

SECOND AMENDMENT
TO
LEASE AND DEVELOPMENT AGREEMENT

This Second Amendment (“Second Amendment”) to Lease and Development Agreement entered into as of this ____ day of _____, 2010, by and between the CITY OF CORAL GABLES, a Florida municipal corporation (“City”) and THE PALACE MANAGEMENT GROUP, LLC, a Florida limited liability company (“Developer”).

W I T N E S S E T H:

WHEREAS, the City and Developer entered into that certain Lease and Development Agreement executed as of July 14, 2008 concerning the real property more particularly described in Exhibit “B” attached thereto and made a part thereof (the “Property”), as amended by that certain First Amendment to Lease and Development Agreement, dated as of June 12, 2009 and pursuant to extensions of time in Developer’s Schedule granted by the City Manager’s Office on April 12, 2010 (collectively the “Agreement” or “Lease”); and

WHEREAS, the parties hereto wish to further amend the Lease as hereinafter provided.

NOW, THEREFORE, in consideration of the premises, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. The above recitals are true and correct, and are hereby incorporated by reference.
2. Any capitalized term not otherwise defined herein, shall have the meaning ascribed thereto in the Lease.
3. Exhibit B to the Lease is hereby amended and restated in its entirety to refer to Exhibit B attached to this Second Amendment.
4. Exhibit G to the Lease is hereby amended and restated in its entirety to refer to Exhibit G attached to this Second Amendment.
5. All other terms, covenants, and conditions of the Lease, including, without limitation, the First Amendment to Lease and Development Agreement dated as of June 12, 2009, not otherwise amended by these presents are hereby confirmed and ratified.
6. This Second Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Developer has executed this Second Amendment as of the date and year first above written.

ATTEST:

Name: _____

Name: _____

DEVELOPER:

THE PALACE MANAGEMENT GROUP,
LLC, a Florida limited liability company

By: _____

Name: Jacob Shaham

Title: Manager

IN WITNESS WHEREOF, the City has executed this Second Amendment as of the date and year first above written.

By authority of Ordinance No.
_____ duly passed and adopted by
the Coral Gables City Commission on
_____, 2010.

ATTEST:

By: _____
Name: Walter J. Foeman
Title: City Clerk

CITY:

CITY OF CORAL GABLES, a
Florida municipal corporation

By: _____
Name: Patrick G. Salerno
Title: City Manager

**APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:**

By: _____
Name: Elizabeth M. Hernandez
Title: City Attorney

EXHIBIT B TO
LEASE AND DEVELOPMENT AGREEMENT
BETWEEN THE PALACE MANAGEMENT GROUP, LLC,
AND CITY OF CORAL GABLES, DATED AS OF JULY 14, 2007
AS AMENDED BY FIRST AMENDMENT TO LEASE DATED AS OF JUNE 12, 2009,
AND PURSUANT TO EXTENSIONS OF TIME IN DEVELOPER'S SCHEDULE
GRANTED BY CITY MANAGER ON APRIL 12, 2010

LEGAL DESCRIPTION OF LEASED PROPERTY

Parcel A (Municipal Lot 9):

Lots 35 through 43 in Block 4, of CORAL GABLES CRAFT SECTION, according to the Plat thereof, as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida and Tract B of Page's Replat of a portion of Block 4, Coral Gables Crafts Section, according to the Plat thereof as recorded in Plat Book 51, Page 32, of the Public Records of Miami-Dade County, Florida; and

Parcel B (Melody Inn Parcel): (Parcel B is part of the Leased Property subject to the terms and conditions set forth in Section 2.1(a) and Section 2.1(c)(viii) hereof).

Lots 44 through 47, in Block 4, of CORAL GABLES CRAFT SECTION, according to the Plat thereof, as recorded in Plat Book 10, Page 40, of the Public Records of Miami-Dade County, Florida.

EXHIBIT G TO
LEASE AND DEVELOPMENT AGREEMENT
BETWEEN THE PALACE MANAGEMENT GROUP, LLC,
AND CITY OF CORAL GABLES, DATED AS OF JULY 14, 2007
AS AMENDED BY FIRST AMENDMENT TO LEASE DATES AS OF JUNE 12, 2009,
AND PURSUANT TO EXTENSION OF TIME IN DEVELOPER'S SCHEDULE
GRANTED BY CITY MANAGER ON APRIL12, 2010

DEVELOPER'S SCHEDULE

Execution of MOU – January 24, 2007

Drafting of Lease Agreement – October 1, 2007

Execution of Lease Agreement – November 14, 2007

Conditions to Group Lease Execution

Operational Standards for Parking Garage – March 14, 2007

Operational Standards for Retail Component – March 14, 2007

Operational Standards for Residential Building – March 14, 2007

Possession Date – November 1, 2010

Conditions to Possession Date

Formation of CDD – July 30, 2010

Final plans and specifications – January 15, 2010

General construction contract – September 1, 2010

Delivery of payment and performance bonds – October 21, 2010

Loan commitments for financing – October 15, 2010

Closing on construction financing – November 1, 2010

Public Approvals - October 1, 2010

Demolition and building permits - October 1, 2010.

Conveyance of title to City of Melody Inn Parcel - November 1, 2010

Supplemental Third Party Fees Reimbursement – June 30, 2009

Commencement of Site Clearance/Demolition – November 1, 2010

Commencement of Construction – December 1, 2010

Construction Completed (issuance of certificate of occupancy) – August 2012

Project opening – August 2012