CITY OF CORAL GABLES, FLORIDA

ORDINANCE NO. 2009-29

AN ORDINANCE AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT WITH CORAL GRAND, LLC, FOR THE LONG-TERM MANAGEMENT AND OPERATIONS OF A CITY-OWNED FACILITY AT 997 NORTH GREENWAY DRIVE, ALSO KNOWN AS "THE COUNTRY CLUB OF CORAL GABLES", WITH THE LEGAL DESCRIPTION OF LOTS 1-9 AND 37-39, BLOCK 32, SECTION "B" INCLUDING THE TENNIS COURTS WITH THE LEGAL DESCRIPTION OF THAT PORTION OF THE GRANADA GOLF COURSE THAT IS APPROXIMATELY 130 FEET NORTH OF THE NORTH RIGHT-OF-WAY LINE OF SOUTH GREENWAY DRIVE AND 336 FEET WEST OF THE WEST RIGHT-OFWAY LINE OF GRANADA BOULEVARD, WHICH IS NOW OCCUPIED AND USED AS SIX (6) TENNIS COURTS AND A TENNIS CLUB HOUSE.

WHEREAS, on June 21, 2001, the City of Coral Gables entered into a Management Agreement with The Country Club of Coral Gables, Inc., a Florida Not for Profit Corporation, for the management of the Country Club. This entity subsequently entered into an operating agreement with Granada, LLC. The City now finds itself in search of a new operator to lease the facility; and

WHEREAS, on June 3, 2008, the City Commission authorized the drafting of a competitive Request For Qualifications and Proposals for the long-term management, operations and lease of The Country Club of Coral Gables; and

WHEREAS, on June 10, 2008, per Resolution 2008-84, the City of Coral Gables extended invitations to qualified managers and operators who demonstrated experience in operating facilities like those found at 997 North Greenway Drive which include banquet facilities, restaurant and club dining, meeting space, and recreational offerings (spa, fitness center, pool, etc.) to lease the facility; and

WHEREAS, on July 31, 2008, two proposals were received with one being judged insufficient and disqualified. Liberty Events, LLC, was forwarded to the Country Club of Coral Gables RFP Evaluation Committee for their consideration and recommendation based on established criteria stated in the City RFP; and

WHEREAS, on October 14, 2008, the City Commission accepted the recommendation and conditions of the Country Club of Coral Gables RFP Evaluation Committee per Resolution No. 2008-162 and authorized the drafting of a Lease Agreement; and

WHEREAS, on December 16, 2008, the City Commission, per Resolution No. 2008-216, authorized the City Manager to execute the non-binding Letter of Intent which outlined specific business terms and conditions; and

WHEREAS, the City's negotiation team together with Liberty Events, drafted a lease agreement incorporating the terms and conditions of the non-binding Letter of Intent and added additional provisions and terms appropriate for a long-term land lease which has been generally presented to the City's Budget Advisory Board, Property Advisory Board and the Economic Development Board; and

WHEREAS, on February 24, 2009 a draft Lease Agreement and Ordinance was adopted by the City Commission on First Reading; and

WHEREAS, on March 4, 2009, the Economic Development Board, further reviewed the draft Lease Agreement; and

WHEREAS, on March 18 and April 15, 2009, the Property Advisory Board, further reviewed the draft Lease Agreement and provided input; and

WHEREAS, Liberty Events, LLC has relinquished any interest or claim with regard to the proposal submitted to the City involving the Lease of the Coral Gables Country Club as referenced in City RFP; and

WHEREAS, the City's Special Counsel has reviewed the organizational documents of Coral Grand, LLC, and found them to be substantially identical to the organizational documents of Liberty Events, LLC, except that the minority partner in Liberty Events LLC, is no longer an investor in Coral Grand, LLC, which is the proposed tenant under the Lease Agreement with the City, and

WHEREAS, the City has finalized negotiations with Coral Grand, LLC, generally consistent with the terms and conditions set forth in the draft Lease Agreement presented on February 24, 2009 and Ordinance approved by the City Commission on First Reading.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

SECTION 1. That the foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Ordinance upon adoption hereof.

SECTION 2. That the City of Coral Gables does hereby execute a Lease Agreement with Coral Grand LLC, for the long-term management of the Country Club of Coral Gables (997 North Greenway Drive).

SECTION 3. That this Ordinance, along with the Lease Agreement is subject to the approval by the City Attorney.

SECTION 4. This Ordinance shall become effective ten (10) days after final reading and adoption thereof.

PASSED AND ADOPTED THIS FOURTH DAY JUNE, A.D., 2009.
(Moved: Withers / Seconded: Anderson)
(Yeas: Withers, Anderson, Cabrera, Kerdyk, Slesnick)
(Unanimous: 5-0 Vote)
(Agenda Item: E-1)

APPROVED:

DONALD D. SLESNICK II
MAYOR

ATTEST:

WALTER J. FOEMAN
CITY CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

ELIZABETH M. HERNANDEZ
CITY ATTORNEY

LEASE

between

CITY OF CORAL GABLES, FLORIDA

a Municipal Corporation

and

CORAL GRAND, LLC

a Florida Limited Liability Company

Rec'd: 8/6/09

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EXHIBITS

LEASE

THIS LEASE AGREEMENT (the "Lease") is made and entered into as of this 6th day of August, 2009, by and between the City of Coral Gables, a Municipal Corporation of the State of Florida ("Landlord"), whose address for purposes hereof is 405 Biltmore Way, Coral Gables, Florida 33134, and Coral Grand, LLC, a Florida Limited Liability Company, 1717 North Bayshore Drive, Suite 102, Miami, Florida 33132 ("Tenant").

WHEREAS in May of 2008, the City Commission authorized the drafting of a competitive Request For Qualifications and Proposals for the long-term management, operations and lease of The Country Club of Coral Gables; and

WHEREAS, in June, 2008, per Resolution 2008-84, the City of Coral Gables extended invitations to qualified managers and operators who demonstrated experience in operating facilities like those found at 997 North Greenway Drive which include banquet facilities, restaurant and club dining, meeting space, and recreational offerings (spa, fitness center, pool, etc.) to lease the facility; and

WHEREAS, on July 31, 2008, two proposals were received with one being judged insufficient and disqualified. Liberty Events, LLC, was forwarded to the Country Club of Coral Gables RFP Evaluation Committee for their consideration and recommendation based on established criteria stated in the City RFP; and

WHEREAS, on October 14, 2008, the City Commission accepted the recommendation and conditions of the Country Club of Coral Gables RFP Evaluation Committee per Resolution No. 2008-162 and authorized the drafting of a Lease Agreement; and

WHEREAS, on December 16, 2008, the City Commission, per Resolution No. 2008-216, authorized the Interim City Manager to execute the non-binding Letter of Intent which outlined specific business terms and conditions.

WHEREAS, the City's negotiation team together with Tenant representative Nick Di Donato, have drafted a lease agreement incorporating the terms and conditions of the non-binding Letter of Intent and added additional provisions and terms appropriate for a long-term land lease which has been generally presented to the City's Budget Advisory Board, Property Advisory Board and the Economic Development Board (with follow-up meetings to be held between First and Second Readings).

WHEREAS, on first reading, held on February 24, 2009, the City Commission, per Resolution No. _____, approved the Lease and authorized a second reading to be scheduled.

WHEREAS, on second reading, held on June 4, 2009, the City Commission, per ~~Resolution~~ Ordinance No. 2009-29, approved the Lease and authorized its execution by the City Manager.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency thereof are hereby acknowledged, the parties hereto mutually covenant and agree as follows:

1. DEFINITIONS.

Unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified.

A. "Acceptable Operator" shall mean, for purposes of the Assignment provisions of Section 24 herein, any entity which has and maintains the following qualifications:

1) The Acceptable Operator must be, an owner and/or operator of facilities with Uses similar to the Premises and possess the experience, qualifications, good reputation, financial resources and personnel necessary for the proper performance of the specific Tenant obligations under the Lease in a manner consistent with the quality, character, reputation and economic viability of the Premises. It must be licensed to do business as required by the State of Florida and the City, which license must be and remain in good standing; shall have no outstanding building code violations against any property owned or managed by such Acceptable Operator within the City, Miami-Dade County and any cities located within Miami-Dade County, and must have been in the business of owning and managing properties like the Premises for at least five years (or have management personnel who have been in the business of managing properties like the Premises for at least five years).

2) In the event that Tenant desires to change the identity of the Tenant, pursuant to the provisions of Section 24, it shall deliver written notice to the Landlord which shall confirm the identity of the proposed new tenant/Acceptable Operator, and shall include with such notice (i) copies of any applicable operating licenses of the Acceptable Operator, (ii) the resume of the Acceptable Operator or employees thereof, (iii) such other evidence as is reasonably necessary to establish that the new entity proposed to be the tenant/Acceptable Operator meets the Acceptable Operator criteria.

3) The Landlord shall have thirty (30) days after the delivery of such written notice and the information required under subparagraph (1) above, to determine whether the Acceptable Operator meets the Acceptable Operator criteria provided, however, that if the Landlord notifies the Tenant, in writing, within such thirty (30) day period that the information submitted in incomplete or insufficient (and specifies in what ways it is incomplete or insufficient) then the Tenant shall supplement such information, as requested, and the Landlord shall have fifteen (15) days after such supplemental information is provided to make its determination as to whether the Acceptable Operator criteria has been met. The failure to object to the designation of an tenant/Acceptable Operator which objection must particularly identify any specific failure to meet any Acceptable Operator criteria, within such thirty (30) day period, or if applicable, such fifteen (15) day period, shall be deemed to be the approval of the Landlord of the identity of the proposed tenant/Acceptable Operator.

4) Any entity approved as an Acceptable Operator must continue to meet the Acceptable Operator criteria throughout its status as an tenant hereunder unless certain of said qualifications were waived by the Landlord, in writing, at the time of original approval. If, after being accepted or approved as an tenant/Acceptable Operator, a violation of the criteria specified above occurs, the tenant/Acceptable Operator shall have 90 days after receipt of notice from the Landlord to cure.

5) No approval by the Landlord of a Tenant as an Acceptable Operator or its meeting of the Acceptable Operator criteria shall have the effect of waiving or estopping the Landlord from asserting and claiming that said tenant/Acceptable Operator is not in fact operating or maintaining the Premises in accordance with the terms of this Lease, thereby creating an Event of Default.

B. "Building" shall mean the entire building constructed on the Country Club portion of the Premises.

C. "City" shall mean the City of Coral Gables, in its municipal capacity as opposed to as Landlord.

D. "Country Club Operating Account" shall mean one or more accounts in a federally insured banking institution located in Coral Gables, Florida in the name of the Country Club Operations in a bank selected by Tenant, into which Tenant shall deposit all Gross Revenue of the Country Club's Operations.

E. "Country Club Operations" shall mean the Uses conducted on the Premises and all activities in support or a part of such Uses.

F. "Escrow Account" shall have the meaning provided in Section 6 and Exhibit E.

G. "Expense(s) of Operation" shall mean the amount of all expenses (whether ordinary, extraordinary or capital) of operating, improving, rehabilitating and/or repairing the Premises and performing all other obligations and Uses undertaken by Tenant hereunder, including without limitation any and all ad valorem taxes, intangible taxes, taxes payable on the fees payable hereunder or on the interest created hereby, and any other taxes payable as a result of the Lease or Tenant's performance thereunder, save and except for Building Improvements which are the express obligation of Landlord under Section 4 below.

H. "Financial Statement" means a Financial Statement prepared by an independent certified public accounting firm in accordance with Generally Accepted Accounting Principles as promulgated by the American Institute of Certified Public Accountants and with Section 11(B)(1) herein.

I. "Furnishings and Equipment" shall consist of all furniture, furnishings, carpeting, wall coverings, decorative lighting, electric or electronic equipment, seating, interior and exterior features, artifacts and artwork, interior and exterior graphics, office furniture, all fixtures and specialized equipment, telephone systems, cleaning and engineering equipment, tools, and all other similar items now or hereafter located in the Premises, and all other items which are required for the operation of the Premises in accordance with the provisions of the Lease. Furnishings and Fixtures shall include all of the furnishings and equipment purchased by Tenant from SunTrust which is described in Exhibit C-1 hereto (the "SunTrust Equipment"), provided, however, for purposes of Section 36, Furnishings and Equipment shall be defined and divided as follows:

1) Tenant Furnishings and Equipment shall be defined as all Furnishings and Equipment which are purchased by Tenant during the Term of the Lease (including but not

limited to the SunTrust Equipment) including replacements therefore and which can be physically removed from the Premises without repair to the Building. For example, wall coverings, carpeting, items, affixed to the Building and any other items defined by law, to be fixtures shall not be included in this definition

2) Landlord Furnishings and Equipment shall include all Furnishings and Equipment delivered to Tenant as part of the Premises and Building, all items purchased by Tenant but excluded from the definition of Tenant Furnishings and Equipment in subparagraph (1) above and any replacement thereof during the Term of the Lease, even if such replacements are paid for by Tenant.

J. "Golf Facility" shall mean the golf facility described in Appendix B of the RFQ/RFP, issued by the City dated June 10, 2008.

K. "Gross Revenue" shall consist of all revenue, proceeds of sales, barter, income or receipts of any nature or kind, all determined on an accrual basis in accordance with generally accepted accounting principles consistently applied, whether cash or credit, derived directly or indirectly from the use of Premises, Country Club Operations or any source over which Tenant has any direct or indirect responsibility under the Lease, including but not limited to revenues received by Tenant from arm's length subleases or operating agreements with unrelated third parties (Gross Revenue of Country Club Operations sublet to or conducted by subsidiaries or affiliates of Tenant or its owners will include all revenue generated from such Country Club Operations) provided, however, that revenues generated from Tenant's central office located on the Premises, but pertaining to the operations unrelated to the Premises and the Country Club Operations shall not be part of Gross Revenues. Tenant shall not be entitled to lease or sublease any portion of the office space located in the Premises for a use other than its central office or for its office use in connection with the Lease.

L. "Land" shall mean the real property and all improvements on or appurtenance to the Land with street address of 997 North Greenway Drive of approximately 140,000 square feet, the Tennis Facility and Parking Lot, the legal descriptions of which are attached as Exhibit A hereto.

M. "Effective Date" is the date that this Lease is executed by Tenant and Landlord. This date is different from Rent Commencement Date and Possession Date.

N. "Operating Supplies" shall mean all inventories of merchandise held for sale, and all stocks of supplies necessary for the Country Club Operations including, without limitation, all repair and maintenance supplies, foods, beverages, food service items, fuel and miscellaneous expendables.

O. "Possession Date" is the date when possession of the Premises is delivered by Landlord to Tenant in the manner and at the time set forth in Section 4 hereof and all pre-possession obligations have been satisfied.

P. "Premises" shall mean the Land, Building, Tennis Facility, Parking Lot and the contents thereof.

Q. "Rent" shall mean the sum of the Base Rent and Percentage Rent as defined in Section 5, and any other additional Rent as specified herein or as may be mutually agreed to by the parties hereafter

R. "Rent Commencement Date" is the date when the full amount of Rent begins to accrue and is due and owing, which date shall be October 1, 2010. The Term will also be calculated based on the Rent Commencement Date.

S. "Rental Year" means a year consisting of twelve (12) consecutive calendar months. The first Rental Year during the term of this Lease shall commence on the 1st day of the month of October, 2010, following Rent Commencement Date and end on a date which is twelve (12) consecutive calendar months thereafter.

T. "Tennis Facility" shall mean the tennis facility described in Appendix B of the RFQ/RFP.

U. "Uses" shall mean the activities described in Section 7 and no other.

V. "Year of Operation" shall mean the 12-month period commencing the first day and ending on the last day of Landlord's annual accounting period (which currently is based upon a calendar year), it being understood that the first Year of Operation under the Lease shall commence on the Effective Date and that the last Year of Operation shall end on the expiration or earlier termination of the Lease. Landlord reserves the right to change its annual accounting period provided such change has no material adverse effect on the rights or obligations of Tenant.

2. PREMISES.

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the Premises upon the terms and conditions hereinafter set forth. The Lease does not grant any right to light or air rights over or above the Premises.

3. TERM.

The Lease is for a term (the "Term") beginning on the Effective Date and ending on the last day of the tenth (10^{th}) Rental Year following the Rent Commencement Date unless sooner terminated as provided herein or extended as provided herein. All references hereinafter to Term shall, unless the context indicates to the contrary, include the renewal periods, if exercisable by Tenant in accordance with the terms of the Lease.

Provided (i) Tenant remains in occupancy of the Premises and continues to conduct and operate the Uses thereon and (ii) no event of default by Tenant has occurred under the Lease during the last two (2) Rental Years of the initial Term, Tenant shall have the option, exercisable at any time prior to the one hundred eighty (180) days prior to the expiration of the initial Term of the Lease, to renew the Lease for an additional period of ten (10) years, beginning on the first day following the last day of the initial Term (the "First Renewal"). The Rent, for the First Renewal Term, shall be as set forth in Exhibit D hereto.

Provided (i) Tenant remains in occupancy of the Premises and continues to conduct and operate the Uses thereon and (ii) no event of default by Tenant has occurred under the Lease during the last two (2) Rental Years of the First Renewal Term, Tenant shall have the option, exercisable at any time prior to the one hundred eighty (180) days prior to the expiration of the First Renewal Term of the Lease to renew the Lease for an additional ten (10) years (the "Second Renewal Term"), beginning on the first day following the last day of the First Renewal Term. The Rent for the Second Renewal Term shall be as set forth in Exhibit D hereto.

4. RENOVATION OF PREMISES AND BUILDING.

A. Landlord shall, after the Effective Date, complete certain improvements (the "Building Improvements") which are described in Exhibit B, no later than 180 days from and after the date that the City, in it's regulatory capacity, issues the required permits to construct the Building Improvements. Upon completion of the Building Improvements which completion shall be evidenced by the issuance of a certificate of completion by the proper governmental authority, and within seven (7) days thereafter, Tenant will inspect and confirm, in writing, that the Building Improvements are complete in accordance with the required permits and plans filed in connection therewith. Once accepted by Tenant, Landlord shall have no further obligation, duty or liability with respect to the payment for or operation, maintenance or repair of the items listed on Exhibit B,, such obligations being solely that of Tenant. If Tenant disputes that the Building Improvements were so completed and the dispute cannot be resolved between Landlord and Tenant, within 15 (fifteen) days after the seven (7) day period described above, the matter shall be resolved by binding arbitration but no such dispute shall be the basis for either a delay by Tenant in its responsibilities under this Section or a claim of Force Majeure. During the time Landlord is completing the Building Improvements and beginning on the Effective Date, Tenant shall use good faith efforts and exercise due diligence to obtain all necessary permits to perform and immediately thereafter shall expeditiously complete, in the shortest time reasonably possible under the circumstances, Tenant Improvements, which completion shall be evidenced by the issuance of a certificate of completion by the proper governmental authority. Tenant Improvements and the estimated cost thereof are defined and described in Exhibits C and C-1. The SunTrust Equipment shall be purchased by Tenant on or before the Effective Date and Tenant shall deliver to Landlord, on or before the Effective Date, verification that such payments have been made and SunTrust has no further claim or rights to the SunTrust Equipment. Once the Tenant Improvements are complete and the Premises are equipped and the actions are taken in accordance with the provisions of Exhibits C, C-1 and F and all the Uses are open to the public except the upscale full service restaurant and the banquet facilities, possession of the Premises will be turned over to Tenant which date shall be the "Possession Date." Possession Date shall occur upon the later of (i) October 30, 2009 or (ii) sixty (60) days after the pool is available for use by the public. Even if the Possession Date is extended, Rent Commencement Date shall not change and the Term shall not be extended. If Possession Date fails to occur, as a result of Tenant's default or breach of this Agreement, then Landlord, in addition to all other remedies provided herein, shall be entitled to receive, as liquidated damages, the balance being held by Escrow Agent pursuant to the provisions of Section 6 and Exhibit D. Tenant Improvements, for purposes of the definition of Possession Date, shall not include the Tenant Improvements which will be completed by Tenant in accordance with the provisions of Section 4(H).

B. Tenant shall comply with all municipal and county building and zoning requirements and other laws, codes, ordinances, resolutions, rules and regulations in performing and completing the Tenant Improvements, including, without limitation, obtaining all necessary building permit(s) and certificate(s) of use and/or occupancy.

C. It is understood and agreed that Landlord will be responsible, at Landlord's sole cost and expense, for developing and processing through normal permitting the plans required to make the Building Improvements and will also assist Tenant, in its Landlord capacity, in processing through normal permitting the plans required for Tenant to complete the Tenant Improvements. Tenant agrees to provide necessary technical assistance at Tenant's expense. Both parties agree to cooperate to make the necessary changes for permitting approval as identified through the permitting process. Tenant further agrees to defend (with counsel reasonably acceptable to Landlord), hold Landlord harmless from and to indemnify Landlord against any claim by Tenant, the agents, employees, and/or patrons of Tenant, and/or any other third party, arising out the performance of the Building Improvements except where due to Landlord's or Landlord's Contractor's gross negligence or malfeasance.

D. Tenant and Landlord agree on the level and approximate cost of the Tenant Improvements necessary to prepare its Premises for the Country Club Operations and the Uses provided in the Lease. The estimated cost of Tenant Improvements is set forth in Exhibit C which shall be paid by Tenant. If additional monies will be required to complete the Tenant Improvements, Tenant agrees to assume responsibility for and pay for any and all additional costs over and above the amounts set forth in Exhibit C to ensure that the Tenant Improvements are completed in a timely and satisfactory manner. No leasehold financing or title retention contracts shall be allowed on or for any of the Tenant Improvements, except for a new POS system and/or for the sound and lighting system, which financing or title retention arrangement shall either be paid or extinguished upon the termination of the Lease (if the financed or title retention items remain at the Premises after turnover) or, if removed, the Premises are repaired by Tenant and releases are obtained by Tenant, in favor of the Landlord and the Premises, from the lender/title holder of any claim or liability for payment of such financing/title retention obligations.

E. In the exercise of its responsibilities in connection with the Tenant Improvements, Tenant agrees that it shall:

1) Engage at its own expense, an architect, construction manager, contractors, project manager, and other specialists and consultants as may be necessary or desirable in Tenant's discretion to perform the Tenant Improvements. "Architect" shall mean a licensed architect experienced in the field of historic renovation engaged by Tenant for the purpose of providing complete Architectural Plans for the Building and for such other purposes as may be agreed upon by Tenant and Architect.

2) Submit the following (herein collectively referred to as "Design Documents") to Landlord for its review and approval:

a. Preliminary site plan and floor plans along with a cost estimate and a color rendering of the Building interior. All of the foregoing shall be sensitive to the historical

significance of the Building and to those portions thereof which are (or are intended to be) subject to historic preservation.

b. "Schematic Design Documents", "Design Development Documents", and "Construction Documents" prepared by the Architect, along with, in each case, cost estimates (collectively "Architectural Plans"). Each phase of documents shall be based on those approved for the immediately preceding phase.

c. A preliminary interior design prepared by Tenant which shall be based on: approved Schematic Design Documents provided by the Architect; marketing, operating and concept information provided by Tenant; and a budget provided by Tenant. Such proposal shall include, but not necessarily be limited to, floor plans, color boards and renderings to clearly depict the interior treatment of all areas of the Building.

d. Preliminary and final Furnishings and Equipment layout and specifications for the Building including lobby, concession areas, ballroom and other areas of the Building undergoing renovation or being equipped. The preliminary plans shall be based on criteria provided by Tenant and Architect and on a budget provided by Tenant. The final plans and specifications shall be based on approved preliminary plans and shall be in sufficient detail to satisfy the requirements or Tenant, Architect and Landlord.

e. Preliminary and final plans and specifications for the following:

- Landscape, prepared by Architect or separate landscape architect.
- Hardscape, prepared by Architect or separate landscape architect.
- Lighting, prepared by Architect or separate lighting consultant.
- Signage, prepared by Architect and approved sign manufacturer.

All other special design functions necessary to complete the Tenant Improvements and to otherwise refurbish and redevelop the Building and Premises shall be under the direction of Tenant or Architect but in any event, shall be reflected in the Construction Documents, and shall be approved by Landlord.

3) Cause the Architect and other consultants to revise the Design Documents where required in order to obtain Landlord's approval of same and thereafter make no material changes to the Design Documents without the prior approval of Landlord.

4) In accordance with (i) the Design Documents approved by Landlord and (ii) all applicable laws, ordinances and governmental regulations, at its sole expense, repair, renovate, furnish and equip the Building and Premises. Landlord shall have the right to periodically inspect the Premises during construction. Construction shall not commence until after the following events have occurred:

a. Landlord has approved the Architectural Plans;

b. all required building permits have been issued; and

c. Tenant has secured a policy of comprehensive general liability insurance pursuant to the terms of the Lease.

5) Substantially complete the repair, renovation and equipping of the Building and Premises (including installation of the Furnishings and Equipment and Operating Supplies) by the Possession Date subject to extension for delays from Force Majeure, it being understood, however, that financing and funding (or the lack thereof) is not a Force Majeure event.

F. Landlord will use reasonable diligence in reviewing the Design Documents to either approve the same or notify Tenant of any changes required therein in order to obtain Landlords approval thereof.

G. It is understood and agreed that Landlord's approval of any Design Documents, Architectural Plans or other specifications for the Building and Premises submitted by Tenant shall not constitute any undertaking by Landlord that the same comply with any building, life safety, environmental, or other codes imposed by any governmental or regulatory authority, or comply with architectural or engineering standards. Tenant must process all plans and specifications through the normal permitting process of the City (and any other applicable governmental authorities), notwithstanding Landlord's approval thereof pursuant to the terms thereof. Tenant further agrees to hold Landlord harmless from and to indemnify Landlord against any claim by Tenant, the agents, employees, or patrons of Tenant, or any other third party, arising out of the approval and performance of the Tenant Improvements pursuant to the Lease. Further, Tenant recognizes that Landlord's recommendations and approvals pursuant to the Lease are made in good faith and Landlord makes no warranty or representation of any nature or kind regarding its recommendations or approvals.

H. On or before February 15, 2010, Tenant shall perform such renovations, equipping and furnishing as is necessary to open, by such date, a full-service upscale restaurant in the Building. At Tenant's election, made and communicated to Landlord within one hundred eighty (180) days from the Effective Date, Tenant may defer the completion of the banquet facilities until on or before September 30, 2010. In either case, all of the renovations, equipping and furnishing of either the restaurant or banquet facilities, including the cost thereof, shall be treated as and included, for all purposes herein, as part of the definition of Tenant Improvements and subject, prior to commencement, to the preparation of the documents and the process provided in subparagraph (E) above, approvals, funding, providing of security and other provisions of this Section, as if originally performed with the other Tenant Improvements.

I. All obligations relating to any renovations, repairs and maintenance or Tenant Improvements performed by Tenant either at the commencement of the Term hereof, or any time thereafter, shall be the sole responsibility and financial obligation of Tenant.

5. RENT AND EXPENSES OF OPERATION.

Tenant agrees to pay Landlord Base Rent and Percentage Rent in the amounts and at the times set forth in Exhibit D, which Rent shall be delivered to the Finance Department at 405 Biltmore Way, Coral Gables, Florida 33134 or such other place as the Landlord shall designate from time to time in a notice given pursuant to the provisions of the Lease. Any late payment (defined to be any payment received after the dates set for the payment of Rent set forth in Exhibit D) shall automatically accrue interest at a rate equal to eight percent (8%) from the date that payment is due until paid or until the Default Rate commences hereunder. All payments due to the Landlord pursuant to the Lease shall be absolutely net to the Landlord, free from any abatement, offset, set off, defense, expense, charge, or other deduction whatsoever, and, except as specifically provided in the Lease, shall be paid without notice.

There shall be no delay in the Rent Commencement Date and, no delay or abatement of the payment of Rent for any reason, including but not limited to Tenant's failure to occupy the Premises or Tenant fails to complete any of Tenant's Improvements in a timely manner. All provisions of the Lease shall be in full force and effect upon the Effective Date, notwithstanding the fact that prior to the Possession Date, Tenant shall first perform and complete the Tenant Improvements required to be completed by that date.

Tenant shall pay all Expenses of Operation and any other monetary obligation incurred, pursuant to the terms of the Lease, commencing upon the Effective Date and such obligations shall be treated as additional Rent. This is a triple net lease.

6. ESCROW ARRANGEMENTS

A. Within ten (10) business days from the Effective Date, Tenant shall deposit, by wire transfer, with SunTrust Bank ("Escrow Agent"), Six Hundred Twenty-Seven Thousand Dollars ($627,000) representing an amount equal to the cost of the Tenant Improvements listed on Exhibit C. (the "Escrow Funds"). The Escrow Agent shall hold the Escrow Funds, pursuant to the Escrow Agreement, attached hereto as Exhibit E, to be used for either (1) the payment to Tenant in reimbursement of its payment and installation of the Tenant Improvements, under the procedures described hereinafter or (2) If the Landlord elects to accept the undisbursed portion of the Escrow Funds as liquidated damages, then the payment to Landlord of the undisbursed portion of the Escrow Funds as liquidated damages to Landlord resulting from an Event of Default by Tenant under the Lease.

The procedure for disbursement of the Escrow Funds to pay for Tenant Improvements shall be as follows:

1) Tenant shall submit simultaneously to Landlord and Escrow Agent, draw requests showing that Tenant has paid for and/or installed items or portions of the Tenant Improvements in the Premises, in accordance with Exhibit E and the terms of the Lease. Landlord shall prescribe the forms, waivers, certifications and other documents required for submission with each draw request. Once the draw request has been approved by Landlord, it shall instruct Escrow Agent to disburse the amount requested within five (5) days of request.

2) Landlord shall either approve the draw request or provide Tenant, within five (5) days after Landlord receives same with a written explanation of why it has not or will not approve the draw request. If the dispute is unresolved, within five (5) days after Tenant's receipt of such explanation, the dispute shall be resolved by arbitration as provided herein.

B. On or before December 1, 2009, Tenant shall deposit with the Escrow Agent additional funds equal to Five Hundred Fifteen Thousand Dollars ($515,000) ("Additional Escrow Funds") to be used for either (1) cost overruns for the Tenant Improvements; (2) items listed on Exhibit F which are to be installed or located in the Premises; or (3) liquidated damages for Tenant's default, as described in subparagraph (A) above. The procedures for disbursing the Additional Escrow Funds shall be the same as those used for the initial Escrow Funds.

7. USES AND QUALITY OF OPERATION.

A. The Tenant will use, manage and operate the Premises for and Landlord hereby authorizes the following Uses and for no other Uses or purposes:

a. Banquets (inside and outdoors, including west side of Premises)
b. Upscale full service restaurant (inside and outdoors on pool deck)
c. Casual food service (inside and outdoors)
d. Fitness center operations
e. Food and beverage services (including full service liquor license service)
f. Recreational activities, such as pool, tennis, etc.
g. Membership services, typical of a club similar to the Premise
h. Meeting space
i. Café operations serving Italian gelatos, pizzas and similar items in a European-style café

Each of the Uses will be fully operational and open to the public on Possession Date except as provided in subparagraph H of Section 4 unless Landlord agrees, in writing, to the contrary, provided, however, that if Tenant is unable to obtain approval from the City of outdoor seating outside the wall for the Café, Tenant may elect not to provide the Café operation as one of the Uses. The Uses and Country Club Operations shall be managed and operated by Tenant in a first class manner consistent with the quality and service provided in other first class facilities in Miami-Dade County, including but not limited to the Biltmore Hotel, Hyatt Regency Coral Gables and the Westin Colonnade. Tenant shall be obligated to seek and obtain all permits, licenses, approvals and other authorizations required or necessary, under any applicable laws and regulations, including but not limited to liquor license(s).

B. Tenant agrees that at no time during the Term hereof, shall it seek approval for expansion of the square footage of its current improvements to the Premises or permit: (a) a nightclub or other similar operation; (b) any unlawful or illegal business, use or purpose or which is immoral or disreputable (such as, without limitation, adult entertainment) any obscene performances or other obscene material to be exhibited or performed within the Premises. For the purposes hereof, the term "obscene" shall be defined in the same manner as such term is defined under applicable federal law; or (c) outdoor amplified music. This requirement also

applies to any sub-tenant or operator of any portion of the Premises. To be clear, notwithstanding the fact that the existing or future zoning and prior use of the Premises allows an increase in the current square footage of the improvements to the Premises or allowed different or additional uses than the Uses listed herein, Tenant shall not seek approval for or claim it has the legal right to conduct or add such uses to the Uses listed herein, provided, however, that Tenant may request from Landlord in its capacity as Landlord and not in its municipal capacity, to add an additional use or seek approval for expansion of the square footage of its current improvements to the Premises (other than specified in (a), (b) or (c) above), which Landlord may approve or disapprove, in its sole discretion.

8. DAYS OF OPERATION.

The Tenant shall be required to operate and be open for business to the public year-round, and shall provide regular and customary programming and activities which encompass the Uses and which are consistent with the Uses, objectives and intentions expressed in the Lease and with all ordinances adopted by the City, in its municipal capacity, including but not limited to City Ordinance No. 3587 passed and adopted on July 23, 2002. In the event that the Tenant uses or allows the Premises to be used for Uses not expressly permitted herein, or ceases to provide regular and customary services consistent with all the Uses, the Landlord may, in addition to all other remedies available to it, terminate the Lease or restrain the improper Use by injunction (without the requirement to post a bond or other security) or other similar legal process, provided, however, if Landlord intends to terminate the Lease because of either engaging in an improper use of the Premises or ceasing to conduct a Use required by the terms thereof, then Landlord agrees to exercise such remedy only after it has gone through the pre-default procedure outlined in Section 29(B) below. Without the prior written consent of the Landlord, which may be unreasonably withheld, or as otherwise required by the applicable ordinances of the City, the Premises shall never be completely closed for business except between the hours of 1:00 a.m. and 7:00 a.m. The Premises shall cease operations between the hours of 1:00 a.m. and 7:00 a.m. (provided, however, this provision on ceasing operation shall not be interpreted to be more restrictive than the present ordinance governing the Premises), or for planned renovations or situations that would be considered "Force Majeure". Hours of operation of the Uses will be part of the Operational Plan and the updates thereof.

9. RIGHTS TO THE NAMES "COUNTRY CLUB OF CORAL GABLES" AND "CORAL GABLES COUNTRY CLUB".

Landlord and Tenant recognize that the Premises will be operated as either the "Coral Gables Country Club" or "Country Club of Coral Gables" or some derivation thereof or a different name, all as approved by Landlord in its sole discretion. Individual areas and rooms within the facility will be identified by separate names as determined by Tenant.

Tenant acknowledges, agrees and will not contest Landlord's right, title, and interest to the name "Country Club of Coral Gables" and "Coral Gables Country Club" and all present and future distinguishing characteristics, improvements and additions to or associated with the name "Country Club of Coral Gables" and "Coral Gables Country Club" by Tenant, and all present and future service marks, trademarks, logos, copyrights, service marks and trademark registrations now or hereafter applied for or granted in connection with the names "Country Club of Coral

Gables" or "Coral Gables Country Club" (collectively, "Proprietary Marks"), shall be Landlord's exclusive property and inure to its benefit.

10. PARKING LOT.

The lot on Granada owned by the City ("Parking Lot") shall be deemed part of and added to the Premises for purposes of the Lease for complementary parking for the Premises and all provisions of the Lease shall equally apply to the Parking Lot.

11. OPERATIONAL PLANS, BUDGETS, AND RECORDS.

A. Prior to the Possession Date, and not later than 30 days prior to end of each Year of Operation, Tenant shall prepare and submit to Landlord, a proposed annual plan for the operation of the Premises for the following Year of Operation ("Annual Plan"). If so requested by Landlord, Tenant agrees to meet with Landlord to discuss the Annual Plan at the time it is submitted. The Annual Plan shall include, but not be limited to:

1) A budget estimating income and expenses ("Operating Budget"), along with a separate schedule of assumptions (in narrative form) utilized in preparing the Operating Budget. Landlord shall have the right to comment on the Operating Budget (but its approval thereof shall not per se be required). Landlord acknowledges that actual results may vary from those budgeted because of corresponding variations between the aforementioned assumptions and actual conditions. The Operating Budget will represent Tenant's reasonable estimates of revenue and expenditures, and Tenant makes no warranty that the financial results projected in the Operating Budget will be achieved. Periodically throughout the year, Tenant and Landlord shall, if deemed necessary by either party, meet at a mutually agreeable time and place to review and discuss operating results for the period to date in the then occurring Year of Operation and operating plans for the balance of the Year of Operation. Such meetings shall be in addition to the Oversight Requirements of Exhibit J.

2) A budget of Tenant's recommended repairs, revisions, rebuilding, replacements, substitutions or improvements to the Premises, Building and the Furnishings and Equipment which are of a capital nature, together with a schedule of sources and applications of funds ("Capital Budget"), which shall be subject to the approval of Landlord prior to the commencement of any such work. The Capital Budget shall require the Premises, Building, Furnishing and Equipment to be refurbished or, as to Furniture and Equipment, replaced as necessary to maintain the Furnishings and Equipment and operate the Premises and its Uses in a first class manner. To the extent Tenant can document to Landlord's reasonable satisfaction that its sources of funds are adequate to pay for the Capital Budget items that are required to be completed before the end of the Year of Operation to which the then current Annual Plan and Capital Budget relates, then Landlord shall not have the right to disapprove any line item of Tenant's Capital Budget (but the foregoing shall not, in any event, be deemed to be a waiver of Landlord's right to approve Tenant's making of improvements to the Building or on the Premises as is otherwise provided herein).

3) A description of the general marketing strategy which Tenant intends to follow (or implement, as the case may be) to optimize both short and long term

profitability of the Country Club Operations. Said strategy shall be presented as part of the Oversight Requirements and review and shall be subject to periodic review and modification at the reasonable discretion of Tenant with the reasonable input of Landlord.

4) Any other matter deemed appropriate by Tenant and Landlord.

B. Tenant shall install and maintain suitable accounting systems in accordance with generally accepted accounting principles. Tenant shall keep and maintain, at the Premises, the books of account and all other records relating to the Country Club Operations and the Premises. All such books and records shall be retained for a period of at least seven (7) years, shall be maintained in accordance with the uniform system of accounts and generally accepted accounting principles and shall be available to Landlord and its authorized representatives at all reasonable times upon reasonable prior notice for examination, audit, inspection, and copying or transcription. Furthermore, Tenant shall authorize the certified accounting firm which reviewed such books and records to discuss same with Landlord and provide access to its work papers related thereto. All books of account and records pertaining to the operation of the Premises shall at all times be the property of Tenant. Upon any termination of the Lease, copies of all such books of account and records shall be given to Landlord, without cost, but the originals thereof shall nevertheless thereafter be available to Landlord at all reasonable times for inspection, audit, examination, and copying or transcription for a period of seven (7) years or the required retention period under then current law, whatever is longer.

1) Within 90 days after the end of each Year of Operation, Tenant shall deliver to Landlord unaudited financial statements for Country Club Operations for such Year of Operation reviewed by a reputable firm of certified public accountants selected by Tenant as being prepared in compliance with generally accepted accounting principles. In addition, said certified public accountants shall, for each Year of Operation, certify to Landlord the amount of Gross Revenues from the Country Club Operations. In addition, Tenant shall deliver to, meet with and otherwise provide to the Landlord and its consultants the information, materials and access set forth in Exhibit J.

2) Tenant shall maintain required records and prepare and file all returns and forms related to the reporting, collection and payment of all real estate, sales and use taxes and shall timely make all required payments to the appropriate taxing authorities. Tenant's responsibilities hereunder specifically include the preparation and filing of local, state, or federal income tax returns. Upon request, Tenant shall provide Landlord with copies of all such returns and forms.

3) Tenant shall prepare and maintain all personnel records and payroll systems for employees of Tenant employed at the Premises.

C. All Gross Revenues shall be deposited in the Country Club Operating Account.

12. MANAGEMENT OF GOLF FACILITIES.

Appendix B to the RFQ/RFP issued by the Landlord dated June 10, 2008 referenced a general description of the Granada Golf Course, Pro Shop and Snack Shop (the "Golf Facilities"), which facilities are currently owned and managed by the Landlord or its' subtenants.

Tenant wishes to discuss with the City, at a later date, the possibility of management or leasing of the Golf Facilities. Landlord is willing to consider Tenant as a possible manager or lessee of the Golf Facilities in the future, but is unwilling, at this time, to contractually or legally commit to providing such management rights or lease options under the Lease. The Landlord hereby agrees that, if it decides to consider independent management or leasing of the Golf Facilities, it shall grant to Tenant the right of first offer under terms and procedures approved by the Landlord at that time.

13. TENANT'S MANAGEMENT TEAM.

Tenant has represented to Landlord that key personnel from Liberty Entertainment Group will be directly involved in the renovation, operation and management of the Premises and the Country Club Operations during the Term, which personnel will include a substantial portion of the time of Nick Di Donato, the President and CEO of Liberty Entertainment Group. Accordingly, Tenant shall provide Landlord, prior to the Effective Date, a list of key personnel who will be working at or spending a substantial amount of time working on matters related to the renovation, operation and management of the Country Club Operations and the Premises, which list will include a substantial portion of the time of Nick Di Donato ("Key Personnel") Tenant hereby covenants, not to change any of the Key Personnel without providing Landlord with written notice of the proposed change and the name and work experience of the replacement, which work experience must be comparable to the Key Personnel that he/she is replacing, provided, however, that Nick DiDonato shall not be removed or replaced, if at all, until three (3) years after opening of the facilities described in Section 4(H) hereof.

14. FITNESS AND TENNIS FACILITY OPERATOR

Tenant shall be required on or before Possession Date to sublease or contract out the operation of the Fitness Center and Tennis Facility to a competent operator unless Tenant hires, by said date, staff that has substantial experience in the operation of such facilities.

15. MEMBERSHIP AND USE PROGRAM

Tenant has proposed and Landlord has preliminarily approved the Membership and Use Program attached hereto as Exhibit G. Prior to June 30, 2009, Tenant shall incorporate the following specific provisions within the Membership and Use Program and submit it to the Landlord for its approval:

A. Written materials and descriptions of the type of corporate and individual memberships which shall be offered to the public, what rights are applicable to each membership, the term thereof and the fees and costs to be charged to such members and

B. The actual fees to be charged to residents of, and civic groups and citizens organizations whose headquarters are located within the City and the amount of discount from the fees charged to nonresidents of and civic groups and civic organizations whose headquarters are located outside the City.

16. INSURANCE.

A. **Insurance Coverage**.

Prior to any activity on the Premises which would require a particular type of insurance described in this Section and/or Exhibit H (and, at a minimum, the liability insurance required prior to any activity on the Premises) and in all events beginning on the Possession Date and during the term of this Lease, Tenant at its sole cost and expense shall maintain or cause to be maintained the insurance coverages set forth in this Section and/or Exhibit H.

1) Property Insurance. Insurance on the Building (including contents) against loss or damage by fire, lightning, windstorm, Demand Surge and terrorism and against loss or damage by all other risks covered by the broadest Extended Coverage Endorsement commercially available, including the expense of the removal of debris as a result of damage by an insured peril. The insurance shall be written on a replacement cost basis which is hereby defined as the cost of replacing the Building (including contents) without deduction for depreciation or wear and tear and such replacement shall be based upon and insured to the level of valuation of a Historic Reproduction Appraisal. A Historic Reproduction Cost Endorsement shall be added to the property insurance policy. Coverage shall be provided on an "Agreed Amount" basis "Not Subject to a Co-Insurance Clause". During the Tenant Improvement period, property insurance shall be provided on an All Risk Completed Value Builder's Risk Form. The City and Tenant shall be listed as named insureds on such Builder's Risk Policy. All policies described in this subparagraph shall include all Furnishings, Equipment and Operating Supplies furnished or installed on the Premises and owned or leased by the Tenant.

Business Interruption Insurance. Business Interruption insurance, so that Tenant will be insured against loss of income from the Premises occasioned by any of the insured against perils included in the property insurance policy during the period required to rebuild, repair or replace the portion damaged, which policy or policies of insurance shall expressly provide by endorsement thereon that the interest of Landlord under this Lease shall be covered to the extent earned, in an amount equal to the total of Base Rent and Percentage Rent payable during said period of business interruption. Business Interruption Insurance shall commence upon the issuance of a certificate of occupancy for the Premises after completion of the initial Tenant Improvements. The adequacy of the Business Interruption Insurance may be reviewed periodically by Landlord at its discretion and shall be increased periodically to adequately cover the increasing amount of Base Rent and Percentage Rent hereunder. Any review by Landlord shall not constitute an approval or acceptance of the amount of insurance coverage.

Automobile Liability Insurance. Automobile liability insurance and equivalent policy forms covering all owned, non-owned, and hired vehicles used in connection with any activities arising out of this Lease including valet parking. Such insurance shall afford protection to at least a single limit for bodily injury per occurrence and a single limit for property damage liability per occurrence, set forth in Exhibit H. The adequacy of the automobile liability insurance coverage may be reviewed periodically by Landlord at its discretion and shall be increased periodically to reflect cost of living increase and the levels carried by properties

comparable to the Premises. Any review by Landlord shall not constitute an approval or acceptance of the amount of insurance coverage.

Liability Insurance. Comprehensive general liability, including employment practices, employee benefits and contractual liability, Dram shop liability or an equivalent policy form providing liability insurance against claims for sexual misconduct, sexual harassment, personal injury or death or property damage, occurring on or about the Premises, or any elevator, escalator, or hoist thereon and including boiler, machine or other explosion hazard, collapse hazard and underground property damage hazard. Such insurance shall name Landlord and Tenant as insureds and afford protection to at least a combined single limit for bodily injury and property damage liability per occurrence set forth in Exhibit H and with Broad Form Endorsement. The adequacy of the liability insurance coverage shall be reviewed periodically by Landlord at its discretion and shall be increased periodically to amounts deemed customary and sufficient in properties comparable to the Premises. Any review by Landlord shall not constitute an approval or acceptance of the amount of insurance coverage. Such liability and property damage insurance shall be placed in effect during the period of permitted access allowed by this Lease.

Worker's Compensation. Worker's Compensation and Employer's Liability insurance in compliance with Florida Statute Section 440. For work that is subcontracted, Tenant shall require the subcontractor to provide Worker's Compensation insurance for all of the subcontractor's employees.

Copies. Tenant shall furnish Certificates of Insurance with Landlord named as additional insured for the coverages specified hereunder which shall clearly indicate that Tenant has obtained insurance in the type, amount and classifications herein required. Copies of all policies of insurance required by this Section together with proof that all premiums have been paid shall be furnished to Landlord by Tenant prior to the Possession Date and, in the case of liability insurance, prior to being granted or obtaining access or entry to the Premises. Copies of new or renewal policies replacing any policies expiring during the term of the Lease shall be delivered to Landlord at least thirty (30) days prior to the date of expiration of any policy, together with proof satisfactory to Landlord that all premiums have been paid.

Adequacy Of Insurance Coverage. The adequacy of the insurance coverage required by this Section may be reviewed periodically by Landlord at its discretion to determine whether the activities described in the Lease are adequately insured against the liabilities described in this Section and Exhibit H as well as such other liabilities which might arise hereunder. Tenant agrees that Landlord may, if it so elects, have the Premises appraised for purposes of obtaining the proper amount of insurance required herein. Any review by Landlord shall not constitute an approval or acceptance of the amount of insurance coverage. In the event that insurance proceeds are inadequate to rebuild and restore the damaged Premises to their previous condition before an insurable loss occurred, and the cause of the deficiency in insurance proceeds is the failure of the Tenant to adequately insure the Premises as required by the Lease, Tenant, subject to the provisions below, shall rebuild and restore such Premises pursuant to the terms hereof and shall pay the entire cost of same notwithstanding the fact that such insurance proceeds are inadequate.

Responsible Companies

Blanket Insurance Permitted. All insurance provided for in this Section and Exhibit H shall be effected under valid and enforceable policies issued by insurers of recognized responsibility, which are licensed to do business in the State of Florida. All such companies must be rated at least "A- as to management, and at least "Class X" as to financial strength in the latest edition of Best's Insurance Guide, published by Alfred M. Best Co., Inc., 75 Fulton Street, New York, NY. The insurance required by this Section and Exhibit H may be part of another policy or policies of the Tenant in which other properties and locations are also covered so long as the amount of insurance proceeds available to pay losses described herein are at least the minimum amount required by this Section and Exhibit H, and said amount cannot be reduced nor can the liability of the insurer(s) be released, modified or terminated in any manner by losses or events occurring at said other properties or locations.

Named Insureds

Notice to Landlord of Cancellation. All policies of insurance described herein shall name Tenant and Landlord as insureds as their respective interests may appear, including but not limited to policies carried by contractors, who, prior to commencement of any work on the Premises, shall provide certificates to Landlord and Tenant showing Landlord and Tenant as named insureds. The parties hereto agree that any losses under such policy shall be payable, and all insurance proceeds recovered thereunder shall be applied and disbursed in accordance with the provisions of the Lease. All insurance policies shall provide that no material change, cancellation or termination shall be effective until at least thirty (30) days after receipt of written notice thereof has been received by Landlord. Tenant shall obtain an endorsement to each policy that no act or omission of the Tenant shall affect the obligation of the insurer to pay the full amount of any loss sustained.

Landlord May Procure Insurance if Tenant Fails to Do So.

In the event Tenant at any time refuses, neglects or fails to secure and maintain in full force and effect any or all of the insurance required pursuant to the Lease, Landlord, at its option, may procure or renew such insurance, and all amounts of money paid therefore by Landlord shall be treated as additional Rent payable by Tenant to Landlord together with interest thereon at the Default Rate from the date the same were paid by Landlord to the date of payment thereof by Tenant. Landlord shall notify Tenant in writing of the date, purposes and amounts of any such payments made by it, which amounts, together with all interest accrued thereon, shall be paid by Tenant to Landlord within ten (10) days of such notification.

Insurance Does Not Waive Tenant's Obligations.

No acceptance or approval of any insurance agreement or agreements by Landlord shall relieve or release or be construed to relieve or release Tenant from any liability, duty or obligation assumed by, or imposed upon it by the provisions of the Lease.

Loss or Damage Not To Terminate Rent or This Agreement.

Any loss or damage by fire or other casualty of or to any of the Premises at any time shall not operate to terminate the Lease or to relieve or discharge Tenant from the payment of Rent, or from the payment of any money to be treated as additional Rent in respect thereto, pursuant to the Lease, as the same may become due and payable, as provided in the Lease, or from the performance and fulfillment of any of Tenant's obligations pursuant to the Lease.

Proof of Loss.

Whenever the Premises, or any part thereof, (including any Furnishings and Equipment furnished or installed in the Premises) shall have been damaged or destroyed, Tenant shall promptly make proof of loss in accordance with the terms of the insurance policies and shall proceed promptly to collect or cause to be collected all valid claims which may have arisen against insurers or others based upon any such damage or destruction. Tenant shall give Landlord written notice within forty-eight (48) hours of such damage or destruction.

Property Insurance Proceeds.

Authorized Payment. Except as otherwise provided in this subsection of this Section, all sums payable for loss and damage arising out of the casualties covered by the property insurance policies shall be payable:

Directly to Tenant, if the total recovery is equal to or less than $100,000 (as adjusted for inflation over the term of the Lease), except that if Tenant is then in default under the Lease, such proceeds, shall be paid to Landlord who shall apply the proceeds first to the rebuilding, replacing and repairing of the Premises and then to the curing of such default. Any remaining proceeds shall be paid to Tenant subject to its obligations to any lender;

To the Insurance Trustee, if the total recovery is in excess of the amount described in (a) above to be held by such Insurance Trustee pending establishment of reconstruction, repair or replacement costs and shall be disbursed to Tenant pursuant to the provisions of this Section. The Insurance Trustee shall be such commercial bank or trust company as shall be designated by Tenant and approved by Landlord, which approval shall not be unreasonably withheld or delayed.

Disposition of Insurance Proceeds for Reconstruction. All amounts received upon such policies shall be used, to the extent required for the reconstruction, repair or replacement of the Premises and the Furnishings and Equipment contained therein, so that the Premises or such Furnishings and Equipment shall be restored to a condition comparable to the condition prior to the loss or damage (hereinafter referred to as "Reconstruction Work"). From the insurance proceeds received by the Insurance Trustee, there shall be disbursed to Tenant such amounts as are required for the Reconstruction Work. Tenant shall submit invoices or proof of payment to the Insurance Trustee for payment or reimbursement in accordance with an agreed schedule of values approved in advance by Landlord.

Any amount remaining in the hands of the Insurance Trustee after the completion of the Reconstruction Work shall be paid to Tenant.

Covenant for Commencement and Completion of Reconstruction.

Subject to the provisions of this Section, Tenant covenants and agrees to commence the Reconstruction Work as soon as practicable but in any event within one (1) month after the insurance proceeds in respect of the destroyed or damaged improvements or Furnishings and Equipment have been received, and to fully complete such Reconstruction Work as expeditiously as possible consistent with the nature of the damage.

Limited Release of Liability and Waiver of Subrogation.

To the extent a waiver of subrogation can be obtained and is obtained from its insurance carrier without a material increase (not more than 5% of the regular premium calculated without such endorsement, provided, however, that if greater than 5%, Tenant agrees to give Landlord the option to pay the excess premium over 5% and obtain the waiver) in the premium charged Tenant for the insurance required to be obtained by Tenant pursuant to this Section and Exhibit H, Tenant, to the extent of the insurance proceeds actually paid, releases Landlord and its agents, officers, employees and respective authorized representatives, from any claims for damage to any person or to the Premises that are caused by or result from risks insured against under any insurance policies carried by Tenant pursuant to the terms hereof and in force at the time of any such damages. Tenant shall cause each insurance policy obtained by it to provide that the insurance company waives all right of recovery by way of subrogation against any insured party in connection with any damage covered by any policy. If the release of Landlord as set forth in the first sentence of this subsection shall contravene any law with respect to exculpatory agreements, the liability of Landlord shall be deemed not released but shall be secondary to the Tenant's insurers.

Inadequacy of Insurance Proceeds.

Tenant has an absolute liability hereunder to commence and complete restoration of the damaged or destroyed Premises irrespective of whether the insurance proceeds received, if any, are adequate to pay for said restoration. If the insurance proceeds received are inadequate to complete restoration and Tenant defaults in its obligation to restore the damage to the Premises, then Landlord shall be given the option, to pay the deficit itself, to pay the deficit in proceeds necessary to complete the restoration and, in that regard, will be entitled to use the insurance proceeds generated for that purpose. Said payment by Landlord shall be treated as additional Rent hereunder and shall be repaid to Landlord by Tenant upon the completion of restoration of the Premises. If Landlord does not elect to complete the restoration in accordance with this Section, then Landlord shall, be entitled to retain the insurance proceeds (remaining after payment of all costs required to demolish and remove all debris from the Premises and restoring the site to its condition prior to construction of the Premises but after demolition of the existing structures on the Premises) free of any obligation to or rights of Tenant.

17. GOVERNMENTAL AND OTHER REQUIREMENTS.

A. Tenant shall not commit any waste or nuisance; nor permit the emission of any objectionable noise or odor, nor permit or allow the existence of mold or similar growth in the Building, nor burn any trash or refuse within the Premises; nor make any use of the Premises or any part thereof or equipment therein which is improper, offensive, a nuisance or contrary to law.

B. Tenant shall promptly comply with all laws, ordinances, orders, rules, regulations and requirements of all federal, state, municipal or other governmental authorities or bodies having or exercising jurisdiction over the Premises (or any part thereof) and/or the use, occupation or operation thereof by Tenant (collectively, "Governmental Authorities"), of every nature and kind, whether any of the same relate to or require (i) structural repair, replacement or changes to or in and about the Building or in about the Premises; or (ii) changes or requirements incident to or as the result of any use or occupation thereof other otherwise, including, without limitation, the Americans with Disabilities Act of 1990 (ADA), Pub. L. 101-336, 104 Stat 327, 42 USC 1210011213 and 47 USC Sections 225 and 611 including Title I, Employment; Title II, Public Service; Title III, Public Accommodations and Services Operated by Private Entities; Title IV, Telecommunications; and Title V, Miscellaneous Provisions; the Florida Americans with Disabilities Accessibility Implementation Act of 1993, Sections 5553.501-553.513, Florida Statutes; the Rehabilitation Act of 1973, 29 USC Section 794; the Federal Transit Act, as amended 49 USC Section 1612; and the Fair Housing Act as amended 42 USC Section 3601-3631; and Tenant shall so perform and comply, whether or not such laws, ordinances, orders, rules, regulations or requirements shall now exist or shall hereafter be enacted or promulgated and whether or not the same may be said to be within the present contemplation of the parties hereto. Notwithstanding the foregoing, however, Tenant reserves the right to contest, in good faith and with due diligence, any such law, ordinance, order, rule, regulation or requirement of a Governmental Authority and so long as the same is so contested in good faith and with due diligence, Tenant may defer compliance therewith, but only to the extent such contest does not subject Landlord to potential civil or criminal penalties or prevent Tenant from performing any of its other obligations or covenants under the Lease.

C. Tenant agrees to give Landlord notice of any law, ordinance, rule regulation, requirement, inquiry or audit which is enacted, passed, promulgated, made, issued or adopted by any of the Governmental Authorities affecting the Premises or Tenant's use or operation thereof received by Tenant, or a copy of which is posted on, or fastened or attached to the Building or otherwise brought to the attention of Tenant, by mailing within ten days after such service, receipt, posting, fastening or attaching or after the same otherwise comes to the attention of Tenant, a copy of each and every one thereof to Landlord. At the same time, Tenant will inform Landlord as to the work or steps which Tenant proposes to do or take in order to comply therewith or respond thereto. Notwithstanding the foregoing, however, if such work or step would require any alterations which would reduce the value of the Building or change the general character or design of the Building or other improvements thereon, and if Tenant does not desire to contest the same, Tenant shall, if Landlord so requests, defer compliance therewith in order that Landlord may, if Landlord wishes, contest or seek modification of or other relief with respect to such requirements, but nothing herein shall relieve Tenant of the duty and obligation, at Tenant's expense, to comply with such requirements, or such requirements as modified whenever Landlord shall so direct.

D. Tenant shall indemnify and save harmless Landlord and its employees, representatives and agents from and against (a) any and all claims arising from (i) the conduct of the Country Club Operations in or management or condition of the Premises, (ii) any work or thing whatsoever done, or any condition created in or about the Premises during the Term hereof or during the period of time, if any, prior to the commencement date that Tenant may have been given access to the Premises pursuant to the Lease or otherwise, or (iii) any negligent or

otherwise wrongful act or omission of Tenant or any of their agents or licensees or their employees, sub leasees or operators, agents or contractors, and (b) all costs, expenses and liabilities incurred, including reasonable attorney's fees (at both trial and appellate levels), in or in connection with each such claim, action or proceeding brought thereon. In case any action or proceeding shall be brought against Landlord by reason of any such claim, Tenant upon notice from Landlord, shall resist and defend such action or proceeding, at Tenant's cost, by counsel chosen by Tenant who shall be reasonably satisfactory to Landlord.

18. RELATIONSHIP OF PARTIES.

Nothing herein contained to the contrary shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Landlord and Tenant, it being expressly understood and agreed that neither the computation of Rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relations between Landlord and Tenant other than the relationship of landlord and tenant. Notwithstanding the fact that the City is the Landlord under this Lease and that there exists a landlord/tenant relationship between Landlord and Tenant, Tenant acknowledges and agrees that this Lease does not grant Tenant any rights or create any exceptions to its obligation to comply with and meet the requirements of all the City's ordinances, resolutions and codes, and that the landlord/tenant relationship shall have no effect upon the jurisdiction and governing rights of the City over the Premises and Tenant shall be required to fulfill and comply with all applicable laws, rules and regulations, ordinances and resolutions of the City as though no such landlord/tenant relationship existed, including, without limitation, all requirements of the City's Building and Zoning Department or other pertinent City agencies.

19. PUBLIC CHARGES MAINTENANCE AND REPAIR EXPENSES.

A. Covenants for Payment of Public Charges by Tenant.

Tenant, in addition to the Rent and all other payments due to Landlord hereunder, covenants and agrees to timely pay and discharge (including payment by installment, if allowed), before any fine, penalty, interest or cost may be added, all real and personal property taxes, all ad valorem real property taxes, all taxes on Rents payable hereunder and under subleases, public assessments and other public charges including but not limited to electric, water and sewer rents, rates and charges (all such taxes, public assessments and other public charges being hereinafter referred to as "Public Charges") levied, assessed or imposed by any public authority against the Premises or Tenant, including all Country Club Operations thereon in the same manner and to the same extent as if the same, were owned in fee simple by Tenant. All such charges shall be prorated if the Lease is not executed at the beginning of the calendar year. Tenant, upon written request, shall furnish or cause to be furnished, to Landlord, official receipts of the appropriate taxing authority, or other proof satisfactory to Landlord evidencing the payment of any Public Charges, which were delinquent or payable with penalty thirty (30) days or more prior to the date of such request.

While the Premises, as a result of the Lease to Tenant, will be subject to ad valorem taxes, which Tenant is required to pay hereunder, if, in the future, the Premises are not

subject to ad valorem taxes (or to a tax imposed in lieu of or replacing an ad valorem tax) due to legal or judicial action or otherwise, then Tenant shall, each year during the term of the Lease, make payments to Landlord, in lieu of ad valorem taxes, in an amount estimated to be, in the best judgment of the parties, the equivalent of what the ad valorem taxes would have been on the Premises for such year if they had been imposed. Any dispute as to such number shall be resolved by arbitration. Payment in lieu of ad valorem tax shall be made on the first day of April of each succeeding year.

Tenant shall have the right to contest the amount or validity, in whole or in part, of any Public Charges, for which Tenant is or is claimed to be liable, by appropriate proceedings diligently conducted in good faith but only after payment of such Public Charges, provided, however, that Tenant may postpone or defer payment of such Public Charges if:

Applicable law allows deferment and the Premises would by reason of such postponement or deferment be in danger of being forfeited or lost; or

Tenant shall have deposited, with a recognized financial institution, security in the amount so contested and unpaid, together with all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises in such proceedings.

Upon the termination of any such proceedings, Tenant shall pay the amount of such Public Charges or part thereof, if any, as finally determined in such proceedings, together with any costs, fees, including counsel fees, interest, penalties and any other liability in connection therewith.

Landlord, shall not be required to join in any proceedings referred to in this Section unless: (a) the provisions of any law, rule or regulation at the time in effect shall require that such proceedings be brought by or in the name of Landlord, or (b) the proceeding involves the assessment or attempted assessment of a real estate or ad valorem tax on the Premises, in which event Landlord shall join in such proceedings or permit the same to be brought in Landlord's name. Except for any counsel it retains separately, Landlord shall not be subjected to any liability for the payment of any fees, including counsel fees, costs and expenses in connection with such proceedings and Tenant agrees to pay such fees, including reasonable counsel fees, costs and expenses or, on demand, to make reimbursement to Landlord for such payment.

B. Maintenance and Repair.

Tenant, at its sole cost and expense, during the Term (and/or renewals thereof), shall be responsible for the installation, operation and maintenance expenses of the Premises, including, without limitation, the cost of all roof and HVAC maintenance and replacement, heating (subject as to the roof to the provisions of Exhibit B), electricity, water, garbage, trash hauling and removal, gas and waste removal, other utility expenses, janitorial service, pest control and insurance and repair, maintenance and replacement of the interior of the Premises, including, without limitation, all walls, plumbing, electricity, fixtures and all other appliances and equipment of every kind and nature and any mechanical systems within the Premises. In

addition, Tenant shall be required to obtain and maintain, at Tenant's expense, an up-to-date HVAC service agreement with a contractor acceptable to Landlord and provide a copy to the Landlord annually.

Without the prior written consent of the Landlord, which shall not be unreasonably withheld, the Tenant shall make no alterations, additions or improvements of a structural nature in or to the Premises. All additions, fixtures, carpets, and improvements shall be and remain a part of the Premises at the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Tenant shall make no changes to the Premises that would change or affect the historic nature or condition without the Landlord's written consent which maybe withheld at the Landlord's sole discretion.

It will be the responsibility of the Tenant, at Tenant's sole cost and expense, to secure and renew all necessary licenses and certificates, to pay for, keep, maintain, and comply with all warranties, maintenance contracts and agreements pertaining to the maintenance, repair and replacement of all Furnishings, Equipment and capital items (such as the roof) and to keep and maintain the Premises (including without limitation the Furnishings and Equipment) throughout the Term of the Lease, in good order, repair and condition including, without limitation, making necessary repairs, replacements, improvements, and substitutions so that (i) the Premises will be operated in compliance with the applicable provisions of the Lease and (ii) the Country Club Operations and Uses will be managed, operated and perform by Tenant, in a first class manner consistent with the quality and service provided in other first class facilities in Miami Dade County, including but not limited to the Biltmore Hotel, Hyatt Regency Coral Gables and Westin Colonade.

20. MECHANICS' LIENS.

Tenant shall keep the Premises and all parts thereof at all times free of mechanics' liens and any other lien for labor, services, supplies, equipment or material purchased or procured, directly or indirectly, by or for Tenant. Tenant further agrees that Tenant will promptly pay and satisfy all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify Landlord against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit in discharging the Premises, or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant. In the event any such lien shall be made or filed, Tenant shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the parties hereto that the expenses, costs and charges above referred to shall be considered as Rent due and shall be included in any lien for Rent.

The Tenant shall not have any authority to create any liens for labor or material on the Landlord's interest in the Premises and all persons contracting with the Tenant for the construction or removal of any facilities or other improvements on or about the Premises, and all materialmen, contractors, mechanics, suppliers and laborers are hereby charged with notice that they must look only to the Tenant and to the Tenant's interests in the Premises to secure the payment of any bill for work done, material furnished or equipment installed at the request or instruction of Tenant regardless whether Landlord has approved or consented to such work or

improvements, and Tenant hereby agrees to notify such persons or entities in writing of the provisions hereof prior to the commencement of any such work or improvements. Landlord and Tenant further agree to execute, acknowledge and record in the Public Records of Miami-Dade County, Florida, a notice pursuant to Section 713.10, Florida Statutes.

21. LOSS; DAMAGE.

Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, gas, electricity, water, rain or leaks or from the pipes, appliances or plumbing works or from the roof, street or sub-surface or from any other place or by dampness, mold, humidity or by any other cause or nature whatsoever, nor shall Landlord or its agents be liable for any such damage caused by other tenants or persons in the Premises or caused by construction of any private, public or quasi-public work; nor shall Landlord be liable for any latent defect in the Premises. Tenant shall give immediate notice to Landlord in case of fire or accidents in the Premises or of defects therein or in any fixtures or equipment located therein. Landlord shall not be responsible or liable for the theft, loss or damage to person or property in, on or about the Premises.

22. ESTOPPEL STATEMENT.

Tenant and Landlord agree that from time to time, upon not less than ten (10) business days prior request by the other, they will deliver to the requesting party to the Lease a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications); (b) the dates to which the Rent and other charges have been paid; (c) that the other party to the Lease is not, to the best of their knowledge, in default under any provisions of the Lease, or, if in default, the nature thereof in detail; and (d) other matters reasonably requested.

23. SUBORDINATION OF LEASE; ATTORNMENT; NON-DISTURBANCE; TRANSFER OF LANDLORD'S INTEREST.

The Lease is subject and subordinate to any and all mortgages granted by Landlord now or hereafter encumbering the Premises, and to any renewals, extensions and/or modifications thereof, and in the event Landlord's interest in the Premises is transferred by reason of foreclosure or other proceeding for enforcement of any such mortgage, Tenant agrees to attorn to and recognize the rights of the transferee of Landlord's interest in the Premises as if such transferee were the Landlord under this Lease. This provision shall be self-operative without the execution of any further instruments. Notwithstanding the foregoing, Tenant agrees to execute any instrument(s) which Landlord may deem desirable to further evidence such attornment and the subordination of the Lease to any and all such mortgages. At the option of the holder of any such mortgage, upon written notice to Tenant, Tenant will simultaneously give to such holder a copy of any and all notices to Landlord and such holder shall have the right (but not the obligation) to cure or remedy any default of Landlord during the period that is permitted to Landlord hereunder to cure such default plus an additional thirty (30) days, and Tenant will accept such curative or remedial action (if any) taken by Landlord's mortgagee with the same effect as if such action had been taken by Landlord.

Landlord shall cause the holder of any mortgage granted by Landlord now or hereafter encumbering the Premises to enter into a Subordination, Attornment and Non-Disturbance Agreement which shall be in form acceptable to the holder of such mortgage and Tenant.

Landlord represents and agrees for itself, its successors and assigns, that Landlord has not made or created and that it will not during the Term of this Lease, make or create or suffer to be made or created any total or partial sale, assignment, conveyance, mortgage, trust or power, or other transfer in any mode or form of or with respect to Landlord's interest in the Premises or any part thereof or any interest therein or any contract or agreement to do any of the same, to any purchaser, assignee, mortgagee or trustee and shall not undertake or agree to do so unless such purchaser, assignee, mortgagee or trustee shall expressly agree to take title or its encumbrance subject to the Lease.

24. ASSIGNMENT.

Except for any subleases or occupancy agreements which are specifically allowed by the Lease, Tenant shall not, directly or indirectly, assign, transfer, mortgage, sublease, pledge or otherwise encumber or dispose of it's interest in the Lease or sublet the Premises or any part thereof or permit the Premises to be occupied by other persons (herein "Assignment"), without consent of the Landlord such consent not to be unreasonably denied as provided, however, that no Assignment shall be allowed to any entity or person unless (a) they meet and continue to meet the Acceptable Operator criteria and (b) the transferee:

1) is not an instrumentality of, or owned, controlled or organized under the laws of, foreign governments with which the United States of America maintains no diplomatic relations, or a foreign government which is currently designated on a prohibited transaction or investment list by the U.S. government, the State of Florida, Miami-Dade County or the City of Coral Gables;

2) must not have been, within the two years preceding the date of the Assignment, in an adversarial relationship in litigation or are in an adversarial relationship in litigation currently pending with the City, in both cases including but not limited to, litigation with respect to with respect to ordinances, charter provisions or resolutions of the City, including building codes or tax code violations (but excluding zoning appeals and appeals of property tax assessments);

3) must not be owned, controlled or run by entities or individuals who have been convicted, or presently under indictment, for felonies under the laws of any foreign or domestic U.S. jurisdiction;

4) must not have file or been discharged from bankruptcy, reorganization or insolvency proceedings within the past two (2) years; or

5) must not in its charter or organizational documents (defined as the articles of incorporation and bylaws for any corporation, the partnership agreement and partnership certificate for any partnership, the trust agreement for any trust) expressly advocate or have as its stated purpose: (i) the violent overthrow of, or armed resistance against, the U.S. government; or

(ii) genocide, violence, hatred or animosity toward persons based solely on their race, creed, color, sex or national origin.

In any Assignment under this subparagraph, Tenant agrees to provide the Landlord, at least thirty days in advance of the actual transfer, with the certifications of the transferee referred to above, together with financial statements (certified if they exist) and the identity of the principal owners of such transferee and the proposed documentation of Assignment or which approval shall be deemed given unless the City responds in writing within thirty days of receipt specifying its objections.

Any consent to an Assignment shall not waive any of the Landlord's rights to consent to a subsequent Assignment. Any Assignment made in violation of the terms hereof shall be null and void and of no force and effect.

Change in the power to control the Board of Directors of Tenant shall be deemed an unauthorized assignment of the Lease.

The sale, assignment or transfer of any portion of the ownership interest of Nick DiDonato in the Tenant or a change in the ownership (legal or equitable) of and/or power to vote or control of 25% or more of the stock or other capital or ownership interest of Tenant, whether such change in ownership is by sale, assignment, or operation of law, shall be deemed an unauthorized assignment of the Lease.

25. HAZARDOUS AND TOXIC SUBSTANCES

Tenant hereby covenants with Landlord and represents and warrants to Landlord as follows:

A. Tenant, at its sole cost and expense, will strictly comply with any and all applicable federal, state and local environmental laws, rules, regulations, permits and orders affecting the Premises and/or the Country Club Operations conduced in or on the Premises, relating to the generation, recycling, reuse, sale, storage handling, transport or presence of any "Hazardous Materials" (as hereinafter defined) hereafter brought in or on the Premises whether now in effect or as may be promulgated or amended from time to time (collectively, the {"Environmental Laws"). Tenant will not permit or allow the generation, manufacture, recycling, reuse, sale, storage, handling, transport or presence of any Hazardous Materials on, under or in the Premises without owner's express prior written consent, which consent Landlord may withhold in its sole discretion. As used in this Article, the term "Hazardous Material(s)" shall mean any substances defined as or included in the definition of "hazardous substance", "hazardous wastes", "hazardous materials", toxic substances", "contaminants" or other pollution under any applicable Environmental Laws. Notwithstanding anything to the contrary contained herein, Landlord's consent to any action by Tenant shall not operate to relieve Tenant of the obligation to comply with all of the provisions of this Section. Tenant will not permit or allow, and will take all actions necessary to avoid, the occurrence of any spills of Hazardous Materials on or off the Premises as a result of any construction on, or use of, the Premises. Tenants shall promptly advise Landlord in writing immediately upon becoming aware of (i) the existence of any spills, releases or discharges of Hazardous Materials that occur on or in the Premises or off

the Premises and of any existing or threatened violation of this Section; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened by any governmental authority with respect to the Premises from time to time under any applicable Environmental Laws; (iii) any and all claims made or threatened by any non-governmental party against Tenant or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from and Hazardous Materials or any violation of applicable Environmental Laws; and (iv) Tenant's discovery of any occurrence or condition on any real property adjoining or in the immediate vicinity of the Premises that could cause the Premises or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the Premises under the Environmental Laws.

B. Without Landlord's prior written consent, Tenant shall not enter into any settlement, consent or compromise with respect to any "Environmental Claim(s)" (as hereinafter defined); provided, however, that Landlord's prior consent shall not be necessary for Tenant to take any remedial action if ordered by a court of competent jurisdiction or if the presence of Hazardous Materials at the Premises poses any immediate, significant threat to the health, safety or welfare of any individual or otherwise requires an immediate remedial response. As used in this Section, "Environmental Claim(s)" shall mean any claim(s) or cause(s) o action resulting from the failure of Tenant (or the Premises) to comply with any Environmental Law relating to Hazardous Materials, industrial hygiene or environmental conditions. In any event, Tenant shall promptly notify Landlord of any action so taken.

C. At all times during the term of the Lease (and any renewals or extensions hereof), Tenant, at its sole cost and expense, shall comply with any and all applicable laws, regulations, ordinances, permits and orders regulating the type and quantity of waste that may hereafter be discharged into the sanitary sewer system serving the Premises, including, but not limited to, all rules, regulations, permits and orders of any governmental agency or authority having jurisdiction, or its successor. Tenant agrees to limit its discharges of waste into the sanitary sewer system to "Domestic Water Waste", as such term is defined by Florida law, as amended from time to time, or as the term may be defined by other laws, regulations, ordinances, permits or orders presently in effect of hereafter enacted, as such laws, regulations, ordinances, permits or orders may be amended from time to time. In no event, however, shall Domestic Waste Water be construed to mean or include any "Non-Domestic Waste Water" that has undergone "Pre-treatment", as the latter term is defined in Florida Law or as defined by other laws, regulations, ordinances, permits or orders presently in effect or hereafter enacted, as such laws, regulations, ordinances, permits or orders may be amended from time to time.

D. Tenant agrees that Landlord and Landlord's agents and independent contractors may enter and inspect the Premises at any time, and from time to time, to verify that Tenant's operations in the Premises do not violate any of the provisions of this Section and that they comply with any and all applicable Environmental Laws. At Landlord's option, Landlord may obtain, from time to time, reports from licensed professional engineers or other environmental scientists with experience in environmental investigations and may require Tenant to permit such licensed professional engineers or other environmental scientists to conduct complete and thorough on-site inspections of the Premises, including, without limitation, sampling and analysis of the soil surface water, groundwater and air, to determine whether Tenant is in compliance with the provisions of this Section and all Environmental Laws. Tenant and its

agents shall cooperate with Landlord and its agents in connection with the conduct of such investigations. In the event such investigations disclose that Tenant is in default under this Section, Tenant shall, immediately upon demand, reimburse Landlord for all costs and expenses of such investigations; moreover, Landlord may, at its option, undertake such steps as it deems necessary to cure such default and to bring the Premises into compliance with the terms of this Section, and Tenant shall, immediately upon demand, reimburse Landlord, as Rent, for all reasonable costs and expenses incurred in curing such default and brining the Premises into compliance with the terms of this Section.

E. Tenant hereby indemnifies and holds Landlord harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits and other proceedings, costs and expenses (including, without limitation, reasonable attorney's fees and costs at trial and all appellate levels), arising directly or indirectly from, or in any way connected with: (i) the presence, or use, generation, treatment or storage on, under or about the Premises for any Hazardous Materials on the Premises or the disposal or release of Hazardous Materials on or off the Premises whether or not expressly approved by Landlord in writing, (ii) the presence of any hazardous Materials on or about the Premises, whether or not expressly approved by Landlord in writing, (iii) the presence of any Hazardous Materials off the Premises as the result of any use of the Premises, (iv) any violation or alleged violation of any Environmental Laws, and regulations promulgated thereunder, as the same may be amended from time to time, (v) the costs of any necessary inspection, audit, cleanup or detoxification of the Premises under any Environmental Laws, and the preparation and implementation of any closure, remedial or other required plans, consent orders, license applications or the like, or (vi) any default by Tenant under this Section. All sums paid and costs incurred by Landlord hereunder shall be Rent and shall be due and payable by Tenant immediately upon demand.

F. The provisions of Section 25 shall apply only to Tenant's obligations and liability arising from conduct, actions, inactions or events which occur after the Effective Date. Any violation of Environmental laws which occur on the Premises prior to the Effective Date shall not be the responsibility of Tenant to remove, mitigate or pay the cost of removal thereof.

26. INDEMNITY, HOLD HARMLESS OF LANDLORD.

In consideration of the Premises being leased to Tenant for the Rent, Tenant agrees that Tenant, at all times, will indemnify, defend and hold harmless Landlord (with counsel reasonably acceptable to Landlord) from all claims, demands, fines, suits, actions, proceedings, order, decrees and judgments of any kind or nature by, or in favor of, anyone whomsoever, and against and from any and all costs, damages and expenses, losses, liabilities, including, without limitations, attorney's fees and court costs (at trial and all other levels) resulting from, or in connection with, loss of life, bodily or personal injury or property damage arising, directly or indirectly, out of, or from, or on account of, any accident or other occurrence in, upon, at or from the Premises, or occasioned in whole or in part through the use and occupancy of the Premises or any improvements therein or appurtenances thereto, or by any act or omission (including any breach, violation or alleged violation of Section 4 hereof) of Tenant, or its employees, agents, contractors, invitees, guests or patrons, in, upon, at or from the Premises or its appurtenances. Landlord shall not be liable to Tenant for any damages, losses or injuries to the employees, agents, contractors, invitees, guests or patrons of Tenant or property of Tenant which may be

caused by the acts, neglect, omissions or faults of any persons or entities, except when such injury, loss or damage results from the gross negligence of Landlord. All Furnishings and Equipment and other personal property placed or moved into the Premises shall be at the sole risk of Tenant or the owner thereof, and Landlord shall not be liable to Tenant for any damage to said Furnishings and Equipment and other personal property. Tenant hereby waives any rights of subrogation against Landlord for any such injury or damage to persons or property.

In case Landlord shall be made a party to any litigation commenced against Tenant, then Tenant shall protect and hold Landlord harmless (with counsel reasonably acceptable to Landlord) and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation and any appeal thereof.

Tenant shall reimburse Landlord upon demand for any money or other property which Landlord is required to pay out for any reason whatsoever, except as is otherwise expressly provided herein, including without limitation, charges or debts incurred or assumed by Landlord relative to judgments, settlements, or expenses in defense of any claim, civil or criminal action, proceeding, charge, or prosecution instituted or maintained against Landlord or Tenant, jointly or severally, related to or arising out of (a) the condition or use of the Premises; (b) acts or omissions on the part of Tenant, or the employees or agents of Tenant; (c) events arising out of or based upon any law, regulation, requirement, contract, or award relating to the hours of employment, working conditions, wages and/or compensation of employees or former employees of Tenant; or (d) any other cause in connection with the Premises; including (in each instance) any claims which are caused by the negligence (but excluding the gross negligence) of Landlord, its agents, representatives or employees.

27. CASUALTY.

If any improvements on the Premises shall be destroyed or damaged in whole or in part during the Term (i) as a result of fire or other casualty not covered under the hazard insurance required to be maintained by Tenant pursuant to the Lease, or (ii) as a result of the gross negligence or willful misconduct of Tenant or any person occupying the Premises under Tenant, or (iii) if more than thirty percent (30%) of the Building should be destroyed or damaged as a result of fire or other casualty not covered under the hazard insurance required to be maintained by Tenant pursuant to this Lease, then Landlord shall have the options (exercisable within one-hundred and eighty (180) days from the date of such damage or destruction) (a) of terminating the Lease in the events described in subsections (i) and (ii) immediately above and (b) of not rebuilding the Building and terminating the Lease in the event described in subsection (iii) immediately above. If Landlord elects to repair, rebuild, restore or reconstruct the Building it shall only be obligated to do so to the extent of the insurance proceeds available therefore. In the event that Landlord does not elect to terminate the Lease, then Tenant shall at its own expense promptly repair, restore, or reconstruct that portion of the Building that constitutes the Premises including, without limitation, all interior walls, ceilings, and flooring. Tenant shall have the right to use for such purposes the proceeds of any hazard insurance policy(ies) maintained by Tenant for the Premises, however, Tenant shall be responsible for any amounts not covered by Tenant's insurance policy or policies. If Tenant fails, within thirty (30) days following written notice from Landlord, to commence such repair, restoration or reconstruction or fails thereafter diligently to prosecute the same to completion, then upon written notice to Tenant, Landlord

shall have the right (but not the obligation) to assume full and exclusive control of Tenant's insurance proceeds and cause such repair, restoration or reconstruction to be done; provided, however that Tenant shall have such additional reasonable time as is necessary in order to coordinate its reconstruction efforts with any reconstruction being or to be done by Landlord. Tenant hereby expressly authorizes Landlord to enter the Premises for such purposes and Tenant agrees that such entry by Landlord shall have no other legal consequences. If the damage or destruction resulted from the gross negligence or willful misconduct of Tenant or any person occupying the Premises under Tenant, then all costs and expenses incurred in accomplishing repairs, restoration or reconstruction in excess of the insurance proceeds available therefore (if any) shall be paid by Tenant, and if Landlord shall advance any sums for such excess costs and expenses, then Tenant shall repay and reimburse Landlord therefore promptly upon demand and said sums shall be considered as additional Rent due and shall be included in any lien for Rent. Except in the event of the gross negligence or willful misconduct of Tenant or any person occupying the Premises under Tenant, the Rent under the Lease shall abate during any such period of repair, restoration or reconstruction to the Building, undertaken by Landlord, and Tenant shall have no right to cancel or terminate the Lease as a result of such damage or destruction. Nevertheless, to the extent that any of the above-described property damage is covered by valid, collected insurance, the Landlord hereby waives any subrogation rights against the Tenant, and the Tenant likewise hereby waives any subrogation rights against the Landlord.

28. CONDEMNATION.

A. Entire Project Taken by Condemnation.

In the event that the Premises (or such portion thereof as shall, in the opinion of Landlord, render it economically unfeasible to effect restoration thereof) shall either: (i) be taken for any public use or purpose by the exercise of the power of eminent domain, or (ii) be conveyed by Landlord to avoid proceedings of such taking, the Rent and money to be treated as additional Rent pursuant to the Lease and the Public Charges shall be prorated and paid by the Tenant to the date of such taking or conveyance and the Lease shall terminate and become null and void as of the date of such taking or conveyance or final decision, as the case may be and the award or awards or damages shall be paid to Landlord; provided, however, if the City is the condemning authority, Tenant shall be paid, from such award, an amount equal to the lesser of the amount of the award or the unamortized portion of Tenant's Initial Capital Investment.

B. Partial Taking of Project by Condemnation.

1) In the event that less than all of the Premises shall be taken for any public use or purpose by the exercise of the power of eminent domain, or shall be conveyed by Landlord to avoid proceedings of such taking, and Landlord shall be of the good faith opinion that it is economically feasible to effect restoration thereof then this Lease and all the covenants, conditions and provisions hereunder shall be and remain in full force and effect as to all of the Premises not so taken or conveyed; Tenant shall, to the extent condemnation proceeds are made available to it pursuant to the terms thereof, remodel, repair and restore the Premises so that they will be comparable to the Premises prior to the condemnation taking into consideration the fact of the condemnation; provided, however, that in so doing Tenant shall not be required to expend more than the amount of any such award actually

received by Tenant less all costs and expenses (including reasonable attorneys' fees) incurred in the collection of same.

C. **Adjustment of Rent Upon Partial Taking**.

In the event a part of the Premises, if any, shall be taken for any public use or purpose by the exercise of the power of eminent domain, or shall be conveyed by Landlord to avoid proceedings of such taking, then Rent and money to be treated as additional rental pursuant to the Lease and the Public Charges in respect of such part of the Premises so taken shall be paid by Tenant to the date of such taking or conveyance and after such date the Base Rent for the remainder of the Premises shall be reduced by such an amount as may be, in good faith, agreed upon in writing by the parties hereto or as otherwise determined by arbitration hereunder.

D. **Payment of Fees and Costs**.

All fees and costs incurred in connection with any condemnation proceeding described herein shall be paid in accordance with the law governing same, as determined by the court or by arbitration, if appropriate.

E. The Landlord, in its capacity as a municipal corporation, agrees not to exercise its power of eminent domain to authorize another public use similar to or someone to replace Tenant in a public use similar to that set forth in the Lease.

29. DEFAULT.

A. If any one or more of the following events (herein sometimes called "default" or "events of default") shall happen:

1) if default shall be made in the payment of any Rent or other charges herein reserved upon the date the same become due and payable and such default continues for a period of ten (10) days after written notice thereof from Landlord to Tenant; or

2) if default shall be made by Tenant in the performance of, or compliance with, any of the covenants, agreements, or terms or conditions contained in this Lease or default be made by Tenant in compliance or non-compliance with any and all municipal or county ordinances, resolutions or codes and all state and federal statutes, rules and regulations now in force or which may hereafter be in force, and such default shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant; or

3) if Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, wage earner's plan, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other debtor's relief statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or an assignment for the benefit of creditors or of all or any substantial part of Tenant's properties or of the Premises; or

4) if within ninety (90) days after commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other debtor's relief statute or law, such proceeding shall not have been dismissed, or stayed on appeal, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of all or any substantial part of Tenant's properties or of the Premises, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within ninety (90) days after the expiration of any such stay such appointment shall not have been vacated; or

5) if the Premises or any portion thereof or contents thereon or in the Building shall be seized under any levy, execution, attachment or other process of court and the same shall not be promptly vacated or stayed on appeal or otherwise, or if the Tenant's interest in the Premises is sold by judicial sale and the sale is not promptly vacated or stayed on appeal or otherwise; or

6) If Tenant:

a. fails to take possession and open for business in accordance with the provisions of Section 4 unless the delay was from Force Majeure, or

b. should vacate, abandon, or desert the Premises (being defined as closure of the Premises or Building for a period of ten (10) days other than for reasons allowed herein), or

c. ceases the continual operation of the Country Club Operations or any Use therein in violation of the terms and provisions hereof,

then in any such event Landlord may at any time thereafter terminate the Lease and retake possession, declare the balance of the Rent for the entire Term of the Lease to be immediately due and payable (in which event Landlord may then proceed to collect all of the unpaid Rent called for by the Lease by distress, by collecting, as liquidated damages, the funds held in escrow at the time Landlord declares a default or otherwise), or pursue any other remedy afforded by law or equity, provided that such default and all other defaults at the time existing have not been fully cured, and all expenses and costs incurred by the Landlord, including reasonable attorneys' fees and court costs, at trial and all appellate levels, in connection with enforcing this Lease, shall not have been fully paid. All Rent not paid on the date of termination shall accrue interest at the highest rate allowed by law until paid ("Default Rate"). Any such termination shall apply to any extension or renewal of the Term herein demised, and to any right or option on the part of the Tenant that may be contained in the Lease. Nothing herein contained shall be construed as precluding the Landlord from having such remedy as may be and become necessary in order to preserve the Landlord's right or the interest of the Landlord in the Premises and in the Lease, including but not limited to injunctive relief, even before the expiration of the grace or notice periods provided for in the Lease, if under particular circumstances then existing the allowance of such grace or the giving of such notice will prejudice or will endanger the rights and estate of the Landlord in the Lease or in the Premises.

7) Obligations, Rights and Remedies Cumulative. The rights and remedies of the parties to the Lease, whether provided by law or by the Lease, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach, or of any of its remedies for any other default or breach by the other party. No waiver made by either party with respect to performance, or manner or time thereof, of any obligation of the other party or any condition to its own obligation under the Lease shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligations of the other party or condition to its own obligation beyond those expressly waived and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or in regard to any obligation of the other party.

8) Notwithstanding the foregoing, Landlord, in its capacity as landlord, hereby agrees not to assert as an Event of Default, that the Premises, as of the Effective Date, failed to comply with current zoning classification or legal status or failed to comply with current applicable building codes or set back requirements.

9) In all situations or under any provision hereof where injunctive relief is an available remedy to the Landlord, such relief shall be available to the Landlord without the requirement or posting a bond or other collateral.

10) Tenant hereby acknowledges that the designation of the Escrow Funds as liquidated damages to Landlord for an Event of Default by Tenant hereunder is reasonable as to the amount, that Landlord's actual damages would be difficult to ascertain and the parties agree that it is reasonable to establish a fixed amount of liquidated damages at this time, provided, however, that if Landlord elects not to accept the unreimbursed Escrow Funds as liquidated damages, Landlord may proceed to exercise such additional remedies as are available to it hereunder without restriction as to the amount of damages.

B. Default Procedure. If, after Possession Date, the Landlord believes that there has been a failure by Tenant, its successors or assigns, lessees, sublessees, or any subsequent owner or occupant to comply with the terms of the second sentence of Section 8 of the Lease, before taking the action of terminating the Lease, it shall send to Tenant a written notice of intent to declare a default under the covenant because of such failure (the "Pre-Default Notice"). The Pre-Default Notice is not a declaration of an event of default hereunder. If Tenant, after reviewing the Pre-Default Notice (which shall specify the respects in which the Landlord contends that such a failure should be considered a default hereunder), believes that such a failure has not occurred or is not a default under Section 8, it shall, within fifteen (15) days of receipt of such Pre-Default Notice, advise the Landlord of such determination (which shall specify the respects in which Tenant contends that such a failure has not occurred or should not be considered a default). If Landlord, after considering said response, still believes that such failure has occurred and is a default, it shall, prior to taking further action on said failure and following fifteen (15) days notice to Tenant and the alleged defaulting party, submit the matter to arbitration pursuant to the provisions of Section 43 hereof. If the decision of the arbitrator is in favor of the Landlord's position, then the Pre-Default Notice may be re-issued by the Landlord, in which event Tenant shall proceed to cure same, and if Tenant fails to cure the same, such failure shall be deemed a default under this Agreement and the Landlord may pursue the remedy of

termination of the Lease. The provisions of this paragraph shall not apply to other remedies specified in Section 8.

30. LIEN FOR PAYMENT OF RENT.

Tenant hereby pledges and assigns to Landlord as security for the payment of any and all Rent and other sums or amounts provided for herein, all of the improvements, furniture, fixtures, Furnishings and Equipment, Operating Supplies, goods and chattels of Tenant which shall or may be brought or put on or into the Premises, and Tenant agrees that said lien may be enforced by distress, foreclosure or otherwise, at the election of the Landlord.

31. WAIVER OF DEFAULT.

Failure of Landlord to declare any default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default, but Landlord shall have the right to declare any such default at any time and take such action as might be lawful or authorized hereunder, in law and/or in equity.

No waiver of any term, provision, condition or covenant of the Lease by Landlord shall be deemed to imply or constitute a further waiver by Landlord of any other term, provision, condition or covenant of the Lease and no acceptance of Rent or other payment shall be deemed a waiver of any default hereunder.

32. RIGHT OF ENTRY.

A. Landlord, or any of its agents, shall have the right to enter the Premises during all reasonable hours and after twenty-four (24) hours notice to Tenant (except in the event of an emergency, to be determined in Landlord's sole discretion, in which event no notice shall be required) to examine the same or to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort, or preservation thereof, or to otherwise exhibit the Premises to third parties, including, without limitation, mortgagees, insurance examiners and building inspectors. Said right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions which do not conform to this Lease. Landlord and Tenant agree that to the extent there is any restriction on Landlord's right of entry to the Premises apply solely to Landlord in its capacity as a landlord and do not apply to Landlord in its capacity as a municipality with jurisdiction over the Premises and the property where it is located.

B. Tenant is and shall be in exclusive control and possession of the Premises, and Landlord shall not, in any event whatsoever, be liable for any injury or damage to any property or to any person happening in, on or about the Premises, nor for any injury or damage to any property of Tenant, or of any other person or persons contained therein. Notwithstanding the foregoing, however, Landlord is expressly permitted to enter and inspect the Premises at reasonable times and upon reasonable notice. Such entering and inspections rights are, however, made for the sole and express purpose of enabling Landlord to be informed as to whether Tenant is complying with the agreements, terms, covenants and conditions of the Lease and if Landlord so desires, to do such acts as Tenant shall have failed to do after notice from Landlord as otherwise required herein. Such access and inspection rights shall not in any event impose on Landlord any obligations not expressly set forth herein.

33. RELEASE AND CONDITION OF THE PREMISES.

A. Sole Reliance. Tenant is relying solely upon its own verification of Landlord's title to the Premises and restrictive covenants, easements and limitations or uses of record, its own inspection, investigation and analyses of the Premises and the County Club Operations in leasing the Premises and is not relying in any way upon the representations, statements, agreements, warranties, studies, reports, descriptions, guidelines or other information or material furnished by the Landlord or its representatives, whether oral or written, express or implied, of any nature whatsoever regarding the Premises or the Country Club Operations (including but not limited to the information in and provided in connection with the RFP/RFQ issued by the City dated June 10, 2008).

B. As-Is. Where-Is.

1) EXCEPT AS PROVIDED IN SECTION 4 AND IN EXHIBIT B, TENANT ACKNOWLEDGES AND AGREES THAT THE PREMISES ARE BEING LEASED IN AN "AS-IS," "WHERE-IS" CONDITION "WITH ALL FAULTS" RELATING TO THE PHYSICAL CONDITION OF THE PREMISES AND SPECIFICALLY AND EXPRESSLY WITHOUT ANY WARRANTIES, REPRESENTATIONS OR GUARANTIES AS TO THE PHYSICAL CONDITION OF THE PREMISES, EITHER EXPRESS OR IMPLIED, OF ANY KIND, NATURE, OR TYPE WHATSOEVER FROM OR ON BEHALF OF THE LANDLORD.

2) TENANT ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SET FORTH IN THIS AGREEMENT, THE LANDLORD HAS NOT, DOES NOT AND WILL NOT MAKE ANY WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, WITH RESPECT TO ANY WARRANTY OF TITLE CONDITION, MERCHANTABILITY, HABITABILITY, OPERABILITY OR FITNESS FOR A PARTICULAR USE, OR WITH RESPECT TO THE VALUE, PROFITABILITY OR MARKETABILITY OF THE PREMISES.

3) TENANT ACKNOWLEDGES AND AGREES THAT, LANDLORD HAS NOT, DOES NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY WITH REGARD TO COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS INCLUDING BUT NOT LIMITED TO, THOSE PERTAINING TO THE HANDLING, GENERATING, TREATING, STORING OR DISPOSING OF ANY HAZARDOUS WASTE, MATERIAL OR SUBSTANCE.

Tenant acknowledges that, subject to Landlord's performance of the Building Improvements listed on Exhibit B, the condition of the Premises is accepted by the Tenant for purposes of this Section includes the following: (A) the quality, nature, adequacy or physical condition of the Premises including, but not limited to, the structural elements, foundation, roof, appurtenances, access, landscaping, parking facilities or the electrical, mechanical, HVAC, plumbing, sewage or utility systems, facilities or appliances at the Premises, if any; (B) the quality, nature, adequacy or physical condition of soils, sub-surface support or ground water at the Premises; (C) the existence, quality, nature, adequacy or physical condition of any utilities

serving the Premises, or access thereto; (D) the qualification or feasibility of the Premises for the Country Club Operations; or (E) the quality of any labor or materials relating in any way to the Premises.

34. NOTICE; APPROVALS.

Any notice required or permitted under this Agreement shall be given in writing and shall be sent by certified or registered mail, return receipt requested, postage prepaid, properly addressed as follows:

TO LANDLORD:

City of Coral Gables
405 Biltmore Way
Coral Gables, FL 33134
Attn: City Manager

WITH COPIES TO:

_____
Development Director
City of Coral Gables
95 Merrick Way, Suite 450
Coral Gables, FL 33134

and

Elizabeth Hernandez, Esq.
City Attorney
City of Coral Gables
405 Biltmore Way
Coral Gables, FL 33134

and

W. Reeder Glass, Esq.
Holland & Knight LLP
1201 West Peachtree Street, N.E.
One Atlantic Center, Suite 2000
Atlanta, Georgia 30309

TO TENANT:

25 British Columbia Road
Exhibition Place
Toronto, Ontario M6K3C3
CANADA
Attn: Nick DiDonato

WITH A COPY TO:

_____
_____
_____
_____

A. Whenever this Agreement provides for Landlord's approval or consent, said approval or consent shall be in writing, absent which any alleged approval or consent shall not be binding on Landlord.

B. Whenever Landlord's or Tenant's approval or consent is required pursuant to this Agreement, it shall not be unreasonably withheld or delayed, except as may otherwise be expressly provided herein.

C. Either party, from time to time, by such notice, may specify another address to which subsequent notice shall be sent. Any notice given by mail shall be deemed given three (3) days following the date of mailing.

35. PARKING PLAN.

Tenant shall submit to Landlord, for its consent and approval, prior to the Possession Date, a parking plan for customer, patron, member and valet parking at the Premises. The first draft of the proposed parking plan shall be submitted to Landlord by Tenant not later than July 15, 2009.

36. SURRENDER OF PREMISES.

Upon the expiration of the Lease Term, Landlord's Furnishings and Equipment, free and clear of all debts, mortgages, encumbrances, and liens (which for this purpose shall include all Furnishings and Equipment except Tenant's Furnishings and Equipment) shall automatically pass to, vest in and belong to the Landlord or its successor in ownership and it shall be lawful for the Landlord or its successor in ownership to re-enter and repossess the Premises and the Landlord's Furnishings and Equipment, thereon without process of law. The Landlord and Tenant covenant that, to confirm the automatic vesting of title as provided in this paragraph, each will execute and deliver such further assurances and instruments of assignment and conveyance as may be required by the other for that purpose. Tenant in such event does hereby waive any demand for possession thereof and agrees to surrender and deliver the Premises and the Landlord's Furnishings and Equipment thereon without process of law peaceably to the Landlord or its successor in ownership immediately upon such expiration or termination, Tenant shall have the right to remove any or all Tenant Furnishings and Equipment from the Premises, provided Tenant's repairs any damage to the Premises caused by such removal and that Tenant's Furnishings and Equipment are removed within thirty (30) calendar days after the date of expiration or termination. If Tenant's Furnishings and Equipment are not removed from the Premises within such thirty-day period, it is hereby agreed that Tenant's Furnishings and Equipment shall (without the payment of compensation to the Tenant or others) become the property of the Landlord, but the foregoing shall not preclude claims by Tenant's subtenants as to their personality and trade fixtures.

If the Lease is terminated or cancelled because of an Event of Default by Tenant, then Tenant's Furnishings and Equipment shall not be removed and shall automatically become the property of the Landlord, free and clear of any and all debts, mortgages, encumbrances and liens and shall be subject to the default and lien provisions of Sections 29 and 30 herein.

Landlord shall, prior to termination, be entitled to conduct an inspection of the Premises, Furnishings and Equipment to confirm that the provisions of this Section and the Lease have been met.

Without limiting Landlord's rights and remedies, if Tenant holds over in possession of the Premises after the expiration of the Term or earlier termination thereof, Tenant shall pay Landlord two hundred percent (200%) of the amount of Rent then applicable.

No receipt of money by Landlord from Tenant after termination of the Lease or the service of any notice of commencement of any suit or final judgment for possession shall reinstate, continue or extend the Term of the Lease or affect any such notice, demand, suit or judgment.

No act or thing done by Landlord or its agents during the Term hereby granted shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it be made in writing and signed by a duly authorized officer or agent of Landlord.

37. SIGNS.

Tenant shall not have the right to install signs on the exterior of the Building or outside the Building, on the Premises, without, Landlord's consent and such signs must comply with all requirements of municipal and county governmental requirements. Tenant shall have the sole responsibility for maintenance, upkeep and insurance of same. Landlord will work with Tenant to seek and have installed directional signs to the Premises on offsite locations mutually approved and in compliance with municipal and county governmental requirements.

38. TRIAL BY JURY.

IT IS MUTUALLY AGREED BY AND BETWEEN LANDLORD AND TENANT THAT THE RESPECTIVE PARTIES HERETO SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, AND TENANT'S USE OR OCCUPANCY OF THE PREMISES. TENANT FURTHER AGREES THAT THE PROVISIONS FOR PAYMENT OF RENT HEREIN ARE INDEPENDENT COVENANTS OF TENANT AND TENANT SHALL NOT INTERPOSE ANY NONCOMPULSORY COUNTERCLAIM OR COUNTERCLAIMS IN A SUMMARY PROCEEDING OR IN ANY ACTION BASED UPON NON-PAYMENT OF RENT OR ANY OTHER PAYMENT REQUIRED OF TENANT HEREUNDER.

39. INVALIDITY OF PROVISION.

If any term or provision of the Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Lease or the application of such term or provision, to persons or circumstances other than those as to which it