

may be withheld in the City's sole discretion, directly or indirectly own any interest in, operate, or in any manner be connected or associated with any full or limited service hotel, food or beverage business operated under the name "Margaritaville" and located within the applicable Market Area. This restriction shall not apply to one (1) restaurant, hotel or other lodging establishment located at an existing non-oceanfront pari-mutuel licensed location. Developer hereby stipulates and agrees that the foregoing non-competition agreement shall be enforceable by injunction without requiring of a bond and that, because the City's actual damages would be difficult if not impossible to estimate, in the event of any breach of this non-competition agreement by Developer, the City shall be entitled to recover liquidated damages from Developer in an amount equal to Developer's net cash proceeds after taxes from any such activity undertaken by Developer, or an Affiliate of Developer, in violation of this Section 12.7.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 13.1 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Lease is intended or shall be construed in any manner or under any circumstances whatsoever as creating or establishing the relationship of co-partners, or creating or establishing the relationship of a joint venture between the City and Developer, or as constituting Developer as the agent or representative of the City for any purpose or in any manner whatsoever.

Section 13.2 Recording, Documentary Stamps. A memorandum of this Lease, in form mutually satisfactory to the parties, may be recorded by either party among the Public Records of Broward County, Florida and the cost of any such recordation, the cost of any documentary stamps which legally must be attached to any or all of said documents shall be paid in full by Developer. The parties shall cooperate in structuring the transactions contemplated hereby in such a manner as to reduce such costs, provided such structure shall not have any adverse consequence for the City.

Section 13.3 Florida and Local Laws Prevail. This Lease shall be governed by the laws of the State of Florida. This Lease is subject to and shall comply with the Charter of the City of Hollywood as the same is in existence as of the execution of this Lease and the ordinances of the City of Hollywood. Any conflicts between this Lease and the aforementioned Charter and ordinances shall be resolved in favor of the latter. If any term, covenant, or condition of this Lease or the application thereof to any person or circumstances shall to any extent, be illegal, invalid, or unenforceable because of present or future laws or any rule or regulation of any governmental body or entity or becomes unenforceable because of judicial construction, the remaining terms, covenants and conditions of this Lease, or application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be

affected thereby and each term, covenant, or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 13.4 Conflicts of Interest: City Representatives not Individually Liable. No member, official, representative, or employee of the City or the CRA shall have any personal interest, direct or indirect, in this Lease, nor shall any such member, official, representative or employee participate in any decision relating to this Lease which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. No member, official, elected representative or employee of the City or the CRA shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer or successor or on any obligations under the terms of the Lease.

Section 13.5 Notice. A notice or communication, under this Lease by the City, on the one hand, to Developer, or, on the other, by Developer to the City shall be sufficiently given or delivered if dispatched by hand delivery, or by nationally recognized overnight courier providing receipts, or by registered or certified mail, postage prepaid, return receipt requested to:

- (a) Developer. In the case of a notice or communication to Developer if addressed as follows:

To: Margaritaville Hollywood Beach Resort, LLC
Attn: Lon Tabatchnick
3501 N. Ocean Drive
Hollywood, Florida 33019

With Copies To:

Margaritaville of Hollywood, Florida LLC, Managing Member
Attn: John Cohan
256 Worth Avenue, Suite Q
Palm Beach, Florida 33480

and

Jeffrey M. Smith
Greenberg Traurig, LLP
3290 Northside Parkway, Suite 400
Atlanta, Georgia 30327

Hollywood Resort Partners, LP, Managing Member

Attn: Lon Tabatchnick
3501 N. Ocean Drive
Hollywood, Florida 33019

cc: Atkinson, Diner, Stone, Mankuta & Ploucha, P.A.
Attn: Wilson C. Atkinson, III
100 S.E. 3rd Avenue, Suite 1400
Ft. Lauderdale, Florida 33394

and: Any Mortgagee of Developer whose
address has been provided to
the City in writing

(b) City. In the case of a notice or communication to the City, if addressed as follows:

To: City of Hollywood
Hollywood City Hall
2600 Hollywood Blvd.
Hollywood, Florida 33020
Attn: City Manager

cc: City of Hollywood
Hollywood City Hall
2600 Hollywood Blvd.
Hollywood, Florida 33020
Attn: City Attorney

or if such notice is addressed in such other way in respect to any of the foregoing parties as that party may, from time-to-time, designate in writing, dispatched as provided in this Section 13.5.

Section 13.6 Estoppel Certificates. The City and Developer shall, within thirty (30) days after written request by the other, execute, acknowledge and deliver to the party which has requested the same or to any actual or prospective Lender or the CDD, a certificate stating that:

(a) this Lease is in full force and effect and has not been modified, supplemented or amended in any way, or, if there have been modifications, the Lease is in full force and effect as modified, identifying such modification agreement, and if the Lease is not in force and effect, the certificate shall so state;

- (b) this Lease as modified represents the entire agreement between the parties as to this subject matter, or, if it does not, the certificate shall so state;
- (c) the dates on which the Term of this Lease commenced and will terminate;
- (d) to the knowledge of the certifying party all conditions under the Lease to be performed up to that date by the City or Developer, as the case may be, have been performed or satisfied and, as of the date of such certificate, there are no existing defaults, defenses or offsets which the City or Developer, as the case may be, has against the enforcement of the Lease by the other party, or, if such conditions have not been satisfied or if there are any defaults, defenses or offsets, the certificate shall so state; and
- (e) the Rent due and payable for the year in which such certificate is delivered has been paid in full, or, if it has not been paid, the certificate shall so state.

The party to whom any such certificate shall be issued may rely on the matters therein set forth; however, in delivering such certificate neither Developer nor the City (nor any individual signing such certificate on such party's behalf) shall be liable for the accuracy of the statements made therein, but rather shall be estopped from denying the veracity or accuracy of the same. Any certificate required to be made by the City or Developer pursuant to this paragraph shall be deemed to have been made by the City or Developer (as the case may be) and not by the person signing same.

Section 13.7 Provisions not Merged with Deed. Unless otherwise expressed in the instrument of conveyance or transfer, none of the provisions of this Lease are intended to or shall be merged by reason of any deed:

- (a) transferring the Project or any part thereof from Developer (or its successors or assigns) to the City (or its successors or assigns); or
- (b) transferring title to the Leased Property or any part thereof from the City to Developer, its successors or assigns. Any such deed shall not be deemed to affect or impair the provisions and covenants of this Lease.

Section 13.8 Titles of Articles and Sections. Any titles of the several parts, Articles and Sections of this Lease are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 13.9 Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original. Any such counterparts shall constitute one and the same

instrument. This Lease shall become effective only upon execution and delivery of this Lease by the parties hereto.

Section 13.10 Successors and Assigns. Except to the extent limited elsewhere in this Lease, all of the covenants conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the respective successors and assigns of the City and Developer.

Section 13.11 Entire Agreement. This Lease and its Exhibits constitute the sole and only agreement of the parties hereto with respect to the subject matter hereof and correctly set forth the rights, duties, and obligations of each to the other as of its date. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Lease are of no force or effect and are merged into this Lease.

Section 13.12 Amendments. No amendments to this Lease shall be binding on either party unless in writing and signed by both parties. The City shall not be obligated to expend any money or undertake any obligation connected with any such amendment proposed by Developer, or otherwise connected with any action requested by Developer under this Lease, and shall be reimbursed by Developer for all third-party costs (including without limitation, third-party consultants and attorneys) incurred by the City. Prior to the City taking action regarding any such request, Developer shall deposit with the City the estimated amount of such costs, as reasonably determined by the City.

Section 13.13 Non-Subordination of City's Interest. Notwithstanding any provision in this Lease to the contrary but except as provided below in this section, the City's fee interest in and ownership of the Leased Property and the City's rights and interest in this Lease (including without limitation, the rights to Rents, additional Rents, Public Charges and other monetary obligations of Developer to the City under this Lease) shall not be subject or subordinate to or encumbered by any financing for the Project or lien or encumbrances affecting Developer's interest in this Lease or Developer's Improvements or by any acts or omissions of Developer or any sublessee hereunder. In this regard, the Rents (including Minimum Guaranteed Rent, Participation Rent and Transaction Rent), additional Rents and other monetary obligations of Developer to the City under this Lease then payable at any point in time during the Term shall be paid by Developer to the City and shall be superior in right to all claims or rights hereunder or described above in this Section including without limitation, all Project operating expenses, the payment of debt service, and any distributions of profits to Developer or any of its Affiliates or owners. However, this provision shall not affect the CDD's interest in the public spaces in the Parking Garage. Notwithstanding any other provision herein, the City, Developer and any Lender or holder of a Leasehold Mortgage interest shall subordinate their rights and interests to the CDD Easement within which the public

portion of the Parking Garage is constructed and to its fee simple interest in the improvements thereto conveyed to it by the CDD Special Warranty Deed.

Section 13.14 Authorization and Approvals by the City. All requests for action or approvals by the City shall be sent to the City Attorney for decision as to who within the City, including the City Commission, must act or approve the matter on behalf of the City.

Section 13.15 Prevailing Party's Attorneys' Fees. In the event either party hereto shall institute legal proceedings in connection with, or for the enforcement of, this Lease, the prevailing party shall be entitled to recover its costs of suit, including without limitation, commercially reasonable attorneys' fees, at both trial and appellate levels.

Section 13.16 Holidays. It is hereby agreed that whenever a notice or performance under the terms of this Lease is to be made or given on a Saturday or Sunday or on a legal holiday recognized by the City, it shall be postponed to the next following business day, not a Saturday, Sunday or legal holiday.

Section 13.17 No Brokers. Developer shall be responsible for, and shall hold the City harmless with respect to, the payment of any commission claimed by or owed to any real estate broker or other person retained by Developer and which is entitled to a commission as a result of the execution and delivery of this Lease. The City similarly shall be responsible for, and shall hold Developer harmless with respect to, the payment of any commission claimed by or owed to any real estate broker or other person retained by the City and which is entitled to a commission as a result of the execution and delivery of this Lease.

Section 13.18 No Liability for Approvals and Inspections. Except as may be otherwise expressly provided herein, no approval to be made by the City in its capacity as landlord under this Lease or any inspection of the Work or the Project by the City under this Lease, shall render the City liable for its failure to discover any defects or nonconformance with any Governmental Requirement.

Section 13.19 Radon. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit for Broward County.

Section 13.20 Developer Entity. On the date of execution hereof, Developer is a Florida limited liability company. In the event that at any time during the term of this Lease and any extensions and renewals thereof, Developer is a corporation or an entity other than a Florida limited liability company, then any references herein to member,

membership interest, manager and the like which are applicable to a Florida limited liability company shall mean and be changed to the equivalent designation of such term which is appropriate to the nature of the new Developer entity.

Section 13.21 Inflation Adjustments. All adjustments for inflation required under this Lease shall be calculated utilizing the United States Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers; U.S. City average (1982-84=100). If the United States Department of Labor should no longer compile and publish this index, the most similar index compiled and published by said Department or any other branch or department of the federal government shall be used for the purpose of computing the inflation adjustments provided for in this Lease. If no such index is compiled or published by any branch or department of the federal government, the statistics reflecting cost of living increases as compiled by any institution or organization or individual designated by the City and generally recognized as an authority by financial or insurance institutions shall be used as a basis for such adjustments.

Section 13.22 Standard of Conduct. The implied covenant of good faith and fair dealing under Florida law is expressly adopted.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Developer has caused this Lease Agreement to be signed in its name by its Managing Member, and the City Commission of Hollywood has caused this Lease Agreement to be signed in its name by the City Manager, and duly attested to by the City Clerk, and approved as to form and sufficiency by the City Attorney, on the day and year first above written.

ATTEST:

MARGARITAVILLE HOLLYWOOD
BEACH RESORT, LLC, a Florida limited
liability company

Name: _____

By: _____

Name: _____

Title: _____

Name: _____

By authority of Resolution No. _____
duly passed and adopted by the Hollywood
City Commission on _____, 2010.

ATTEST:

CITY OF HOLLYWOOD, a Florida
municipal corporation

By: _____

Name: _____

Title: City Clerk

By: _____

Name: Cameron D. Benson

Title: City Manager

APPROVED AS TO FORM AND
SUFFICIENCY FOR THE USE AND
RELIANCE OF THE CITY OF
HOLLYWOOD ONLY:

By: _____

Name: Jeffrey P. Sheffel, Esq.

Title: City Attorney

EXHIBIT "A"
ACCEPTABLE OWNER DEFINITION

A. "Acceptable Owner" means any individual, corporation or other entity which has, at a minimum, the following qualifications:

1. The proposed owner must possess the qualifications, good reputation and financial resources necessary for the ownership of the Project, according to the Trademark Sublicense Agreement and this Lease, in a manner consistent with the quality, reputation and economic viability of the Project.
2. The proposed owner shall have no outstanding material violations of any Governmental Requirement against the proposed owner, or any hotel or other property owned or managed by such proposed owner, or an Affiliate of such proposed owner, within Florida, which have remained uncured for more than ninety (90) days.
3. The proposed owner must not be owned, controlled or run by entities or individuals who have been convicted, or are presently under indictment, for felonies under the laws of any foreign or United States of America jurisdiction. But, the foregoing shall not apply to individuals or entities owning less than a ten (10%) percent equity interest in the proposed owner, other than officers, directors, managers or others who have the power to direct and control the business and affairs of the proposed owner.
4. The proposed owner must not (nor any of the individuals or entities who own at least a ten (10%) percent equity interest in the proposed owner or are officers, directors, managers or otherwise have the power to direct and control the business and affairs of the proposed owner) have filed or been discharged from bankruptcy, or have been the subject of an involuntary bankruptcy, reorganization or insolvency proceedings within the past five (5) years (bankruptcy filings by affiliates shall not disqualify a proposed owner, unless such affiliates are any of the individuals or entities described in the parenthetical immediately above).
5. The proposed owner must not in its charter or organizations 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 and the constitution of the relevant government for any governmental entity, but expressly excluding any statements, positions, actions or allegations not contained in such charter organizational documents) expressly advocate or have as its stated purpose: (a) the violent overthrow of or armed resistance against, the U.S. government; or (b) genocide or violence against any persons; or (c) discrimination, hatred or animosity toward persons based solely on their race, creed, color, sex or national origin.

B. "Acceptable Owner Criteria": The foregoing five (5) categories of requirements are collectively defined as the "Acceptable Owner Criteria."

C. Evaluation of the "Acceptable Owner Criteria": Solely for the purpose of evaluating whether the proposed owner has met the five (5) criteria set forth above, it, he or she shall provide the following information to the Developer, which shall provide a copy to be reviewed by the City:

- (i) Information sufficient for the Hollywood Police Department to perform a background check according to Chapter 95 of the City of Hollywood Code of Ordinances;
- (ii) Financial statements reflecting the proposed owner's financial ability to meet the obligations and requirements for purchasing the Project;
- (iii) A list of all bankruptcies filed by or which the proposed Acceptable Owner was a party-bankrupt, if any;
- (iv) A list of all pending litigation, liens or claims in which the proposed owner is currently involved; and
- (v) A list of four (4) persons or firms with whom proposed owner has conducted business transactions during the past three (3) years. At least two (2) of those references must have knowledge of the proposed owner's debt payment history.

D. Approval Process: Regarding the issue of approving a proposed owner as an Acceptable Owner, the parties hereby agree that:

- (i) It is understood and agreed that the City will not unreasonably withhold its consent if the proposed Acceptable Owner complies with the Acceptable Owner Criteria;
- (ii) If a proposed Transfer requires the City's consent, Developer shall deliver written notice to the City, which shall confirm the identity of the proposed owner, and shall include with such notice:
 - (a) copies of any applicable operating licenses;
 - (b) identification of the hotels owned or managed by the proposed owner;
 - (c) the resume of the proposed owner, senior executives, and other key employees thereof, including without limitation,

identification of and duration, of hotel ownership experience;
and

- (d) such other evidence as is commercially reasonably necessary to establish that the new entity proposed to be the Acceptable Owner, meets the Acceptable Owner Criteria.
- (iii) The City shall have forty-five (45) days after the delivery of such written notice and the information required under subparagraphs D(i) and (ii) immediately above, to determine whether, on a commercially reasonable basis, the proposed owner meets the Acceptable Owner Criteria.
- (iv) If the City notifies Developer, in writing, within such forty-five (45)-day period, that the information submitted is, on a commercially reasonable basis, incomplete or insufficient (and specifies in what ways it is incomplete or insufficient), then Developer shall supplement such information, on a commercially reasonable basis, and the City shall have thirty (30) days after such supplemental information is provided to make its determination whether the proposed owner meets the Acceptable Owner Criteria.
- (v) If the City disapproves the proposed owner, the City shall provide to Developer specific written, commercially reasonable reasons for such disapproval. The failure to object to the proposed owner within either of the two time periods set forth above shall be deemed to be the approval by the City of the proposed owner as an Acceptable Owner.
- (vi) Any entity approved as an Acceptable Owner must meet the Acceptable Owner Criteria throughout its service as an Acceptable Owner hereunder unless certain of said qualifications were waived by the City, in writing, at the time of original approval.
- (vii) No approval by the City of a proposed owner as an Acceptable Owner or its meeting of the Acceptable Owner Criteria shall have the effect of waiving or estopping the City from later claiming that said Acceptable Owner is no longer operating or maintaining the Project according to the terms of this Lease, thereby creating an Event of Default. But, the time periods, such as “within the five (5) years”, set forth in the Acceptable Owner Criteria are measured from the date each proposed Acceptable Owner submits its application for approval by the City.

E. Dispute Resolution: If there is any dispute, in whole or in part, over the provisions of this **Exhibit A**, it shall be resolved in Broward County, Florida, using the then-applicable Commercial Arbitration rules of the American Arbitration Association, except that, in any event, there shall be three (3) arbitrators. They shall be the last three (3) people left on a list, after both parties alternate striking names, provided by the American Arbitration Association. The party that shall strike first shall be determined by lot. The list shall contain the names of twenty-one (21) people with substantial experience in hotel projects.

F. Interpretation:

- (i) All acts and omissions as well as rights and duties shall be done in a commercially reasonable manner, unless the standard of “sole discretion” is used.
- (ii) The implied covenant of good faith and fair dealing under Florida law is expressly adopted.

EXHIBIT "B"
HOTEL STANDARDS DEFINITION

Starting thirty-seven (37) months from the Completion Date, the Developer shall operate the Hotel so that:

- (a) it meets a sufficient number of the standards then required to be able to obtain a four-diamond rating from the American Automobile Association;
or
- (b) if that system or the American Automobile Association itself does not exist in substantially the same manner as it does on the date of execution of this Lease, then the most analogous system shall be used.

The Developer does not have to actually obtain the four-diamond or equivalent rating. But, it must be able to meet the standards for obtaining it.

If the Developer elects, in its sole discretion, not to obtain that rating, the City shall have the right once every thirty-six (36) months to require the Developer to retain a hotel consultant proficient in the AAA Diamond ratings and with at least ten (10) years experience in the hotel industry to produce a report within sixty (60) days of the City's request that states the Hotel does or does not meet the standards for a four-diamond rating or the equivalent.

The City has the right to accept or reject the report. If it rejects the report, the City shall retain its own hotel consultant proficient in the AAA Diamond ratings and, who shall also have at least ten (10) years experience in the hotel industry. That consultant shall produce a report at any time explaining in commercially reasonable detail why the report by the Developer's hotel consultant is not correct.

After the City's hotel consultant's report is delivered to the Developer, the City and Developer shall not take any formal action for thirty (30) days. They may elect to discuss or mediate the matter during that period of thirty (30) days.

At the end of that period of time, if the City does not agree that the Hotel is being operated at the standards required to obtain a four-diamond rating or the equivalent, then the City has the right to require that the City and Developer jointly file a complaint for declaratory relief from the American Arbitration Association in Miami, Florida, but always with three (3) arbitrators with expertise in the hotel industry.

The arbitrators shall either rule that the Hotel meets or does not meet the standards required to obtain a four-diamond rating or the equivalent. If the ruling is that the standards have not been met, the order shall state which standards have not been met.

If the Developer receives an order specifying the standards that have not been met and which prevent the Hotel from obtaining a four-diamond rating or the equivalent, Developer shall have six (6) months within which to take the necessary action to meet a sufficient number of the standards as required to be able to obtain a four-diamond rating or the equivalent. The Developer does not have to take corrective action regarding any of the standards identified in the arbitrators order as deficient, but may take any action that will achieve a four-diamond rating or the equivalent, and shall within nine (9) months from the date of the order actually obtain that rating or the equivalent and thereafter maintain that rating or the substantial equivalent throughout the remaining term of this Lease.

Should Developer fail to satisfy the requirements of an arbitration order within the time allowed, City shall be entitled to liquidated damages, it being agreed that the actual damages the City has suffered in this circumstance would be difficult to calculate, in the amount of two hundred dollars (\$200) per day. But, neither the arbitrators nor any court shall be permitted to terminate the Ground Lease as a remedy regarding any failure to meet or obtain a four-diamond rating or the equivalent. The provisions above regarding the \$200 per day remedy and the restriction regarding termination shall apply to any breach of Exhibit B during the Term.

EXHIBIT "C-1"
BUDGETED IMPROVEMENT COSTS

Project Costs

<u>Soft Costs</u>	
Architecture and Engineer	\$
	1,925,000
Design Architect	1,000,000
Landscape Architect	225,000
Traffic Engineer	15,000
Civil Engineer	275,000
Misc .Consultants	370,000
Legal and Administrative	500,000
Real Estate Taxes	1,000,000
Predevelopment Expenditures	180,000
Developers Fee	3,039,000
Building Permits	1,200,000
Insurance - Builders Risk	868,000
Pre- Opening Expense	5,000,000
Sewer/Water Hook Up	200,000
Coral Hospitality	310,000
EB-5	408,000
EB-5 Interest	4,000,000
CDD Bond Interest and reserve	5,463,000
CDD Bond issuance expense	537,000
Reimbursables	65,000
CRA Loan Interest	320,000
City of Hollywood	300,000
Soft Cost Contingency	1,100,000
	\$
TOTAL SOFT COSTS	28,300,000
<u>Construction Costs</u>	
Construction Cost	\$78,000,000
Construction Contingency	3,250,000
Payment & Performance Bonds	600,000
FF&E Café	4,000,000
FF&E - Rooms & Balconies	4,000,000

FF&E - Convention	1,000,000
FF&E - Spa	750,000
FF&E- Common Areas & Cabanas	600,000
OS&E	7,000,000
TOTAL CONSTRUCTION COSTS	\$99,200,000
	\$
TOTAL PROJECT COSTS	127,500,000

EXHIBIT “C-2”
CRA FUNDING AGREEMENT

The CRA Funding Agreement by and between Margaritaville Hollywood Beach Resort, LLC, a Florida limited liability company and the Hollywood Community Redevelopment Agency, a dependent special district of the City of Hollywood, was approved by the Board of Commissioners in Resolution No. _____ on even date herewith, a copy of which is on file at the Community Redevelopment Agency office located at 330 North Federal Highway, Hollywood, Florida 33020, and can be viewed as a public document.

EXHIBIT "D"
OPERATING AGREEMENT

That certain Operating Agreement of Margaritaville Hollywood Beach Resort, LLC, a Florida limited liability company, made and entered into by and among Hollywood Resort Partners, LP, a Florida limited partnership, and Margaritaville of Hollywood, Florida, LLC, a Florida limited liability company, as may be amended from time-to-time pursuant to the terms of the Lease, was delivered to the City Manager, a copy of which is on file at the City Manager's office located at Hollywood City Hall, 2600 Hollywood Blvd., Hollywood, Florida 33020, and can be viewed as a public document.

EXHIBIT "E-1"
LEGAL DESCRIPTION OF HOTEL PARCEL

Block "F", LESS the West 12.5 feet and LESS the North 40.00 feet thereof, "HOLLYWOOD BEACH", according to the plat thereof as recorded in Plat Book 1, Page 27 of the Public Records of Broward County, Florida;

and subject to a right-of-way reserve area unto the owner across the East 10 feet of the West 22.5 feet of said Block "F"; and subject to a utility reserve area unto owner across the East 20 feet of the West 32.5 feet LESS the South 60 feet of the North 100 feet thereof, and the South 20 feet of said Block "F".

Uses within the utility and right-of-way reserve areas shall be subject to specific approval from the owner and generally shall be limited to walkways, landscaping, signage, lighting and other similar elements consistent with utility and right-of-way uses.

Said land situate, lying and being in the City of Hollywood, Broward County, Florida.

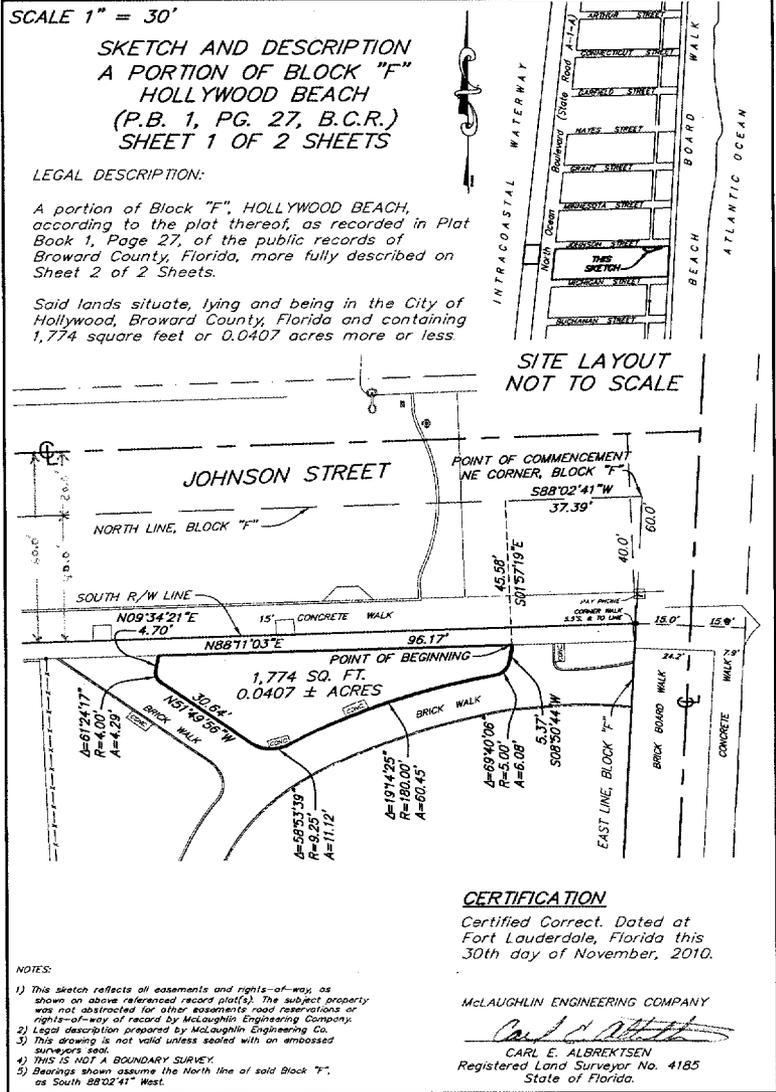
Notwithstanding the legal description of the Hotel Parcel provided above, upon the issuance of a Certificate of Occupancy for the Project, the Developer shall provide the City with an as-built survey delineating public right-of-way improvements as reflected per the approved Site Plan which affect the Hotel Parcel. Upon presentation of the as-built survey to the City, the aforementioned description shall be amended by the City to exclude from the Hotel Parcel the reflected public improvements.

EXHIBIT "E-2"

LEGAL DESCRIPTION OF DEVELOPER INITIAL PARCEL



McLAUGHLIN ENGINEERING COMPANY
LB#285
 ENGINEERING * SURVEYING * PLATTING * LAND PLANNING
 400 N.E. 3rd AVENUE FORT LAUDERDALE, FLORIDA
 33301 PHONE (954) 763-7611 * FAX (954) 763-7615



FIELD BOOK NO. _____
 JOB ORDER NO. U-6265
 C:\JMM\2010\U6265
 REF. DWG.: 08-3-009

DRAWN BY: JMM
 CHECKED BY: _____



McLAUGHLIN ENGINEERING COMPANY
LB#285
 ENGINEERING * SURVEYING * PLATTING * LAND PLANNING
 400 N.E. 3rd AVENUE FORT LAUDERDALE, FLORIDA
 33301 PHONE (954) 763-7611 * FAX (954) 763-7615

**SKETCH AND DESCRIPTION
 A PORTION OF BLOCK "F"
 HOLLYWOOD BEACH
 (P.B. 1, PG. 27, B.C.R.)
 SHEET 2 OF 2 SHEETS**

LEGAL DESCRIPTION:

A portion of Block "F", HOLLYWOOD BEACH, according to the plat thereof, as recorded in Plat Book 1, Page 27, of the public records of Broward County, Florida, more fully described as follows:

Commencing at the Northeast corner of said Block "F"; thence South 88°02'41" West, on the North line of said Block "F", a distance of 37.39 feet; thence South 01°57'19" East, a distance of 45.58 feet to the Point of Beginning; thence South 08°50'44" West, a distance of 5.37 feet to a point of curve; thence Southwesterly on said curve to the right, with a radius of 5.00 feet, a central angle of 69°40'06", an arc distance of 6.08 feet to a point of reverse curve; thence Southwesterly on said curve to the left, with a radius of 180.00 feet, a central angle of 19°14'25", an arc distance of 60.45 feet to a point of reverse curve; thence Northwesterly on said curve to the right, with a radius of 9.25 feet, a central angle of 58°53'39", an arc distance of 11.12 feet to a point of tangency; thence North 51°49'56" West, a distance of 30.64 feet to a point of curve; thence Northwesterly on said curve to the right, with a radius of 4.00 feet, a central angle of 61°24'17", an arc distance of 4.29 feet to a point of tangency; thence North 09°34'21" East, a distance of 4.70 feet; thence North 88°11'03" East, a distance of 96.17 feet to the Point of Beginning.

Said lands situate, lying and being in the City of Hollywood, Broward County, Florida and containing 1,774 square feet or 0.0407 acres more or less.

CERTIFICATION

Certified Correct. Dated at Fort Lauderdale, Florida this 30th day of November, 2010.

McLAUGHLIN ENGINEERING COMPANY


 CARL E. ALBREKTSEN
 Registered Land Surveyor No. 4185
 State of Florida.

NOTES:

- 1) This sketch reflects all easements and rights-of-way, as shown on above referenced record plat(s). The subject property was not abstracted for other easements road reservations or rights-of-way of record by McLaughlin Engineering Company.
- 2) Legal description prepared by McLaughlin Engineering Co.
- 3) This drawing is not valid unless sealed with an embossed surveyors seal.
- 4) THIS IS NOT A BOUNDARY SURVEY.
- 5) Bearings shown assume the North line of said Block "F", as South 88°02'41" West.

FIELD BOOK NO. _____
 JOB ORDER NO. U-6265
 C: \JMMf\2010\U6265
 REF. DWG.: 08-3-009

DRAWN BY: JMMf
 CHECKED BY: _____

EXHIBIT "F"
AGREEMENT FOR BEACH SERVICES

AGREEMENT FOR BEACH SERVICES
ON HOLLYWOOD BEACH

This Agreement for Beach Services on Hollywood Beach (hereinafter the "Beach Agreement") is entered into this ____ day of _____, 2011, by and between Margaritaville Hollywood Beach Resort, LLC, a Florida limited liability company (hereinafter the "Developer"), whose address is 101 N. Ocean Dr., #135, Hollywood, Florida 33019, and the City of Hollywood, Florida, a municipal corporation (hereinafter the "City"), whose address is 2600 Hollywood Blvd., Florida 33020 (collectively sometimes referred to as the "Parties").

WHEREAS, the Developer is owned in part by Margaritaville of Hollywood, Florida, LLC (hereinafter "Margaritaville"), which shall be sublicensing certain trademarks to the Developer for purposes of the Ground Lease and this Beach Agreement;

WHEREAS, this Beach Agreement shall be **Exhibit F** to the Development Agreement and Ground Lease between Margaritaville Hollywood Beach Resort, LLC and the City of Hollywood (hereinafter the "Ground Lease"); and

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Developer and City agree as follows:

A. TERM

The Beach Agreement's term shall commence on the date the Developer first applies for a certificate of occupancy for the Hotel as defined in the Ground Lease. It shall terminate on the same date on which the Ground Lease, to which this Beach Agreement is attached as **Exhibit F**, terminates regarding both the Developer and any successors in interest, including but not limited to Lenders by way of foreclosure or otherwise.

B. TERRITORY

The territory for this Beach Agreement is described in **Exhibit A**, which is the Site Map, and is legally described as follows (hereinafter the "Hotel Territory"):

From The Easterly extension of the North Right-of-Way of Johnson Street, Southerly to the Easterly extension of the South Right-of-Way of Michigan Street and from the Easterly Right-of-Way of the Broadwalk to a point 150 feet East of the Mean High Water Line.

1. The City represents and warrants that:
 - a. it has resolved any contractual duties it may owe to A & A regarding the A & A Agreement connected to the Hotel Territory;
 - b. it indemnifies Developer against any claims of any kind by A & A connected to the Developer using the Hotel Territory;
 - c. A & A may continue to operate in the area located outside of the Hotel Territory, but shall be excluded from serving any person within the Hotel Territory.

C. TERMINATION OF AGREEMENT

1. The City cannot terminate the Beach Agreement, except in the manner provided in the Ground Lease in conjunction with the termination of the Ground Lease.
2. The City shall not file a motion to compel or for contempt or a complaint of any kind against the Developer regarding this Beach Agreement, unless it first provides written notice of the alleged default and thirty (30) days for the Developer to cure.

D. SCOPE OF SERVICES

1. Overview

The Developer agrees to provide commercially reasonable access to the public to rent beach equipment, cabanas and other equipment and products. All such equipment and products shall be sold within the Hotel Territory.

2. Equipment and Services
 - a. Beach equipment as referred to herein shall mean chairs, cabanas, beach umbrellas, surfboards, mats, floats, windsurfers, windscreens, related equipment and the sale of beach-related products generally and commonly used by persons using beaches; provided, however, the Developer shall not sell any food or beverages.
 - b. The Developer shall not be authorized to rent any equipment which is not listed in this agreement or covered by the insurance policy furnished to the City, unless prior to such rental, the Developer shall have furnished an additional list of equipment to the Director of

Parks, Recreation and Cultural Arts and received written approval, which shall be granted on a commercially reasonable basis.

- c. The Developer shall have the right to install and utilize an unlimited number of cabanas, beach chairs and similar items, subject only to City ordinances and rules applicable to all beach service providers regarding safety issues such as spacing between cabanas.

3. Maintaining and Repairing Equipment

- a. The Developer must provide and maintain, in a good state of repair and at its own cost and expense, all equipment required to operate the beach services under this Beach Agreement. If equipment is lost, stolen or damaged, any required repairs or replacement of equipment shall be at the Developer's expense. The Developer shall repair and replace broken or weather-beaten equipment.
- b. Any repairs, cleaning or other maintenance as required to maintain a clean and safe working environment shall be provided on a continuous and immediate schedule. The beach services under this Beach Agreement operation must be maintained so as to provide an aesthetically pleasing appearance and not be detrimental to the immediate surroundings.

4. Rental Rates

- a. The Developer shall be permitted to operate as a free enterprise and to establish rates for renting beach equipment and services. The General Public will not be charged more than the standard rates for the Hotel Guests.
- b. A list of the rates must be on file with the City of Hollywood and posted by the Developer. A schedule of rate revisions must be provided to the Director of Parks, Recreation, and Cultural Arts or his designee at least ten (10) days prior to posting to the public.

5. Products

- a. The Developer shall be allowed to sell any brand of any product, including suntan or sun block lotion.
- b. The City shall not enter into any other contract or take any other action that would require the Developer to sell any brand of suntan or sun block lotion; and

- c. The City shall not enter into any other contract or take any other action that would prohibit the Developer from selling any product or any brand of any product.

6. Buildings

- a. Any buildings required by the Developer for storage and operations, shall conform to all applicable City codes and building requirements. Full responsibility for the maintenance, appearance and disposition of the buildings are Developer.
- b. The location of any buildings must be approved by the Director of Parks, Recreation and Cultural Arts. All locations are subject to removal or relocation upon 30 days notice for permanent removal or relocations and 7 days notice for temporary relocations. Notwithstanding anything to the contrary in this paragraph, the removal or relocation shall be commercially reasonable and the relocation shall be on that portion of Hollywood Beach that is described above in Section E.

7. Hours of Operation

- a. During the term of this Beach Agreement, the facility shall be open and properly staffed seven (7) days per week, on a 52-week per year schedule, with appropriate hours to serve the customers of the Hotel and the general public.
- b. Operations under this Beach Agreement shall not take place during the hours of darkness, which for the purposes of this Beach Agreement begins one hour after sunset and ends at sunrise. Exceptions shall only be allowed when inclement weather conditions do not warrant providing the services described in this Beach Agreement.

8. Advertising and Promotion

- a. Signs, posters and any other media involving the Margaritaville-related trademarks and logos shall be permitted to be used on all products and in connection with all services.
- b. This includes without limitation, the services discussed above in Section E.1.

- c. There shall be no restriction, except for matters involving safety, regarding the use of signs, posters and other media on cabana covers.
- d. The definition of “Margaritaville-related trademarks and logos” shall include all trademarks and logos for which any Margaritaville-related entity has obtained a trademark registration or for which a trademark application has been filed and not rejected by the Patent and Trademark Office in the United States.

9. Installation of Cabanas and Beach Chairs

The Developer shall not place or install equipment in any location other than herein specified.

- a. The Developer shall leave a corridor of thirty (30) feet at each street intersection for use of the public as convenient ingress and egress to the beach. Equipment shall not be placed on the Broadwalk.
- b. Cabanas will be placed within fifty (50) feet of the Broadwalk bulkhead or natural dune lines where applicable. At all times, cabanas shall be placed so that there shall be a minimum clearance of four (4) feet between each cabana on all sides. The Developer’s placement of equipment must never interfere with Beach Safety Division’s observation of the public for said public’s welfare and safety. Areas for placement of umbrellas and regulations of water-borne equipment shall be under the regulation of the Beach Safety Division.

10. Miscellaneous

- a. The public, in general, shall, at all times, have the free use of space allocated to the public in front of the Developer’s location.
- b. All Developer attendants shall be neatly attired in approved uniforms properly identifying the Developer and the attendant. No person convicted of any offense involving moral turpitude or a felony shall be employed by the Developer under this agreement. Upon the City’s request, background checks of the Developer’s employees will be required to be provided by the Developer.
- c. The Developer shall not be permitted to provide the beach services under this Beach Agreement for any other purposes than the renting

of beach equipment. The Developer shall conduct its business in a dignified manner and with no pressure, coercion, persuasion or hawking being done by the Developer or its attendant(s) in an attempt to influence the public to use this service.

- d. The Developer shall furnish the necessary janitorial services to maintain all areas in a proper state of cleanliness, i.e., litter and debris as a result of this operation. The Developer shall enforce all posted Beach regulations in its Territory.
- e. The Developer shall not install its equipment in an area outside of its own concession area, nor shall the Developer interfere with the operation of any concessionaires. Disputes arising between Developer and any third-party concerning their rights under their Beach Hotel Agreements shall be reported to the City Manager or his or her designee for review and necessary action.
- f. The Developer shall adhere to a maintenance schedule as may be set up by the Beach Safety Superintendent or Public Works Beach Maintenance Supervisor and shall provide personnel to move cabanas and rental equipment within one (1) hour after notification, or according to the schedule to facilitate the cleaning of the Municipal Beach. The Developer will be consulted on maintenance scheduling.
- g. Should Developer desire any additional building for storage of the equipment utilized for the purposes set forth herein, upon receiving the consent of the City and all necessary permits and approvals, any such building shall, unless otherwise provided by a written agreement, be the property of the Developer.
- h. Developer shall not be authorized to rent any equipment which is not scheduled in its application or covered by the insurance policy furnished the City unless, prior to such rental, it shall furnish an additional list of equipment to the Director of Parks, Recreation and Cultural Arts or his designee of the City.

E. DEVELOPER'S COMPLIANCE WITH LAW

- 1. The Developer, its representatives and employees, shall adhere to all City, County, State and Federal laws and regulations relating to the operational use of the City's beachfront areas. This shall relate to laws in force at the commencement of this Beach Agreement and those adopted and amended

hereafter. Notwithstanding anything to the contrary in this Beach Agreement, the Developer retains its right to challenge each such law and regulation, including, without limitation, based on a constitutional objection that such law or regulation violates the Developer's constitutional rights regarding contracts.

2. The Developer shall comply in all particulars with all rules, regulations and ordinances and particularly in activities conducted upon the public beach of the City of Hollywood which shall in no way at any time be improper, immoral or illegal. Gambling of any type, kind or nature, direct or indirect, is specifically prohibited.

3. The security for all property, equipment and supplies owned and provided by the Developer shall remain the responsibility of the Developer.

4. Developer hereby waives all claims against the City for uninsured damages to or loss of any property belonging to Developer that may be in or about the premises.

5. The Developer will be responsible for all damage to City property or the City beachfront caused by the Developer, its employees or its agents. Any such damage that may occur shall be promptly corrected at the expense of the Developer.

6. The Developer will conduct its operation and provide contracted services in such a manner as to maintain commercially reasonable quiet and minimize disturbance to the general public.

F. ALLOCATION OF LEGAL RESPONSIBILITY

1. Developer shall not assume all risks incident to or connected with the uses and services to be conducted hereunder.

2. Except for accidents or injuries caused at least in part by the City's negligence or more culpable conduct, Developer hereby agrees to indemnify, defend and save harmless City and its agents, officers, and employees from any and all claims of personal injury, loss of life or damage to property occasioned by or in connection with any activities conducted by the Developer pursuant to this Beach Agreement.

3. Except for accidents or injuries caused at least in part by the City's negligence or more culpable conduct, City assumes no responsibility whatsoever for any property located in the Territory.

4. The acceptance of a lease payment by City, whether in a single instance or repeatedly, after it falls due, or after knowledge of any breach hereby by Developer, where the giving or making of any notice or demand, whether according to any statutory provision or not, or any active or series of acts except an express waiver in writing shall not be construed as waiver of City's right or of any other right hereby given the City or as an election not to proceed under the provisions of this Beach Agreement.

G. INSURANCE

1. During this Beach Agreement, Developer shall maintain all insurance required as set forth below.

2. Certificates of insurance, reflecting evidence of the required insurance, shall be filed with the Risk Manager. These certificates shall contain a provision that coverage afforded under these policies will not be canceled until at least thirty (30) days' prior written notice has been given to the CITY. All policies shall be issued by companies authorized to do business under the laws of the State of Florida, shall have adequate Policyholders and Financial ratings in the latest ratings of A.M. Best, and shall be part of the Florida Insurance Guarantee Association Act.

3. Insurance shall be in force during the entire term of this agreement. In the event the insurance certificate provided indicates that the insurance shall terminate and lapse during the term of this agreement, the Developer shall furnish, at least thirty (30) days prior to the expiration of such insurance, a renewed certificate of insurance as proof that equal and like coverage for the balance of the term of this agreement and any extension thereof is in effect.

4. The types of required insurance are set forth below:

a. Commercial General Liability Insurance to cover liability for bodily injury and property damage. The City must be named as an additional insured for the Commercial General Liability coverage. Exposures to be covered are: premises, operations, products/completed operations, and contractual. Coverage must be written on an occurrence basis, with no less than the following limits of liability:

(i) Single Limit Bodily Injury & Property Damage

Each Occurrence	\$1,000,000.00
-----------------	----------------

- (ii) Personal Injury
Annual Aggregate \$1,000,000.00

b. Workers' Compensation Insurance shall be maintained during the life of this Contract to comply with statutory limits for all employees. The Developer shall maintain, during the term of this Beach Agreement, Employer's Liability Insurance. The following must be maintained:

- (i) Workers' Compensation Statutory
- (ii) Employer's Liability Not less than \$500,000 per accident

H. REPORTS AND RECORDS

1. The Developer is responsible for acquiring all applicable City, County and State occupational licenses, fees and permits.
2. The Developer shall submit an annual report of revenues and expenses to the City.

I. CONCESSION FEE PAYMENTS

The Developer shall not pay the City for the rights set forth in this Beach Agreement. Rather, these rights are part of the Ground Lease to which this Beach Agreement is attached as **Exhibit F**. The consideration to the City is provided through the various types of rents discussed in the Ground Lease.

J. ASSIGNMENT; AMENDMENTS

1. The Developer shall have the right, without consultation with the City, to sign, subcontract and in any other way provide for the services and products described in this Beach Lease.
2. It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

Margaritaville Hollywood Beach Resort, LLC

By: _____

Print Name & Title

AGREEMENT FOR BEACH SERVICES ON HOLLYWOOD BEACH

City of Hollywood, Florida

By: _____
Peter Bober, Mayor

Attest:

Patricia A. Cerny, MMC
City Clerk

Approved as to form & legality
for the use and reliance of the
City of Hollywood, Florida only.

Jeffrey P. Sheffel, City Attorney

ATL17,892,300 3

EXHIBIT "G"
PARKING GARAGE STANDARDS

The Parking Garage Standards shall apply to the Parking Garage and use of public and non-public spaces. But, the public parking spaces shall be operated according to standards and policies adopted by the CDD Board of Supervisors from time-to-time, pursuant to the requirements of the Internal Revenue Code ("IRC") to the extent necessary to preserve the tax exempt status of the CDD Bonds. If a conflict exists regarding operating the public portion of the Parking Garage between these Parking Garage Standards and the IRC's requirements, the IRC's requirements shall prevail for so long as any of the CDD Bonds remain outstanding.

The Developer shall provide 456 Hotel Spaces. The CDD will contain 600 additional spaces dedicated to general public parking. These 600 general public parking spaces shall:

- (a) be properly signed and located on floors four (4) through seven (7);
- (b) be under the ownership and control of the CDD pursuant to an easement and special warranty deed; and
- (c) any management agreement entered into by the CDD shall be in compliance with these Parking Garage Standards and the requirements of the IRS for management of public parking facilities (currently IRS Rev. Proc. 97-13) in order to preserve the tax-exempt status of the CDD Bonds.

The intended use of these 600 spaces is short-term parking for visitors (diners, shoppers, beach patrons etc.), not working in the Project. The Public Spaces shall not be used to service valet operations or employee parking. The Developer, regarding the private spaces, and the CDD regarding the Public Spaces, shall manage or provide for management of the Parking Garage in a manner consistent with the following provisions

I. Rates

Developer shall at all times set rates for the Hotel Spaces that promote, encourage and incentivize overnight guests of the Hotel to park in the Hotel Spaces and not the Public Spaces.

II. Hours of Operation

The minimum hours of operation for the public parking provided in this facility are 7:00 a.m. to 12:00 a.m. Sunday through Saturday. During all hours of operation, Developer,

with respect to the Hotel Spaces, and the CDD, with respect to the Public Spaces, will provide or cause to be provided staff that will monitor the garage and assist patrons as needed.

III. Interior Finish and Lighting

Adequate lighting is one of the most important design features in a parking facility. Quality lighting improves user comfort, security, safety and overall experience. Developer will ensure that lighting within the parking structure meets or exceeds the minimum standards set forth by the Illuminating Engineering Society for parking structures. Basic lighting requirements are as shown in the table below. In addition, developer will ensure that all interior walls and ceilings are highly reflective with a uniform finish that provides a minimum of 70% reflectance.

	Minimal Horizontal		Maximum/Minimum	Minimum Vertical	
	Illuminance on Floor		Horizontal Uniformity	Illuminance at Five Feet	
	Lux	Footcandles	Ratio	Lux	Footcandles
Basic	10	1	10:1	5	0.5
Ramps					
Day	20	2	10:1	10	1
Night	10	1	10:1	5	0.5
Entrance Area					
Day	500	50		250	25
Night	10	1	10:1	5	0.5
Stairways	20	2	10:1	10	1

Source: Illuminating Engineering Society of N.A. RP-20-98 Lighting for Parking Facilities (New York: IES 1998).

IV. Signage

The CDD will pay for and post signs at the entrance to the public parking facility identifying it as a public parking facility. These signs will be consistent with public parking signs in use by the City of Hollywood. In addition, hours of operation and parking rates will be posted at the entrance to the facility.

Interior signage will provide patrons with clear indications of traffic patterns, ingress and egress locations, short-term parking, permit parking and restricted residential parking.

V. Operating Standards

The City of Hollywood and Developer acknowledge that the 600 parking spaces identified are primarily intended for public use and the benefit of visitors to the Central Beach area not associated with the Development. The Developer, with respect to the private spaces, and the CDD, with respect to the public spaces, and the management of the Parking Garage will manage these parking spaces in a commercially reasonable and responsible manner to benefit visitors and employees. Patron comfort is greatly improved when the Parking Garage is clean and in good repair.

To ensure that the Parking Garage is well maintained, Developer will provide the City with documentation of an ongoing maintenance program for the Parking Garage. This maintenance program will, at a minimum, include the following: Daily schedules to remove trash and debris from the facility, to clean ingress and egress areas, and to ensure the overall cleanliness of the facility. Inspection, maintenance and repair schedules for fixtures: mechanical, electrical, plumbing, HVAC, and revenue systems equipment, and finishes within the Parking Garage. Inspection, maintenance and repair schedules for the structural systems within the Parking Garage including without limitation, elevators, fire systems, emergency devices and sprinklers.

VI. Audit Rights

The City of Hollywood and Developer acknowledge that operation of these 600 public parking spaces have a significant influence on the continued development and vitality of the central beach area. The CDD will provide or cause to be provided quarterly reports that summarize garage traffic for the 600 spaces. These reports will be in a form acceptable to the City Parking Director or other staff assigned by the City. In addition, the City is allowed to review garage operations, management records and documents related to the Parking Garage.

EXHIBIT “H”
SITE PLAN

The Site Plans, Civil Plans and Landscaping Plans (collectively, the Site Plans) as prepared by the Adache Group Architects making up this **Exhibit “H”** consist of approximately 74 pages submitted to the City of Hollywood’s Development Review Board, Planning and Zoning Board, and City Commission and approved in Resolution No. R-2010-364 on December 15, 2010, and recorded on _____ in Official Records Book _____, Pages _____ of the Official Records of Broward County, Florida, a copy of which is on file at the City of Hollywood’s Planning Department and can be viewed as a public document. Attached hereto as part of this **Exhibit H** is a copy of the front page of the Site Plan.

EXHIBIT "I"
SCHEDULE OF PERFORMANCE

Execution of Lease Agreement:	On or before February 15, 2011
Possession Date:	February 1, 2012
<u>Conditions to Possession Date (except for Developer Initial Parcel)</u>	
Formation of CDD:	July 1, 2011
Final plans and specifications:	July 1, 2011
General construction contract:	November 1, 2011
Delivery of payment and performance bonds:	December 1, 2011
Loan commitments for financing:	January 1, 2012
Public Approvals (expected to be finalized prior to January 1, 2011)	
Demolition and building permits:	February 1, 2012
Supplemental Third Party Fees Reimbursement:	February 1, 2012
Commencement of Site Clearance/Demolition:	March 1, 2012
Commencement of Construction:	March 1, 2012
Construction Completed (issuance of certificate of occupancy):	March 1, 2014
Project opening:	March 15, 2014

EXHIBIT "J"
TRANSFERS (OWNERSHIP INTEREST IN DEVELOPER)

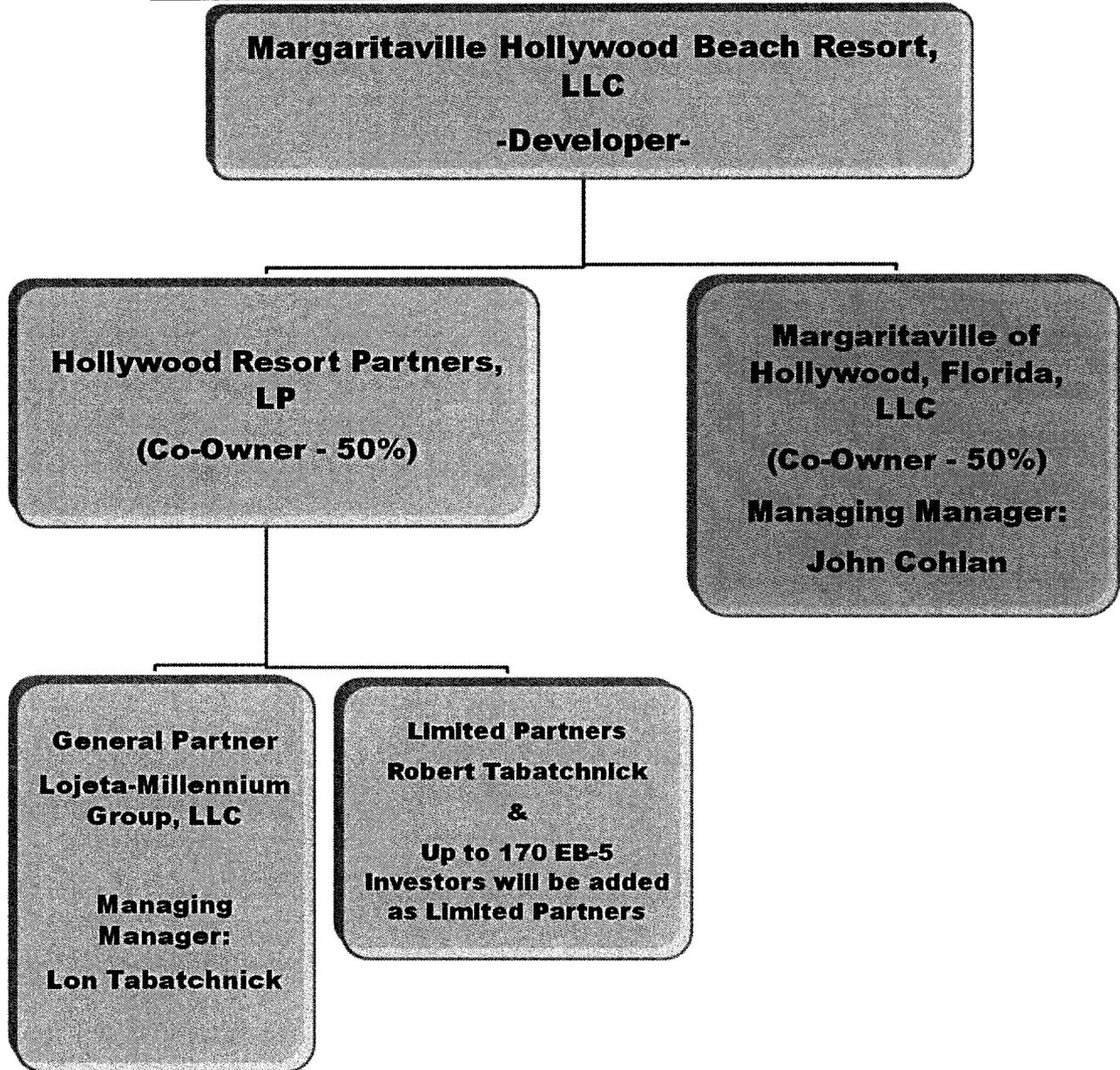


EXHIBIT “K”

CDD FINANCING STRUCTURE

TO

DEVELOPMENT AGREEMENT AND GROUND LEASE

BETWEEN

MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC

AND THE CITY OF HOLLYWOOD, FLORIDA

DATED AS OF _____, 2010

Summary of Potential Community Development District Bond Financing

- A. Project. The City of Hollywood, Florida (the “City”) seeks to redevelop real property owned by the City located between the Atlantic Ocean and the Intracoastal Waterway in the vicinity of Johnson Street, to include:
1. Margaritaville Resort Hotel. A 350 room hotel with convention, restaurant/bar and retail space (“Hotel”) and certain boat landing improvements.
 2. Parking Garage. A multi-level parking facility with:
 - a. Public Parking comprising 600 spaces for use by the general public in accordance with the Parking Garage Standards attached to the Development Agreement and Ground Lease as **Exhibit G**; and
 - b. Private Parking comprising 456 spaces for use in connection with the operation of the Hotel.
- B. Developer. Margaritaville Hollywood Beach Resort, LLC, a company possessing the experience and financial resources to develop the Project.
- C. Real Property Ownership.
1. City Remains Fee Owner of Land. The City will retain the fee interest in the real property.
 2. Ground Lease. The City will enter into a ground lease with the Developer for a term of 99 years for the property (“Leased Property”) upon which the 1056 private and public parking facilities and the Hotel will be constructed. The parking facilities will comprise the lower floors (3 through 8) and the Hotel will be constructed above the parking facilities.

3. Specific Ground Lease Provisions.

a. Covenant to Pay Special Assessments. Under the ground lease, the Developer will agree to pay all special assessments levied by the CDD on the Developer's leasehold interest in the Leased Property and private vertical construction thereon to finance the portion of the Parking Garage designated for public parking. Failure to pay such special assessments will be considered a payment default under the ground lease.

b. Covenant to Impose User Fee. The Developer will impose a public user fee for the benefit of the CDD, but not imposed through the exercise of any power by the CDD, to be remitted to, and collected by, the CDD to be applied by the bond trustee for the payment of the special assessment bonds issued by the CDD. The public user fee shall be imposed in the amount of one (1%) per cent on sales of goods or services that occur within the Leased Property.

c. Leasehold Mortgages Subordinated. Leasehold mortgages secured by the Developer's leasehold interest in the Leased Property and vertical construction thereon will be contractually subordinated to the easement interest of the CDD and the fee title ownership of the facilities conveyed by special warranty deed, comprising the portion of the Parking Garage designated for public parking.

d. Leasehold Mortgagee Cure Provisions. The ground lease will contain typical provisions such that a leasehold mortgagee will have the opportunity to cure defaults under the ground lease for specified periods of time. This includes right to cure payment of CDD and other special assessments on the Developer's ground lease interests and vertical construction.

e. City Guaranty of Payments of Principal and Interest on Assessment Bonds Under Certain Circumstances.

(i) There will be created as a separate deposit account in the custody of the bond trustee, a trust fund designated the Debt Service Reserve Fund, the "Reserve Fund". In the event that (i) the Developer fails timely to make any payment due with regard to special assessments on the Leased Property, (ii) the applicable lender/mortgagee, or a replacement developer if any, does not cure such default within the time frames provided under the special assessment bond documents (which shall be substantially similar to the time frames provided in Article VI of the ground lease), (iii) the CDD does not have funds

available from collection of user fees, or from operation of the Public Parking, taking into account commercially reasonable reserves for future expenses for the Public Parking, to make up the shortfall; and (iv) as a result, the amounts in the Bond Fund no less than twenty (20) days prior to a Bond Payment Date are less than the amount due on such Bonds on such Bond Payment Date, the bond trustee shall transfer, from the Reserve Fund an amount sufficient to make up any deficiency in the Bond Fund. In the event of any such transfer, the bond trustee shall, within five (5) days after making such transfer, provide written notice to the Developer, with a copy to the City, of the amount and date of such transfer and the Developer shall, within five (5) days of receipt of such written notice, pay to the Trustee for deposit into the Reserve Fund an amount necessary to cause the moneys in the Reserve Fund to be equal to the Reserve Fund Requirement. In the event the Developer does not reinstate the balance in the Reserve Fund to the Reserve Fund Requirement within the time frame provided above, or if the amount paid by the Developer is not sufficient to cause the moneys in the Reserve Fund to be equal to the Reserve Fund Requirement, then the Trustee within two (2) days shall provide written notice of such deficiency to the City. The Trustee shall notify the City of any draw upon or deficiency in the Reserve Fund as provided herein and shall make demand on the City to replenish the Reserve Fund to the Reserved Fund Requirements as provided in Paragraph (ii) immediately below.

- (ii) *Covenant to Budget and Appropriate (the "Guaranty")*. The City hereby covenants to budget and appropriate to replenish the Reserve Fund at the next City Commission meeting following receipt of the above notice of deficiency from the Trustee while the CDD Bonds are outstanding and to deposit into the Reserve Fund no later than sixty (60) days following such City Commission meeting, from all legally available Non-Ad Valorem Revenues of the City, sufficient Non-Ad Valorem Revenues to supplement the moneys in the Reserve Fund to the extent necessary to cure any deficiencies therein.

The Guaranty is cumulative to the extent not paid, and shall continue until such Non-Ad Valorem Revenues or other legally available funds in amounts sufficient to cure any deficiency in the Reserve Fund shall have been budgeted, appropriated and actually paid. Except with respect to such Non-Ad Valorem Revenues deposited in

the Reserve Fund, the Guaranty does not create a lien upon or pledge of such Non-Ad Valorem Revenues nor does it preclude the City from pledging in the future all or any specified portion of the Non-Ad Valorem Revenues, nor does it give the Registered Owners a prior claim on all or any specified portion of the Non-Ad Valorem Revenues as opposed to claims of general creditors of the City.

Although the City's obligation to make payments under its Guaranty is subject to the conditions set forth in paragraph (i) above, the Guaranty is on par with other debt of the City supported with the City's pledge of Non-Ad Valorem Revenues and the City's covenant to budget and appropriate Non-Ad Valorem Revenues. The Guaranty is intended to have the effect of making available for the deposit into the Reserve Fund, at such times as may be required to cure any deficiency therein within the time frames described in paragraph (i) and under the special assessment bond documents as may be required by bond rating agencies or credit enhancers, the Non-Ad Valorem Revenues and placing on the City a positive duty to appropriate and budget, by amendment if necessary, amounts sufficient to cure such deficiency. The Guaranty is subject in all respects to the restrictions of Section 166.241, Florida Statutes, which provides that the governing body of each municipality shall make appropriations for each Fiscal Period which, in any one year, shall not exceed the amount to be received from taxation and other revenue sources, and to payments which are legally mandated by applicable law.

The obligations of the City contained herein shall not be construed as a limitation on the ability of the City to pledge or covenant to pledge or use all or any portion of the Non-Ad Valorem Revenues for other legally permissible purposes. The obligation of the City to cure such deficiency in the Reserve Fund within the time frames provided under the special assessment bond documents, is subject to the availability of money in the treasury of the City and funding requirements for essential public purposes affecting the health, welfare and safety of the inhabitants of the City or which are legally mandated by law; however, such obligation is cumulative and shall carry over from Fiscal Period to Fiscal Period.

- (iii) Moneys in the Reserve Fund shall only be used for the purpose of transferring to the Bond Fund an amount sufficient to make up for deficiencies in amounts deposited to the Bond Fund, in the event that

moneys therein are less than the amount then due to the owners of the Bonds on any Bond Payment Date.

- (iv) The obligation of the City hereunder will not constitute general obligation debt or indebtedness within the meaning of any constitutional or statutory limitation, or a pledge of the faith and credit or the taxing power of the City; no one seeking recourse under the Guaranty shall ever have the right to compel any exercise of any ad valorem taxing power of the City, directly or indirectly, to enforce such obligations.
- (v) The City will have the option, but not the obligation, any time notice and demand is made upon the City to replenish the balance in the Reserve Fund to the Reserve Fund Requirement, to redeem all outstanding Bonds at a redemption price of 100% of the principal amount thereof, plus accrued interest, instead of replenishing or continuing to replenish the Reserve Fund. Subject to the foregoing, the City's obligation to replenish the Reserve Fund shall continue until such time as the Bonds are paid in full or legally defeased according to their terms.

- 4. Easement and Special Warranty Deed for Public Parking . The Developer will be responsible for retaining a contractor for construction of the Parking Garage and the CDD (defined below) will pay its pro rata share of construction costs attributable to the Public Parking component of the Parking Garage. Prior to commencement of construction of the Parking Garage, the CDD will be granted an easement for the construction of the Public Parking component of the Parking Garage. After the Parking Garage is constructed, the Developer will execute a special warranty deed and any other appropriate instrument of conveyance to transfer its interest in the Public Parking component of the Parking Garage to the CDD. The City and the Developer agree to execute such appropriate documents as are necessary to effectuate such transfer, including a joinder, and obtain the subordination of the rights of third parties, to the easement of the CDD in the underlying land and the fee title to the facilities conveyed by special warranty deed comprising the public portion of the Parking Garage.

D. Community Development District

- 1. Formation of Community Development District ("CDD"). Community development districts in Florida are created through a petition which petition must include the eight items set forth in Florida Statutes §190.005(1)(a). Florida Statutes §190.005(2)(e) provides that in the case of

a community development district of less than a 1,000 acres in size, that if all the land for the proposed district is in the territorial jurisdiction of a municipal corporation the petition requesting the creation of the CDD is filed with the municipal corporation.

2. Special Assessments. The security for special assessment bonds will include the net revenues from the Public Parking component of the Parking Garage as well as non-ad valorem special assessments and user fees. The CDD will levy special assessments on the Hotel and the Private Parking component of the Parking Garage pursuant to § 190.022 Florida Statutes using the procedures set forth in Chapter 170, Florida Statutes. The assessment lien shall not be a lien encumbrance on the fee interest of the City of Hollywood, nor on the leasehold interest of the Developer. Collection of the assessments shall be enforced pursuant to the provisions of Section 196.199(8), Florida Statutes, and to the extent applicable, Chapters 170, 173 and 197 Florida Statutes.
3. Ownership of Public Parking Following Payment of Bonds. Sections 190.046(4), (5) and (6), Florida Statutes provide a method for transfer of the Public Parking from the District to the City of Hollywood through adoption by the City of a non-emergency ordinance. Under existing law, the City must assume and guarantee debt, if any, of the CDD that is related to the Public Parking. The statute currently provides for no other consideration from the City. In addition, the City must demonstrate the ability of the City to provide the public parking service: (a) as efficiently as the CDD; (b) at a level of quality equal to or higher than the level of quality actually delivered by the CDD to the users of the Public Parking; and (c) at a charge equal to or lower than the actual charge by the CDD to Public Parking customers. No later than 30 days following the adoption of a transfer plan ordinance, the board of supervisors may file in the circuit court a petition seeking review by certiorari of the factual and legal basis for the adoption of the transfer plan ordinance. Upon the transfer of all of the services of the CDD to the City, the CDD shall be terminated in accordance with a plan of termination which shall be adopted by the board of supervisors and filed with the clerk of the circuit court.

In the event such transfer of the Public Parking to the City is completed as aforesaid, the Developer and the City shall execute such amendments to the ground lease(s) as are necessary or desirable to properly reallocate management responsibilities, procedures, and operating expenses concerning the Public Parking.

4. Validation of CDD Bonds. The CDD special assessment bonds will be subject to validation through judicial process under Chapter 75, Florida Statutes, prior to the delivery of possession by the City to the Developer of the Hotel and Parking Garage component of the Leased Property under the ground lease, other than the Developer Initial Parcel. It shall be the responsibility of Developer to cause the CDD to diligently undertake the said validation process at the CDD's sole cost and expense through a funding agreement with the Developer. In general, the court will hold a validation hearing 75 to 90 days after the filing of a validation complaint. The final judgment of the appropriate court shall include an order (the "CDD Bond Validation Order") validating and confirming the legality of the special assessment bonds, the ground lease, the Guaranty, and all other financing documents and agreements within the scope of the court's jurisdiction, and the legality of all proceedings in connection therewith. The CDD Bond Validation Order will be subject to a 30 day appeal period under Florida law.
5. Right of Eminent Domain. Pursuant to Section 190.011(11), Florida Statutes, the City will grant to the CDD by resolution the right of extraterritorial eminent domain within the geographical limits of the Hollywood Beach CRA, for water, sewer, district roads and water management, specifically including the power for taking of easements for drainage.
6. Interlocal Agreement. Upon its organization, the City and the CDD shall enter into an interlocal agreement which will embody the parties' agreements as follows:
 - a. The CDD will agree that it will not (i) refinance the special assessment bonds issued to finance the construction of the Public Parking, or (ii) issue any other bonds or debt instruments, without the prior written approval of the City, which may be granted or withheld by the City in its sole discretion.
 - b. At all times during the existence of the CDD the chief administrative officer of the City, or his or her designee, shall serve on the Board of Supervisors of the CDD. The Developer as landowner and the Board of Supervisors of the CDD shall take all actions necessary to assure the election of at least one (1) supervisor meeting the requirements of this paragraph.
 - c. The CDD shall submit its proposed annual budget to the Chief Administrative Officer of the City for his or her approval prior to final

adoption for the sole purpose of determining whether the projected revenues including special assessments and net parking revenues will be sufficient to pay the annual debt service due in the fiscal year for which the final budget is to be adopted.

- d. The limits of personal injury, property damage, and liability insurance to be procured by the CDD shall be subject to review and approval of the Chief Administrative Officer of the City, which review and approval shall be exercised in his or her commercially reasonable judgment. If permitted by the issuers of such policies, the City shall be named as an additional insured.
 - e. The Board of Supervisors shall establish parking rates for the public portion of the Parking Garage sufficient to cover the costs of operation, maintenance and debt service thereon. Subject to the requirements of the preceding sentence, the CDD will agree that such parking rates will reflect rates charged by parking facilities open to the public within the barrier island known as Hollywood Beach.
 - f. The CDD Board of Supervisors will adopt and implement the policies set forth in **Exhibit G- Parking Garage Standards** that are applicable to it, with respect to the public portion of the Parking Garage, so long as such policies are consistent with the requirements of the Internal Revenue Code in order to preserve the tax exemption of the interest on the CDD's bonds.
 - g. Once the CDD Bonds are paid in full, the District agrees that the City shall have the right to dissolve the District and have the District transfer the Public Parking to the City pursuant to the provisions and requirements of Section 190.046 (4), (5), and (6), Florida Statutes as set forth in Section D.3. of this **Exhibit K**.
- E. Summary of Financing Sources.
- 1. Private Financing. The Developer will obtain financing to construct the Hotel and the Private Parking component of the Parking Garage.
 - 2. CDD Bonds. The proceeds from issuance of special assessment bonds will be used to acquire the Public Parking component of the Parking Garage. The Public Parking component of the Parking Garage will be sold and transferred to the CDD upon completion of the construction of the improvements. The bond obligations will remain in place as permanent financing upon completion of construction of the Public Parking component of the Parking Garage.

EXHIBIT "L"
CDD EASEMENT FORM

RECORDING REQUESTED BY: AND WHEN RECORDED MAIL TO:

Gerald L. Knight
Billing, Cochran, Lyles, Mauro & Ramsey, P.A.
515 East Las Olas Boulevard, Sixth Floor
Fort Lauderdale, FL 33301

EASEMENT AGREEMENT

MARGARITAVILLE CDD
(Hollywood, Florida)

EASEMENT AGREEMENT

(Margaritaville CDD)

THIS EASEMENT AGREEMENT (this "Easement") is made as of _____, 20__ (the "Effective Date"), by and between the **CITY OF HOLLYWOOD**, a municipal corporation of the State of Florida ("City"), **MARGARITAVILLE COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes ("District"), and **MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC**, a Florida limited liability company ("Margaritaville").

RECITALS:

A. Margaritaville and the District have entered into a certain Assignment and Acquisition Agreement ("Acquisition Agreement") dated as of _____, 20__ for the development and acquisition by the District of certain public parking garage improvements (the "**Public Garage Improvements**") located or to be located on certain land more particularly described on Exhibit "A" attached hereto (the "**Easement Area**"); and

B. The City is the fee owner of the Easement Area; and

C. Margaritaville is the holder of a 99-year ground leasehold estate and interest in and to certain lands owned by the City (the "**Leasehold Property**") more particularly described in Exhibit "B", attached hereto including the lands located within the Easement Area, pursuant to a Development Agreement and Ground Lease with the City dated as of _____, 20__ (the "**Ground Lease**"); and

E. Margaritaville intends to develop and construct certain improvements and structures on the Leasehold Property (the "**Private Improvements**"), including the parking garage (the "**Parking Garage**") which consists in part of the Public Garage Improvements; and

F. The City and Margaritaville wish to grant to the District a non-exclusive easement for the purpose of utilizing, occupying, improving and maintaining the Public Garage Improvements on, over, under, above and through the Easement Area, as more particularly described herein for the time period set forth in Section 6 below;

NOW, THEREFORE, with reference to the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, the District and Margaritaville hereby declare and agree that the easement rights created and reserved hereunder shall be held, conveyed, used, occupied and improved subject to the following limitations, covenants, conditions, restrictions and easements:

1. GRANT OF EASEMENT

1.1 Grant of Easement to District. The City and Margaritaville each hereby grants to the District a non-exclusive easement on, over, under, across and through the

Easement Area to accommodate the design, construction, maintenance, repair, replacement, as well as the ownership, use and enjoyment of the Public Garage Improvements by the District. Such easement shall be used only for the purposes stated herein.

1.2 Construction, Encroachment and Support. In addition, the City and Margaritaville each hereby grants to the District the following additional rights to benefit the Public Garage Improvements and the Easement Area:

1.2.1 the right to own, use and enjoy the Public Garage Improvements;

1.2.2 rights of lateral and subjacent support between and among elements of the Public Garage Improvements necessitated by vertical or lateral development of said Public Garage Improvements and attachment to the other elements of the Public Garage Improvements and the Private Improvements; and

1.2.3 rights of ingress, egress and access to and through the Easement Area;

provided, however, such rights shall be exercised in all respects so as to avoid interfering unreasonably with the City's, Margaritaville's or any Occupant's (as hereinafter defined) use, occupancy and enjoyment of the Easement Area, the Private Improvements or any other improvements constructed thereon or therein by the City, Margaritaville or any Occupant.

The parties acknowledge and agree that the Public Garage Improvements will be constructed by Margaritaville, and that the easement rights granted herein to the District with respect to the Public Garage Improvements shall be effective as of the date of the Garage Closing (as defined in the Acquisition Agreement) and shall be self-operative without further action by any party hereto.

The parties further acknowledge and agree that the Public Garage Improvements shall remain open to the general public; provided, however, nothing herein shall limit or restrict the ability of District to charge the general public for the use of the Public Garage Improvements.

1.3 Grant of Easement to City and Margaritaville. The District hereby grants to the City and Margaritaville the following easements to exist over the Public Garage Improvements:

- (a) Easements for ingress, egress and access over, under, across and through the Public Garage Improvements to design, install, construct, maintain, repair, replace and use the Private Improvements, including without limitation, any improvements constructed hereafter on any of the Leasehold

Property;

- (b) Easements for support of any Private Improvements located from time-to-time above, below or adjacent to the Public Garage Improvements; and
- (c) Easements for ingress, egress and access over, under, across and through all of the Public Garage Improvements which are designed for the purposes of pedestrian or vehicular ingress, egress or access, including without limitation, easements for ingress, egress and access through all portions of the Public Garage Improvements for the purpose of use of the balance of the Parking Garage or the Private Improvements to be constructed vertically above, or adjacent to, the Parking Garage.

All the foregoing rights shall be exercised so as to avoid interfering unreasonably with the District's ownership, use, occupancy and enjoyment of the Public Garage Improvements.

1.4 Ingress, Egress and Parking. The parties acknowledge and agree that the District intends to own and operate the Public Garage Improvements for public purposes in accordance with Chapter 190 of the Florida Statutes. The District hereby covenants and agrees to operate the Public Improvements in the manner customary for comparable facilities in Broward County, Florida, and in accordance with the terms of this Easement. Any or all of the District's rights, obligations and easements granted herein may be assigned by the District to the City, provided written notice of each such assignment is promptly provided to Margaritaville.

1.5 Easements Appurtenant. The rights and easements granted herein in and to the Easement Area are expressly for the benefit of the District; and the rights and easements granted and reserved herein in and to the Public Garage Improvements are expressly for the benefit of the District and the public, as well as of the City and Margaritaville, and their respective "**Occupants**" (as defined hereinbelow). All easements created in this Easement shall be appurtenant easements and not easements in gross. Any such easement may be abandoned or terminated by execution of an instrument so abandoning or terminating the same by the parties of the dominant and servient estates and consented to in writing by the mortgagee, if any, of the District, Margaritaville or the City, as the case may be; provided that as long as any "tax exempt" debt which financed any of the Public Garage Improvements is outstanding, any such termination must provide that the ownership and maintenance responsibility of the Public Garage Improvements must remain with the District or the City. For purposes of this Lease, "**Occupants**" shall mean any Person from time-to-time entitled to the exclusive use and occupancy of space under, above or across the Easement Area (including the Leasehold Property, but specifically excluding the Public Garage Improvements) or a portion thereof, under any lease, deed or other instrument or arrangement whereunder

such entity or person has acquired exclusive rights with respect to the use and occupancy of any such space.

1.6 Duration of Easements. The easements granted herein shall remain in effect from the Effective Date for the term of this Easement, as the same may be extended in accordance herewith, as set forth in Section 6 below.

2. INDEMNIFICATION

2.1 General Indemnification. Subject to the next sentence, (i) Margaritaville and the City, to the full extent allowed by Florida law, each severally hereby indemnifies and agrees to defend and hold harmless the District from and against all claims occurring or arising out of their respective acts and omissions under this Easement; and (ii) the District, to the full extent allowed by Florida law, hereby indemnifies and agrees to defend and hold harmless Margaritaville and the City from and against all claims occurring or arising out of its acts and omissions under this Easement. Notwithstanding the foregoing, no party shall be obligated to indemnify or defend another "**Person**" (as defined hereinbelow) to the extent the claim underlying the other Person's request to be indemnified was caused by or directly resulted from (A) the negligence of the other Person, or the other Person's agents, employees or contractors, (B) the other Person's failure to perform or cause to be performed its obligations under this Easement or any other agreement to which such parties are a party, or (C) a willful, intentional or wanton act or omission of the other Person or its agents, servants or employees. For purposes of this Easement, "**Person**" shall mean and include an individual or a corporation, partnership, limited liability company, joint venture, firm, trust, association or any other form of business, or government entity, or quasi-governmental entity.

2.2 Liens. The District shall pay all claims relating to any work performed on or for the benefit of the Public Garage Improvements when and *as* the same become due, and the District shall not permit any construction, mechanics', materialmen's and/or laborers' liens to be filed against the Easement Area (including the Leasehold Property), the Private Improvements or other improvements of the City and/or Margaritaville in connection with any work performed by or at the direction of the District with respect to the Public Garage Improvements. The District hereby indemnifies and agrees to defend and hold harmless, subject to and in accordance with applicable Florida law, Margaritaville and the City from and against any construction, mechanics', materialmen's and/or laborers' liens, and all costs, expenses and liabilities in connection therewith, including without limitation, attorneys' fees, arising out of work undertaken, pursuant to any easement granted hereunder, by or at the direction of the District with respect to the Public Garage Improvements. If the Easement Area (including the Leasehold Property), the Private Improvements or any other improvements of the City and/or Margaritaville shall become subject to any such lien, the District shall promptly cause such lien to be released and discharged of record, either by paying the indebtedness which gave rise to

such lien or by posting such bond or other security as shall be required by law to obtain such release and discharge.

3. REPAIR, MAINTENANCE OF PUBLIC GARAGE IMPROVEMENTS; INSURANCE

3.1 Obligation to Maintain and Repair. The District shall, at all times during the term of this Easement from and after the completion of Public Garage Improvements and conveyance of the Public Garage Improvements to the District, keep, maintain and repair all of the Public Garage Improvements, or cause all Public Garage Improvements to be kept, maintained and repaired in good order, condition and repair.

3.2 Insurance. The parties acknowledge that Margaritaville intends to develop, or cause to be developed, additional improvements above certain Public Garage Improvements (as defined in the Acquisition Agreement). The parties further acknowledge that it is in their respective interests to describe and document, prior to the Garage Closing (as defined in the Acquisition Agreement), the insurance required to be carried by each of the District and Margaritaville with respect to their respective ownership interests in the Parking Garage and the process for the deposit and disbursement of insurance proceeds in the event of a casualty affecting either or both of their respective interests in the Parking Garage. Promptly following the execution of this Easement, the parties agree to negotiate the terms and conditions of such insurance requirements, which requirements shall recognize the interests and insurance requirements of any mortgagee of Margaritaville and City as ground lessor. The parties hereto agree to execute a document reflecting the foregoing agreement at or before the Garage Closing and record the same among the public records of Broward County, Florida.

4. FORCE MAJEURE

Each party shall be excused from performing any obligation or undertaking provided in this Easement, except any obligation to pay any sums of money under the provisions hereof, if and for so long as the performance of such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, actions of the elements, war, acts of terrorism, invasion, insurrection, riot, mob violence, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action of labor union; condemnation, requisition, laws, orders of governmental or civil or military or naval authorities, or any other cause, whether similar or dissimilar to the foregoing, not within the reasonable control of such party; provided, however, that the unavailability of sufficient funds, regardless of the cause, shall under no circumstances excuse any party from performing its obligations or undertakings pursuant to this Easement. A party seeking to be temporarily excused from performing an obligation on account of one of

the foregoing events must notify the other parties of the delay within twenty (20) days after the occurrence of the applicable event. In such event, the time for performing the applicable obligation shall be extended by a period of time equal to the duration of the event that excused timely performance.

5. NOTICES

5.1 Notice to Parties. All approvals, notices or other communications required or permitted hereunder to be given to a party shall be in writing, and shall be personally delivered or delivered by overnight commercial carrier, or sent by registered or certified mail, postage prepaid, return receipt requested or sent by facsimile to the facsimile numbers set forth herein (provided that notice is also simultaneously sent by registered or certified mail or by overnight carrier). Notice shall be deemed effective upon actual receipt or first rejection, as applicable, in each case as shown on the carrier's delivery receipt or other records; provided, however, if any delivery is received after 5:00 p.m. (local time for the recipient's address) on a business day or at any time on a non-business day, notice will be deemed given on the next business day. For purposes of this Section 6.1, a business day is Monday through Friday, excluding holidays observed by the United States Postal Service. The addresses for the parties are set forth below:

City:

with a copy to:

Margaritaville:

with a copy to:

District: The Margaritaville Community Development District
c/o

with a copy to: Billing, Cochran, Lyles, Mauro, & Ramsey, P.A.
515 East Las Olas Boulevard, Sixth Floor
Fort Lauderdale, Florida 33301
Attn: Susan F. Delegal, Esq.
Telephone: 954-764-7150

6. DURATION AND EXTENSION

This Easement and the rights and easements created hereby shall continue in full force for a term of ninety-nine (99) years from the Effective Date, at which time the same shall automatically be extended for successive periods of ten (10) years each unless an instrument terminating this Easement and the rights and easements created hereby is executed by the parties and consented to by each mortgagee holding a mortgage encumbering all or any part of the Easement Area, including the Leasehold Property, and recorded among the public records of Broward County, Florida.

7. MISCELLANEOUS

7.1 Amendments. The provisions of this Easement may be modified or amended, in whole or in part, only by a written instrument, executed and acknowledged by the parties and duly recorded in the Official Records of Broward County, Florida. Except as provided below, any amendment or modification hereof (including any extension and renewal hereof), whenever made, shall be superior to any and all liens to the same extent as if such amendment or modification had been executed concurrently with this Easement.

7.2 No Third Party Beneficiaries. The provisions of this Easement are for the exclusive benefit of the parties and of their respective successors and assigns, and are not for the benefit of any third person, nor shall this Easement be deemed to have conferred any rights, express or implied, upon any third person. No modification or amendment, in whole or in part, of this Easement shall require any consent or approval on the part of any Occupant.

7.3 Breach Shall Not Permit Termination. No breach of this Easement shall entitle any party to cancel, rescind or otherwise terminate this Easement or any portion hereof, but such limitation shall not affect, in any manner, any other rights or remedies which any party may have hereunder by reason of any breach of this Easement.

7.4 Interpretation. The language in all parts of this Easement shall be in all cases construed simply according to its fair meaning and not strictly for or against any party. The captions of the Sections of this Easement are for convenience only and shall not be considered or referred to in resolving questions of interpretation and construction. References to "Sections" are to sections of this Easement unless otherwise indicated.

7.5 Consent Time for Approval. In any instance in which a party is requested to consent to or approve any matter with respect to which such consent or approval is required by any of the provisions of this Easement, such consent or approval shall be given in writing, and shall not be unreasonably withheld, conditioned or delayed, unless the provisions of this Easement with respect to a particular consent or approval shall expressly provide that the same shall be given or refused in the sole discretion of such

party or is otherwise qualified. Wherever in this Easement approval of a party is required, then, unless a different time limit is provided in this Easement, such approval or disapproval shall be given within thirty (30) days following the receipt of the item to be so approved or disapproved, or, unless specifically provided to the contrary in this Easement, and provided such notice complies with this Section 7.5, the same shall be conclusively deemed to have been approved by such party. Any disapproval shall specify with particularity the reasons therefor, provided, however, that wherever in this Easement a party is given the right to approve or disapprove in its sole discretion, it may disapprove without specifying a reason therefor. Any document submitted for consent or approval shall contain a cover page prominently listing the date mailed, and if applicable, a statement to the effect that the document or the facts contained within such document shall be deemed approved or consented to by the recipient unless the recipient makes objection thereto within the time periods specified or permitted in this Easement.

7.6 Governing Laws. This Easement shall be governed by and construed in accordance with the laws of the State of Florida without regard to its conflicts of law principles.

7.7 Remedies. Except as otherwise expressly provided herein, Margaritaville and the City shall have all rights and remedies at law or in equity if the District fails to cure any default or breach hereunder within thirty (30) days after receipt of written notice of any such default.

7.8 Not a Public Dedication. Except to the extent of the public purposes for which the Public Garage Improvements were designed and intended to be used, nothing in this Easement shall be deemed to be a gift or dedication of any portion of the Public Garage Improvements to the general public or for the general public or for any public purposes whatsoever.

7.9 Severability. If any term, provision or condition contained in this Easement shall, to any extent, be invalid or unenforceable, the remainder of this Easement (or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable) shall not be affected thereby, and each term, provision and condition of this Easement shall be valid and enforceable to the fullest extent permitted by law.

7.10 Number and Gender. The use of the singular herein includes the plural and the use of the neuter herein includes the masculine and/or feminine, as the context may require.

7.11 Successors and Assigns. This Easement shall, except as otherwise provided herein, be binding upon and inure to the benefit of the successors and assigns of the parties. Without limiting the generality of the foregoing, any notice received by a party from a mortgagee pursuant hereto shall be binding on the successors and assigns of such

party, and such mortgagee shall have no obligation to provide any further notice to the successors and assigns of such party in order to be entitled to the rights hereunder. Notwithstanding anything herein to the contrary, the Public Garage Improvements shall at all times be owned, in whole or in part, by the District or the City.

7.12 Time of Essence. Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Easement.

7.13 Waiver of Default. No waiver of any default by a party shall be implied from any failure by the non-defaulting party to take any action in respect of such default if such default continues or is repeated. No express waiver of any default shall affect any default or cover any period other than the default and period specified in such express waiver. One or more waivers of any default in the performance of any term, provision or covenant contained in this Easement shall not be deemed to be a waiver of any subsequent default in the performance of the same term, provision or covenant or any other term, provision or covenant contained in this Easement. The consent or approval by any party to or of any act or request by the other parties requiring consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar acts or requests. The rights and remedies given to any party by this Easement shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or of any other right or remedy at law or in equity which such party might otherwise have by virtue of a default under this Easement, and the exercise of one such right or remedy by such party shall not impair such party's standing to exercise any other right or remedy.

8. JOINDER, CONSENT AND SUBORDINATION

Margaritaville has caused its mortgage lender to execute a Joinder, Consent and Subordination to Easement as attached hereto and made a part hereof.

[SIGNATURE ON FOLLOWING PAGES]

Attest:

DISTRICT:

**THE MARGARITAVILLE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____
Chair/Vice-Chair

STATE OF FLORIDA)
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as Chair/Vice-Chair of the Board of Supervisors for **THE MARGARITAVILLE COMMUNITY DEVELOPMENT DISTRICT**, who is personally known and/or produced _____ as identification and who being duly sworn, deposes and says that the aforementioned is true and correct to his or her best knowledge.

[SEAL]

Notary Public
Commission:

STATE OF FLORIDA)
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____, as Secretary/Assistant Secretary of the Board of Supervisors for **THE MARGARITAVILLE COMMUNITY DEVELOPMENT DISTRICT**, who is personally known and/or produced _____ as identification and who being duly sworn, deposes and says that the aforementioned is true and correct to his or her best knowledge.

[SEAL]

Notary Public
Commission:

JOINDER , CONSENT AND SUBORDINATION TO EASEMENT

The undersigned hereby certifies that it is the holder of a mortgage, lien or other encumbrance upon the fee simple title to the Easement Area and other land owned by _____ and that the undersigned hereby joins in and consents to the Easement to which this Joinder, Consent and Subordination to Easement is attached, and hereby subordinates its mortgage, lien or other encumbrance, as amended from time-to-time, which is recorded in O.R. Book _____, page _____ of the Public Records of Broward County, Florida, to the Easement, as amended from time-to-time, and the rights and interests of the District, City and the Margartaville thereunder. Capitalized terms used herein and not otherwise defined herein shall have the meanings given such terms in the Easement.

By: _____
Print Name: _____

Its: _____

Date: _____, 2008

Witness
Printed Name

Witness

Printed Name

[Notarial Certification Attached]

EXHIBIT "A" TO EASEMENT AGREEMENT

Easement Area

EXHIBIT "B" TO EASEMENT AGREEMENT

Leasehold Property

EXHIBIT "M"
RELEASE OF CDD EASEMENT FORM

Prepared By:
Record and Return to:
Gerald L. Knight, Esq.
Billing, Cochran, Lyles, Mauro & Ramsey, P.A.
515 East Las Olas Blvd, Sixth Floor
Fort Lauderdale, FL 33301

TERMINATION OF EASEMENT

This Termination of Easement ("Termination") made and entered into this ____ day of _____, 20__, by the CITY OF HOLLYWOOD, a Florida municipal corporation, whose address is: 2600 Hollywood Boulevard, Hollywood, Florida 33020 ("City"), MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC, a Florida limited liability company ("Margaritaville"), and MARGARITAVILLE COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes.

WITNESSETH:

WHEREAS, the City and Margaritaville granted an easement to the District which said easement was dated _____ and recorded on _____ in Official Records Book _____, Page _____, of the Public Records of Broward County, Florida ("Easement"); and

WHEREAS, the City, Margaritaville and the District desire to terminate said Easement.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other valuable consideration in hand paid, and in further consideration of the mutual terms, covenants and conditions contained herein, it is agreed as follows:

1. The Easement identified above as recorded in Official Records Book _____, Page _____, of the Public Records of Broward County, Florida is hereby terminated and is of no further force and effect.
2. This Termination also releases and terminates all obligations and covenants by and among the parties contained in the Easement.

IN WITNESS WHEREOF, the City, Margaritaville, and the District have caused this Termination of Easement to be signed in its name by their proper officers this ____ day of _____, 20__.

sign

print

sign

print

CITY OF HOLLYWOOD, FLORIDA, a
Florida municipal corporation

By: _____

Print Name: _____

Title: _____

STATE OF _____

COUNTY OF _____

On the _____ day of _____, 20__, before me, a Notary Public in and for the above state and county, personally appeared _____ as _____ of the City of Hollywood, Florida, a Florida municipal corporation, known to me or proved to be the person named in and who executed the foregoing instrument, and being first duly sworn, such person acknowledged that he or she executed said instrument for the purposes therein contained as his or her free and voluntary act and deed.

NOTARY PUBLIC

My Commission Expires: _____

(SEAL)

sign

print

sign

MARGARITAVILLE HOLLYWOOD
BEACH RESORT, LLC, a Florida limited
liability company

By: _____

Print Name: _____

Title: _____

print

STATE OF _____
COUNTY OF _____

On the _____ day of _____, 20__, before me, a Notary Public in and for the above state and county, personally appeared _____ as _____ of the Margaritaville Hollywood Beach Resort, LLC, a Florida limited liability company, known to me or proved to be the person named in and who executed the foregoing instrument, and being first duly sworn, such person acknowledged that he or she executed said instrument for the purposes therein contained as his or her free and voluntary act and deed.

NOTARY PUBLIC

My Commission Expires: _____
(SEAL)

sign

print

sign

print

MARGARITAVILLE COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Print Name: _____
Title: _____

STATE OF _____
COUNTY OF _____

On the _____ day of _____, 20__, before me, a Notary Public in and for the above state and county, personally appeared _____ as _____ of the Margaritaville Community Development District, known to me or proved to be the

person named in and who executed the foregoing instrument, and being first duly sworn, such person acknowledged that he or she executed said instrument for the purposes therein contained as his or her free and voluntary act and deed.

NOTARY PUBLIC

My Commission Expires: _____

(SEAL)

Exhibit "A"
to Termination Of Easement

[Same Legal Description as in Easement]

EXHIBIT "N"
CDD SPECIAL WARRANTY DEED FORM

This Instrument Prepared by:

Gerald L. Knight, Esq.
Billing, Cochran, Lyles, Mauro & Ramsey, P.A.
Suntrust Center, Sixth Floor
515 East Las Olas Boulevard
Fort Lauderdale, FL 33301

Grantee's Tax Identification No.:

Property Appraiser's Folio No.:

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED (this "Deed") is made as of the ____ day of _____, 20__ from **MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC**, a Florida limited liability company, with an address at _____ ("**Grantor**"), to **MARGARITAVILLE COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special purpose government established pursuant to Chapter 190, Florida Statutes, with an address at _____ ("**Grantee**").

WITNESSETH:

Grantor, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, by these presents does grant, bargain and sell unto Grantee, and Grantee's successors and assigns forever, all the right, title, interest, claim and demand that Grantor have or may have in and to the following described real property (the "**Property**") located and situate in the County of Broward and State of Florida, to wit:

See **Exhibit A** attached hereto and made a part hereof

Subject To: The Permitted Exceptions listed on **Exhibit B** attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same in fee simple forever.

Grantor does hereby warrant, and will defend, the title to the Property hereby conveyed, subject as aforesaid, against the lawful claims of all persons claiming by, through or under Grantor, but none other.

IN WITNESS WHEREOF, Grantor has caused this Deed to be executed and its seal to be affixed the day and year first above written.

WITNESSES:

GRANTOR:

Print Name: _____

**MARGARITAVILLE
HOLLYWOOD BEACH
RESORT, LLC, a Florida
limited liability company**

By: _____
Title _____

Print Name: _____

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____ by _____, as _____ of _____, a _____, who is personally known to me or who produced _____ as identification, on behalf of the company.

My commission expires:

NOTARY PUBLIC, State of _____ at Large
Print name: _____

**EXHIBIT A
to Special Warranty Deed**

Legal Description of Property

[To be provided after the structure of the public portion of the Parking Garage is completed]

EXHIBIT B
to Special Warranty Deed

Permitted Exceptions

**[To be determined after review of a title commitment to be issued on or about
the time the Special Warranty Deed is to be executed and delivered]**

EXHIBIT "O"
LEGAL DESCRIPTION OF INTRACOASTAL PARCEL

Lots 2, 3, 5 and 6, LESS the East 12.50 feet thereof, of Block "A", "HOLLYWOOD BEACH", according to the plat thereof recorded in Plat Book 1, Page 27 of the Public Records of Broward County, Florida; and subject to a right-of-way reserve area unto the owner across the West 10 feet of the East 22.5 feet of said Lots;

Together with:

Lot 4, LESS the East 12.50 feet thereof of Block "A", "HOLLYWOOD BEACH", according to the plat thereof recorded in Plat Book 1, Page 27, of the Public Records of Broward County, Florida; and subject to a right-of-way reserve area unto the owner across the West 10 feet of the East 22.5 feet of said Lot 4 LESS the East 12.5 feet thereof.

Said lands situate, lying and being in the City of Hollywood, Broward County, Florida.

EXHIBIT "P"
DESCRIPTION OF JOHNSON STREET PARCEL

The public right-of-way as reflected on the plat of HOLLYWOOD BEACH, as recorded in Plat Book 1, Page 27, of the public records of Broward County, Florida, and any additions thereto, extending northward from south right-of-way line abutting the property owned by the City until the north right-of-way line, and extending from the westerly boundary of A1A to the easterly wall of the structure commonly known as the Bandshell. This description includes that portion of the Broadwalk lying within said description, but specifically restricts the use of that portion of the Broadwalk to the public as required by those certain deeds of conveyance as recorded in: (1) Official Records Book 276, Page 402; and (2) Official Records Book 238, Page 219, both in the public records of Broward County, Florida.

LICENSE AGREEMENT

INTRACOASTAL PARCEL

THIS LICENSE AGREEMENT (this "License") is executed as of the ____ day of _____, 2011, by and between the CITY OF HOLLYWOOD, a Florida municipal corporation (the "City") and MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC, a Florida limited liability company (the "Developer").

RECITALS:

WHEREAS, on January 19, 2011, the City Commission, by Resolution No. R-2011-____ approved the execution of the Development Agreement and Ground Lease (the "Lease") by the appropriate City officials on behalf of the City which among other things provides for: (1) the leasing by the City to Developer of the Leased Property (as therein defined), and for the construction, development, operation and maintenance of the hotel and parking improvements on the Leased Property known as the Margaritaville Beach Resort Hotel (the "Resort Hotel"), as more specifically described in the Lease; and (2) the development and construction by Developer of certain improvements and facilities to the west of the Leased Property on the publicly owned parcel lying between A1A and the Intracoastal Waterway (the "Intracoastal Parcel"), as more fully described on **Exhibit "A"** attached hereto and incorporated herein, including the construction of a dock shelter with public seating and restrooms, additional streetscape and the underground installation of public utilities; and

WHEREAS, prior to the City Commission's approval of the execution of the Lease, the site plan (the "Site Plan") required for the development and construction of the Resort Hotel on the Leased Property and the improvements and facilities to be constructed on the Intracoastal Parcel were approved by the City's Development Review and Planning and Zoning Boards on November 18, 2010, and thereafter by the City Commission on December 15, 2010, which Site Plan is more fully described and attached to the Lease ; and

WHEREAS, this License provides for the use, operation and maintenance responsibilities and obligations of the Intracoastal Parcel by the Developer upon Developer's completion of the construction of the Resort Hotel and the improvements and facilities on the Intracoastal Parcel as set forth within the Site Plan; and

WHEREAS on January 19, 2011, the City Commission approved the execution of this License by the appropriate City officials on behalf of the City.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City hereby grants this License to Developer and Developer hereby accepts this License from the City for the Licensed Parcel, for the fees, if any, and upon the terms, covenants, conditions, limitations and agreements herein contained for the term hereinafter specified and the parties mutually covenant and agree as follows:

ARTICLE I

GENERAL TERMS OF LICENSE

Section 1.1 **Recitals.** The foregoing recitals are true and correct and are incorporated herein by reference. The Lease, and all of the terms and conditions therein, are hereby incorporated into this License as if fully set forth herein.

Section 1.2 **License.** The City, as of the Commencement Date, hereby grants an exclusive license to Developer, and Developer takes and hires from the City, the Intracoastal Parcel during the Term (as more fully defined below) of this License for the use, operation and maintenance of the Intracoastal Parcel in accordance with the terms and conditions of this License.

Section 1.3 **Term.** The terms of this License, along with the use, operation and maintenance obligations provided for herein, shall commence on the date on which the Resort Hotel first opens for business to the general public (the “Commencement Date”), shall continue for a period of ten (10) years thereafter (the “Term”), and may be renewed in ten year terms thereafter for the length of the lease upon mutual agreement.

Section 1.4 **Restrictive Covenants.**

(a) **Use Restrictions.** Developer shall use, manage and operate the Intracoastal Parcel throughout the Term consistent with the condition in which the Intracoastal Parcel was received by the Developer on the Commencement Date, excluding normal wear and tear, and for no other purpose, and except for reasonable interruptions for reasonable periods for repairs, renovations, replacements and rebuilding in the ordinary course of operations, all of which will be carried out pursuant to, and in accordance with, the applicable provisions of this License. The Intracoastal Parcel shall not be used by Developer, nor shall Developer permit the use thereof for the following: any unlawful or illegal business, use or purpose, or for any business, use or purpose which is immoral or disreputable (including without limitation “adult entertainment establishments” and “adult” bookstores) or extra-hazardous, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of the Certificates of Occupancy or other similar approvals of any Governmental Authority or any Governmental Requirements (as said terms are defined in the Lease). Specifically, the Parcel shall be used for the benefit and enjoyment of Resort Hotel guests and the public, including the provision of fee-based tours such as Eco-tours throughout the area, including excursions by kayak and canoe to the West Lake (Anne Kolb) Preserve; sightseeing, fishing, and dive boat excursions north through the Port, and other water-based experiences while also serving water taxis and private boats for the pick up and drop off of passengers.

(b) **No Discrimination.** Developer shall comply with all valid Governmental Requirements prohibiting discrimination by reason of race, color, religion, sex, national origin, or disability in the use or occupancy of the Intracoastal Parcel or any portion thereof.

(c) Enforceability. The restrictive covenants contained in this Section 1.4 shall be binding upon the Developer and shall be for the benefit and in favor of, and enforceable by the City, its successors and assigns, as the case may be. It is further understood that such covenants shall not be enforceable by any other third party.

Section 1.5 License Fees and Other Payments. Developer covenants and agrees to pay the City upon the commencement of the Term of this License and continuing during the Term the following:

(a) Rent. All revenue generated from the Intracoastal Parcel shall be deemed Project Revenues (as said term is defined in the Lease) of the Resort Hotel and shall be calculated and payable by Developer to the City as required by the Lease.

(b) Payment of License Fees and Other Payments. All License fees, Rent and other payments hereunder required to be made to the City (collectively, the "License Fees") shall be paid to the City at the Office of the Director of Finance, Hollywood City Hall, 2600 Hollywood Boulevard, Hollywood, Florida 33020 or at such other place as the City shall designate from time to time in a notice given pursuant to the provisions of Section 8.4. Any late payment shall automatically accrue interest at the Default Rate (as said term is defined in the Lease) from the date that payment was due until paid.

(c) Records and Reporting.

(1) For the purpose of permitting verification by the City of any License Fees or other amounts due to it or derived from the Developer's use and operation of the Intracoastal Parcel, Developer will keep and preserve for at least three (3) years in Broward County, Florida auditable original or duplicate books and records for the Intracoastal Parcel which shall disclose all information with respect to the Intracoastal Parcel, including information required to determine Participation Rent, if any. All such records shall be maintained in every material respect, in accordance with the uniform system of accounts and in accordance with GAAP (Generally Accepted Accounting Principles as promulgated by the Financial Accounting Standards Board). The City shall, on a commercially reasonable basis, have the right during business hours to inspect such books and records and make any examination or audit or copy thereof which the City may desire. If such audit shall disclose a liability for License Fees in excess of the License Fees theretofore paid by Developer for the period in question, Developer shall pay such additional License Fees within thirty (30) days after receipt of written demand therefor, and if such audit shall disclose an overpayment of the License Fees theretofore paid, the City shall return the excess to Developer within thirty (30) days after receipt of written demand therefor.

Section 1.6 Covenants for Payment of Public Charges by Developer.

(a) Imposition of Public Charges; Contesting Impositions. In the event that the Intracoastal Parcel is charged, levied, assessed or imposed with any real or personal property taxes, ad valorem real property taxes, taxes on License Fees payable hereunder, public assessments and other public charges (the "Public Charges"), the City shall contest, challenge or