Shops	38,400 Sq. Feet
Office and Commercial Space	10,400 Sq. Feet
Parks and Open Space	69,880 Sq. Feet
Parking	139,600 Sq. Feet

January 15, 1985

Page 2

B. DESCRIBE THE PROJECT - CON'T.

There is no residential use of the property proposed so there will be no project population at build out.

Following is the proposed phasing of the project:

- Phase 1. Construction of a new floating breakwater and new fuel facilities for boaters beginning Spring 1985. Time to complete is estimated at 40 days.
- Phase 2. Demolition of existing transient dock and existing fuel facilities, renovation of existing deep water slips and the construction of 96 new slips inside the new basin created by the breakwater. Beginning in early Summer 1985 with time to complete estimated at 80 days.
- Phase 3. Replace of 400' of existing bulkhead and construction of 460 of new bulkhead, replacement of existing boat ramp with a new wider and safer ramp 200' south of existing ramp, filling approx. 860' of Amelia River shoreline with 24,000 cu. yards of backfill from uplands to reestablish original shoreline, demolition of three on site buildings and construction of 150 parking places on south end of project site beginning Fall 1985 with time to complete estimated at 120 days.
- Phase 4. Relocation of Front street 40' westerly, installation of all underground utilities and storm water drainage, construction of public river walk along newly created bulkheads and shoreline, construction of building (A). (7500 sq. feet for wholesale and retail seafood and bait and tackle,). 70% of total project landscape. Beginning January 1986 with estimated time to complete 120 days.
- Phase 5. Construction of buildings (B), (C), (D), (E) to begin as market conditions dictate with approx. 150 days to complete.

C. DESCRIBE REGULATORY STATUS

<u>AGENCIES</u>	<u>ACTIONS</u>	<u>STATUS</u>
Fernandina Beach Ad Hoc Committee For Marina Development	Reviewed and Modified 5/83 thru 9/83	Approved
Nassau County Ocean, Hiway And Port Authority	Reviewed 9/83	Approved
Fernandina Beach City Commission	Reviewed and Modified 10/83 thru 9/84	Approved
U.S. Army Corp of Engineers	Permit Applications Submitted 10/84	Pending

C. DESCRIBE REGULATORY STATUS - CON'T.

<u>AGENCIES</u>	<u>ACTIONS</u>	<u>STATUS</u>
Department of Environmental Regulation	Permit Applications Submitted 10/84	Pending
Department of Natural Resources	Application for Modified Submerged Land Lease Submitted 10/84	Pending

D. VISUAL EXHIBITS

General Location Map Exhibit "A"

Concept Site Plan Exhibit "B"

Existing Land Use Map Exhibit "C"

E. OTHER INFORMATION OF INTEREST

Application for grandfathered structures - Exhibit "D"

"Concept Site Plan" and "Who Will Benefit" from Waterfront Group September 1983 Report - Exhibit "E".

Analysis of Boating Trends and Present Demand From "Amelia River Waterfront Study" by Post, Buckley and Wilson Miller, November 1982 - Exhibit "F"

Demand Analysis from "Port of Fernandina And Amelia River Basin Economic Development Study" by Russel and Axon and PRC Harris, Inc. for Nassau County Ocean, Highway and Port Authority, April 1981 - Exhibit "G"

Selected excerpts from Coastal Energy Impact Program for Nassau County - Exhibit "H"

PART II

A. POTENTIAL IMPACTS ON NATURAL RESOURCES

The project site sits between and within ½ mile of the two largest air pollution sources in Nassau County, Container Corporation of American and ITT Rayonier. There will be no air pollution generated from the proposed expansion of the Marina.

The existing water quality in this Amelia River has been documented to be below those standards established by the Florida Department of Regulation for Class III Waters.

The replacement and addition of slips and bulkheads will have no effect on Amelia River Water quality.

PART II - Con't.

A. POTENTIAL IMPACTS ON NATURAL RESOURCES - Con't.

An analysis of existing and proposed impervious surfaces is as follows:

	<u>EXISTING</u>	<u>PROPOSED</u>
Street and Roads	29,480 sq. feet	29,480 sq. feet
Structural	13,000 sq. feet	48,800 sq. feet
Sidewalks & Parks		
Amenities	6,600 sq. feet	69,880 sq. feet
Paved Parking	46,400 sq. feet	139,600 sq. feet

Natural vegetation and wetlands to be disturbed are limited to approx. 6,400 sq. feet of native SPARTINA ALTERNAFLORA to be filled over to create the new public boat ramp and associated parking. The fill will be taken from uplands and will amount to approx. 24,000cu. yards. Maintenance dredging will be required for the renovation and expansion of the Marina. 27,000 cubic yards of clayey silt (muck) will be removed. Dredging of the marina basin will be performed hydraulically with the excavated material being pumped to a temporary disposal area adjacent to the marina. The dredged material will be contained by an earthen dike and the ponded water will be discharged over a weir section of the dike. After drying, the material will be regraded over the upland area and/or hauled away for final disposal via truck.

There are no endangered or threatened plant or animal species known to inhabit the site and probable habitat does not exist at the project location.

Present storm water runoff will not be impacted by site renovation and the 100 year flood plain is indicated in - Exhibit "I".

B. POTENTIAL IMPACTS ON HISTORICAL OR ARCHAEOLOGICAL SITES

There are no Archaeological or Historical Sites affected by the proposed developed.

C. POTENTIAL IMPACTS ON PUBLIC FACILITIES

Potential impacts on public facilities have been evaluated by using existing Marina uses and factoring those rates by four which is in almost every category representative of the magnitude of expansion. The analysis of impact is as follows:

<u>SERVICE AND SUPPLIER</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Potable water - Florida Public Utilities	940 Gal. per month	3,760 Gal. per month
Non-potable water	None	None
Sewage waste water - City of Fernandina Beach Waste Water Treatment	360 Gal. per month	1,140 Gal. per month

C. POTENTIAL IMPACTS ON PUBLIC FACILITIES - Con't.

<u>SERVICE AND SUPPLIER</u>	<u>EXISTING</u>	<u>PROPOSED</u>
Solid Waste - City Sanitation Service	14,800 lbs. per mo.	59,200 lbs. per month
Energy Demand - Florida Public Utilities	4,600 K.W. per mo.	18,400 K.W. per month

Public water and sewer services are available with mains presently on site.
Solid waste is handled by dumpsters on site.

Fire and Police response time should be under one minute as both departments are located within one block.

D. POTENTIAL IMPACTS ON THE ECONOMY OF THE REGION ARE COVERED IN SIGNIFICANT
DETAIL IN EXHIBITS "E", "F", "G", AND "H".

We will be very happy to provide you with any additional information you may require for your determination.

Thank you in advance for your prompt reply and binding letter of regional impact status.

Very truly yours,



Bob Allison, Coordinator
Centre Street Waterfront Group

This Second Leasehold Mortgage is executed February 17, 1986, by FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership ("Mortgagor"), in favor of the CITY OF FERNANDINA BEACH, a municipal corporation ("Mortgagee") (the term Mortgagor and Mortgagee shall include the respective heirs, legal representatives, successors and assigns, wherever the context so requires or admits).

Mortgagor and The Center Street Waterfront Group, Inc. ("Center Street"), a Florida corporation, are jointly and severally obligated to Mortgagee pursuant to the promissory note described below, a copy of which is included in this Mortgage. Mortgagor desires to secure the repayment of the note by granting this mortgage.

NOW THEREFORE, for good and valuable considerations, and also in consideration of the aggregate sum evidenced by the promissory note mentioned below, Mortgagor does hereby grant, bargain, sell, alien, remise, release, convey and mortgage unto Mortgagee the property described as follows:

The Leasehold Estate of Mortgagor created pursuant to that certain Development and Lease Agreement (the "Lease," which term includes all renewal rights and options and all prior and future amendments or alterations thereto) by and among Mortgagor's predecessor in title, as lessee and the Mortgagee, as lessor, dated October 2, 1984, a Memorandum of Lease is recorded in Official Records Volume 476, page 585, public records of Nassau County, Florida, together with the improvements now or hereafter located upon the real property demised under the Lease, such leasehold estate affecting the lands in Nassau County, Florida, described on Exhibit A attached hereto.

Notwithstanding the warranty of title to the leasehold mentioned below, it is expressly acknowledged and understood that this conveyance and Mortgage is subject to the prior leasehold mortgage (the "First Mortgage," which term shall include the Loan Agreement, Mortgage and Security Agreement, the Trust Indenture, all as described below, and any amendment or modification thereto) executed by Mortgagor in favor of Ocean Highway and Port Authority dated as of December 15, 1985, and recorded in Official Records Book 477, page 482, of the public records of Nassau County, Florida, the Loan Agreement, Mortgage and Security Agreement dated December 15, 1985, and recorded in Official Records Book 477, page 405, and Trust Indenture dated as of December 15, 1985, and recorded in Official Records Book 477, page 325, public records, Nassau County, Florida, and the related UCC Financing Statements and other collateral security documents, all executed in connection with such financing.

TO HAVE AND TO HOLD the same, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof and also all the estate, right, title, interest, property, possession, claim and demand whatsoever as well in law as in equity of the said Mortgagor in and to the same and every part and parcel thereof unto the said Mortgagee, and ~~its~~ heirs, successors and assigns, in fee simple.

And said Mortgagor, for ~~itself~~, and ~~its~~ heirs, legal representatives, successors and assigns, hereby covenant ~~S.~~ with said Mortgagee, ~~its~~ heirs, legal representatives, successors and assigns, that said Mortgagor has ~~and shall have~~ ^{leasehold interest in said land} ~~that the said Mortgagor has~~ full power and lawful right to convey the same in fee simple as aforesaid; that it shall be lawful for said Mortgagee, ~~its~~ heirs, legal representatives, successors and assigns, at all times peaceably and quietly to enter upon, hold, occupy and enjoy said land and every part thereof; that said land is free from all incumbrances; that said Mortgagor, ~~its~~ ^{its leasehold} heirs, legal representatives, successors and assigns, will make such further assurances to perfect ~~XXXXX~~ title to said land in said Mortgagee, ~~its~~ heirs, legal representatives, successors and assigns, as may reasonably be required; and that said Mortgagor does hereby fully warrant the ~~title~~ ^{leasehold} to said land and every part thereof and will defend the same against the lawful claims of all persons whomsoever.

PROVIDED ALWAYS, That if said Mortgagor shall pay unto the said Mortgagee the certain promissory note, of which the following in words and figures ~~is a~~ ^{is a} true copy, to-wit:

to Florida intangible tax is due pursuant to Florida Statute Section 199.183 (1985) as the holder of the mortgage is a tax exempt entity. No documentary stamps are due since the mortgagor has not borrowed any money at this time. Mortgagor shall purchase documentary stamps at the time, and in the amounts, as the money is borrowed. The Mortgage will be presented at that time so that stamps may be affixed.

RECORDED AT NASSAU COUNTY, FLORIDA
SHERIFF & GRIMSLEY
POST OFFICE BOX 4099
JACKSONVILLE, FLORIDA 32201

RECORDED AT NASSAU COUNTY, FLORIDA
SHERIFF & GRIMSLEY
POST OFFICE BOX 4099
JACKSONVILLE, FLORIDA 32201

February 17, 1986
Jacksonville, FloridaMORTGAGE NOTE

For value received, the undersigned, THE CENTER STREET WATERFRONT GROUP, INC., and FERNANDINA HARBOR JOINT VENTURE, jointly and severally, promise to pay to the order of the CITY OF FERNANDINA BEACH, the principal sum of Six Hundred Forty-eight Thousand and No/100 Dollars (\$648,000.00), or so much thereof is outstanding, with interest thereon at the rate of zero percent (0%) per annum from date until maturity, said principal being payable in lawful money of the United States of America at P. O. Box 668, Fernandina Beach, Florida 32034, or at such other address as the holder from time to time may specify by written notice to the maker, said principal to be paid on the dates and in the manner following:

In annual installments beginning on the date determined by reference to the Loan Agreement mentioned below, and continuing on the same date of each year thereafter, until paid in full; said payments being in amounts equal to 4% of the gross receipts received by Fernandina Harbor Joint Venture or its successors or assigns from the operation of the restaurant to be constructed on a portion of the property encumbered by the Mortgage mentioned below. However, if not sooner paid, the balance shall be payable on October 1, 2224. Reference is made to a Loan agreement of even date among the parties for certain definitions and other terms respecting the repayment of this loan. This note may be prepaid in whole or in part from time to time without notice or penalty.

This note is to be construed and enforced according to the laws of the State of Florida, and is secured by mortgage of even date herewith encumbering a leasehold estate.

If default be made in the payment of any of said sums or in the performance of any agreements contained herein or in the the mortgage then, at the option of the holder of the same, the principal sum then remaining unpaid shall immediately become due and collectible if the same is not paid within fifteen (15) days after the holder has given maker written notice, and said principal sum shall bear interest at ten percent per annum from the payment due date until paid.

Each maker and endorser waives presentment, protest, notice of protest and notice of dishonor and agrees to pay all costs, including a reasonable attorney's fee, whether suit be brought or not, if counsel shall after maturity of this note or default hereunder or under said mortgage, be employed to collect this note or to protest the security thereof.

FERNANDINA HARBOR JOINT
VENTURE, a Florida partnership

By: Center Street Waterfront
Group, Ltd.
A joint venture partner

By: Center Street Waterfront
Group, Inc.
Its General Partner

By: Robert S. Allison
Robert S. Allison, Its
President

FERNANDINA MARINA INVESTORS, LTD.
A joint venture partner

By: Fernandina Marina Investors,
Inc.

By: Frank Surface
Frank Surface
Its Vice President

THE CENTER STREET WATERFRONT
GROUP, INC.

By: Robert S. Allison
Its President

Attest: James H. Hargrave
Its Secretary

COPY

Maker's Address:
P. O. Box 1481
Fernandina Beach,
Florida 32034

EXHIBIT "A"

PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of Fernandina Beach during the term of this Lease.

SECOND LEASEHOLD MORTGAGE AND MORTGAGE
NOTE MODIFICATION AGREEMENT

THIS AGREEMENT, made and entered into as of this _____ day of _____, 1987, by and between FERNANDINA HARBOUR JOINT VENTURE, a Florida general partnership hereinafter "Mortgagor", and THE CITY OF FERNANDINA BEACH hereinafter "Mortgagee".

W I T N E S S E T H:

WHEREAS, Mortgagor did make, execute and deliver to Mortgagee that certain Mortgage Note dated February 17, 1986, 1987 in the principal amount of \$648,000.00 (hereinafter "Note"); and

WHEREAS, to secure the payment of the Note, Mortgagor did make, execute and deliver to Mortgagee that certain Second Leasehold Mortgage dated February 17, 1986, and recorded in Official Records Volume 483, page 609 of the current public records of Nassau County, Florida (hereinafter "Second Mortgage"); and

WHEREAS, the parties hereto are also parties to that certain Grant Agreement dated September 26, 1986, ~~1987~~ (the "Agreement") which describes in detail the development intended to be constructed with the proceeds of the Note and Second Mortgage and sets out the terms and conditions for the use of said proceeds. The Agreement separates the real property encumbered by the Second Mortgage (the "Property") into two parcels known as the "Restaurant Parcel" and the "Other Improvements", as hereinafter defined.

WHEREAS, Mortgagor has requested of Mortgagee that the Mortgage be modified as hereinafter set forth, and Mortgagee has agreed to the requested modifications provided Mortgagor shall obtain a partial release of a prior mortgage (the "First Mortgage") as hereinafter more specifically described.

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 acknowledged by both parties, it is hereby agreed between the parties hereto as follows:

1. The parties agree that the Second Mortgage is hereby modified so as to release all other portions of the Property other than the Restaurant Parcel. The Second Mortgage, as modified hereby, shall continue in full force and effect as to the Restaurant Parcel which is more specifically described on Exhibit A attached hereto and incorporated herein by reference.

2. The parties agree that the Second Mortgage is further hereby modified such that, in the event of any default by Mortgagor under the Note or Second Mortgage which would result in the institution of any remedy by Mortgagee against Mortgagor, Mortgagee agrees to cancel Mortgagor's leasehold estate in the Restaurant Parcel and to accept a conveyance thereof.

3. In consideration of Mortgagee's modification of the Second Mortgage as set out in paragraphs one and two above, Mortgagor shall obtain a Partial Release of the First Mortgage so as to elevate the priority of Mortgagee's lien on the Restaurant Parcel to a first mortgage.

4. The parties agree that the Note shall be modified so as to reflect the requirement of a minimum annual payment thereunder in an amount equal to the greater of: (i) \$15,000 during the first three years of operation of the Restaurant; (ii) \$20,000 during the fourth year of operation and each and every year thereafter; or a percentage of annual gross receipts from the Restaurant in accordance with the following schedule:

<u>Annual Restaurant Gross Receipts up to</u>	<u>Repayment % of Annual Restaurant Gross Receipts</u>
\$1,000,000	1.5%
1,500,000	2.0
2,000,000	2.5
2,500,000	3.0
3,000,000	4.0
3,500,000	5.0
4,000,000	6.0
4,500,000	7.0
5,000,000	8.0
5,500,000	9.0

5. Mortgagee agrees to execute a satisfaction of the Second Mortgage in the event that Mortgagor elects to cancel its leasehold estate in, and reconvey to Mortgagee, the Restaurant Parcel as contemplated by Paragraph 2 hereof.

6. Mortgagor does hereby acknowledge and agree that it is now and shall remain liable to comply with the terms and conditions of the Note and Second Mortgage as hereby modified.

7. Nothing herein contained invalidates or shall invalidate any security now held by Mortgagee for said debt, nor impair nor release any covenant, condition, agreement or stipulation in the Note and Second Mortgage except as herein modified and the same, except as hereby modified, shall continue in full force and effect.

8. This Agreement shall inure to the benefit of and shall bind not only the parties hereto, but their respective heirs, successors, personal representatives and assigns.

9. This Agreement constitutes a Florida contract and shall be construed according to the laws of that state.

IN WITNESS WHEREOF, the parties hereto have executed this Second Leasehold Mortgage and Mortgage Note Modification Agreement as of the day and year first above written.

Signed in the presence of:

FERNANDINA HARBOUR JOINT
VENTURE, a Florida general
partnership

By: Center Street Waterfront
Group, Ltd., a joint
venture partner

By: Center Street Waterfront
Group, Inc., its general
partner

By: Robert S. Allison
Robert S. Allison,
Its President

FERNANDINA MARINA INVESTORS,
LTD., a joint venture partner

By: Fernandina Marina
Investors, Inc.

By: J. Frank Surface
J. Frank Surface
Its Vice President

CITY OF FERNANDINA BEACH

By: Charles L. Albert, Jr.
Its Mayor

04578

STATE OF FLORIDA)
COUNTY OF)

The foregoing instrument was acknowledged before me this
14th day of May, 1987, by ROBERT S. ALLISON, the President
of Center Street Waterfront Group, INC. and J. FRANK SURFACE,
the Vice President of Fernandina Marina Investors, Inc. on behalf
of Center Street Waterfront Group, Ltd. and Fernandina Marina
Investors, Ltd., the general partners of Fernandina Harbour
Joint Venture, a Florida general partnership, on behalf of the
partnership.

Patricia A. Martin
Notary Public, State of Florida

My Commission Expires:

NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Sept. 29, 1990

effect thereof, and the Industrial Development Revenue Bonds, Series 1985 (Fernandina Harbor Joint Venture Project) dated December 15, 1985, issued by the Mortgagee, and shall fully keep and perform all of the covenants, conditions and stipulations in the Loan Agreement and in said note contained at the time and in the manner specified therein, then these presents shall be null and void, otherwise to remain in full force and effect.

It is further covenanted and agreed by the Mortgagor to and with the Mortgagee as follows, to-wit:

1. Mortgagor and Mortgagee shall have all rights and obligations with respect hereto as shall be provided in the Loan Agreement and the Indenture, and by this reference the provisions thereof are incorporated herein.
2. If any of the property herein mortgaged is of a nature so that a security interest therein can be perfected under the Uniform Commercial Code, this instrument shall constitute a Security Agreement and Mortgagor agrees to join with the Mortgagee in the execution of any financing statements and to execute any other instruments that may be required for the perfection or renewal of such security interest under the Uniform Commercial Code.
3. Mortgagor covenants with Mortgagee, that Mortgagor is lawfully seized of a valid and binding leasehold interests in the Premises of not less than 40 years' remaining term as of December 1, 1985, and has good right to sell and convey its interest in the same to Mortgagee; that the Premises are free and discharged from all taxes, assessments, judgments, liens, encumbrances, claims, or demands of every kind whatsoever except taxes and assessments for 1985 and Permitted Encumbrances as defined in the Loan Agreement, and that Mortgagor will and its heirs, personal representatives, successors, and assigns shall warrant and defend the same to Mortgagee, against the lawful claims and demands of all other persons whomsoever.
4. Mortgagor and Mortgagee will have, and by this document intend to grant, a lien upon all property hereinabove referenced, including but not limited to, any machinery, apparatus, equipment, fittings and fixtures as defined in the Indenture, whether actually or constructively attached to the Premises and whether now or hereafter owned by Mortgagor or any other person in possession of the Premises.
5. It is the intent hereof to secure payment of the aforesaid Note and Bonds and to secure any other amount or amounts that may be added to the mortgage indebtedness under the terms of this instrument, the Loan Agreement or the Indenture, whether such additions are obligatory or are to be made at the option of the Mortgagee, or otherwise, within twenty years from the date hereof, to the same extent as if such future advances are made on the date of execution of this mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed twice the face amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, levies, or insurance on the mortgaged property, with interest on such disbursements at the Default Rate, as defined in the Indenture.
6. The property subject to the Mortgage may not be sold, leased, encumbered or otherwise conveyed, except as provided in the Loan Agreement.
7. This Mortgage may be secured by additional property without consent by the Issuer, provided however any additional property shall be released upon satisfaction of Section 4.5 of the Loan Agreement.

IN WITNESS WHEREOF, the Mortgagor has set his hand and affixed his seal hereon, as of December 15, 1985.

OFFICIAL RECORDS

L. 127 183

STATE OF FLORIDA

COUNTY OF DUVAL

On this 20th day of December, 1985, before me, the undersigned notary public, personally appeared Robert S. Allison, the President of Centre Street Waterfront Group, Inc., the General Partner of Centre Street Waterfront Group, Ltd., and Joseph M. Hixor III, the President of Fernandina Marina Investors, Inc., the General Partner of Fernandina Marina Investors, Ltd., the General Partners of Fernandina Harbor Joint Venture, the Mortgagor described in the foregoing Mortgage Deed, and acknowledged that they as such officers, being authorized to do so, executed the foregoing Mortgage Deed on behalf of the Mortgagor, for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal this 20th day of December, 1985.

(SEAL)

Eleanor Kay Hill
Notary Public, State of Florida

My commission expires 9/6/88

OFFICIAL RECORDS

EXHIBIT I

227-183

PARCEL 1

A PORTION OF WATERLOT 34 AND ALL OF WATERLOTS 29, 30, 31, 32 AND 33,
PERMANENT BEACH, FLORIDA.

As shown on the official plat of said city (as lithographed and
issued by the Florida Railroad Company in 1857 and enlarged, re-
vised and re-issued by the Florida Town Improvement Company in
1887 and 1901).

Being more particularly described as follows: BEGIN at the Northwest
corner of Lot 29 aforesaid; and run South 74°-50'-09" East along the
Northerly line of said Lot, a distance of 434.35' Feet to the North-
East corner of said Lot on the Westerly right-of-way line of West
Front Street; run thence in a Southerly direction along said right-
of-way and along the arc of a curve concave to the Westerly, having
a radius of 3,650.0' Feet, passing through a central angle of 100°-13'-32"
an arc distance of 651.41' Feet to the Southeast corner of lands
described as Parcel "B" in deed recorded in the public records of
Nassau County, Florida in Official Records Book 381, Page 64, being
also the Northeast corner of lands described in deed recorded in
said public records in Official Records Book 376, Page 547; (the
aforesaid arc has a chord distance of 650.55' Feet that bears
South 17°-55'-39" West); run thence North 57°-30'-35" West along the
division line of said deeds, a distance of 525.73' Feet to the South-
West corner of Lot 33 aforesaid; run thence North 26°-29'-25"
East along the Westerly line of Waterlots 29, 30, 31, 32 and 33 afore-
mentioned, a distance of 502.97' Feet to the Point of Beginning.

The portion of land thus described contains 278,910.92 Square Feet
or 6.403 acres more or less.

LKL-12/18/85-421B-2170

from Coleman Langshaw's
files 1/11/96

Exhibit F 1

LEASE AGREEMENT

THIS SUB LEASE, made as of the 1st day of August, 1988 by CENTRE STREET RESTAURANT GROUP, LTD., Fernandina Beach, Florida 32034, herein called "Landlord" and AMELIA'S RESTAURANT INC., herein called "Tenant".

WITNESSETH:

ARTICLE I

Basic Sublease Provisions

SECTION 1.01 Leased Premises.

Landlord and Tenant intend to jointly build, furnish and equip a restaurant and bar containing seating for approximately 200 persons ("Restaurant") on a site located at the Fernandina Harbour Marina presently being leased by Landlord from Fernandina Harbour Joint Venture which in turn is leasing the site from the City of Fernandina Beach, Florida. Landlord hereby rents to Tenant and Tenant hereby rents from Landlord certain real property described on Exhibit A and certain improvements to be constructed thereon by Landlord ("Leased Premises") in accordance with the terms and conditions of this Lease Agreement. The Leased Premises are part of Harbour Market Master Plan shown on Exhibit B. Landlord and Tenant acknowledge that the Master Plan may be changed or varied and that the timing of the construction of future improvements pursuant to the Master Plan is subject to many factors including market demand.

SECTION 1.02 Use of Additional Areas.

The use and occupation by Tenant of the Leased Premises shall include the non-exclusive use, in common with others entitled thereto, of the Common Areas, hereinafter defined, as such Common Areas now exist or as such Common Areas may hereafter be constructed, and other facilities as may be designated from time to time by the Landlord, subject however to the terms and conditions of this agreement and to the rules and regulations for the use thereof as prescribed from time to time by the Landlord.

SECTION 1.03 Length of Term and Options to Renew.

The term of this lease shall be for ten (10) years following the commencement of the term as provided hereinafter. Provided that all installments of rent due under this lease have been thereto fore paid in full, and provided that all other conditions and terms of this lease have been properly and fully complied with by the Tenant, then Tenant shall have three (3) successive options to renew this Lease for an additional term(s) of ten (10) years or until the earlier time when the leases specified in Section 21.15 expires upon the same terms and conditions in effect at the time of such renewal (Percentage Rent being the same as the initial term during renewal periods). The Tenant shall exercise such renewal option(s) by giving written notice thereof to the Landlord at least six (6) months prior to the expiration of the term in effect at that time.

SECTION 1.04 Commencement of Rent and Term.

The term of this lease and Tenant's obligation to be open for business shall commence from the date the certificate of occupancy for the restaurant has been issued by the appropriate building authority (the "Commencement Date"). Should the term of this lease commence on a day other than the first day of a month, then the term of this lease shall continue in full force and effect for the period from the Commencement Date to the first day of the calendar month next succeeding, plus the period of the term set forth in Section 1.03 hereof. All payments required by Tenant hereunder shall be calculated and paid on a per diem basis for any fractional month.

When the Commencement Date is determined, Tenant agrees, upon request of Landlord, to execute and deliver to Landlord without charge and within thirty (30) days, a written declaration: (i) ratifying this lease; (ii) confirming the commencement and expiration dates of the term of this lease; (iii) certifying that Tenant is in occupancy of the Leased Premises, the date Tenant commenced operating Tenant's business therein and that this lease is in full force and effect and has not been assigned, modified, supplemented or amended, except by such writings as shall be stated; (iv) that all conditions under this lease to be performed by Landlord to the date of the declaration have been satisfied, except such as shall be stated; (v) that there are no defenses or offsets against the enforcement of this lease by Landlord, or stating those claimed by Tenant; (vi) reciting the amount of advance rental, if any, paid by Tenant and the date to which rental has been paid; and (vii) reciting the amount of security deposited with Landlord, if any. Tenant agrees to execute and deliver similar declarations at any reasonable time and from time to time within thirty (30) days following request therefor by Landlord or by any mortgagee or ground or underlying lessor of Landlord or any purchaser of Harbour Market, and each of such parties shall be entitled to rely upon such written declaration made by Tenant.

SECTION 1.05 Obligations of Tenant Before Lease Term Begins.

Tenant shall observe and perform all of its obligations under this lease (except its obligations to operate, to pay Percentage Rent and to pay its pro rata share of the Harbour Market Operation Costs provided for in Section 2.12) from the date upon which the Leased Premises are delivered to Tenant for its work until the Commencement Date of the Lease Term in the same manner as though the Lease Term began when the Leased Premises were delivered to Tenant.

SECTION 1.06 Failure of Tenant to Open.

In the event that the Tenant fails to take possession and to open the Leased Premises for business, fully stocked and staffed as provided in Section 4.01, then Tenant shall be in default under the Lease Agreement.

SECTION 1.07 Excuse of Performance.

Anything in this agreement to the contrary notwithstanding, neither the Landlord nor the Tenant shall be deemed in default with respect to failure to perform any of the terms, covenants and conditions of this lease if such failure to perform shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing, through

Act of God or other cause beyond the control of the party failing to perform provided that party commences performance and diligently continues after the abatement of the event first excusing performance.

SECTION 1.08 C.D.B.G. Compliance and Grant Conditions.

The Landlord Work and improvements to the Restaurant Area are to be paid for, in part, by the proceeds of a loan to the Centre Street Waterfront Group from the City of Fernandina Beach. This funding is being provided to the City of Fernandina Beach in the form of a Community Economic Development Block Grant and is administered by the State of Florida Department of Community Affairs. The Tenant agrees to comply with the participating party requirement that the restaurant activity create 43 full time jobs (at least 40 hours a week) or equivalent and 80% of these jobs must be for low to moderate income persons. The Tenant also agrees to cooperate with the City and the City's grant administration staff in the presentation of audits and reports or other requirements of the participating parties in the City's implementation of the Community Economic Development Block Grant Program. These requirements include submission of a plan for hiring, training, and monitoring employment that assures affirmative action and equal opportunity and cooperation with Job Service of Florida in filling the restaurant employment goals.

SECTION 1.09 City of Fernandina Beach Conditions Precedent and Compliance.

This entire agreement is conditioned upon the approval of this lease by the City of Fernandina Beach and the Florida Department of Community Affairs, if such approvals are required under governing documents or if Landlord deems such approval as necessary or appropriate. This lease is also conditional upon Tenant being able to obtain all necessary business and operating licenses and permits, including the appropriate liquor license. Both Landlord and Tenant shall diligently and in good faith attempt to obtain such approvals but if such approvals are not granted then this lease shall terminate and neither party shall have any further rights or obligations hereunder.

Tenant shall comply with all applicable rules and regulations imposed by City upon Tenant including any items contained in the Lease Agreement between Landlord and City of Fernandina Beach, a copy of which has been furnished to Tenant.

ARTICLE II

Rent

SECTION 2.01 Minimum and Percentage Rents.

Tenant shall pay to Landlord minimum rent of \$26,000 per year ("Fixed Minimum Rent") plus rents based on a percentage of Gross Receipts ("Percentage Rent") as follows:

8% of Annual Gross Receipts in excess of \$650,000,
but less than \$820,000, plus

10% of Annual Gross Receipts in excess of \$820,000,
but less than \$1,000,000, plus

12% of Annual Gross Receipts in excess of \$1,000,000,
but less than \$1,250,000, plus

14% of Annual Gross Receipts over \$1,250,000.

The sum of Fixed Minimum Rent and Percentage Rent paid for any rent period shall be called "Rent".

During the first six months from the Commencement Date, Tenant shall pay Minimum Rent of \$2,167.00 per month. Twenty-one (21) days after the sixth month Tenant shall pay Percentage Rent due for the first six month period, if any, calculated on the basis of one half of the level of Gross Receipts set forth above.

During the second six months after the Commencement Date, Tenant shall pay the greater of \$2,167.00 or one-sixth of the Rent paid for the first six months period. Twenty-one days after the first twelfth month following the Commencement Date, Tenant shall pay the Percentage Rent due for the second six month period, if any, calculated on the basis of one half the Gross Receipts set forth above.

During the second year following the Commencement Date and each year thereafter, Tenant shall pay on a monthly basis one-twelfth of the Rent paid for the preceding twelve month period. Twenty-one days after the end of such twelve month periods, Tenant shall pay Percentage Rent, if any, due for such twelve month period based upon the level of Gross Receipts set forth above.

All monthly payments of Rent shall be paid on the first day of each month.

SECTION 2.02 Gross Receipts Defined.

The term "Gross Receipts" as used herein is hereby defined to mean gross sales of Tenant and of all licensees, concessionaires and subtenants of Tenant, from all business conducted upon or from the Leased Premises or elsewhere, and whether such business be conducted by Tenant or by any licensees, concessionaires or subtenants of Tenant, and whether such sales be evidenced by check, credit, charge account, exchange or otherwise, and shall include, but not be limited to, the amounts received from the sale of food, beverages, goods, wares and merchandise and for services performed on or at the Leased Premises together with the amount of all orders taken or received at the Leased Premises, whether such orders be filled from the Leased Premises or elsewhere. The full amount of each sale for credit or on a charge account shall be included in gross receipts in the month in which such sale is made without regard to the time when Tenant receives complete or partial payment therefor. Gross receipts shall not include employee meals, interstore or intercompany transfers, disposition of furniture, fixtures and equipment or the amount of any sales, use or gross receipts tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein, and paid by Tenant to such governmental authority. No franchise or capital stock tax and no income or similar tax based upon income or profits as such shall be deducted from gross receipts in any event whatever. Gross Receipts shall not include tips or gratuities paid to waiters, waitresses, bartenders or the like.

SECTION 2.03 Tenant's Records.

For the purpose of ascertaining the amount payable as Percentage Rent, Tenant agrees to prepare and keep for a period of not less than two (2) years following the end of each lease year, adequate records which shall show inventories and receipts of merchandise at the Leased Premises, and daily

receipts from all sales and other transactions on the Leased Premises by Tenant and any other persons conducting any business upon or from the Leased Premises. Tenant shall record at the time of sale, in the presence of the customer, all receipts from sales or other transactions whether for cash or credit in cash registers having a cumulative total. Tenant further agrees to keep for at least two (2) years following the end of each lease year original sales records; (a) settlement report sheets of transactions with subtenants, concessionaires and licensees and, (b) such other standards as Landlord shall reasonably require in performing an audit of Tenant, and Tenant shall furnish Landlord with copies of all Sales Tax Audits applicable to Tenant's gross receipts.

SECTION 2.04 Reports by Tenant.

Tenant shall submit to Landlord on or before the 20th day of each month during the term hereof (including the 20th day of the month following the end of the term), at the place fixed by Landlord, a written statement signed by Tenant, and certified by it to be true and correct showing, in reasonable accurate detail, the amount of gross receipts of the preceding month or fractional month, if any, prior to the commencement of the term of the Lease, together with the Percentage Rent due for such preceding month. Tenant shall submit to the Landlord on or before the 30th day following the end of each lease year to the place fixed by Landlord, a written statement signed by Tenant, and certified to be true and correct showing in reasonably accurate detail satisfactory to Landlord the amount of gross receipts during the preceding lease year. The statements referred to herein shall be in such form and style and contain such details and breakdown as the Landlord may reasonably require.

SECTION 2.05 Right to Examine Books.

The acceptance by the Landlord of payments of Percentage Rent shall be without prejudice to the Landlord's right to an examination of the Tenant's books and records of its gross receipts and inventories of merchandise in order to verify the amount of annual gross receipts by the Tenant in and from the Leased Premises.

SECTION 2.06 Audit.

At its option, Landlord may cause within six months of receipt of any statement, at any reasonable time upon fifteen (15) days prior written notice to Tenant, a complete audit to be made of Tenant's Gross Receipts for the period covered by such statement issued by the Tenant as above set forth. If such audit shall disclose that the Gross Receipts reported by Tenant are less than 97% of the Gross Receipts disclosed by said complete audit, Tenant shall promptly pay to Landlord the cost of said audit, in addition to the deficiency in Percentage Rent which said audit discloses, which deficiency, whether 3% or less, shall be payable in any event, and in addition where such deficiency is the result of grossly negligent or intentional wrongdoing by Tenant, Landlord shall have the further remedy of terminating this lease upon thirty (30) days notice to Tenant. Any information obtained by the Landlord as a result of such audit shall be held in strict confidence by Landlord.

SECTION 2.07 Real Estate Taxes and Improvement Assessments.

(a) Tenant shall pay to Landlord \$24,000 by November 30 of each year as ad valorem taxes (or its equivalent) plus all amounts above \$24,000 which may actually be levied as ad

valorem or real estate taxes by any lawful authority against all of the land, buildings and all other improvements and betterments which now or hereafter become a part of the Leased Premises. The amount payable on November 1988 shall be equal to \$24,000 times a percentage determined by dividing the number of days from the Commencement Date to December 31, 1988 by 365. Nothing herein contained shall be construed to include within the term "taxes" or "assessments" any inheritance, estate, succession, transfer, gift, franchise, corporation or income taxes that is or may be imposed upon Landlord. The Landlord covenants that it will use the monies under this clause to pay the taxes assessed.

(b) Should any governmental authority require that a tax, other than the taxes and assessments referred to in subdivision (a) of this Section 2.07 be paid by Tenant but collected by Landlord, for and on behalf of such governmental authority, and from time to time forwarded by Landlord to said governmental authority, the same shall be paid by Tenant to Landlord, and be collectable by Landlord, and the payment thereof enforced in the same manner as is provided for the enforcement of payment of the percentage rent hereunder; and for the purposes of enforcing payment thereof, the same shall be deemed additional rent hereunder, payable monthly.

(c) Landlord covenants and agrees to give Tenant written notice of the tax assessments, whether tentative or final, levied or proposed to be levied against the Restaurant Area within ten (10) days after receipt by Landlord of notice thereof. Upon Tenant's written request, Landlord agrees to exert its best efforts to bring about the reduction of tax assessments covering the Restaurant Area and to institute related legal proceedings when appropriate, but Tenant shall pay all costs relating to such efforts or proceedings.

(d) In the event that any taxes or charges relating to the Restaurant Area are included in a combination or other tax bill relating to Harbour Market, then Tenant shall pay the allocable portion thereof (based on land square footage) as it relates to the Restaurant Area.

(e) In the event ad valorem taxes or the equivalent sales tax on rental does not equal \$24,000 per year, Landlord shall rebate to Tenant an amount equal to \$24,000 less the amount of ad valorem taxes or tax equivalent assessed against the restaurant parcel times the percentage rent in effect for the year in which this calculation is made. For instance, if the average rent as a percentage of gross sales for a given year is 8% and the actual taxes or tax equivalents charged are \$4,000, then Landlord will rebate \$1,600 to Tenant (\$24,000 minus \$4,000 x .08).

SECTION 2.08 Sales, Use and Rent Taxes, Personal Property Taxes

Tenant shall pay its proportionate share (also to be established as set forth in Section 2.07) of all sales, use and other taxes imposed by any governmental authorities upon the manufacture, sale, use, transmission, distribution or other process necessary or incidental to the furnishing of sewer, water, electricity, and domestic water or other services to the Leased Premises. Tenant shall pay, before delinquency, all personal property taxes and assessments on the furniture, fixtures, equipment, and other property of Tenant located in the Leased Premises and on additions and improvements in the Leased Premises belonging to Tenant.

SECTION 2.09 Insurance Premiums.

Tenant shall provide Landlord certificates of insurance insuring Landlord's interest in the Leased Premises and Restaurant prior to the Commencement Date and thirty days prior to the termination of such policies. Such insurance policies shall cover public liability, property damage, all risk perils, and rent insurance. The insurance limits on coverage for the above referenced insurance policies will be as follows: fire, hazard and casualty insurance in the amount of the full replacement value of the Leased Premises; liability insurance in the amount of \$1,000,000 for injury to one person arising out of a single incident, \$3,000,000 for injuries to more than one person arising out of a single incident and \$100,000 for property damage. Such policies shall name Landlord as coinsured and be issued by insurance companies reasonably acceptable to Landlord.

SECTION 2.10 Control of Common Areas by Landlord.

All Common Areas, hereinafter defined, shall at all times be subject to the exclusive control and management of Landlord, and Landlord shall have the right to construct, maintain and operate lighting facilities on all said areas; to police the same; to change the area, level, location and arrangement of parking areas and other facilities; to restrict parking by tenants, their officers, agents and employees to employee parking areas and to enforce parking charges (by operation of meters or otherwise), with appropriate provisions for free parking ticket validating, or in lieu thereof, to apply the net proceeds from such charges, after deduction of costs applicable thereto, to the reduction of the cost of maintaining the parking facilities.

Landlord shall have the right to close all or any portion of the Common Areas or Facilities to such extent as may, in the opinion of Landlord's counsel, be legally sufficient to prevent a dedication thereof or the accrual of any rights to any person or the public therein, to close temporarily all or any portion of the parking areas or facilities, to discourage non-customer parking, and to do and perform such other acts in and to said areas and improvements as, in the use of good business judgment, the Landlord shall determine to be advisable with a view to the improvement to the convenience and use thereof by tenants, their officers, agents, employees and customers. Landlord shall keep said common areas clean and in good repair and available for the purposes for which they were intended. Landlord shall have the full right and authority to employ all personnel and to make all rules and regulations pertaining to and necessary for the proper operation and maintenance of the common areas and facilities.

In no event shall Landlord exercise its right under this Section in a manner which would restrict or obstruct the visibility or interfere with vehicular or pedestrian access to the Restaurant

SECTION 2.11 License.

All Common Areas and Facilities which Tenant may be permitted to use and occupy, are to be used and occupied under a revocable license, and if any such license be revoked, or if the amount of such areas be diminished, Landlord shall not be subject to any liability.

SECTION 2.12 Tenant to Bear Proportionate Share of Harbour Market Center Operation Cost.

(a) In each lease year or partial lease year, Tenant will pay to Landlord a proportion of the Harbour Market Operation Cost, hereinafter defined. The proportionate share attributable to Tenant shall be calculated by multiplying the total Harbour Market Operation Cost (hereinafter defined) by a fraction, the numerator of which shall be the number of enclosed leasable square feet contained in the improvements then existing on the Leased Premises and the denominator of which shall be the aggregate number of enclosed square feet of leasable building space then existing in Harbour Market plus 20,000 (the square footage allocated to the marina located adjacent to Harbour Market). In no event will the amount assessed Tenant or Harbour Market Operation Cost exceed \$1,000 per month.

(b) For the purpose of this Section 2.12 the "Harbour Market Operation Cost" means the total cost and expense incurred in operating, maintaining, and repairing the common facilities, hereinafter defined, actually used or available for use by Tenant and the employees, agents, servants, customers and other invitees of Tenant excluding only items of expense commonly known and designated as debt service. Said cost and expense shall specifically include, without limitation: property management, gardening, landscaping and irrigation, repairs, line painting, lighting and other utilities serving the Common Areas and Facilities, sanitary control, removal of trash, rubbish, garbage and other refuse from the common areas but not from any leased premises, depreciation on machinery and equipment, and the cost of personnel to implement such services, to direct parking and to police the common facilities, including watchmen and security personnel, including applicable payroll taxes, workman's compensation, insurance and fringe benefits. "Common facilities" or "Common Areas" means all areas, space, equipment and special services provided by Landlord for the common or joint use and benefit of the occupants of the Harbour Market, their employees, agents, servants, customers, and other invitees, including, without limitation, parking areas, access roads, driveways, retaining walls, landscaped areas, truck serviceways, loading docks, pedestrian malls, courts, stairs, ramps and sidewalks, comfort and first-aid stations, washrooms, community hall or auditorium (if any) and parcel pick-up stations.

(c) Landlord shall estimate the Harbour Market Operation Cost referred to in this Section 2.12 and Tenant shall pay one-twelfth (1/12) thereof monthly in advance. After the end of each lease year, Landlord shall furnish Tenant a statement of the actual Harbour Market's operation cost and there shall be an adjustment between Landlord and Tenant, with payment to or repayment by Landlord, as the case may require, to the end that Landlord shall receive the entire amount of Tenant's annual share for such period, or, at Landlord's option any overpayment by Tenant shall be credited on account of the next succeeding payment by Tenant of such operation cost.

(d) Notwithstanding any contrary provisions above, Tenant's obligation to pay such operating costs shall be limited to its proportionate share of installments due during the term of the lease.

SECTION 2.13 Additional Charges.

Any and all sums of money or charges required to be paid by Tenant under this Lease whether or not paid at the time

provided in this Lease, shall nevertheless, be collectable with the next installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charges as the same becomes due and payable hereunder, or limit any other remedy of the Landlord.

ARTICLE III

Construction of Leased Premises

SECTION 3.01 Construction of the Restaurant.

(a) The Restaurant will be constructed by The Haskell Company in accordance with the construction contract attached ("Construction Contract") hereto as Exhibit C. The Construction Contract contemplates a completed restaurant fully equipped and furnished and ready for operation constructed on a "turn key" basis. Landlord shall be responsible for the "shell" portion of the Restaurant together with professional fees, sidewalk, landscaping and other common facilities ("Landlord's Work"). Tenant shall be responsible for finishing out the "shell" and furnishing and equipping the Restaurant ("Tenant Work"). Landlord agrees to expend up to \$600,000 in connection with Landlord's Work. Tenant agrees to expend up to \$250,000 in connection with Tenant's Work. Landlord's Work shall include the cost of coolers, freezers, bar, back bar, oyster bar, carpet, light fixtures and exhaust hoods to the extent such items do not cause Landlord's Cost to exceed \$600,000. If the inclusion of such items cause Landlord's Cost to exceed \$600,000 then the cost of such items shall be included in Tenant's Cost. If such items cause Tenant's Cost to exceed \$250,000 then Landlord shall bear 70% of such cost and Tenant shall bear 30%. Landlord and Tenant shall cooperate in good faith with one another to construct and open the restaurant in accordance with the terms of this sublease.

b) Landlord shall be entitled to grant a first lien on the Leased Premises and the leasehold estate created by this sublease to secure the repayment of a Community Development Block Grant in the amount of \$660,000.00.

(c) Nothing contained in this Lease shall be construed as a consent on the part of the Landlord to subject the estate of the Landlord to liability under the Mechanics' Lien Law of the State of Florida insofar as the Tenant Work is concerned, it being expressly understood that the Landlord's estate shall not be subject to such liability as a result of Tenant Work. Tenant shall strictly comply with the Mechanics' Lien Law of the State of Florida as set forth in F.S. 713. In the event that a mechanics' claim of lien is filed against the property in connection with any work performed by or on behalf of the Tenant, the Tenant shall satisfy such claim, or shall transfer same to security, within ten (10) days from the date of filing. In the event that the Tenant fails to satisfy or transfer such claim within said ten (10) day period, the Landlord may do so and thereafter charge the Tenant, as additional rent, all costs incurred by the Landlord in connection with satisfaction or transfer of such claim, including attorneys' fees. Further, the Tenant agrees to indemnify, defend and save the Landlord harmless from and against any damage or loss incurred by the Landlord as a result of any such mechanics' claim of lien. If so requested by the Landlord, the Tenant shall execute a short form or memorandum of this Lease, which may, in the Landlord's discretion be recorded in the public records for the purpose of protecting the Landlord's estate from mechanics' claim of lien, as

provided in Florida Statutes Section 713.10. The security deposit paid by the Tenant may be used by the Landlord for the satisfaction or transfer of any mechanics' claim of lien, as provided in this Section. This Section shall survive the termination of the Lease.

SECTION 3.02 Acceptance by Tenant.

Tenant agrees that acceptance by Tenant of possession of the Leased Premises for the purpose of construction of Tenant's Work will be deemed as an acceptance of the Leased Premises in its existing condition by Tenant, provided Tenant is entitled to the benefit of the warranties under the construction contract.

SECTION 3.03 Changes to Harbour Market and Common Areas.

Landlord hereby reserves the right, at any time, to perform maintenance operations and to make repairs, alterations, or additions to the building in which the Leased Premises are contained and to build adjoining the same. Landlord also reserves the right to construct other buildings or improvements, including, but not limited to, structures for motor vehicle parking. The Tenant agrees to cooperate with the Landlord, permitting the Landlord to accomplish any such maintenance, repairs, alterations, additions or construction.

ARTICLE IV

Conduct of Business by Tenant

SECTION 4.01 Use of Premises.

Tenant shall use the Leased Premises solely for the purpose of conducting the business of a restaurant and bar business (which shall include carry out liquor and beer and catering). Throughout the term hereof Tenant shall continuously operate the restaurant and bar business in accordance with the following minimum criteria: (i) Tenant shall have at least 43 full time (at least 40 hours a week) or equivalent employees, (ii) there shall be at least 200 seats for dining in the restaurant; and (iii) Tenant shall operate one or more full service bars from the Leased Premises. Tenant shall occupy the Leased Premises without delay upon commencement of the term of this lease, and shall conduct continuously in the Leased Premises the business above stated. Tenant will not use or permit, or suffer the use of the Leased Premises for any other business or purpose.

SECTION 4.02 Operation of Business.

Tenant shall operate one hundred (100%) percent of the Leased Premises during the entire term of this Lease with due diligence and efficiency so as to produce all of the gross receipts which may be produced by such manner of operation. Subject to Section 1.07 and the inability by reason of strikes or labor disputes, Tenant shall carry at all times in the Leased Premises a stock of merchandise of such size, character and quality as shall be reasonably designed to produce the maximum gross receipts. Tenant shall not perform any acts or carry on any practices which damage the Harbour Market or its customers, employees or invitees, or which will result in an increase of casualty insurance premiums.

SECTION 4.03 Storage Office Space.

Tenant shall warehouse, store and/or stock, in the Leased

Premises only such goods, wares and merchandise as Tenant intends to offer for sale at retail from the Leased Premises. This shall not preclude occasional emergency transfers of merchandise to other stores of Tenant, if any, not located in the Harbour Market. Tenant shall use for office, clerical or other non-selling purposes only such space in the Leased Premises as is from time to time reasonably required.

ARTICLE V

Security Deposit

Intentionally Omitted

ARTICLE VI

Signs, Awnings, Canopies, Fixtures, Alterations

SECTION 6.01 Installation by Tenant.

All furniture and equipment shall be new and fixtures installed by Tenant not covered by the Construction Contract shall be new or completely reconditioned antiques or other items of unusual interest used to create decor. Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any exterior signs, exterior lighting, plumbing fixtures, shades or awnings or make any changes to the building exterior without first obtaining Landlord's written approval and consent which shall not be unreasonably withheld or delayed. Tenant shall present to the Landlord plans and specifications for such work at the time approval is sought.

SECTION 6.02 Responsibility of Tenant.

All alterations, decorations, additions and improvements made by the Tenant (including Tenant Work), or made by the Landlord on the Tenant's behalf by agreement under this Lease, shall be and become the property of Landlord at the expiration of this Lease, or any extension or renewal hereof, excepting only readily removable furniture, equipment and fixtures. The Tenant shall at all times maintain fire insurance with extended coverage in the name of the Landlord as coinsured and the Tenant, in an amount adequate to cover the cost of replacement of all alterations, decorations, additions or improvements in the event of fire or extended coverage loss. Tenant shall deliver to the Landlord certificates of such fire insurance policies which shall contain a clause requiring the insurer to give the Landlord ten (10) days notice of cancellation of such policies. Such alterations, decorations, additions, and improvements shall not be removed from the Premises without prior consent in writing from the Landlord. Upon expiration of this Lease, such alterations, decorations, additions and improvements shall be and belong to Landlord or, at Landlord's option, Landlord may direct the Tenant to remove, at Tenant's cost, all such alterations, decorations, additions and improvements, and restore, at Tenant's cost, the Leased Premises to its original conditions existing after the completion of Landlord's Work and Tenant's Work with allowance for ordinary wear and tear.

SECTION 6.03 Signs, Awnings and Canopies.

(a) Tenant will not place or permit to be placed or maintained on any exterior door, wall or window of the Leased Premises any sign, awning or canopy, or advertising matter or

other thing of any kind, and will not place or maintain any decoration, letter or advertising matter on the glass of any window or door, nor will any illuminated sign be placed in the window display area of the of the Leased Premises without first obtaining Landlord's written approval and consent which shall not be unreasonably withheld or delayed. This provision shall not be applicable to any signs indicating hours of operation or normal promotional signs.

(b) Tenant shall erect a sign in accordance with plans mutually agreed upon by Tenant and Landlord. Tenant further agrees that such signs, awning, canopy, decoration, lettering, advertising matter or other thing as may be approved shall be maintained in good condition and repair at all times.

ARTICLE VII

Repairs and Maintenance of Leased Premises

SECTION 7.01 Responsibility of Landlord.

(a) Landlord and Tenant shall share the cost of repairing and maintaining in good order and condition the roof, roof drains, outside walls, foundations and structural portions (both interior and exterior). Landlord and Tenant shall share the cost in proportion to the percentage each contributed to the cost under the Construction Contract. There is excepted from the preceding covenant, however; (i) repair or replacement of broken plate or window glass (except in case of damage by fire or other casualty covered by Landlord's fire and extended coverage policy); (ii) repair of damage caused by Tenant, its employees, agents, contractors, customers, invitees; and (iii) interior repainting and redecoration.

(b) Except as hereinabove provided in Subparagraph (a), Landlord shall not be obligated or required to make any other repairs, and all other portions of the Leased Premises shall be kept in good repair and condition by Tenant, and at the end of the term of this Lease, Tenant shall deliver the Leased Premises to Landlord in good repair and condition, reasonable wear and tear and damage from fire and other casualty excepted.

(c) Landlord shall maintain and repair all electrical, sewer, water and other utilities serving the Leased Premises.

SECTION 7.02 Responsibilities of Tenant.

(a) Without limiting the generality of the foregoing Subparagraph 7.01(b), Tenant agrees to repair and maintain in good order and condition the non-structural interior portion of the Leased Premises, including the store fronts, show windows, doors, windows, plate and window glass and floor covering. Tenant also agrees to maintain and repair plumbing, heating, air conditioning, electrical and sewage system, facilities and appliances located on the Leased Premises.

(b) Tenant will not install any equipment which exceeds the capacity of the utility lines leading into the Leased Premises of the building of which the Leased Premises constitute a portion.

(c) Tenant shall comply with the terms and conditions of the Lease from the City of Fernandina Beach to Landlord which may be applicable to the operations of a business on the Leased Premises.

(d) Tenant shall comply with the requirements of all laws, orders, ordinances and regulations of all governmental authorities and will not permit any waste of property or same to be done and will take good care of the Leased Premises at all times, except for any conditions existing on the date of the commencement of this Lease.

(e) If Tenant refuses or neglects to repair properly the Leased Premises as required hereunder and to the reasonable satisfaction of Landlord as soon as reasonably possible after written demand, Landlord may make such repairs without liability to Tenant for any loss or damage that may occur to Tenant's merchandise, fixtures, or other property, or to Tenant's business by reason thereof, and upon completion thereof Tenant shall pay Landlord's cost for making such repairs together with interest at fifteen percent (15%) on said cost from the date of completion of repairs by Landlord. In the event that Landlord shall undertake any maintenance or repair in the course of which it shall be determined that such maintenance or repair work was made necessary by the negligence or willful act of Tenant or any of its employees or agents or that the maintenance or repair is, under the terms of the Lease, the responsibility of Tenant, Tenant shall pay Landlord's costs therefor plus overhead and interest as above provided in this Section.

(f) Landlord reserves the right to enter the Leased Premises and to make such repairs and to do such work on or about said Premises as Landlord may deem desirable, necessary or proper or that Landlord may be lawfully required to make. Landlord reserves the right to visit and inspect said Premises at all reasonable times and show same to prospective tenants, purchasers, or mortgagees. Provided however, the Landlord must provide the President of the Tenant twenty-four hours notice in advance prior to such visit and Landlord's inspection of the Leased Premises, which shall be limited to advertised business hours and in the company of Tenant's authorized employee.

(g) Neither Landlord nor Landlord's agents or servants shall be liable for any damages caused by or growing out of any breakage, leakage, or defective condition of the electric wiring, air conditioning or heating pipes and equipment, closets, plumbing, appliances, sprinklers, other equipment, or other facilities, serving the Leased Premises. Neither Landlord nor Landlord's agents or servants shall be liable for any damages caused by, or growing out of any defect in the Harbour Market or any part thereof, or in said building or any part thereof, or in said Leased Premises or any part thereof or by fire, rain, wind or other cause.

(h) All property belonging to Tenant or any occupant of the Leased Premises or the Harbour Market shall be there at the risk of Tenant or such other person only, and Landlord shall not be liable for damage thereto or theft or misappropriation thereof, unless damage is due to the negligence of Landlord.

(i) At the expiration of the tenancy hereby created, Tenant shall surrender the Leased Premises in the same condition as the Leased Premises were at the time that Landlord's Work and Tenant's Work were first completed, reasonable wear and tear excepted, and damage by unavoidable casualty excepted, and shall surrender all keys for the Leased Premises to Landlord. Tenant shall remove all its readily removable trade fixtures, furniture and equipment. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of the Lease.

(j) Tenant shall at its own expense perform all janitorial and cleaning services, including garbage and trash service, within the Premises in order to keep same in a neat, clean and orderly condition.

ARTICLE VIII

Insurance and Indemnity

SECTION 8.01 Liability Insurance.

Tenant shall, during the entire term hereof, keep in full force and effect, bodily injury and property damage comprehensive public liability insurance with respect to the Leased Premises for the combined single coverage of not less than \$1,000,000. The policy shall name Landlord, any person, firms or corporations designated by Landlord, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Landlord thirty (30) days prior written notice. The insurance shall be with an insurance company approved by Landlord and a certificate of insurance shall be delivered to Landlord.

SECTION 8.02 Plate Glass Responsibility.

The replacement of any plate glass damaged or broken from any cause whatsoever in and about the Leased Premises shall be Tenant's responsibility.

SECTION 8.03 Business Interruption Coverage.

Tenant shall, during the entire term hereof, keep in full force and effect business interruption insurance or have reserves acceptable to Landlord to protect Landlord against the loss of rent due to fire or other risks or causes in an amount sufficient to cover one year's rent at the level of monthly rent then being paid by Tenant under Section 2.01. In the event that the Leased Premises are destroyed or seriously damaged, so much of the proceeds of said insurance shall be assigned to Landlord as shall equal the minimum rent and additional rent for one year, such amount to be held by Landlord as security for the payment of rent hereunder until the restoration of the Leased Premises at which time the balance, if any, shall be returned to Tenant provided Tenant has performed all of its obligations hereunder.

SECTION 8.04 Fire and Extended Coverage Insurance.

Tenant shall at all times during the term hereof, and at its cost and expense, maintain in effect policies of insurance covering its improvements, fixtures and equipment located on the Leased Premises, in an amount not less than their actual cash value, providing protection against any peril included within the standard classification of "Fire and Extended Coverage," together with insurance against sprinkler damage, vandalism and malicious mischief. The proceeds of such insurance, so long as this Lease remains in effect, shall be used to repair or replace the fixtures and equipment so insured.

SECTION 8.05 Increase in Fire Insurance Premium.

Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Leased Premises any article which may be prohibited by the standard form of fire and extended risk insurance policy other than small quantities of cleaning supplies normally used in the business of Tenant. Tenant agrees to pay any increase in premiums for fire and extended

coverage insurance that may be charged during the term of this Lease on the amount of such insurance which may be carried by Landlord on said Premises or the building of which they are a part, resulting from the type or merchandise sold by Tenant in the Leased Premises or resulting from Tenant's use of the Leased Premises, whether or not Landlord has consented to the same. In determining whether increased premiums are the result of Tenant's use of the Leased Premises, a schedule issued by the organization setting the insurance rate on the Leased Premises, showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up the fire insurance rate on the Leased Premises. Tenant agrees to promptly make up the fire insurance rate on the Leased Premises. Tenant agrees to promptly make, at Tenant's cost, any repairs, alterations, changes and/or improvements to equipment in the Leased Premises required by the company issuing Landlord's fire insurance so as to avoid the cancellation of or the increase in premiums on said insurance. Tenant will have opportunity to provide alternative coverage in event Tenant deems increased premiums are excessive.

In the event Tenant's occupation and use of the Leased Premises causes any increase of premium for the fire, boiler and/or casualty rates on the Leased Premises or any part thereof above the rate for the least hazardous type of occupancy legally permitted in the Leased Premises, the Tenant shall pay the additional premium on the fire, boiler and/or casualty insurance policies by reason thereof. The tenant shall also pay in such event, any additional premium on the rent insurance policy that may be carried by the Landlord for its protection against rent loss through fire. Bills for such additional premiums shall be rendered by Landlord to Tenant at such times as Landlord may elect and shall be due from and payable by Tenant when rendered.

SECTION 8.06 Indemnification of Landlord.

Except for Landlord's negligence, Tenant shall indemnify, defend and save Landlord harmless from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Leased Premises, or the occupancy or use by Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, lessees or concessionaires. In case Landlord shall be made a party to any litigation against Tenant as a result of Tenant's acts, then Tenant shall protect and hold Landlord harmless and pay all costs and attorney's fees incurred by Landlord in connection with such litigation, and any appeals thereof. Tenant shall also pay all costs, expenses and reasonable attorney's fees that may be incurred or paid by Landlord in enforcing the covenants and agreements in this Lease, if Landlord is the prevailing party.

SECTION 8.07 Waiver of Subrogation.

Tenant and Landlord waive their rights to recover damages against each other for any reason whatsoever to the extent either party recovers indemnity from its insurance carrier. Any insurance policy procured by Landlord or Tenant which does not name the other party as a named insured shall, if obtainable, contain an express waiver of each other any right of subrogation by the insurance company. All public liability and property damage policies shall contain an endorsement that Landlord or Tenant, although named as an insured, shall nevertheless be entitled to recover for damages caused by the negligence of the other.

ARTICLE IX

Utilities

SECTION 9.01 Payment for Utilities.

Tenant shall be solely responsible for and promptly pay all charges* for water, gas, electricity or any other utility used or consumed in the Leased Premises. If any such charges are not paid when due, Landlord may, at its option, pay the same, and any amount so paid by Landlord shall thereupon become due to Landlord from Tenant as additional rent. In no event shall Landlord be liable for any interruption or failure in the supply of any such utilities to the Leased Premises.

ARTICLE X

Attornment, Subordination

SECTION 10.01 Attornment.

Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event or exercise of the power of sale under any mortgage made by the Landlord covering the Leased Premises or in the event a deed is given in lieu of foreclosure of any such mortgage, attorn to the purchaser or grantee in lieu of foreclosure upon any such foreclosure or sale and recognize such purchaser or grantee in lieu of foreclosure as the Landlord under this lease.

SECTION 10.02 Subordination.

Tenant agrees that this lease and the interest of Tenant therein shall be, and the same hereby is made subject and subordinated at all times to all covenants, restrictions, easements and other encumbrances now or hereafter affecting the fee or leasehold title of the Harbour Market and to all ground and underlying leases and to any mortgages in any amounts, and all advances made and to be made thereon, which may now or hereafter be placed against or affect any or all of the land and/or any or part of the buildings and improvements, including the Leased Premises, now or at any time hereafter constituting a part of the Harbour Market, and/or any ground or underlying leases covering the same, and to all renewals, modifications, consolidations, participations, replacements and extensions thereof. The aforesaid provisions shall be self-operative and no further instrument of subordination shall be necessary unless required by any such ground or underlying lessors or mortgagees.

Should the Landlord or any ground or underlying lessors or mortgagees desire confirmation of such subordination, then Tenant, within thirty (30) days following the Landlord's written request therefore, agrees to execute and deliver, without charge, any and all documents (in form acceptable to Landlord and such ground or underlying lessors or mortgagees) subordinating this lease and the Tenant's right hereunder, providing the person requesting such document acknowledges in writing Tenant's right of quiet enjoyment in a form substantially the same as Section 20.01 hereof. However, should any such ground or underlying lessors or any mortgagees request that this lease be made superior, rather than subordinate, to any such ground or underlying lease and/or mortgage, then Tenant, within ten (10) days following Landlord's written request therefore, agrees to execute and

deliver, without charge, any and all documents (in form acceptable to Landlord and such ground or underlying lessors or mortgagees) effectuating such priority.

ARTICLE XI

Assignment and Subletting

SECTION 11.01 Consent Required.

Except as set forth below, Tenant may not assign this Lease in whole or in part, nor sublet all or any portion of the Leased Premises, without the prior written consent of Landlord in each instance. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. It is understood that Landlord may refuse to grant such consent to any assignment or subletting by Tenant if the Landlord is not satisfied with the financial responsibility, identity or business character, the nature of the occupancy or legality of the proposed use, of the assignee or subtenant, or if there is a need for alteration of the Leased Premises by the assignee or subtenant. If this Lease be assigned, or if the Leased Premises or any part thereof be sublet or occupied by any party other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant and apply the net amount collected to the rent herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as Tenant, or a release of Tenant from the further performance by Tenant of the covenants on the part of Tenant herein contained. This prohibition against assignment or subletting shall be construed to include prohibition against any assignment or subleasing by operation of law, legal process, receivership, bankruptcy, or otherwise, whether voluntary or involuntary, and a prohibition against any encumbrance of all and any part of Tenant's leasehold interest. Notwithstanding any assignment or sublease, Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions hereof, and said assignee or sublessee, if consented to by Landlord, shall stringently comply with all Lease terms and conditions.

SECTION 11.02 Significant Change of Ownership.

If (a) there shall occur any change in the ownership of and/or power to vote the majority of the outstanding capital stock of Tenant, where such change of ownership is by sale or assignment (other than a change caused by a public offering of stock of Tenant) or (b) John Podzamsky shall cease being in "control" of Tenant, without the prior written consent of Landlord, then Landlord shall have the option to terminate this Lease upon thirty (30) days notice to Tenant.

ARTICLE XII

Waste, Governmental Regulations

SECTION 12.01 Waste or Nuisance.

Tenant shall not commit or suffer to be committed any waste upon the Leased Premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other tenant in the Harbour Market, or which may adversely affect the Landlord's fee or leasehold interest in the Leased Premises or in the Harbour Market.

SECTION 12.02 Governmental Regulations.

Tenant shall, at Tenant's sole cost and expense, comply with all regulations of all county, municipal, state, federal and other applicable governmental authorities, now in force, or which may hereafter be in force, pertaining to Tenant or its use of the Premises, and shall faithfully observe in the use of the Leased Premises all municipal and county ordinances and state and federal statutes now in force or which may hereafter be in force. Tenant shall indemnify, defend and save Landlord harmless from all penalties, fines, costs, expenses or damages including reasonable attorneys' fees resulting from Tenant's failure to perform its obligations in this Section.

ARTICLE XIII

Rules and Regulations

SECTION 13.01 Rules and Regulations.

(a) Landlord reserves the right from time to time to adopt and promulgate rules and regulations applicable to the Leased Premises. Notice of such rules and regulations and amendments and supplements thereto, if any, shall be given to the Tenant. All such rules and regulations shall be reasonable and shall not discriminate against Tenant when compared to other tenants in the Harbour Market.

ARTICLE XIV

Advertising. Merchant's Association

SECTION 14.01 Association. Upon Landlord's request, Tenant shall join and cooperate with the policies, programs and advertising that may be formulated by the Harbour Market Merchants' Association, if created by Landlord. Tenant shall have the same voting percentage as the percentage applicable to Tenant with respect to the payment of its proportionate share of Harbour Market Operation Cost.

ARTICLE XV

Destruction of Leased Premises

SECTION 15.01 Total or Partial Destruction.

If the Leased Premises, other than Tenant's equipment and trade fixtures, shall be damaged by fire, the elements, unavoidable accident or other casualty, without fault or Tenant, but are not thereby rendered untenable in whole or in part, Landlord shall at its own expense cause such damage, except to Tenant's equipment and trade fixtures, to be repaired, and the rent and other charges shall not be abated. If by reason of such occurrence the Premises shall be rendered untenable only in part, Landlord shall at its own expense cause the damage, except to Tenant's equipment and trade fixtures, to be repaired, but only to the extent of Landlord's original obligation to construct pursuant hereto. If the Premises shall be rendered wholly untenable by reason of such occurrence, the Landlord shall at its own expense cause such damage, except to Tenant's equipment and trade fixtures, to be repaired, but only to the extent of the Landlord's original obligation to construct pursuant hereto, except that Landlord shall have the right, to be exercised by notice in

writing delivered to Tenant within sixty (60) days after said occurrence, to elect not to reconstruct the destroyed Premises, and in such event this Lease and the tenancy hereby created shall cease as of the date of the said occurrence. Nothing in this Section shall be construed to permit the abatement in whole or in part of the Rent, or charges for insurance, real estate taxes, or Harbour Market Operation Cost attributable to any period during which the Leased Premises shall be in untenable condition unless Landlord has notified Tenant of its decision not to reconstruct the Premises.

SECTION 15.02 Reconstruction of Improvement.

In the event of any reconstruction of the Leased Premises under this Article XV, said reconstruction shall be in substantial conformity with the "Landlord's Work" originally done. Tenant, at its sole cost and expense, shall be responsible for the repair and restoration of all items set forth as "Tenant's Work" and the replacement of its stock in trade fixtures, furniture, furnishings and equipment. Tenant shall commence the installation of fixtures, equipment, and merchandise hereof promptly upon delivery to it of possession of the Leased Premises and shall diligently prosecute such installation to completion.

ARTICLE XVI

Eminent Domain

SECTION 16.01 Total Condemnation.

If the whole of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date of title vesting in the condemning governmental body or other authority pursuant to such proceeding, and all rentals and other charges shall be paid up to that date and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

SECTION 16.02 Partial Condemnation.

If a part of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, and such partial taking or condemnation shall render the Leased Premises unsuitable for the business of the Tenant, then the term of this Lease shall cease and terminate as of the date of title vesting in the condemning governmental body or other authority pursuant to such proceeding, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease. In the event of a partial taking or condemnation which is not extensive enough to render the Premises unsuitable for the business of the Tenant, then Landlord shall promptly restore the Leased Premises to a condition comparable to its condition at the time of such condemnation less that portion lost in the taking, and this Lease shall continue in full force and effect except that the Rent being paid on a monthly basis shall be reduced in proportion to the portion of the Leased Premises lost in the taking, provided, however, there shall be no reduction in the percentage rent or other additional rent as a result of such partial taking or condemnation. In the event that fifty percent (50%) or more of the rentable area of the Harbour Market shall be acquired or condemned by eminent domain, the Landlord and Tenant shall have a similar right to cancel and terminate this Lease as provided in Section 15.02.

SECTION 16.03 Landlord's Damages.

In the event of any condemnation or taking as hereinbefore provided, whether whole or partial, the Tenant shall not be entitled to any part of Landlord's award, as damages or otherwise, for such condemnation, and Landlord is to receive the full amount of such award; the Tenant hereby expressly waives any right or claim to any part thereof.

SECTION 16.04 Tenant's Damages.

Tenant shall have right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment.

SECTION 16.05 Sale Under Threat of Condemnation.

A sale by Landlord to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes of this Article.

ARTICLE XVII

Default by Tenant

Section 17.01 Events of Default.

Upon the happening of one or more of the events as expressed below in (a) to (g), inclusive, the Landlord shall have any and all rights and remedies hereinafter set forth.

(a) In the event Tenant should fail to pay any one or more of said monthly installments or rent, or any other sums required to be paid hereunder, and such failure continues for a period of ten (10) days after Landlord's written notice to Tenant thereof.

(b) In the event a petition in bankruptcy (including Chapter X and Chapter XI bankruptcy proceedings or any other reorganization proceedings under Bankruptcy Act) be filed by the Tenant or any guarantor of this Lease, or be filed against Tenant or any guarantor of this Lease, and such petition is not dismissed within sixty (60) days from the filing thereof, or in the event Tenant is adjudged bankrupt.

(c) In the event an assignment for the benefit of creditors is made by Tenant or any guarantor of this Lease.

(d) In the event of an appointment by any court of a receiver or other court officer of Tenant's property or any guarantor's property and such receivership is not dismissed within sixty (60) days from such appointment.

(e) In the event Tenant, before the expiration of the term hereof and without the written consent of the Landlord, vacates the Leased Premises or abandons the possession thereof, or uses the same for purposes other than the purposes for which the same are hereby leased, or ceases to use the Leased Premises for the purposes herein expressed.

(f) In the event an execution or other legal process is levied upon the goods, furniture, effects or other property Tenant brought on the Leased Premises, or upon the interest of Tenant in this lease, and the same is not satisfied or dismissed within ten (10) days from this levy.

(g) In the event Tenant fails or keep, observe or perform any of the other terms, conditions or covenants on the part of Tenant herein to be kept, observed and performed for more than thirty (30) days after written notice thereof is given by Landlord to Tenant specifying the nature of such default, or if the default so specified shall be of such a nature that the same cannot reasonably be cured or remedied within said thirty (30) day period, if Tenant shall not in good faith have commenced the curing or remedying of such default within such thirty (30) day period and shall not thereafter continuously and diligently proceed therewith to completion.

SECTION 17.02 Remedies of Landlord.

(a) If any Event of Default occurs, the Landlord shall have the right, in addition to such other rights and remedies it might have under law or at equity, at the option of Landlord, to terminate this Lease upon ten (10) business days written notice to Tenant, and to thereupon re-enter and take possession of the Leased Premises with or without legal process.

(b) If an Event of Default occurs and where Landlord has elected to terminate this Lease as contemplated in Section 17.02(a) above, Landlord shall be entitled to liquidated damages in the amount of \$50,000. The parties recognize that because of the unique nature of this lease and because of the Landlord's direct interest in the businesslike, prudent operation of the Leased Premises by Tenant, it is impossible to accurately ascertain the damages which will be incurred by Landlord if an Event of Default occurs. The parties, consequently, hereby agree that the sum of \$50,000 shall be established as liquidated damages, payable to Landlord by Tenant upon the occurrence of an Event of Default.

(c) Any and all rights, remedies and options given in this Lease to Landlord shall be cumulative and in addition to and without waiver of, or in derogation of, any right or remedy given to it under any law now or hereafter in effect or at equity.

SECTION 17.03 Waiver.

The waiver by Landlord of any breach of any term, condition or covenant herein contained shall not be a waiver of such term, condition or covenant, or any subsequent breach of the same or any other term, condition or covenant herein contained. The consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant. (No reentry hereunder shall bar the recovery of rents or damages for the breach of any of the terms, conditions or covenants on the part of Tenant herein contained.) The receipt of rent after breach or condition broken, or delay on the part of Landlord to enforce any right hereunder, shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, or a waiver of the right of Landlord to annul this Lease or to re-enter said Leased Premises or to relet same.

SECTION 17.04 Expenses of Enforcement.

In the event any payment due Landlord under this Lease shall not be paid on the due date, said payment shall bear interest at the rate of eighteen percent (18%) per annum from the due date until paid unless otherwise specifically provided herein, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease.

SECTION 17.05 Legal Expenses.

In the event that it shall become necessary for either party to employ the services of an attorney to enforce any of its rights under this Lease or to collect any sums due to it under this Lease or to remedy the breach of any covenant of this Lease, then the defaulting party shall pay the reasonable attorneys fees incurred by the non-defaulting party.

ARTICLE XVIII

Access by Landlord

SECTION 18.01 Right of Entry.

Landlord and Landlord's agents shall have the right to enter the Leased Premises at reasonable times to examine the same, and to show them to prospective purchasers or lessees of the building, and to make such repairs, or alterations, improvements or additions as are contemplated in this Lease, and Landlord shall be allowed to take all material unto and upon the Leased Premises that may be required therefor without the same constituting an eviction of Tenant in whole or in part and the rent reserved shall in no way abate while said repairs, alterations, improvements or additions are being made. If Tenant shall not be personally present to open and permit an entry into said premises, at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or Landlord's agents may enter the same without in any manner affecting the obligations and covenants of this lease, nothing herein contained, however, shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the building or any part thereof, except as otherwise herein specifically provided. Anything in this section to the contrary notwithstanding, Landlord and Landlord's agent right to enter the premises, except for bona fide emergencies, shall require three (3) days written notice to the Tenant, shall be permitted only during Tenant's advertised business hours and only in the company of Tenant's authorized employee. "To-Let" and "For Sale" signs may be posted on the Tenant's business premises at any time during the last 90 days of the Lease Term.

ARTICLE XIX

Holding Over, Successors

SECTION 19.01 Holding Over.

In the event Tenant remains in possession of the Leased Premises after the expiration of the tenancy created hereunder, and without the execution of a new lease, Tenant, at the option of Landlord, shall be deemed to be occupying the Leased Premises as a Tenant at sufferance at a monthly rental equal to two (2) times the Percentage Rent. Such tenancy shall be subject to all the other conditions, provisions and obligations of this Lease.

SECTION 19.02 Successors.

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and permitted assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing or otherwise as provided herein. Nothing contained in this Lease shall in any manner restrict Landlord's right to assign or encumber this Lease and, in the event Landlord sells its interest in the Harbour Market and the purchaser assumes Landlord's obligation and covenants, Landlord shall thereupon be relieved of all further obligations hereunder; provided that the Landlord shall not be entitled to sell its interest in the Leased Premises until after the completion of construction of the Landlord Work.

ARTICLE XX

Quiet Enjoyment

SECTION 20.01 Landlord's Covenant.

Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the leased premises for the term hereby demised without hindrance of interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject, nevertheless to the terms and conditions of this lease.

ARTICLE XXI

Miscellaneous

SECTION 21.01 Accord and Satisfaction.

No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided herein or by law.

SECTION 21.02 Entire Agreement.

If this lease and the Exhibits, Addendums and riders, if any, attached hereto and forming a part hereof, as if fully set forth herein, constitute all covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Leased Premises and there are no covenants, promises, conditions or understandings, either oral or written, between them, other than are herein set forth. Except as herein otherwise provided, no subsequent alteration, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.

SECTION 21.03 No Partnership.

Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with Tenant, nor does anything in this Lease confer any interest in Landlord in the conduct of Tenant's business. The provisions of this Lease relating to the percentage rent payable hereunder are included solely for the purpose of providing a method whereby the rent is to be measured and ascertained.

SECTION 21.04 Force Majeure.

In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period of such delay. The provisions of this Section 21.04 shall not operate to excuse Tenant from the prompt payment of rent, percentage rent or any other payments required by the terms of this Lease.

SECTION 21.05 Notices.

(a) All notices shall be in writing.

(b) Any notice must be served by certified mail, or registered mail, postage prepaid, addressed to Landlord or Tenant at the addresses stated on page 1 of this Lease or at such other address as either party may designate by written notice.

SECTION 21.06 Captions and Section Numbers.

The captions, section numbers, article numbers and index appearing in this lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections or articles of this lease nor in any way affect this lease.

SECTION 21.07 Tenant Defined. Use of Pronoun.

The word "Tenant" shall be deemed and taken to mean each and every person mentioned as a Tenant herein be the same, one or more, and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given to all thereof. The use of the neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

SECTION 21.08 Broker's Commission.

Each of the parties represents and warrants that it has dealt with no broker or brokers in connection with the

execution of this Lease, except and each of the parties agrees to indemnify the other against, and hold it harmless from, all liabilities arising from any claim for brokerage commissions or finder's fees resulting from the indemnitor's acts (including, without limitation, the cost of counsel fees in connection therewith).

SECTION 21.09 Partial Invalidity.

If any term, covenant or condition of this lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, and condition of this lease shall be valid and be enforced to the fullest extent permitted by law.

SECTION 21.10 Estoppel Certificate.

Landlord and Tenant agree that each will, at any time and from time to time, within thirty (30) business days following written notice by other party hereto specifying that it is given pursuant to this Section, execute, acknowledge and deliver to the party who gave such notice a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect and stating the modifications), and the date to which the Minimum Rent and any other payments due hereunder from Tenant have been paid in advance, if any, and stating whether or not there are defenses or offsets claimed by the maker of the certificate and whether or not to the best knowledge of the signer of such certificate the other party is in default in performing any covenant, agreement or condition contained in this lease, and if so, specifying each such default of which the maker may have knowledge and if requested, such financial information concerning Tenant and Tenant's business operations (and any Guarantor of the Lease) as may be reasonably requested by any mortgagee or prospective mortgagee or purchaser. The failure of either party to execute, acknowledge and deliver to the other a statement in accordance with the provisions of this Section within said thirty (30) business day period shall constitute an acknowledgement, by the party given such notice, which may be relied on by any person holding or proposing to acquire an interest in the Harbour Market or any party thereof or the Leased Premises or this Lease from or through the other party, that this Lease is unmodified and in full force and effect and that such rents have been duly and fully paid to and including the respective due dates immediately preceding the date of such notice and shall constitute as to any person entitled as aforesaid to rely upon such statements, waiver of any defaults which may exist prior to the date of such notice; provided, however, that nothing contained in the provisions of this Section shall constitute waiver by the Landlord of any default in payment of rent or other charges existing as of the date of such notice and, unless expressly consented to in writing by Landlord, Tenant shall still remain liable for the same.

SECTION 21.11 Recording.

Tenant shall not record this lease or any memorandum thereof without the written consent of Landlord.

SECTION 21.12 Time of Essence.

Time is of the essence with respect to the performance of

every provision of this Lease in which time of performance is a factor.

SECTION 21.13 Scope and Interpretation of Agreement.

This Lease shall be considered to be the only agreement between the parties hereto pertaining to the Leased Premises. All negotiations and oral agreements acceptable to both parties are included herein. The laws of the State of Florida shall govern the validity, interpretation, performance and enforcement of this Lease.

SECTION 21.14 Mortgagee Rights.

Tenant agrees to give any Mortgagees by certified mail, return receipt requested, a copy of any Notice of Default served upon the Landlord, provided that prior to such notice Tenant has been notified, in writing (by way of Notice of Assignment of Rents and Leases, or otherwise), of the address of such Mortgagee. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the Mortgagee shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days, the Mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

SECTION 21.15 City Lease.

The Landlord and Tenant acknowledge that Landlord is a party to that certain sublease agreement dated March 3, 1988 between Fernandina Harbour Joint Venture and Landlord and that the City of Fernandina Beach (the "City") is the fee owner of the Site and Landlord's interest in Harbour Market, the Restaurant Area and the Leased Premises is a leasehold interest. Any references in this Lease to any interest of the Landlord in the Site, the Restaurant or the Leased Premises shall be deemed to refer to Landlord's sub-leasehold interest therein. Tenant agrees that it takes its interest under this Lease subject to all of the terms, conditions and provisions of the City Lease, including, without limitation, the City's right to purchase the leasehold estate of Landlord pursuant to Article XIX of the City Lease.

SECTION 21.16 Taxes on Leasehold or Personalty.

Tenant shall be responsible for and shall pay before delinquent all municipal, county or state taxes assessed during the term of this lease against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the Leased Premises by the Tenant.

SECTION 21.17 Notice by Tenant.

Tenant shall give immediate notice to Landlord in case of fire or accidents in the Leased Premises or in the building of which the Leased Premises are a part or of defects therein or in any fixtures or equipment.

SECTION 21.18 Consents.

Any Consent of Tenant or Landlord which is required under this Lease shall not be unreasonably withheld.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, or have caused the same to be executed as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

LANDLORD

CENTER STREET RESTAURANT GROUP
INC., General Partner of
CENTER STREET RESTAURANT
GROUP, LTD.,

Robt. A. Allen
Christine M. Hall

By: [Signature]
Its _____ President

TENANT

*AMELIA'S RESTAURANT, INC.

Cecia Wilson
[Signature]

By: [Signature]
Its _____ President

*In process of being formed

AMELIA'S RESTAURANT GROUP, INC.
1061 Riverside Avenue, 2nd Floor
Jacksonville, FL 32204-4133
(904) 354-8104
FAX (904) 354-3188

January 28, 1992

Centre Street Restaurant Group, Inc.
c/o Fernandina Marina Investors
One Front Street
Fernandina Beach, FL 32034

Gentlemen:

On August 1, 1988, Centre Street Restaurant Group, Inc. ("CSRG") entered into a sublease ("Lease") agreement with Amelia's Restaurant, Inc. ("ARI") pursuant to which ARI opened a restaurant at the foot of Centre Street, Fernandina Beach, Florida, operating under the name of Brett's Waterway Cafe ("Brett's"). Because of the progressive nature of the rent structure of the Lease, ARI has determined that Brett's can be more profitably operated at an annual revenue level of \$850,000 serving dinner only instead of an annual revenue level in excess of \$1,500,000. ARI and CSRG agree that this would result in significantly less rent being paid to CSRG by ARI.

In order to induce ARI to maximize rather than reduce rent payable to CSRG, and to increase rather than reduce sales at Bretts, CSRG and ARI agree that the Lease shall be amended effective as of February 1, 1992 as follows:

Section 2.01 shall be amended to read as follows:

"Tenant shall pay to Landlord rent based on six (6%) per cent of Gross Receipts ("Percentage Rent").

From February 1, 1992 through May 31, 1992, Tenant shall pay Landlord as rent the sum of \$10,000 per month.

During the first year following June 1, 1992, Tenant shall pay Landlord estimated rent of \$10,000 per month or \$120,000 per year. Thirty days after the end of the first year, Tenant shall pay Percentage Rent, if any, due for such twelve month period based upon the level of Gross Receipts actually received. If a credit is due Tenant for overpayment of Percentage Rent, such credit shall be used by Tenant to offset rents due Landlord for the next succeeding months or part thereof.

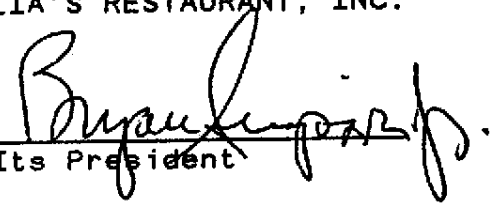
During the second year following June 1, 1992 and each year thereafter, Tenant shall pay on a monthly basis one-twelfth of the Percentage Rent paid for the preceding twelve month period. Thirty days after the end of such twelve month period, Tenant shall pay Percentage Rent, if any, due for such twelve month period based upon the level of Gross Receipts actually received. If a credit is due Tenant for overpayment of Percentage Rent, such credit shall be used by Tenant to offset rents due Landlord for the next succeeding months or part thereof.

All monthly payments of Rent shall be on the first day of each month."

If you are in agreement with the foregoing modifications to the Lease, please sign the enclosed counterpart of this letter agreement and return it to the undersigned at the above address.

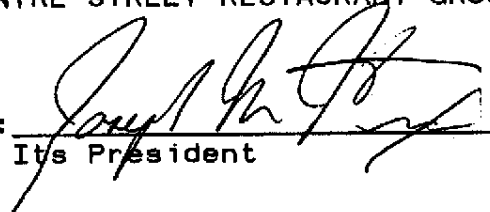
Very truly yours,

AMELIA'S RESTAURANT, INC.

By: 
Its President

AGREED to and accepted this
3rd day of February, 1992.

CENTRE STREET RESTAURANT GROUP, INC.

By: 
Its President

LEASE AGREEMENT

THIS LEASE dated Oct. 1, 1993 is made by and between CENTRE STREET RESTAURANT GROUP, LTD., a Florida limited partnership, whose address is 4400 Marsh Landing Parkway, Suite 7, Ponte Vedra Beach, Florida 32082 ("Landlord") and FRONT & CENTRE, whose address is 1 South Front Street, Fernandina Beach, Florida ("Tenant").

W I T N E S S E T H:

That, for and in consideration of the rent to be paid by Tenant and the covenants and agreements to be performed by Landlord and Tenant, as hereinafter set forth, the parties mutually covenant and agree as follows:

1. DEMISED PROPERTY.

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the real property located at 1 South Front Street, Fernandina Beach, Florida, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference, together with all the improvements located thereon and fixtures attached thereto at the date hereof, consisting primarily of a 900 square retail store, together with all appurtenances belonging to or in any way pertaining thereto; and the said real property, improvements and appurtenances, are hereinafter referred to and called, collectively the "Premises".

2. TERM.

The initial term of this Lease shall be for a period of three (3) years beginning on the 1st day of October, 1993, and ending on the 30th day of September, 1996.

3. RENEWAL OPTION.

Tenant shall have two (2) options to renew this Lease for additional terms of three (3) years. The rent for each extended term shall be the fair rental value of the Premises at the time of commencement of the extended term, as determined by Landlord. Landlord's determination of such rent shall be binding on Tenant for the purposes of this option. Landlord shall notify Tenant in writing of the increased rent for each extended term not less than ninety (90) days prior to the expiration of the term and Tenant shall have a period of forty-five (45) days thereafter to exercise the option by notice in writing to Landlord. Except as to rent and this renewal option, all the terms and conditions of the Lease shall apply to the extended term. The rent for the first extended term shall not exceed \$13.00 per square foot.

4. ANNUAL RENT.

(a) Payment of Rent.

(i) Tenant shall pay to Landlord, during the first year of this Lease term, rent (hereinafter "rent" or "base rent") of Nine Thousand Four Hundred Fifty and No/100 Dollars (\$9,450.00) per annum, plus sales tax, payable in equal monthly installments of Seven Hundred Eighty Seven and 50/100 Dollars (\$787.50) plus sales tax. The monthly installment shall be due the first day of each month commencing October 1, 1993.

(ii) Tenant shall pay to Landlord, during the second year of this Lease term, rent of Nine Thousand Nine Hundred and No/100 Dollars (\$9,900.00) per annum, plus sales tax, payable in equal monthly installments of Eight Hundred Twenty Five and No/100 Dollars (\$825.00) plus sales tax. The monthly installment shall be due the first day of each month commencing October 1, 1994.

(iii) Tenant shall pay to Landlord, during the third year of this Lease term, rent of Ten Thousand Three Hundred Fifty and No/100 Dollars (\$10,350.00) per annum, plus sales tax, payable in equal monthly installments of Eight Hundred Sixty Two and 50/100 Dollars (\$862.50) plus sales tax. The monthly installment shall be due the first day of each month commencing October 1, 1995.

(iv) All rent shall be paid in equal monthly installments in advance without demand on the first day of each calendar month. Any rent for less than a full month shall be prorated on a daily basis.

(b) Late Payment of Rent. Tenant shall pay to Landlord as late payment penalty in the amount of Ten Percent (10%) of the monthly rent installment due for each and every payment of rent which is not paid on or before ten (10) days following its due date.

(c) Expenses. The Tenant agrees to pay all the expenses during the term of this Lease including, but not limited to, those items mentioned herein, and this Lease shall be termed as to the parties, what is commonly referred to as a "Net, Net, Net" Lease.

5. AUTHORITY FOR EXECUTION.

(a) Corporate Authority. If Tenant is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation, in accordance with a duly adopted resolution of the board of directors of said corporation or in accordance with the bylaws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms.

(b) Partnership Authority. If Tenant is a general or limited partnership, each individual executing this Lease on behalf of said partnership represents and warrants that he is a general partner of said partnership and that he has authority to execute and deliver this Lease on behalf of said partnership in accordance with the partnership Agreement, and that this Lease is binding upon said partnership in accordance with its terms and enforceable against the assets of the partnership and the general partner, individually.

6. USE.

Tenant shall use the Premises for the purpose of operating a retail gift shop for the sale of gifts and home accessories, clothing and packaged food and shall not use or permit the Premises to be used for any other purpose without the prior written consent of Landlord. Tenant shall not do or permit anything to be done in or about the Premises or keep anything therein which will in any way increase the existing premium for or affect or cause cancellation of any fire or other insurance policy upon the Premises or any part thereof or any of its contents. Tenant shall not use or allow the premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.

7. COMPLIANCE WITH LAW.

Tenant shall not use or permit anything to be done in or about the Premises which will in any way conflict with any law, statute, ordinance or governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted relating to, or affecting the condition, use or occupancy of the Premises, excluding structural changes not related to or affected by Tenant's improvements or acts. The judgement of any court of competent jurisdiction or the admission of Tenant in any action against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any law, statute, ordinance or governmental rule, regulation or requirement, shall be conclusive of that fact as between the Landlord and Tenant.

8. ALTERATIONS AND ADDITIONS.

Tenant shall make no other alteration or addition to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. In the event such consent is

applied for and given, all alterations or additions to the Premises which are attached to the property shall be deemed to be fixtures and shall become the property of Landlord upon termination of the lease, unless otherwise herein provided. Any alterations, additions or improvements shall be made by Tenant, at Tenant's sole cost and expense, and Landlord shall have no liability therefor. Any contractor or person selected by Tenant to make the same must first be approved in writing by the Landlord. Upon written demand by Landlord, given at least thirty (30) days prior to the expiration of the term hereof, Tenant shall, at Tenant's sole cost and expense, forthwith and with all due diligence (i) remove any alterations, additions, or improvement made by Tenant, designated by Landlord to be removed, and (ii) repair any damage to the Premises caused by such removal.

9. MAINTENANCE AND REPAIRS.

By taking possession of the Premises, Tenant shall be deemed to have accepted the Premises as being in satisfactory order, condition and repair. Tenant shall, at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair, damage from causes beyond the reasonable control of Tenant and ordinary wear and tear excepted. Without limiting the generality of the preceding sentence, Tenant agrees, during the term hereof, to keep and maintain the paved parking areas, landscaped areas and the interior of the Premises and each and every part thereof, including, without limitation, the exterior and interior portions of all doors, windows, plate glass, and other things in and about the premises, in good order, condition and repair, including, without limitation, all wiring, plumbing, heating and air conditioning systems, pipes, conduits, and any and all other utility and sprinkler fixtures and equipment within the premises, fixtures and interior walls, floors, ceilings, signs, and all interior and exterior building appliances, and similar equipment. Tenant shall, upon the expiration or earlier termination of the term hereof, surrender the Premises to the Landlord in substantially the same condition as was the case at the beginning of the initial lease term, ordinary wear and tear and damage from causes beyond the reasonable control of Tenant excepted. Except as may be specifically provided herein to the contrary, Landlord shall have no obligation whatsoever to alter, remodel, improve, repair, decorate or paint the premises or any part thereof and the parties hereto affirm that Landlord has made no representations to Tenant respecting the condition of the premises except as specifically set forth herein.

10. LIENS.

Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant. Landlord may require, at Landlord's sole option, that Tenant provide Landlord, at Tenant's sole cost and expense, a

payment and performance bond in an amount equal to one and one-half (1-1/2) times the estimated cost of any improvements, additions and alterations to be made by Tenant with respect to the Premises, to insure Landlord against any liability for mechanics' and materialmen's liens and to insure completion of work.

11. ASSIGNMENT AND SUBLETTING.

Tenant shall not assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein and shall not permit or suffer the same to occur by reason of the operation of law, and shall not sublet the premises or any part thereof, or any right or privilege appurtenant thereto, or permit or suffer any other Person (the employees, agents, servants and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without the prior written consent of Landlord. A consent to any such assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Any such assignment or subletting without such consent shall be void, and shall, at the option of the Landlord, constitute a default under this Lease.

Tenant shall not transfer a controlling interest in Tenant except upon written consent of Landlord, which consent shall not be unreasonably withheld. For the purposes of this Section, transfer of control shall be deemed to have occurred if Anne and Katherine Coonrod do not own, in the aggregate, fifty percent (50%) of the voting rights as shareholders of the Tenant.

12. HOLD HARMLESS.

(a) Tenant shall indemnify and hold harmless Landlord against and from (i) any and all claims arising from Tenant's use of the premises for the conduct of its business or from any activity, work or other things done, permitted or suffered by the Tenant in or about the Premises, (ii) any and all claims arising from any breach or default in the performance of any obligation of Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, licensee or invitee of Tenant, and (iii) all costs, attorney's fees, expenses and liabilities incurred in connection with any such claim or any action or proceeding brought thereon. In the event any case, action or proceeding be brought against Landlord by reason of any such claim, Tenant shall, upon written notice from Landlord, defend the same, at Tenant's sole cost and expense, by counsel reasonably satisfactory to Landlord. Tenant as a material part of the consideration to Landlord hereby assumed all risk of damage to property or injury to persons, in, upon or about the Premises from any cause other than Landlord's negligence, and Tenant hereby waives all claims in respect thereof against Landlord.

(b) Landlord shall indemnify and hold harmless Tenant against and from (i) any and all claims arising from any breach or default in the performance of any obligation on Landlord's part to be performed under the terms of this lease, or arising from any act or negligence of the Landlord, or any agent, employee, licensee or invitee of Landlord and (ii) all costs, attorney's fees, expenses and liabilities incurred in connection with any such claim or any action or proceeding brought thereon. In the event any case, action or proceeding be brought against Tenant by reason of any such claim, Landlord shall, upon written notice from Tenant, defend the same, at Landlord's sole cost and expense.

13. SUBROGATION.

Tenant hereby waives Tenant's right to recover against Landlord for any loss or damage covered by fire, extended coverage and other property insurance policies to the extent that Tenant's loss or damage is covered under Tenant's insurance policies. Tenant shall immediately give notice to Tenant's insurance carriers and obtain any endorsements required to give effect to the foregoing waiver.

14. INSURANCE.

(a) Tenant shall, at all times during the term of this Lease at its own cost and expense, maintain fire and extended coverage insurance on the Premises. Such insurance policies shall include fire insurance and insurance with respect to risks from time to time included under the standard extended coverage endorsement, including vandalism and malicious mischief, in amount sufficient to prevent Landlord and Tenant from becoming co-insurers of any loss but in any event not less than the full insurable value of the buildings and improvements as determined from time to time (but not less often than once every three years) by the insurer or insurers. The term "full insurable value" shall mean actual replacement costs, without deduction for physical depreciation, including the costs of debris removal, excavation, foundations, footings and other improvements below ground. Such insurance shall be issued by good and responsible insurers authorized to do business in the State of Florida and which are well rated by any recognized national rating organization. In the event of any loss, damage or destruction to the buildings and improvements on the premises and in the event that Landlord is required to repair or reconstruct the Premises as provided for in paragraph 18 below, Landlord shall hold all sums of money paid under such insurance in an escrow arrangement reasonably satisfactory to Tenant for the payment therefrom of the replacement costs of reconstruction or repair, as the case may be, to the buildings and improvements on the Premises as provided for in paragraph 18 below.

(b) Tenant shall, at all times during the term of this Lease, at its own cost and expense, maintain with good and responsible

insurers authorized to do business in the State of Florida, public liability insurance covering the liability of both Tenant and Landlord in connection with the Premises with limits of not less than \$1,000,000 for death or injury to one person and \$1,000,000 for death of injury to two or more persons.

(c) The policy or policies of insurance required to be maintained by Tenant pursuant to this paragraph shall name as the insured parties, Landlord and Tenant, as their respective interests may appear.

(d) Promptly after the commencement of the term of this Lease, Tenant shall deliver to Landlord certificates of its respective insurers evidencing the insurance which it is required to maintain hereunder, and within ten (10) days prior to the expiration of any such insurance, other certificates evidencing the renewal of such insurance.

15. UTILITIES AND TAXES.

Tenant shall pay monthly, as and when the same become due and payable, all charges for water, telephone, electricity, gas, heat, air conditioning, waste disposal, and other like and similar utility charges for services furnished to the premises whether by a third person, a governmental unit or a utility company. To the extent that any charge for any such service could or might be a lien on the Premises, Tenant shall at Landlord's request submit Landlord evidence of the full payment thereof. Tenant shall pay all real estate taxes upon real property or improvements on the premises during the Term prior to the time any tax certificates are issued with respect to nonpayment. Tenant shall pay all sales taxes, from time to time in effect, associated with the rental of the Premises, if applicable.

16. HOLDING OVER.

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, with the express written consent of Landlord, such occupancy shall be a tenancy from month to month at a rental rate of double the monthly rent then due, plus all other charges payable hereunder, and upon all the terms and conditions hereof applicable to a month to month tenancy.

17. ENTRY BY LANDLORD.

Landlord reserves and shall have the right to enter the premises at any and all times, to inspect the same, to supply any service to be provided by Landlord to Tenant hereunder, to show the premises to prospective purchasers or tenants, to post notices of nonresponsibility, and to alter, improve or repair the Premises that Landlord may deem necessary or desirable, all without

reduction of rent. For the purpose of any alterations, improvements or repairs, Landlord may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed, always providing that the entrance to the premise shall not be blocked thereby and further providing that the business of the Tenant shall not be interfered with unreasonably. Tenant hereby waives any claim for damages or for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults, safes and files, and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency in order to obtain entry to the Premises without liability to Tenant except for any failure to exercise due care for Tenant's property. Any entry to the premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be forcible or unlawful entry into, or a detainer of the Premises, or an eviction of Tenant from the premises or any portion thereof.

18. RECONSTRUCTION.

In the event the Premises are damaged by fire or other perils covered by extended coverage insurance, Landlord agrees to make the repairs forthwith and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate reduction in the rent based on the extent to which the damage and the repair work shall materially interfere with the business carried on by the Tenant in the Premises. If the damage is due to the fault or neglect of Tenant or its employees, there shall be no reduction in rent.

In the event the Premises are damaged as a result of any cause other than the perils covered by fire and extended coverage insurance, then Landlord shall make the repairs forthwith, provided the extent of the damage is less than Twenty-Five Percent (25%) of the then full replacement cost of the Premises. In the event the damage is greater than Twenty-Five Percent (25%) of the full replacement cost of the Premises, Landlord shall have the option to repair such damage or terminate this Lease. Written notice of such election shall be given to Tenant within sixty (60) days of the date of the damage. If the damage is to be repaired, Landlord agrees to make the repairs forthwith and this Lease shall continue in full force and effect but the rent shall be proportionately reduced as provided above in this paragraph. If this Lease is to be terminated, the termination date shall be stated in said Notice which shall be not less than thirty (30) days and no more than sixty (60) days following the date of such notice. This Lease shall expire and all interest of the Tenant in the Premises shall terminate on the date stated in such notice and the rent shall be

proportionately reduced as provided above in this paragraph up to date of such termination.

Notwithstanding anything to the contrary contained in this paragraph, Landlord shall have no obligation to repair, reconstruct or restore the Premises when the damage resulting from any casualty occurs during the last twelve (12) months of the term of this Lease.

Landlord shall have no obligation to repair any damage to, or to make any repairs or replacements of, any panels, decorations, office fixtures, railings, floor coverings, partitions, or any other property or improvements installed in the Premises by Tenant.

19. DEFAULT.

The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.

(a) The vacating or abandonment of the Premises by Tenant.

(b) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant.

(c) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, where such failure shall continue for a period of thirty (30) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(d) The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; or the appointment of a trustee or a receiver to take possession of substantially all of Tenant's assets located at the premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days.

20. REMEDIES IN DEFAULT.

No such default or breach shall relieve Tenant of Tenant's liabilities and obligations under this Lease whether or not the Premises shall be relet. In any such event Tenant shall pay Landlords the base and additional rent and all of other sums required to be paid by Tenant up to the time of such event. In the event of any default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any other right or remedy which Landlord may have by reason of such default or breach:

(a) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages it may incur by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Premises, expenses of reletting, including necessary renovation and alteration of the Premises, reasonable attorney's fees, and real estate commission actually paid, the difference between the base rent and additional rent reserved in this Lease from the date of such default or breach to the date of the expiration of the term hereof as renewed and extended and the then fair and reasonable rental value of the Premises for the same period and that portion of the leasing commission paid by Landlord and applicable to the unexpired term of this Lease, all of which amount shall be immediately due and payable from Tenant to Landlord. Unpaid installments of rent or other sums shall bear interest from the date due at the rate of Eighteen Percent (18%) per annum.

(b) Landlord, as agent for Tenant, may immediately reenter the Premises and take possession thereof and all permanent improvements thereon and remove or put out Tenant or any other persons who may be thereon by force, summary action or otherwise, together with all personal property found therein and such property may be stored in a public warehouse or elsewhere at the cost of and for the account of Tenant, all without service or notice and make such alterations and repairs as may be necessary in order to relet the premises, and relet the premises or any part thereof, or said premises with additional Premises, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable; upon each such reletting all rentals received by Landlord from such reletting shall be applied, first to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord, second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees and of costs of such alterations and repairs, third to the payment of rent due and unpaid hereunder, and the residue, if any, shall be held by Landlord and applied in

payment of future rent or damage as the same may become due and payable hereunder. If such rentals received from such reletting during any month be less than that to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord, the same to be calculated and paid monthly. No such reentry or taking possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. If Tenant shall, after default, voluntarily give up possession to Landlord, deliver to Landlord the keys to the Premises, or both, such actions shall be deemed to be in compliance with Landlord's rights and the reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur by reason of Tenant's default, as provided in subparagraph (a) hereof.

In case suit shall be brought for recovery of possession of the Premises, for the recovery of rent, damages or other amount due under the provisions of this lease, or because of the breach of any other covenant herein contained on the part of Tenant to be kept or performed, and a breach shall be established, Tenant shall pay to Landlord all expenses incurred therefor, including reasonable attorneys' fees. Landlord shall not be obligated to notify Tenant of the due date of rent nor demand payment thereof on its due date, the same being expressly waived by Tenant. The acceptance of any sums of money from Tenant after the expiration of any three (3) day or thirty (30) day notice as above provided shall be taken to be a payment on account by Tenant and shall not constitute a waiver by Landlord of any rights, nor shall it reinstate the Lease or cure a default on the part of the Tenant.

21. EMINENT DOMAIN.

If all or any part of the Premises is taken or condemned (both and either of which terms includes within their meaning a conveyance in lieu of condemnation upon the threat thereof) by competent authority for any public use or purpose, then Landlord shall have the option for thirty (30) days following such taking to terminate this Lease if Landlord, in its sole discretion, deems repair or restoration commercially unfeasible or not in its best interest. If a part of the premises is taken or condemned and the remaining portions of the premises are unsuitable for the purposes of Tenant's original occupancy, then Tenant shall have the option for thirty (30) days allowing such taking to terminate this Lease. Any such termination is to be effective as of the date of the taking. In the event this Lease is not so terminated, then this Lease shall remain in full force and effect, but Landlord shall promptly restore the Premises to a condition comparable to its condition immediately prior to such taking (less the portion lost

in the taking). Rents payable hereunder shall be reduced during the period of restoration and after such taking in proportion to the reduction in the number of square feet of net rentable floor area of the Premises occasioned by such restoration and taking. Except as herein otherwise specifically provided, Landlord shall be entitled to all awards and proceeds payable by reason of such taking, whether whole or partial, as damages or otherwise. Tenant hereby expressly waives any right or claim to any part thereof and assigns to Landlord its interest therein, provided, however, that where such taking results in a termination of this Lease pursuant to this paragraph, then the Tenant shall be entitled to that portion, if any, of an award made to or for the benefit of Tenant specifically for the loss of Tenant's business, or depreciation to and cost of removal of trade fixtures exclusive of leasehold improvements, owned by Tenant which Tenant is entitled to remove. Tenant shall have not claim against Landlord, condemning authority or the award for the value of the unexpired term of this Lease.

22. OFFSET STATEMENT.

Tenant shall at any time and from time to time upon not less than ten (10) days' prior written notice from Landlord execute, acknowledge and deliver to landlord a statement in writing, (a) certifying that this Lease in unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified, is in full force and effect), and the date to which the rental and other charges are paid in advance, if any, and (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of the Landlord hereunder, or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part.

23. RADON GAS.

Pursuant to the requirements of Fla. Stat. §404.056(8), the following notice is given:

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

By giving the foregoing notice, Landlord does not, in any way, represent or imply that radon gas exists in any building located on the leased Premises, and Landlord warrants and represents that Landlord has no knowledge as to whether there is, or is not, any

radon gas present in any such building.

24. GENERAL PROVISIONS.

(a) Plats and Riders. Clauses, plats and riders, if any, signed by the Landlord and the Tenant and endorsed on or affixed to this Lease are a part hereof.

(b) Waiver. The waiver by Landlord of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or conditions of this Lease.

(c) Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All Notices and demands by the Landlord to the Tenant shall be sent by United States mail, postage prepaid, addressed to the Landlord at the place where rent is payable, or to such other person or place as the Landlord may from time to time designate in a notice to the Tenant.

(d) Joint Obligation. If there be more than one Tenant, the obligations hereunder imposed upon Tenants shall be joint and several.

(e) Marginal Headings. The marginal headings and paragraph titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof. Any lease summary attached to this Lease shall be a part of this Lease.

(f) Time. Time is of the essence of this Lease and each and all of its provisions in which performance is a factor.

(g) Recordation. Landlord or Tenant may record a short form memorandum hereof, and the other party agrees to execute such memorandum.

(h) Quiet Possession. Upon Tenant paying the rent reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire term hereof, subject to all provisions of this Lease.

(i) Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any in connection with the Lease of the Premises and Tenant's use of the Premises, and no prior agreements or understandings pertaining to any such

matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. This Lease shall not be effective or binding on any party until fully executed by both parties hereto.

(j) Inability to Perform. This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of God, or any other cause beyond the reasonable control of the Landlord.

(k) Attorney's Fees. In the event of any dispute, action or proceeding brought by either party against the other under this Lease, whether suit be brought or not, the prevailing party shall be entitled to recover all costs and expenses including the reasonable fees of its attorneys in such dispute, action or proceeding.

(l) Subordination and Attornment. Tenant hereby subordinates all of Tenant's right, title and interest under this Lease to the lien of any existing and all future mortgages and deeds of trust on the premises. Tenant agrees to execute and deliver promptly such agreements and other documents as Landlord may request from time to time to confirm and acknowledge the foregoing subordination agreement and Tenant hereby appoints Landlord as Tenant's agent to execute and deliver all such agreements and other documents for and on behalf of Tenant. In the event the lien of any such mortgage or deed of trust is foreclosed or title to the Premises is conveyed in lieu of foreclosure, Tenant hereby agrees to attorn to the purchaser of the Premises at any foreclosure sale and the grantee of any such deed and to confirm this Lease and recognize such purchaser or grantee as the Landlord hereunder. The provisions of this Article to the contrary notwithstanding, and so long as Tenant is not in default hereunder, this Lease shall remain in full force and effect for the full term thereof.

(m) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

(n) Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall wherever possible, be cumulative with all other remedies at law or in equity.

(o) Choice of Law. This Lease shall be governed by the laws of the State of Florida.

(p) Signs. Tenant shall have the right, at its expense, with the written permission by Landlord in advance, to and in

conformity with applicable law and ordinances to erect and thereafter to replace, if it shall so elect, such sign or signs on the Premises as it deems appropriate.

(q) Construction. All terms used in this Lease, regardless of the number or gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and by other gender, masculine, feminine, or neuter, as the context or sense of this Lease or any paragraph, section, subsection or clause herein may require as if such terms had been fully and properly written in such number or gender.

(r) Contemporaneous Agreements. This Lease is executed contemporaneously with an Asset Purchase Agreement, exhibits thereto and related documents, of even date the terms and conditions of which are incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date above Written.

Signed, sealed, and delivered
in the presence of:

Margaret C. Stevenson
Thomson

CENTRE STREET RESTAURANT
GROUP, LTD.

By: [Signature]
Its: Partner

FRONT & CENTRE

Charles L. Taylor
Andy Sterling

By: [Signature]
Anne T. Coonrod

Charles L. Taylor
Andy Sterling

[Signature]
Anne T. Coonrod, individually

o:\wp51\lmc\real\Centre.Les

Settlement Agreement

The City of Fernandina Beach (the "City") has authorized me to make the following settlement offer this January 2, 1996:

1. Fernandina Harbor Joint Venture ("FHJV") and Fernandina Marina Investors, Ltd. ("FMI") will provide written acknowledgment of the termination of the Development and Lease Agreement and the marina sublease, and will deliver possession of the marina property to the City free and clear of all liens. FMI will dismiss its present appeal from the circuit court judgment of eviction with prejudice. At the time of delivery of possession of the marina property, FHJV and FMI will provide the City with all applicable operating licenses and permits pertaining to the operation of the marina, and existing marina tenant lists.

2. FHJV will release its claim to the monies in the registry of the Circuit Court to the City (Case Number 93-1049-CA), and consent to an order disbursing these monies to the City.

3. FHJV and FMI will cause the Barnett Bank and any other party claiming any lien or claim on the marina docks to release any such claim or lien, and FHJV and FMI will deliver the entire marina docks free and clear to the City.

4. All claims and counterclaims between and among the City, FMI, and FHJV will be dismissed with prejudice, all parties to bear their own costs and attorneys fees.

5. Amelia's Restaurant, Inc ("Amelia's") and Center Street Restaurant Group, Ltd. ("CSRG") will agree that all monies paid by Amelia's to CSRG will be paid only to satisfy the following debts in the following sequence:

A. Rent to City of Fernandina Beach under the restaurant sublease (including ad valorem taxes as discussed below in paragraph 7) , the parties to which are now CSRG and the City.

B. CBDG Block Grant installment payments or prepayments, so long as such debt is outstanding.

C. Installment payments to Barnett Bank, or its successor, required by the bonds, so long as such debt is outstanding.

6. The City will acknowledge that the Development and Lease Agreement and the marina sublease have been terminated, and that CSRG as subtenant as to the restaurant is now entitled to continue in possession, with the City succeeding to the position of FHJV as Landlord under the Sublease, and that CSRG is not in default of the terms of the restaurant sublease to the City's knowledge. The form of the sublease will be amended to a form satisfactory to both parties, consistent with their recent

discussions, and the terms of this settlement.

7. Without any admission that the City has ever had any obligation to pay ad valorem taxes on the restaurant property, or on the restaurant leasehold, the City and CSRG and Amelia's agree that CSRG and Amelia's will pay any such taxes found to be due after the date of the dismissal of the FMI bankruptcy for any period of time after such dismissal, but not for any prior period.

8. FHJV and FMI, in addition to the foregoing, will pay \$101,000 to the City.

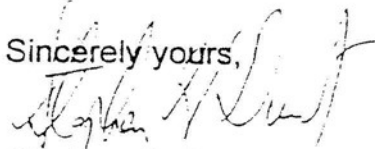
9. It is the intent of this proposal that the City will not have to incur any significant additional attorneys fees in this dispute. As a result, FHJV and FMI will dismiss the bankruptcy proceedings and take all appropriate steps to end all litigation promptly and FMI will withdraw its motion to assume the marina sublease prior to its scheduled hearing on January 2, 1996.

10. This settlement is subject to final approval by the Fernandina Beach City Commission, and is subject to the notice provisions of the Federal Rules of Bankruptcy Procedure 9019. As a result, if ~~the final form of the~~ settlement agreement is not ^{SHD} approved by the City Commission, or if an objection to this settlement agreement or to the dismissal of the bankruptcy proceedings is sustained in the bankruptcy court, all parties will be returned to their positions prior to the execution of this agreement without prejudice, and all parties waive all objections to the timeliness of any renewed pleadings notwithstanding the provisions of 11 USC 365 (d) (4). ^{SHD Bdy.}

11. Time is of the essence to the City in this transaction. As a result, all parties to this agreement will use their best efforts to carry out all of the obligations of this agreement in the shortest possible time. FHJV will forthwith pay any U.S. Trustee fees required to permit entry of an order of dismissal of its bankruptcy petition. The City will promptly accept or reject ~~the final form of~~ this settlement agreement, and FMI then will file its motion to dismiss its bankruptcy proceeding forthwith, and will use its best efforts to obtain an order of dismissal as promptly as possible. Thereafter, it will turn over the marina, and will pay the monies agreed within five calendar days of the date of the order of dismissal. All other obligations of the settlement agreement will be accomplished within ten days of the date of the order of dismissal, except that FMI and FHJV will have 45 days from the date of the order of dismissal to obtain the releases described in paragraph 3 of this settlement agreement. ^{SHD Bdy.}

Please indicate your acceptance below.

Sincerely yours,



Stephen H. Durant

I hereby represent that I am authorized to accept, and do accept, this settlement agreement on behalf of FHJV, FMI, Amelia's Restaurant, Inc. And Center Street Restaurant Group

Dated January 2, 1996

Bryan Thompson

TELEPHONE 261-5976

Fax: 904-261-0160

VERNON N. DRAKE & ASSOCIATES

103 SOUTH 10TH STREET
FERNANDINA BEACH, FLORIDA 32034

REGISTERED
LAND SURVEYORS

DECEMBER 9th, 1996

DESCRIPTION FOR CITY OF FERNANDINA BEACH

A PORTION OF WATER LOT 25, FERNANDINA BEACH, FLORIDA.

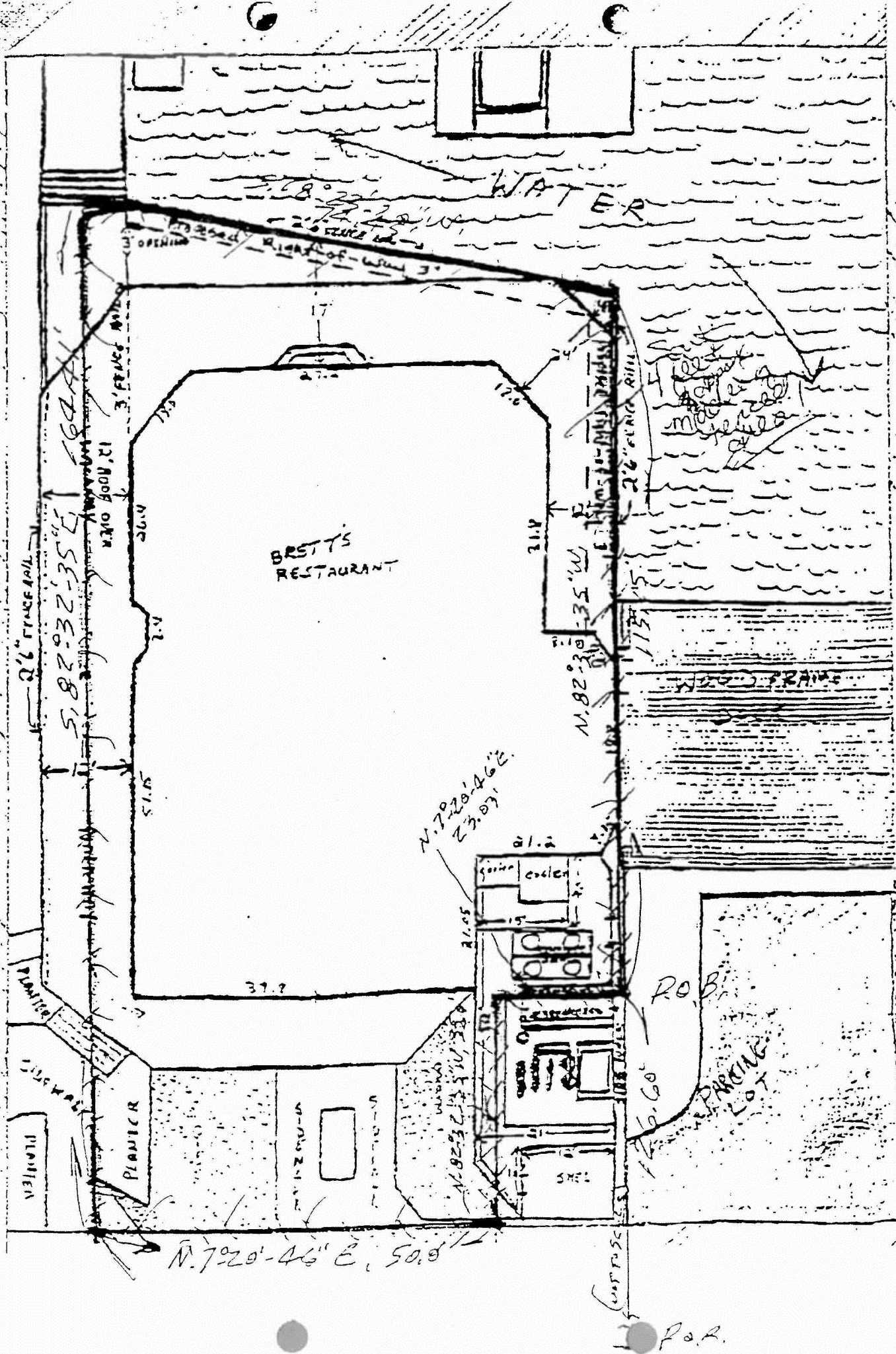
As shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901).

Said portion being more particularly described as follows: For a point of reference commence at the Southeast corner of Waterlot 1 of said City and run North $82^{\circ}-30'-35''$ West along the division line of Lot 1 and Lot 25 aforesaid, a distance of 126.60' feet to the POINT OF BEGINNING.

From the Point of Beginning thus described continue North $82^{\circ}-30'-35''$ West along said division line, a distance of 60.45' feet; run thence South $7^{\circ}-29'-25''$ West, a distance of 4.0' feet; run thence North $82^{\circ}-30'-35''$ West, a distance of 51.40' feet; run thence South $18^{\circ}-23'-20''$ West, a distance of 64.36' feet; run thence South $82^{\circ}-30'-35''$ East along the Westerly extension of and along the Southerly wall of restaurant building, a distance of 119.92' feet; run thence North $7^{\circ}-29'-25''$ East, along said wall, a distance of 39.80' feet; run thence South $82^{\circ}-30'-35''$ East departing said wall, a distance of 4.17' feet; run thence North $7^{\circ}-20'-46''$ East, a distance of 27.40' feet to the POINT OF BEGINNING.

Prepared by

Vernon N. Drake
Vernon N. Drake,
P.S. & M. No. 1558



SHORT FORM LEASE

THIS SHORT FORM LEASE, made this 11th day of March, 1988, between FERNANDINA HARBOR JOINT VENTURE, a Florida joint venture (the "Lessor"), and FERNANDINA MARINA INVESTORS, LTD., a Florida limited partnership (the "Lessee"), whose address is 100 West Laura Street, Jacksonville, Florida, 32202.

W I T N E S S E T H: That,

For valuable considerations, the receipt of which are recited in a certain sublease entitled "Marina Sublease" between Lessor and Lessee dated the same day as this Short Form Lease, the Lessor does hereby lease to Lessee the premises known as the Harbour Market described in Exhibit "A" annexed hereto.

The term of this lease shall expire at 11:00 p.m. on December 1, 2025.

All of the terms, covenants and conditions of the Marina Sublease are incorporated herein by reference. Copies of such Sublease may be obtained by written request to the Lessor at the address stated above.

The interest of the Lessor in the premises shall not be subject to any lien for the improvement of the property made by Lessee.

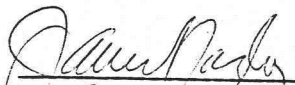
IN WITNESS WHEREOF, Lessor and Lessee have executed this Short Form Lease as of the day and year first above written.

Signed, sealed and delivered
in the presence of:

FERNANDINA HARBOR JOINT VENTURE,
a Florida general partnership

By: Centre Street Waterfront
Group, Ltd., a Florida
limited partnership

By: Centre Street Waterfront
Group, Inc., its general
Partner



Carol Lee Lessee

By  _____
Its President

and

By: Fernandina Marina Investors,
Ltd., a Florida limited
partnership

Caren Lee Hession
Anne Z Coarad

By: Fernandina Marina Investors,
Inc., its general partner

By J. Frank Surfare
Its VICE President

FERNANDINA MARINA INVESTORS, LTD.,
a Florida limited partnership

Caren Lee Hession
Anne Z Coarad

By: Fernandina Marina Investors,
Inc., its general partner

By J. Frank Surfare
Its VICE President

Exhibit "A" -

STATE OF FLORIDA

COUNTY OF Deval

The foregoing instrument was acknowledged before me this
11th day of March, 1988, by Robert Scott Allison,
the President of The Centre Street Waterfront
Group, Inc., the general partner of Centre Street Waterfront
Group, Ltd., as a limited partner of FERNANDINA HARBOR JOINT
VENTURE, a Florida general partnership, on behalf of the
partnership.

Caren Lee Hession
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Deval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surface, the Vice President of Fernandina Marina Investors, Inc., the general partner of Fernandina Marina Investors, Ltd., as a limited partner of FERNANDINA HARBOR JOINT VENTURE, a Florida general partnership, on behalf of the partnership.

Caren Lee Hissong
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

STATE OF FLORIDA

COUNTY OF Deval

The foregoing instrument was acknowledged before me this 11th day of March, 1988, by J. Frank Surface, the Vice President of Fernandina Marina Investors, Inc., the general partner of FERNANDINA MARINA INVESTORS, LTD., a Florida limited partnership, on behalf of the partnership.

Caren Lee Hissong
Notary Public, State and County
aforesaid

My Commission expires:
NOTARY PUBLIC, STATE OF FLORIDA
My commission expires Aug. 22, 1988
(Notarial Seal)

EXHIBIT "A"

PARCEL ONE (1):

All that certain lot, situate, lying and being in the County of Nassau and State of Florida, to-wit:

Water Lots ONE (1), TWENTY-FIVE (25), TWENTY-SIX (26), TWENTY-SEVEN (27), TWENTY-EIGHT (28), TWENTY-NINE (29), and THIRTY (30), in the CITY OF FERNANDINA BEACH, as shown on the official plat of said CITY (as lithographed and issued by the Florida Railroad Company in 1887 and 1901);

LESS AND EXCEPT THE FOLLOWING: A portion of Water Lot ONE (1) as described above, said portion being more particularly described as follows:

Beginning at the Northeasterly corner of said Water Lot ONE (1) located on the Westerly right-of-way line of North Front Street, (having a right-of-way of Sixty (60.0) feet and run South Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds West along said right-of-way a distance of One Hundred (100.0) feet to a point; run thence North Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds, West a distance of One Hundred Twenty-three (123.0) feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Thirty-seven (37.0) feet to a point; run thence North Eighty-two (82) degrees Thirty (30) minutes Thirty-five (35) seconds West a distance of 69.0 feet to a point; run thence North Seven (07) degrees, Twenty-nine (29) minutes, Twenty-five (25) seconds East a distance of Sixty-three (63.0) feet to a point on the Northerly line of Water Lot One (1) aforementioned; run thence South Eighty-two (82) degrees, Thirty (30) minutes, Thirty-five (35) seconds East along said lot line a distance of One Hundred Ninety-two (192.0) feet to the POINT OF BEGINNING.

ALSO LESS AND EXCEPT A STRIP OF LAND APPROXIMATELY TEN (10.0) FEET IN WIDTH ON THE EAST END OF WATER LOTS TWENTY-FIVE (25), TWENTY-SIX (26) and TWENTY-SEVEN (27).

PARCEL TWO (2):

All that part of Water Lot Thirty-one (31) in the CITY OF FERNANDINA BEACH as described above lying North of that certain line as more fully shown upon that certain plat recorded in the public records of said County of Nassau in Deed Book 39, at page 308, said line being the Northern boundary line of the property conveyed by the Fernandina Dock and Realty Company to the Fernandina Packing Co. by Deed dated December 1, 1925 and recorded in the said public records of Nassau County in Deed Book 63, page 137.

PARCEL THREE (3):

That portion of FRONT STREET lying immediately adjacent to Parcels One and Two, except Water Lot ONE (1), if said Front Street should be relocated by the City Commission of the City of Fernandina Beach during the term of this Lease.

AND LESS AND EXCEPT the following described lands:

A portion of Water Lot 25, Fernandina Beach, Nassau County, Florida as shown on the Official Plat of said City (as lithographed and issued by the Florida Railroad Company in 1857 and enlarged, revised and re-issued by the Florida Town Improvement Company in 1887 and 1901) being more particularly described as follows:

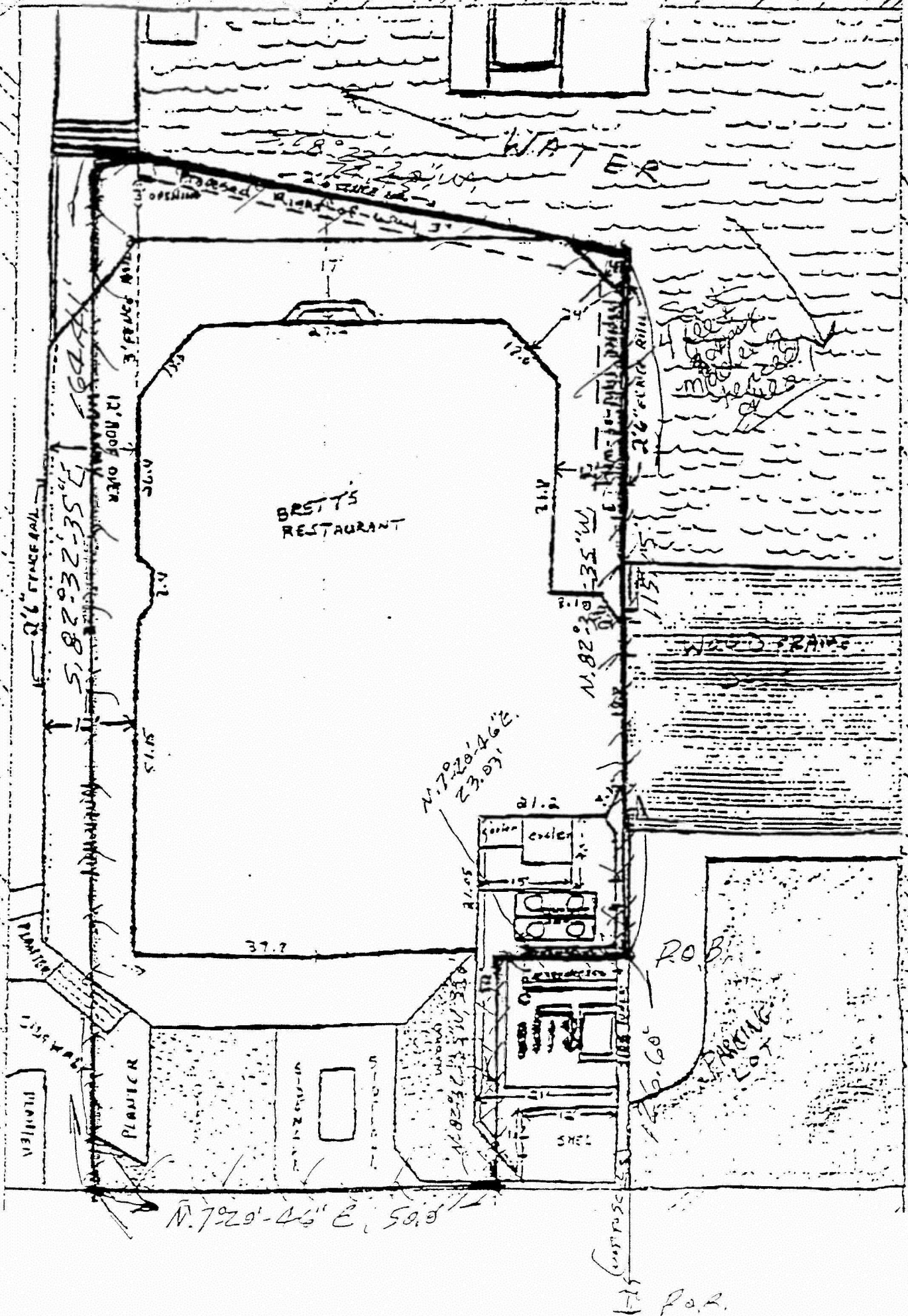
COMMENCE at the Southeast corner of Water Lot 1, of said city; thence run N.82°30'35" W. along the division line of Water Lots 1 and 25, a distance of 126.60 feet to THE POINT OF BEGINNING; thence continue N.82°30'35"W. still along said division line a distance of 115.15 feet + to the waters of Amelia River; thence S.18°23'20" W. along the waters of said Amelia River a distance of 74.45 feet; thence S.82°32'35" E. a distance of 164.41 feet; thence N.7°20'46"E. a distance of 50.00 feet; thence N.82°32'35" W. a distance of 35.00 feet; thence run N.7°20'46" E. a distance of 23.03 feet to THE POINT OF BEGINNING.

Containing 10,684.6697 sq. ft. or
0.245 acres, more or less.

EXHIBIT "J"**Example of Rent Calculation**

1.	Restaurant gross income for 1994 received by Brett's Waterway Cafe on behalf of Amelia's Restaurant, Inc.	\$1.5 million
	Rent paid by Amelia's to Centre Street Restaurant Group is 6% of gross income	\$90,000.00
	Rent paid to City by CSRG is 5% of rent they receive	\$ 4,500.00
2.	Rent paid by Front and Centre Gift Shop to CSRG per year	\$ 9,450.00
	Rent paid to City by CSRG from giftshop 5%	\$ 472.50
	Total rent paid by CSRG to City in this example	\$ 4,972.50*

* This sum is net to the City, and all costs or expenses relating to the Lease Parcel must be paid by CSRG including ad valorem taxes and other expenses as discussed on the Lease, including but not limited to 3.6(a).



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

CASE NO.: 2021-CA-317
DIVISION: A

CENTER STREET RESTAURANT GROUP,
INC., a Florida corporation, AMELIA'S
RESTAURANT, INC., and BRETT'S
WATERWAY CAFÉ,

Petitioners,

v.

CITY OF FERNANDINA BEACH,

Respondent.

_____ /

ORDER GRANTING PETITION FOR WRIT OF CERTIORARI

The Petition for Writ of Certiorari is **GRANTED** for the reasons stated on the record.

The decision of the Board of Adjustments that is the subject of this proceeding is hereby
QUASHED.

DONE and **ORDERED** in Chambers, at Nassau County, Florida this 18th day of August,
2022.



ERIC C. ROBERSON
CIRCUIT JUDGE

Copies to counsel of record via electronic filing

RESOLUTION 2025-50

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FERNANDINA BEACH, FLORIDA, ADOPTING THE CITY COMMISSION'S FISCAL YEAR 2025/2026 GOALS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission meets annually to discuss and develop goals for the coming year; and

WHEREAS, the City Commission, joined by staff and members of the public, met on February 27, 2025, to consider such goals; and

WHEREAS, following deliberation, the City Commission unanimously approved the capital goals of: Brett's Waterway Café replacement, seawall design, seawall construction (segment 1) and downtown revitalization; and the operational goals of: professional development improvement (training, processes, headcount), efficiency improvements (accounts receivable, contract management, project management); and

WHEREAS, the City Commission supported continuing staff efforts in these areas: capital; Community Redevelopment Area public/private partnerships, Ybor Alvarez Regional Sports Complex, City facilities (City Hall, recreation centers); operational; five-ten-twenty year Capital Improvement Plans, Land Development Code updates (to include enhanced dune protection), stormwater master plan, and outsourcing services; and

WHEREAS, this Resolution seeks approval to formalize the City Commission goals agreed upon and approved at their February 27, 2025, Visioning workshop.

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

SECTION 1. The City Commission hereby adopts the 2025/2026 goals: Brett's Waterway Café replacement, seawall design, seawall construction (segment 1) and downtown revitalization; and the operational goals of: professional development improvement (training, processes, headcount), efficiency improvements (accounts receivable, contract management, project management), and implementation of paid parking.

SECTION 2. The City Commission offers its direction and support to City staff to pursue and complete the goals as indicated.

SECTION 3. The City Commission retains the ability, by subsequent Resolution, to amend or otherwise revise or add to the existing goals, in the interests of the health, safety, and welfare of the City of Fernandina Beach.

SECTION 4. This Resolution shall be effective immediately upon adoption.

ADOPTED this 18th day of March 2025.

CITY OF FERNANDINA BEACH



JAMES ANTUN
Commissioner – Mayor

ATTEST:

Caroline Best

CAROLINE BEST
City Clerk

APPROVED AS TO FORM AND LEGALITY:

Harrison W. Poole

HARRISON W. POOLE, ESQ.
City Attorney

2025 Commission Goals

Capital Goals	Mayor Antun	Vice-Mayor Ayscue	Commissioner Minshew	Commissioner Poynter	Commissioner Tuten	Total Score
Brett's Demolition & Replacement	5	5	5	5	5	25
Seawall Design	4	2	2	2	4	14
Seawall Construction (segment 1)	3	3	4	0	3	13
Downtown Revitalization	2	4	1	4	1	12
Facilities Replacement (City Hall, Rec Centers)	1	0	0	3	0	4
CRA Public/Private Partnerships	0	0	3	0	0	3
Ybor Alvarez Redevelopment	0	0	0	0	2	2
Construct Fishing Pier (101 N Front St)	0	0	0	1	0	1
Atlantic Seafood Demolition & Replacement	0	0	0	0	0	0
Operational Goals	Mayor Antun	Vice-Mayor Ayscue	Commissioner Minshew	Commissioner Poynter	Commissioner Tuten	Total Score
Human Resource Improvements (Organizational Structure, Training, Processing, Headcount)	5	5	4	2	0	16
Efficiency Improvements (Project Management, Accounts Receivable, Contract Management)	4	4	3	0	3	14
Implement Paid Parking	1	0	5	5	1	12
Capital Improvement Plan (5-10-20 year)	3	0	0	4	2	9
Ordinance Updates (LDC/Dune Management/Tree Canopy)	2	0	2	0	5	9
Stormwater Master Plan Update	0	0	0	0	4	4
Outsourcing	0	0	1	3	0	4
Volunteer Program/Business Partnerships	0	0	0	1	0	1
CRS Rating	0	0	0	0	0	0

2025 Commission Goals Implementation *Draft*

Capital Goals

	Total Score	Status	Task Window	Current Funding	Needed Funding	2nd Quarter 25	3rd Quarter 25	4th Quarter 25
C1. Brett's Demolition & Replacement	25							
A. Complete engineering demolition design								
i. Determine funding sources		Started						
ii. Secure demolition permits (ACOE, SJRWMD, FDEP, City)		Not started						
iii. Tenant relations and coordination		Not started						
iv. Secure funding		Started						
v. Issue RFP for demolition		Not started						
vi. Award RFP for demolition		Not started						
vii. Community engagement on demolition		Not started						
viii. Initiate demolition		Not started						
ix. Complete demolition		Not started						
B. Complete replacement concepts								
i. Work with commission, boards, & committees on public engagement		Started						
ii. Conduct public engagement on replacement concepts		Not started						
iii. Finalize replacement concept		Not started						
iv. Preliminary engineering on replacement		Started						
v. Determine funding sources		Started						
vi. Complete engineering design of replacement		Not started						
vii. Secure construction permits		Not started						
viii. Secure funding		Not started						
ix. Issue ITB for construction		Not started						
x. Award ITB for construction		Not started						
xi. Initiate construction		Not started						
xii. Complete construction		Not started						
C2. Seawall Design	14							
A. Complete engineering design from Rayonnier berm to Port (elev 9')								
i. Amend grant agreement - deadline		Started						
ii. Work with stakeholders on final path determination		Started						
iii. Complete engineering design		Started						
iv. Secure permits for design (ACOE, SJRWMD, FDEP)		Started						
v. Closeout design grant		Not started						
C3. Seawall Construction (segment 1)	13							
A. Construct segment from Rayonnier berm to existing seawall								
i. Work with stakeholders on final details		Started						
ii. Determine funding sources		Started						
iii. Secure construction permits		Not started						
iv. Secure funding		Not started						

2025 Commission Goals Implementation *Draft*

v.	Issue ITB for construction		Not started						
vi.	Award ITB for construction		Not started						

C4. Downtown Revitalization			12						
A. Complete Preliminary engineering concepts									
i.	Complete Centre Street Design		Started						
ii.	Centre Street Design Approval		Started						
iii.	Complete Side Street Designs		Started						
iv.	Side Street Design Approvals		Not started						
B. Determine Funding Sources									
i.	Implement Premium Parking Program (see O3.)		Started						
ii.	Evaluate additional funding strategies loan/bond		Started						
iii.	Secure funding sources		Not started						
C. Communication and Outreach									
i.	Work with stakeholders on messaging during project		Not started						
ii.	Implement communication and marketing tools		Not started						
D. Construct Improvements									
i.	Complete engineering design		Not started						
ii.	Secure construction permits		Not started						
iii.	Issue ITB for construction		Not started						
iv.	Award ITB for construction		Not started						
v.	Initiate construction		Not started						
vi.	Complete construction		Not started						



Operational Goals		Total Score	Status	Task Window	Current Funding	Needed Funding	2nd Quarter 25	3rd Quarter 25	4th Quarter 25
O1. Human Resource Improvements (Organizational Structure, Training, Processing, Headcount)		16							
A. Evaluate Departmental Headcounts									
i.	Review vacant positions		Not started						
ii.	Review departmental org charts		Not started						
iii.	Identify Areas of Consolidation		Not started						
iv.	Work with departments to phase any efficiencies through attrition or re-alignment		Not started						
B. Implement Process Improvements									
i.	RFP for Process Improvement Consultant		Not started						
ii.	Award contract to PI Consultant		Not started						
iii.	Conduct process mapping and analysis		Not started						
iv.	Identify any process redesign opportunities		Not started						
v.	Implement new technology, processes and org structure		Not started						

2025 Commission Goals Implementation *Draft*

C. Realign Department Organizational Structure

i.	Evaluate Department Operations		Not started						
ii.	Evaluate Succession Planning		Not started						
iii.	Identify Areas of Consolidation		Not started						
iv.	Work with departments to phase in consolidations		Not started						

D. Implement Master Training Program

i.	Gather current training data		Started						
ii.	Determine software needs for tracking (Munis or other)		Not started						
iii.	Identify training potential for each position		Not started						
iv.	Develop training outline for each position		Not started						
v.	Budget to support training outline		Not started						

O2. Efficiency Improvements (Project Management, Accounts Receivable, Contract Management)

14

A. Hire Capital Project Manager

i.	Develop Position Description		Completed						
ii.	Approve Headcount and budget		Completed						
iii.	Advertise Position		Started						
iv.	Review Resumes		Not started						
v.	Conduct Interviews		Not started						
vi.	On-board Candidate		Not started						
vii.	Implement workflow processes and software		Not started						
viii.	Transition capital project oversight		Not started						

B. Strengthen AR Collections

i.	Identify all leaseholders responsible for A/R		Not Started						
ii.	Amend leases to defer A/R to City		Not Started						
iii.	Transfer all tenant payments to City		Not Started						
iv.	Review internal A/R on a monthly basis		Not Started						
v.	Coordinate with CMO and CAO on delinquent payments		Not Started						

C. Implement Contract Management Software

i.	Review current systems to determine capabilities		Started						
ii.	Issue RFP if needed		Not started						
iii.	Award RFP if needed		Not started						
iv.	Implement software module		Not started						
v.	Data entry on current contracts		Not started						
vi.	Identify process for future contract implementation		Not started						

D. Improve Board/Committee Efficiency

i.	Review current slate of board/committee roles & responsibility		Started						
ii.	Identify areas of overlap or duplication		Started						
iii.	Identify costs associated with b/c operations		Started						
iv.	Identify areas for streamlining		Not started						
v.	Proposed amendments to city commission		Not started						

2025 Commission Goals Implementation *Draft*

vi	Implement restructured b/c system		Not started						
----	-----------------------------------	--	-------------	--	--	--	--	--	--

O3. Implement Paid Parking			12						
A. Determine Area of Impact									
i.	Evaluate downtown parking availability		Started						
ii.	Evaluate timing and frequency of use		Started						
B. Research Budgetary Impacts									
i.	Project revenue impact on premium locations		Started						
ii.	Project revenue on passholders		Started						
iii.	Evaluate preliminary expense projections		Started						
iv.	Determine feasibility and scope		Not-started						
C. Secure Firm to Provide Services									
i.	Issue RFP for Services		Not started						
ii.	Evaluate proposals		Not started						
iii.	Conduct interviews		Not started						
iv.	Award contract for services		Not started						
v.	Implement software and structural components		Not started						
vi.	Launch marketing window		Not started						
vii.	Launch trial period		Not started						
viii.	Official launch of program		Not started						
ix.	Launch enforcement program		Not started						