

FIRST AMENDMENT

This First Amendment ("Amendment") to the Lease between the City of Coral Gables, a Municipal Corporation ("Landlord") and Coral Grand, LLC, a Florida Limited Liability Company ("Tenant") dated August 6, 2009 ("Lease") is entered into as of the ____ day of _____, 2010. Capitalized terms are defined in the Lease.

R E C I T A L S

A. The Landlord and Tenant entered into the Lease pursuant to the process and approvals set forth in the Whereas clauses therein and commenced activities pursuant to the terms of the Lease.

B. Delays have occurred in the completion of certain activities required in order for Possession Date to occur, such that the timing of the performance of Tenant under the Lease requires adjustment. The parties believe that the changes in the Lease described in this Amendment will accommodate the completion of the work required under the Lease and facilitate the opening of the Premises to the public.

Now therefore, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties to the Lease hereby agree to the following amendments and additions to the Lease:

1. Section 1(R) is hereby modified to change the Rent Commencement Date from October 1, 2010 to October 1, 2011.

2. Section 1(S) is hereby modified by changing Rental Year from commencing on October 1, 2010 to commencing on October 1, 2011.

3. Section I(V) is hereby deleted and replaced with the following language:

"Year of Operation shall mean the 12-month period commencing the first day and ending on the last day of Tenant's annual accounting period (which currently is based upon a calendar year)."

4. Section 4(A) is hereby modified as follows:

a. Except for the repair of the roof of the original Country Club Building. Tenant hereby stipulates that all of the Building Improvements have been completed by Landlord and accepted by Tenant.

b. Exhibits B, C and F are hereby modified as set forth in revised Exhibits B, C and F attached hereto.

c. Possession Date shall be defined to be October 30, 2010.

d. Tenant Improvements shall be redefined to include amounts set forth in Exhibits C, C(1) and F, other than the items listed in Exhibit F under Opening Costs.

5. Upon the Effective Date of this Amendment, Tenant shall deposit into the Escrow described in Section 6 of the Lease, an additional amount of \$145,000 which shall be used to pay costs and cost overruns for the categories described in Exhibit C.

6. Section 4(H) shall be amended as follows:

a. The date of February 15, 2010 shall be changed to February 15, 2011.

b. The date of September 30, 2010 shall be changed to September 30, 2011.

7. Exhibit D shall be revised as set forth in attached Exhibit D.

8. Section 6(A) shall be revised by changing the escrow amount from \$627,000 to \$772,000. Section 6(B) shall be revised by changing the escrow amount from Five Hundred Fifteen Thousand (\$515,000) to Four Hundred Fifteen Thousand (\$415,000) and changing December 1, 2009 to December 1, 2010.

9. Section 15 is hereby amended by changing the date therein from June 30, 2009 to June 30, 2010.

10. Section 35 is hereby amended by deleting the language therein and replacing it with the following:

"If Tenant proposes to modify the parking requirements for the Premises currently contained in City Ordinance No. 3587 dated July 23, 2002 and the approvals recently obtained by the Tenant, it must request Landlord's approval of such modification not later than one hundred twenty (120) days prior to opening the banquet facilities."

11. Except as modified herein, the Lease shall remain in full force and effect.

12. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which when executed shall be deemed an original and all of which, when taken together, shall constitute the same instrument. This Amendment may be executed and the signatures telecopied between the parties. Facsimile signatures shall be deemed originals for all purposes.

IN WITNESS WHEREOF, the parties have executed this amendment as of the date first mentioned above.

LANDLORD:

Approved as to form:

CITY OF CORAL GABLES, a municipal corporation of the State of Florida

Elizabeth M. Hernandez, Esq.
City Attorney

By _____
City Manager

ATTEST:

City Clerk

Authority of Resolution No. _____,
duly adopted by the Coral Gables City
Commission on _____.

TENANT:

Coral Grand, LLC

ATTEST:

Secretary

By: _____
Name: _____
Title: _____

(Corporate Seal)

EXHIBIT "B"

BUILDING IMPROVEMENTS

1) Repair of Roof of original Country Club Building.

~~2. Extermination of Termites in original Country Club Building.¶~~

~~3. HVAC of original Country Club Building.¶~~

~~4. Environmental contamination under Parking Lot.¶~~

~~5. Bringing swimming pool into compliance with recently enacted State law (provided, however, that the installation of a pump and related onsite requirements may occur after Possession Date as long as the pool continues to be open for Use hereunder).~~

~~6. ———~~ 2) Repairs or replacements that are required to maintain the structural integrity of the original County Club Building, subject to the following qualifications and conditions:

a. If the roof referred to in paragraph 1 above is only repaired and not replaced, then paragraph ~~6~~ 2 will include the obligations to repair or replace a structural failure.

b. If a structural failure occurs due to the action or inaction of Tenant, Landlord shall not be responsible for repairing or replacement.

c. Once Landlord completes the repairs and replacements, further repairs or replacements of that structural component shall be the obligation of the Landlord.

d. Should (i) an obligation for Landlord to repair or replace a structural component of the original Country Club Building arise under the provisions of Exhibit B, and (ii) the amount to be paid by the Landlord for such repair or replacement either exceeds \$200,000 in any one (1) Year of Operation (Tenant may elect to pay any costs for repair and replacements over \$200,000) or reaches a cumulative total payment by the Landlord over the Term of the Lease of \$1,000,000, and the Landlord is not willing to undertake payment of the cost of such repair or replacement in excess of the amounts specified above because of the total cost thereof and Tenant is unwilling to undertake to pay the cost of such repair or replacement above the Landlord's limited amount, then Landlord shall have the right to cancel the Lease upon the payment to Tenant of the unamortized portion of its Tenant Improvements, whereupon such payment, the Parties hereto shall be relieved of all further obligations under the Lease and the Lease shall be terminated.

e. The provisions herein are incorporated into the Lease and shall modify any provisions thereof which are inconsistent with the provisions of Exhibit B.

f. The provisions of paragraph ~~6~~ 2 of this Exhibit B shall only apply to the original Country Club Building and no other structure on the Premises.

EXHIBIT "C"

TENANT IMPROVEMENTS AND ESTIMATED COSTS*

[includes the repairs and improvements to the Tennis Facility
described in Appendix B of the RFQ/RFP]

MECHANICAL	HVAC	25,000
	PLUMBING	25,000
	SPRINKLERS	20,000
ELECTRICAL	EMERGENCY LIGHTING	10,000
	EMERGENCY PANELS	10,000
	ELECTRICAL UPGRADE	15,000
FIRE & LIFE SAFETY		0
	FIRE SEPARATIONS	20,000
	ADDITIONAL PULL STATIONS	20,000
	SMOKE DETECTION SYSTEM UPGRADE	5,000
INTERIOR FINISHES	FLOORS, WALLS, CEILING	75,000
	DRYWALL	25,000
	ENCLOSURES	20,000
	MILLWORK	50,000
	STRUCTURAL	85,000
EXTERIOR FINISHES	GROUND, WALLS	25,000
	ENCLOSURES	15,000
	MILLWORK	30,000
	STRUCTURAL	20,000
	TENNIS COURT UPGRADE	35,000
	LANDSCAPING	50,000
<u>FOOD SERVICE EQUIPMENT</u>		<u>145,000</u>
SUBTOTAL		<u>580,000</u>
CONTINGENCY		47,000
TOTAL		<u>\$ 627,000</u>

*Once the cost of renovation, equipping and furnishing of the Use described in Section 4(H) is known, it shall automatically be added to this Exhibit and defined as Tenant Improvements.

Tenant shall be entitled to reallocate savings from one category listed herein to pay for cost overruns in another category listed herein. In addition, these categories include the architectural, design and engineering costs for plans and services related to the category.

EXHIBIT "D"

RENT SCHEDULE

Base Rent. Starting-upon the ~~Rent Commencement Date, which is January 2, 2010, 2011,~~ Tenant shall pay Base Rent of Five Thousand Dollars (\$5,000) per month from January 2, ~~2010, 2011~~ to October 1, ~~2010, 2011~~. Commencing October 1, ~~2010, 2011~~, Base Rent payments shall be \$20,000 per month payable, in advance, on the first day of each month. October 1, ~~2010, 2011~~ shall, for purposes of this Rent Schedule, be the beginning of Rental Year 1. The Base Rent for each successive Rental Year of the initial Term shall escalate at 3.0% annually in accordance with the schedule listed below. Upon exercise of the renewal option for the First Renewal Term, the Base Rent for the First Renewal Rental Year (Lease Year 11) shall be \$30,000 per month, payable on the first day of each month during the First Renewal Term. The Base Rent for each successive Rental Year of the First Renewal Term shall escalate at 3.0% annually. Upon exercise of the renewal option for the Second Renewal Term, the Base Rent for the first Second Renewal Rental (Lease Year 21) shall be \$40,317 per month, payable on the first day of each month. The Base Rent for each successive Rental Year of the Second Renewal Term shall escalate at 3.0% annually. See schedule below, which shall be controlling over any language description of the amount of Base Rent.

<u>Rental Year</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>
1	\$20,000	\$240,000
2	\$20,600	\$247,200
3	\$21,218	\$254,616
4	\$21,855	\$262,254
5	\$22,510	\$270,122
6	\$23,185	\$278,226
7	\$23,881	\$286,573
8	\$24,597	\$295,170
9	\$25,335	\$304,025
10	\$26,095	\$313,146
11	\$30,000	\$360,000
12	\$30,900	\$370,800
13	\$31,827	\$381,924
14	\$32,782	\$393,382
15	\$33,765	\$405,183
16	\$34,778	\$417,339
17	\$35,822	\$429,859
18	\$36,896	\$442,755
19	\$38,003	\$456,037
20	\$39,143	\$469,718
21	\$40,317	\$483,810
22	\$41,527	\$498,324
23	\$42,773	\$513,274
24	\$44,056	\$528,672

<u>Rental Year</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>
25	\$45,378	\$544,532
26	\$46,739	\$560,868
27	\$48,141	\$577,694
28	\$49,585	\$595,025
29	\$51,073	\$612,876
30	\$52,605	\$631,262

Percentage Rent. In addition to Base Rent, commencing in the second Rental Year and continuing throughout the Term of the Lease, Tenant shall pay to Landlord additional annual Rent ("Percentage Rent") in an amount equal to the sum of: (1) 6.0% of the amount by which the Gross Revenues for the Rental Year in question is in excess of \$4,000,000 less (2) the amount by which real estate taxes assessed for the Rental Year in question exceeds the Adjusted Base Real Estate Tax. Adjusted Base Real Estate Tax is defined as \$26,943 in the 1st Rental Year escalated annually at 3.0%. For example, if Gross Revenues in Rental Year 3 equal \$4,300,000 and Real Estate Taxes assessed for that Rental Year equaled \$41,000, the Percentage Rent would be calculated as follows:

Annual Percentage Rent Prior to Real Estate Tax Adjustment:
 $\$4,300,000 \text{ less } \$4,000,000 = \$300,000 \times 6.0\% = \$18,000$

Real Estate Tax Adjustment:
 $\$41,000 \text{ less Adjusted Base Real Estate Tax of } \$28,359 \text{ (i.e. } \$26,943 \times 1.03^2) = \$12,641$

Annual Percentage Rent = $\$18,000 \text{ less } \$12,641 = \$5,359$

Total Base and Percentage Rent Due for Rental Year 3 = Base Rent of \$254,616 plus Percentage Rent of \$5,359 = \$259,975

Percentage Rent for each Rental Year shall be due and payable, in arrears, upon the 45th day of the Rental Year following the Rental Year which the Percentage Rent applies.

If, during the Term, the Golf Facilities are leased by Tenant (versus managed), then the Adjusted Base Real Estate Tax shall be adjusted upward, on the date the lease of the Golf Facilities commences, to include the amount of the real estate taxes assessed (or to be assessed after the change in status from management to lease) against the Golf Facilities, and, thereafter, the calculation of Percentage Rent shall be adjusted accordingly.¶

¶

Tenant shall receive a credit against the first amount of Percentage Rent which becomes due hereunder equal to the amount of monthly insurance premium it paid, during the months of October 2009 through March 2010, pursuant to Section 16 of the Lease. The amount of such insurance premiums shall be verified to the Landlord's satisfaction.¶

EXHIBIT "F"

INITIAL CAPITAL INVESTMENT

FURNISHINGS & FIXTURES

CHAIRS & TABLES	\$ 110,000 <u>60,000</u>
WINDOW COVERING & LINEN	75,000
CHANDELIERS	65,000
SOUND AND LIGHTING EQUIP.	120,000 <u>70,000</u>
SMALL WARES	40,000
BRIDAL SUITES	10,000

KITCHEN EQUIPMENT

BAR SERVICE EQUIP.	15,000
ELECTRICAL UPGRADE	15,000
MAIN LINE EQUIPMENT	<u>65,000</u>
	\$ 515,000 <u>415,000</u>

OPENING COSTS

PRE-ADVERTISING	75,000
TRAINING	50,000
OPENING INVENTORY	100,000
OPENING LAUNCH PARTY	50,000
PRE-OPENING PERSONNEL EXPENSE	150,000

TOTAL **\$**

Tenant shall be entitled to reallocate savings from one category listed herein to pay for cost overruns in another category listed herein. In addition, these categories include the architectural, design and engineering costs for plans and services related to the category.¶

Tenant shall be entitled to lease, rather than purchase, the Sound and Lighting Equipment. Any items listed above which have been purchased by Tenant (and verified by Landlord) shall reduce the amount of funds Tenant shall be required to place into the Escrow Account on December 1, 2010 pursuant to paragraph 6(B).