

***HERITAGE HARBOR
COMMUNITY DEVELOPMENT DISTRICT***

Agenda Package

Workshop Meeting

***Tuesday
May 5, 2020
6:00 p.m.***

***Location:
Zoom
Conference Call
Audio Only***

Note: The Advanced Meeting Package is a working document and thus all materials are considered DRAFTS prior to presentation and Board acceptance, approval or adoption.

Heritage Harbor Community Development District

DPFG Management & Consulting, LLC

[X] 250 International Parkway, Suite 280
Lake Mary FL 32746
(321) 263-0132 Ext. 4205

[] 15310 Amberly Drive, Suite 175
Tampa, Florida 33647
(813) 374 -9105

May 4, 2020

Board of Supervisors
Heritage Harbor Community Development District

Dear Board Members:

The Regular Continued Meeting of the Board of Supervisors of the Heritage Harbor Community Development District is scheduled for **Tuesday, May 5, 2020 at 6:00 p.m. via Zoom Conference Call – Audio Only.**

The advanced copy of the agenda for the meeting is attached along with associated documentation for your review and consideration. Any additional support material will be distributed at the meeting.

The balance of the agenda is routine in nature. Staff will present their reports at the meeting. If you have any questions, please contact me. I look forward to seeing you there.

Sincerely,

Patricia Comings-Thibault

Patricia Comings-Thibault
District Manager

Cc: Attorney
Engineer
District Records

Heritage Harbor Community Development District

Workshop Meeting

Tuesday, May 5th at 6:00 PM

via Zoom – AUDIO ONLY

Dear Residents

We welcome you to join us for the Workshop Meeting to be held on Tuesday, May 5th at 6:00 PM. This meeting will be held via Zoom, an online platform that allows us to hold necessary Board meetings without having to leave the safety of your home. While many may know and have used Zoom as a video conference platform, we will be using it in audio only mode, so there will be no visual on your end to visually see, so as a note, your computer is working fine if you do not see a video stream. With Zoom you have two options for joining the meeting; telephone or computer, and it will all be audio based, meaning no video recording. Please follow the instructions below for either telephone or computer attendance. If you have any questions in regard to the agenda, please email them to patricia.thibault@dpfg.com before the meeting so that they can be answered accordingly. Thank you for your patience in these trying times and we look forward to hearing from you.

Join Zoom Meeting by Computer

<https://us02web.zoom.us/j/83941755233?pwd=VmY2UndqMkNCNXdJam8zanEwRjI1UT09>

Meeting ID: 839 4175 5233

Password: 404985

Join Zoom Meeting by Phone

Dial by your location – Follow the Prompts – Meeting ID – **839 4175 5233** – Hit # when it requests a participant ID

+1 253 215 8782 US

+1 301 715 8592 US

+1 346 248 7799 US (Houston)

+1 929 205 6099 US (New York)

+1 312 626 6799 US (Chicago)

+1 669 900 6833 US (San Jose)

District: **HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT**

Date of Meeting: Tuesday, May 5, 2020

Time: 6:00 PM

Location: Zoom – Conference Call – Audio
Only

Dial-in Number: 253 215 8782
Guest Access Code: 839-4175-5233

Workshop Agenda

I. Call to Order

II. Business Matters

A. Discussion of Restaurant Lease Update

Exhibit 1

III. Adjournment

EXHIBIT 1

Fax

To: TRACY ROBIN From: NEC KADYMAN
Fax: _____ Pages(Incl Cover): 2
Phone: 813 449 3166 Date: 3/31/20
Re: Large extension excavation

03.31.20

Re: Executing lease renewal option for:

Harbor Terrace Restaurant

19502 Heritage Harbor Parkway

Lutz, FL 33558

Attn:

Tracy Robin

District Counsel-Registered Agent

Straley, Robin & Vericker

1510 W. Cleveland

Tampa FL 33606

Ph. 813 -223-9400

Fx. 813-223-5043

Patricia Thibault

District Manager

DPFG Management & Consulting LLC

15310 Amberly Drive

Suite 175

Tampa FL 33647

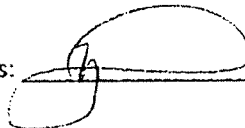
Ph.(321) 263-0132 Ext 4205

To Whom it may concern,

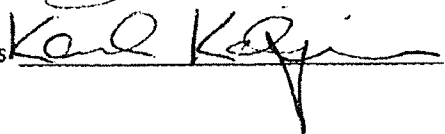
At this time we are executing our final renewal option for the lease extension in our lease. Thank you.

Sincerely,

Nicholas Kalojiannis:

 3/31/20

Karol Kalojiannis

 3-31-2020

Harbor Terrace Restaurant

COMMERCIAL LEASE

THIS COMMERCIAL LEASE (this "Lease") is made and entered into this 26th day of June, 2003, by and between Heritage Harbor Golf & Country Club Community Association, Inc., a Florida not-for-profit corporation ("Lessor"), whose address is c/o Rampart Properties, Inc., 10012 North Dale Mabry, Suite 223, and Heritage Harbor Community Development District ("Lessee"), a special purpose unit of local government organized pursuant to Chapter 190, Florida Statutes, whose address is c/o Severn Trent Environmental Services, Inc., 16311 West Tampa Boulevard, Tampa, Florida 33647, Attention: Mr. John Daugirda.

WITNESSETH:

1. **Lease of Premises.** In consideration of the mutual promises, covenants and conditions herein contained, and the rent reserved by Lender, Lessor hereby leases, lets and demises unto Lessee, and Lessee hereby rents of and from Lessor, the following:

That certain approximately 4,407 square foot restaurant and banquet hall, 4,834 square foot cart barn, and 789 square foot pro shop (collectively the "Premises") (together with all furniture, fixtures and other non-perishable property located within the Premises as set forth on Exhibit A-2 attached hereto) all contained within the Clubhouse and recreational facilities having an address of 19502 Heritage Harbor Parkway, Lutz, Florida 33558 (the "Clubhouse Facilities") as legally described on Exhibit A attached hereto, which Premises are located within the development known as Heritage Harbor (the "Community") legally described on Exhibit B, attached hereto

together with easements and improvements appurtenant thereto, but subject to easements, restrictions and other matters of record. The actual locations, numbers, sizes and dimensions of all improvements, landscaping and parking areas may deviate from the descriptions thereof shown on the Exhibits hereto. LESSEE ONLY HAS A LEASEHOLD INTEREST IN THE PREMISES AND HAS NO OWNERSHIP INTEREST WHATSOEVER IN THE CLUBHOUSE FACILITIES OR THE PREMISES.

2. **Term.** The term of this Lease (the "Term") shall begin on the date this Lease is executed by all parties (the "Commencement Date") and continue until the indebtedness evidenced by the Heritage Harbor Community Development District Recreational Revenue Bond Series 1997 in the amount of \$1,960,000 (the "Bonds") or any refinancing thereof has been paid in full (the "Termination Date"), unless this Lease is sooner terminated, or extended, pursuant to the terms and conditions hereof.

3. **Condition of Improvements.** The taking of possession of the Premises by Lessee will be conclusive evidence as to Lessee that: (a) the Clubhouse Facilities and each and every part and appurtenance thereof are in good and satisfactory condition, and (b) Lessee waives any defects in the Premises and all other parts of the Clubhouse Facilities and the Community.

4. **Rent.**

4.1. **Annual Rent.** Lessee agrees to pay Lessor, without demand, notice, set-off or deduction, rent ("Rent") in the amount of ONE DOLLAR (\$1.00) annually. Rent shall be due on the Commencement Date and on each anniversary thereafter. Lessee's covenant to pay Rent and other sums due hereunder are independent of Lessor's covenants hereunder. Lessee shall have no right to withhold any such payments on account of any alleged failure by Lessor to perform or comply with any of Lessor's covenants.

4.2. **Additional Rent.** All amounts payable by Lessee under this Lease in addition to Rent ("Additional Rent") shall be due and payable at Lessor's written option (i) monthly, based on Lessor's budget and percentage line item allocations set forth on Exhibit C or (ii) within ten

(10) days of Lessee's receipt of an invoice for such Additional Rent. If Additional Rent is billed on a monthly basis, any payments in excess of actual allocated expenses shall be reimbursed to Lessee once the same are determined, and any shortfall in payments shall be paid by Lessee once the same are determined.

4.3. **Payment Address.** All such payments for Rent Additional Rent shall be paid to Lessor at the place Lessor may from time to time designate in writing.

4.4. **Use, Excise, Sales and Other Taxes.** In addition to the Rent and other amounts herein reserved, Lessee shall also pay the amount of any use, excise, sales or other tax on any rental (as defined by the appropriate governmental entity) including, but not limited to, sales tax on Operating Costs, and other amounts due hereunder imposed by the State of Florida and any federal, state or local government or agency. Such taxes and other assessments shall be paid as Additional Rent at the same time and in the same manner as each payment of Rent. Lessee shall pay before delinquency any and all taxes and assessments, including licenses, sales, business, corporation or other taxes, fees or charges levied or imposed upon its business operations in the Premises, including, but not limited to, taxes or assessments imposed upon trade fixtures, leasehold improvements, merchandise and other personalty in or upon the Premises.

4.5. **Expenditures by Lessor.** If Lessor shall make any expenditure for which Lessee is liable under this Lease and for which Lessee is in default in the payment thereof, such amount shall be deemed Additional Rent due and payable by Lessee with the succeeding installment of Additional Rent (unless some other date is expressly provided herein for payment of such amount) together with interest thereon at the prime rate of interest plus two (2) percent (the "**Applicable Interest Rate**").

4.6. **Security Deposit.** No security deposit is required.

5. **Operating Costs.**

5.1. **Definitions.** In addition to Rent and other amounts due hereunder, beginning on the Commencement Date Lessee shall pay as Additional Rent its pro rata share of certain expenses, costs and disbursements that are common in nature between Lessor and Lessee which Lessor shall pay or be obligated to pay because of or in connection with the ownership, operation and maintenance of the Clubhouse Facilities (the "**Operating Costs**") other than maintenance of exterior landscaping of the Clubhouse Facilities which is the obligation of the Heritage Harbor Community Development District under its "O & M" budget. Lessee hereby agrees to maintain at its sole cost and expense. Lessee's pro rata share of such Operating Costs are set forth on **Exhibit C** attached hereto, provided, however, such **Exhibit C** may be revised if the parties reasonably determine such allocations need to be adjusted. Operating Costs include, without limitation, the following:

5.1.1. **Services.** The cost of providing the Services described in Section 7.1 and maintaining, repairing and managing such portions of the Clubhouse Facilities which are used in common by all occupants of the Clubhouse Facilities (the "**Common Areas**"), including without limitation, supplies; professional fees; service contracts; employees' wages, taxes, and benefits (provided however, in the event a management company is hired, payments for these items for such management company's employees shall not be due and Lessee shall only pay its pro-rata portion of the management fee); reasonable management fee; utilities; garbage collection and waste removal; utilities not separately metered to Premises; security expenses; pest control; and window cleaning.

5.1.2. **Taxes and Assessments.** Any real estate taxes, assessments of any kind, sewer rents, rates and charges, parking taxes, and other federal, state or local government charges, general, ordinary or extraordinary, which may now or hereafter be levied or assessed against the Clubhouse Facilities (collectively the "**Taxes**"). If at any time during the Term (or any renewal or extension thereof) the method of taxation then prevailing is altered to impose

taxes directly upon Lessor in place or partly in place of the Taxes, then all such new taxes imposed directly upon Lessor shall be included within Operating Costs.

5.1.3. Insurance. All premiums for public liability, fire and extended coverage or all risk, property, and/or any other insurance coverage which may reasonably be carried by Lessor with respect to the Clubhouse Facilities.

5.1.4. Capital Investment Items. Contribution for the cost of all capital investment items which are primarily for the purposes of increasing the operating efficiency of any portion of the Premises, reducing Operating Costs, improving controlled access to any portion of the Premises, or attempting to satisfy what may be required by any governmental authority of Premises. The amount of the contribution by Lessee for any capital contribution shall be as set forth under reserve allocations on Exhibit C attached hereto.

6. General Use Restrictions.

6.1. Applicable to Lessee. Lessee shall use the Premises only for restaurant, banquet hall, cart barn, and pro shop (the "Permitted Uses") and shall not leave the Premises vacant or suffer or permit any waste or mistreatment thereof. Notwithstanding the foregoing, Lessee shall have the option, from time to time, to terminate this Lease as to any portion of the Premises by written notice to Lessor. Upon such termination, Lessee's leasehold interest shall be terminated and Lessor shall have exclusive possession of such portion of the Premises. In addition, throughout the Term, Lessee shall, at its own expense, comply with all laws, ordinances, orders, rules and regulations of any municipal, county, state or federal governmental authority or other governmental authority having or claiming jurisdiction over the Clubhouse Facilities (a "Governmental Authority"), and shall obtain all licenses and permits required with respect to the Permitted Uses. If during the Term, any law, regulation or rule requires that an alteration, repair, addition or other change be made to the Premises (that is not allocated on a pro rata basis under Exhibit C), such work is to be done at Lessee's expense. Lessee also agrees to abide by, and cause its agents, employees, licensees and invitees to abide by the rules and regulations as promulgated by Lessor, as from time to time may be amended. Such rules and regulations shall not discriminate against Lessee with respect to the operation of the Premises and the golf course. Lessor shall not be liable to Lessee for the violation of any rules and regulations by any other person, and the failure to enforce any such rules and regulations against Lessee or any other person shall not constitute a waiver thereof by Lessor. A copy of the existing rules and regulations is attached hereto and made a part hereof as Exhibit D. In the event of any conflict between the provisions of this Lease and the rules and regulations, the provisions of this Lease shall control.

6.2. Applicable to Lessor and Residents. Lessor acknowledges that the income stream from the Premises has been pledged to repay the Bonds. Accordingly, Lessor shall take all reasonable action to insure the successful operation of the Premises by Lessee. Without limiting the foregoing, Lessor shall not allow any resident or guest of a resident using the Clubhouse Facilities to interfere with the operations of Lessee.

7. Lessor's Duty to Maintain and Repair.

7.1. Services to Lessee. Lessor agrees to use reasonable efforts to cause public utilities to furnish services necessary for operation of the Premises. Lessor also agrees to use all reasonable efforts to provide (as a part of Operating Costs) the following services (the "Services") to Lessee while Lessee is occupying the Premises (1) routine maintenance and electrical lighting service for all Common Areas; (2) routine repair and maintenance of the heating, ventilating and air conditioning (the "HVAC") system provided for the Premises; (3) cold water at points of supply provided for general use of Lessee; and (4) routine maintenance to the roof, structure and exterior walls of the Clubhouse Facilities, reasonable wear and tear expected by both parties, including exterior painting of the Clubhouse Facilities and resurfacing of parking lots as necessary (Lessor is not responsible for maintaining Lessee's trade fixtures).

Lessor's obligations for "repair" and "maintenance," as used in this Section shall include periodic replacement of the systems or equipment necessary to continue delivery of the aforesaid services to Lessee. If Lessor shall fail to any extent to furnish any services described in this Lease, Lessor shall not (except to the extent otherwise provided in Section 20.8) be liable for damages to personal property of Lessee; nor shall Lessee be relieved from any covenant or agreement hereof, including but not limited to, the payment of Rent and Additional Rent. If any Clubhouse Facilities machinery or equipment breaks down or otherwise ceases to function properly, Lessee shall have no claim for rebate of rents or damages on account of an interruption in service occasioned or resulting therefrom.

7.2. **Repairs.** Lessor shall not be obligated to repair the roof, HVAC system, windows, doors or any other part of the Premises until written notice of the need for such repairs is given to Lessor by Lessee. Lessor shall have a reasonable opportunity to repair the roof, the HVAC system or other parts of the Premises after receiving notice from Lessee. Lessor shall not be liable to Lessee or to any third parties for damages or injuries occurring by reason of the need for such repairs. Further, Lessor shall not be liable for or required to make any repairs, or perform any maintenance, upon the Premises which are required by, related to, or which arise out of negligence, fault, misfeasance or malfeasance of and by Lessee, its employees, agents, invitees, licensees or customers, in which event Lessee shall be responsible therefore. Subject to additional limitations set forth elsewhere in this Lease, Lessor's liability with respect to any defects, repairs or maintenance for which Lessor is responsible under this Lease shall be limited to the cost of such repairs or maintenance or the curing of such defect.

8. **Lessee's Repair and Maintenance Obligations.**

8.1. **Duty to Repair.** Lessee shall be liable for and required to make any repairs, perform any maintenance, and satisfy any claims with respect to the Clubhouse Facilities, including the Premises, that are required by, related to, or which arise from or grow out of negligence, fault, misfeasance or malfeasance of Lessee, its employees, agents, invitees, licensees or customers. Lessor, however, may elect by written notice to Lessee to make such repairs, perform such maintenance or satisfy such claims, in which event Lessee shall repay to Lessor the cost thereof within ten (10) days of Lessor's written demand.

8.2. **Duty to Maintain.** Lessee shall, at its own expense, service, keep and maintain the interior of the Premises, including all plumbing, wiring, piping, fixtures and equipment on the interior of the Premises, except for routine repair and maintenance of HVAC system as provided for in Section 7.1 hereof, in good and substantial repair during the entire term of this Lease. Such agreement of Lessee shall not apply to any damage covered by fire and extended coverage insurance. Without limiting the foregoing, Lessee is responsible for repairing, maintaining and/or replacing light bulbs, florescent tubes, plumbing (from the wall to the fixture), interior walls and finish work, ceilings, truck delivery areas, and appliances lying within the perimetrical boundaries of the Premises but is not required to repair or replace windows, doors, floors, floor coverings and/or plate glass. Lessee shall provide, at its own expense, all other services and supplies necessary to maintain or repair the Premises as set forth herein. Lessee agrees to make repairs promptly as they may be needed at its own expense. All repairs shall be at least equal in quality to the original work.

8.3. **Surrender of the Premises.** At the end of the Term or upon the earlier termination of this Lease, Lessee shall surrender the Premises together with all personal property as set forth in Exhibit A-2 in good condition and repair, reasonable wear and tear excepted, and in a broom-clean condition. In the event of Lessee's failure to surrender the Premises in the condition required, Lessor may restore the Premises to such condition, and Lessee shall pay the cost thereof on demand.

8.4. **Fire Safety.** Lessee may not modify any fire sprinkler system without the prior written consent of Lessor, which may be withheld for any or no reason. If Lessee modifies the

sprinkler system, Lessee assumes complete responsibility for such system, including all maintenance obligations.

9. **Right of Entry.** Lessor, its agents and representatives shall have the right to enter into and upon any part of the Premises at any time in the event of an emergency, and otherwise upon reasonable notice at reasonable times for purpose of inspecting, cleaning or making repairs, alterations or additions thereto; Lessee shall not be entitled to any abatement or reduction of Rent by reason thereof. The right of Lessor to enter, repair or do anything else to protect its interest, or the exercise or failure to exercise the right, shall in no way diminish Lessee's obligations or enlarge Lessor's obligations under this Lease, or affect any right to Lessor, or create any duty or liability by Lessor to Lessee or any third party.
10. **Utilities.** Lessor may provide electricity or other utilities to Lessee metered by tab meters or metered in common for the whole Clubhouse Facilities (and allocated proportionately to Lessee as set forth on Exhibit C). Lessor shall bill Lessee, as Additional Rent, based on Lessor's actual costs for such utilities. Lessor shall not be liable for any interruption or failure of utility services furnished through Lessor to the Premises. Notwithstanding the foregoing, Lessee shall have the right at any time at its sole cost and expense to separately meter utilities serving the Premises. In that case, such separately metered utilities shall be Lessee's obligation and Lessee shall no longer be obligated to pay a pro rata share of Operating Costs for such utilities.
11. **Access Control.** Lessee and the manager designated by Lessee ("Manager") are responsible for access control to the Premises. Lessor shall not be liable to Lessee, and Lessee shall not make any claim against Lessor, for any loss Lessee may incur by reason of break-ins, burglaries, acts of vandalism, personal injury or death. Lessor agrees to furnish Lessee or Manager ten (10) keys of each door entering the Premises. Additional keys will be furnished at a reasonable charge by Lessor on an order signed by Lessee, Manager or Lessee's authorized representative. All such keys shall remain the property of Lessor. No additional locks or changes to existing locks shall be allowed on any door of the Premises without Lessor's written permission, and Lessee shall not make, or permit to be made, any duplicate keys, except those furnished by Lessor. At the end of the Term or upon the earlier termination of this Lease, Lessee shall surrender to Lessor all keys of the Premises and give to Lessor the explanation of the combination of all locks for all safes, if any, that will remain in the Premises after the termination of this Lease. In the event Lessee loses or misplaces key(s) prior to or at termination of this Lease provided to Lessee by Lessor, Lessee shall be solely liable for all costs incurred by Lessor in changing lock(s) requiring such keys.
12. **Quiet Enjoyment.** Lessor covenants that so long as Lessee pays the Rent and other amounts reserved in this Lease and performs its agreements hereunder, Lessee shall have the right to quietly enjoy and use the Premises during the Term, subject only to the provisions of this Lease.
13. **Assignment-Subletting.** Lessee shall not assign this Lease; nor any rights hereunder; not let or sublet all or any part of the Premises; nor suffer or permit any person or corporation to use any part of the Premises, without first obtaining the express written consent of Lessor, which consent shall not be unreasonably withheld or delayed.
14. **Signs.** Without first obtaining Lessor's express prior written consent, which consent shall not be unreasonably withheld or delayed, Lessee shall not place or permit to be placed or maintained upon any exterior door, roof, wall or window of the Premises or upon any portion of the interior of the Premises visible from the exterior of the Clubhouse Facilities any sign, awning, canopy, interior graphics, advertising matter or other item of any kind; will not place or maintain any decoration, lettering or advertising matter on the glass of any window or door of the Premises; and will not place or maintain any freestanding structure within or upon the Common Areas or the premises immediately adjacent thereto. Lessee agrees to maintain such items as may be approved by Lessor in good condition and repair at all times and to remove the same at the expiration of the Term or the earlier termination of this Lease as and if requested by

Lessor. Upon removal thereof, Lessee agrees to repair any damage to the Premises or Common Areas caused by such installation and/or removal.

15. **Parking.** In addition to the Premises, Lessee shall have the right to non-exclusive use, in common with Lessor and the guests, employees and invitees of same, of the parking areas ("**Parking Areas**") located adjacent to the Clubhouse Facilities. The Parking Areas shall be subject to the exclusive control and management of Lessor. Lessee further agrees that it and its officers and employees will park their automobiles only in the areas as Lessor may from time to time designate for employee parking. Lessee shall not park any commercial truck or delivery vehicle in the Parking Areas, nor permit delivery of supplies and equipment at any place nor during any time period other than as reasonably designated by Lessor. In the event that Lessor deems it necessary to prevent the acquisition or public rights in and to the Clubhouse Facilities, Lessor may from time to time temporarily close portions of the Common Areas and may erect private boundary markers or take such steps as deemed appropriate for that purpose. Such action shall not constitute or be considered an eviction or disturbance of Lessee's quiet possession of the Premises.

16. **Alteration to the Premises and Removal of Equipment.**

16.1. **Approval Required.** Without first obtaining the express written consent of Lessor, which shall not be unreasonably withheld, Lessee shall not make any alteration, installation, improvement or addition to the Premises, including, but not limited to, penetrations of either the roof or walls, installation of heating, air conditioning or ventilating equipment, construction of a mezzanine, or performance of any action that would increase or decrease the area of the Premises. Unless Lessor has waived such requirement in writing, Lessee's request for approval of any alteration, improvement, addition or installation must be accompanied by details with respect to the proposed source of funds for payment of the cost of the item, design concept, plans and specifications, names of proposed contractors, hours of construction, and proposed construction methods. Notwithstanding the foregoing, provided the cost of any alteration, installation, improvement or addition by Lessee to the Premises is less than \$5,000.00, then only prior written notice to Lessor shall be required.

16.2. **Complex Alterations.** If the nature, volume or complexity of any proposed alteration, addition, improvement or installation causes Lessor to consult with an independent architect, engineer or other consultant, Lessee will reimburse Lessor for the fees and expenses incurred by Lessor. If any improvements will affect the Common Areas, Lessor may require that such work be designed by consultants designated by Lessor and be performed by Lessor or Lessor's contractors at Lessee's expense.

16.3. **Standard of Work.** All work to be performed by or for Lessee pursuant hereto will be performed diligently, in a first-class, workmanlike manner, and in compliance with all applicable laws, ordinances, regulations and rules of any public authority having jurisdiction over the Clubhouse Facilities and/or Lessee and Lessee's insurance carriers. Lessor will have the right, but not the obligation, to inspect periodically the work on the Premises and may require reasonable changes in the method or quality of the work. Lessee's work shall not interfere with the progress of any other work on the Clubhouse Facilities or the Community being performed by or on account of Lessor, Lennar Homes, Inc. and/or U.S. Home Corporation. Lessee's work shall be performed as quietly as possible and not unreasonably interfere or interrupt other occupants of the Clubhouse Facilities. In addition, Lessor reserves the right to require that all or part of Lessee's work be performed between 6 P.M. and 8 A.M. if Lessor, in Lessor's sole discretion, determines that Lessee's work will disturb other occupants in the Clubhouse Facilities.

16.4. **Ownership of Alterations.** Upon the expiration of the Term of the earlier termination of this Lease, all additions, installations, decorations, improvements (whether temporary or permanent), fixtures (except Lessee's trade fixtures which can be removed without defacing the Premises or the Clubhouse Facilities) and alterations, whether placed there by

Lessee or Lessor, shall remain a part of the Premises as the property of Lessor without compensation, allowance or credit to the Lessee. Lessee shall, however, remove such items at its expense upon Lessor's written request. If Lessee does not remove such items after Lessor's request, Lessor may remove and sell or dispose of the same at the expense of Lessee in a manner Lessor deems advisable, or place such property in storage at Lessee's expense. Carpeting, emergency lights, fire extinguishers, alarm systems, shelving and cabinetry will be deemed improvements of the Premises and not movable trade fixtures, regardless of how or where affixed. Such alterations will not be removed by Lessee from the Premises either during or at the expiration of the Term or earlier termination of this Lease. Such alterations will consequently be surrendered as a part of the Premises unless such alterations are not Clubhouse Facilities standard and Lessor has requested that Lessee remove same. Notwithstanding the foregoing, Lessee shall not be liable for removal of standard improvements to the Clubhouse Facilities made by Lessor. Any of the Lessee's property remaining in the Premises ten (10) days after the expiration of the Term or earlier termination of this Lease will be deemed to have been abandoned by Lessee, and in such case, such items may be retained by Lessor as Lessor's property or disposed of as Lessor determines, at Lessee's expense.

17. **Liens.** Lessee agrees that it will make full and prompt payment of all sums necessary to pay for the cost of repairs, alterations, improvements, changes or other work done by Lessee to the Premises. Lessee also agrees to indemnify and hold harmless, to the extent permitted by applicable law, Lessor from and against any and all such costs and liabilities incurred by Lessee, and against any and all construction, mechanic's, materialmen's or laborers' liens arising out of or from such work which may be asserted, claimed or charged against the Premises or the Clubhouse Facilities. Notwithstanding anything to the contrary in this Lease, Lessor shall not be liable for, and the interest of Lessor in the Premises and the Clubhouse Facilities shall not be subject to, any construction, mechanics', materialmen's or laborers' liens for improvements or work made by or for Lessee, whether or not the same shall be made or done in accordance with an agreement between Lessor and Lessee. It is specifically understood and agreed that in no event shall Lessor or the interest of Lessor in the Premises and the Clubhouse Facilities be liable for or subject to any construction, mechanic's, materialmen's or laborer's liens for improvements or work made by or for Lessee; and this Lease specifically prohibits the subjecting of Lessor's interest in the Premises and the Clubhouse Facilities to any construction, mechanics', materialmen's or laborers' liens for improvements made by Lessee or for which Lessee is responsible for payment under the terms of this Lease. All persons dealing with Lessee are hereunder placed upon notice of these provisions. In the event any notice or claim of lien shall be asserted of record against the interest of Lessor in the Premises or the Clubhouse Facilities on account of or growing out of any improvement or work done by or for Lessee or any person claiming by, through or under Lessee, or for improvements or work the cost of which is the responsibility of Lessee, Lessee agrees to have such notice or claim of lien cancelled and discharged of record within thirty (30) days after notice to Lessee by Lessor. Such cancellation and discharge shall be effectuated by either payment and satisfaction or by removal by transfer to bond or deposit as permitted by law. Lessee may contest any such lien after discharging the same by transfer to a bond or deposit pursuant to Florida Law. Lessee shall have the right to grant a security interest to any bank or other lending institution in Lessee's trade fixtures and equipment, if any, provided that such security interest does not attach to any part of the Premises. Upon execution of this Lease, Lessor and Lessee shall execute a Memorandum of this Lease in the form attached as Exhibit E hereto, which may be recorded among the Public Records of the County in which the Clubhouse Facilities is located at Lessor's sole option.

18. **Casualty.** In the event the Premises are damaged or destroyed by fire or other casualty, Lessee shall notify Lessor immediately. In the event the Premises are rendered untenantable by fire or other casualty, Lessor shall rebuild the Premises and/or Clubhouse Facilities. The Premises shall be restored to its former condition within a reasonable time, during which time Rent and Additional Rent shall be abated in proportion to the part of the Premises which are untenantable. Notwithstanding the foregoing, if such damage or destruction resulted from or was contributed to by the fact, omission, fault or neglect of Lessee, or Lessee's employees, invitees or agents, then there shall be no abatement of Rent and Additional Rent. Notwithstanding

anything to the contrary contained in this Section, Lessor shall restore or rebuild the Premises. In the event the Premises are not repaired and tenantable within 150 days after the damage or casualty, Lessee shall have the option to terminate this Lease by written notice to Lessor at any time thereafter, but at least thirty (30) days prior to the Premises being repaired and made tenantable.

19. **Indemnification.** Lessor shall not be liable for injury caused to any person or property by reason of the failure of Lessee to perform any of its covenants or agreements hereunder, nor for such damages or injury caused by reason of any present or future defect in the Premises now or in the future existing. Lessee agrees to indemnify and hold harmless Lessor, and its managing agent, representatives, agents, servants and employees (to the extent permitted by applicable law), from and against any and all loss, damage, claim, demand, liability, cost or expense, including, but not limited to, attorneys' fees and expenses, by reason of any damage or injury to persons (including loss of life or illness) or property which may arise or be claimed to have arisen as a result of or in connection with the occupancy or use of the Premises or the Clubhouse Facilities by Lessee, its agents, employees, guests, contractors, licensees or invitees, or in connection with any construction of any improvements by Lessee, including, without limitation, any modification by Lessee of the sprinkler system for the Premises. In the event that any claim is alleged against Lessor and/or its successors or assigns by anyone arising out of the use or occupancy of the Premises and/or the Clubhouse Facilities by Lessee or by its representatives, agents, servants, employees, licensees, invitees or guests, it is expressly understood and agreed that at Lessor's written direction, Lessee shall take over the defense of each and every claim promptly, and pay all attorney's fees, verdicts, judgments, settlement payments and all other costs and expenses whatsoever incurred in connection with the defense of all such claims, without exception. It is expressly understood that Lessee shall be and remain fully responsible for all such claims and will hold Lessor and its managing agent, representatives, agents, servants, and employees completely harmless from and against any cost or expense whatsoever in connection herewith regardless of whether Lessee or Lessor defends such claims.

20. **Insurance.**

20.1. **Lessor's Property.** Except as noted below, Lessor shall bear all risks of loss or physical damage on the portion of the Clubhouse Facilities and the items set forth on Exhibit A-2 which is caused by fire or other casualty. Lessor shall maintain (1) standard fire and extended coverage insurance on the Clubhouse Facilities and Lessor's personal property used in connection with the Clubhouse Facilities, insuring against loss or damage by fire and against loss or damage by other risks now and hereinafter embraced by "all-risk coverage", in amounts equal to the full replacement cost of the Clubhouse Facilities; and (2) rent or rental value insurance against loss of rent or rental value due to any risk insured above, including an extended coverage endorsement, in an amount equal to the annual total Rent for the Clubhouse Facilities. Such insurance shall be maintained with an insurance company authorized to do business in Florida (and the cost thereof shall be included in Operating Costs), and payments for losses thereunder shall be made solely to Lessor. Lessor shall not be responsible for loss or damage to items for which Lessee is responsible as is more fully set forth below.

20.2. **Lessor's Public Liability Insurance.** Lessor shall maintain comprehensive liability insurance on the entire Clubhouse Facilities and the Community in amounts desired by Lessor.

20.3. **Lessee's Public Liability Insurance.** Lessee shall, at its expense, provide and maintain in force during the entire Term of this Lease, and any extension or renewal hereof, public liability insurance against the liability of Lessee and its authorized representatives arising out of or in connection with Lessee's use or occupancy of the Premises with limits of coverage of not less than \$250,000.00 for any property damage or loss from any one accident, and not less than \$1,000,000.00 for injury to any one person from any one accident (such insurance may be procured under a combined single limit of \$1,000,000.00), covering Lessee, and naming Lessor and Lessor's managing agent, as additional insured, as their interests may appear. Lessor may

require Lessee to increase the foregoing limits of liability insurance from time to time to new levels reasonably required by Lessor. Each policy of such insurance shall name as the insured thereunder Lessor, Lessor's managing agent and Lessee, and shall be of the type commonly known as owner's, landlord's and tenant's insurance. Such policies shall be with a company or companies reasonably acceptable to Lessor and admitted to do business in Florida.

20.4. Lessee's Other Insurance. In addition to the foregoing insurance, Lessee shall provide, at its expense: (1) Workmen's Compensation Insurance for the benefit of all employees entering upon the Clubhouse Facilities as a result of or in connection with their employment by Lessee; (2) all other insurance required of Lessee, as an employer, pursuant to any law, rule or ordinance of any Governmental Authority having jurisdiction; and (3) fire, casualty, and extended coverage insurance on Lessee's personalty (e.g. food, liquor), which policies of insurance shall be in such amounts, in such forms and issued by such companies as shall name Lessor and Lessee, Lessor's managing agent as their interests may appear. At all times during construction upon the Premises, including during any alteration of the Premises, Lessee shall obtain builder's risk insurance with such limits as Lessor shall require, and any such policy of insurance shall name as the insured thereunder Lessor, Lessor's managing agent and Lessee as their interests may appear.

20.5. Form of Lessee's Insurance Policies. The original of each policy of insurance obtained by Lessee or certified duplicates thereof issued by the insurance or insuring organization shall be delivered by Lessee to Lessor on or before ten (10) days prior to occupancy of the Premises by Lessee and proof of renewal shall be delivered to Lessor not less than fifteen (15) days prior to the expiration of any such policy. Each policy shall provide that the insurer will not cancel or change the coverage provided by such policy without first giving Lessor ten (10) days prior written notice. Each insurance policy required by this Lease shall state the expiration of the policy and also state that Lessor's coverage thereunder is primary whether or not Lessor has other collectible insurance. In addition to any other remedies that Lessor may have under this Lease, Lessor shall have the right to obtain the insurance Lessee is required to carry hereunder if Lessee should fail to carry such insurance and furnish Lessor with the required insurance certificates after notification from Lessor to do so. Lessee shall pay the cost thereof to Lessor on demand.

20.6. Extraordinary Insurance. In addition to and together with Lessee's pro rata share of Operating Costs, Lessee shall pay to Lessor within ten (10) business days of its receipt of Lessor's written request, the entire amount of any extraordinary or additional premium for insurance upon or for the Clubhouse Facilities occasioned by or resulting from Lessee's use of the Premises.

20.7. Intentionally Deleted.

20.8. Lessee's Property. All personal property belonging to Lessee or to Lessee's agents, servants, employees, licensees, Premises shall be there at the sole risk of Lessee or such other person. Neither Lessor nor its agents shall be liable for any damage or loss to either person, property, or business of Lessee from any cause whatsoever including, but not limited to, loss of damage caused in whole or in part by or resulting from the Clubhouse Facilities becoming out of repair, theft, falling plaster or other materials and fixtures, fire, explosion, steam, gas, electricity, water, rain, snow, or dampness which may leak or flow from any part of the Premises or Clubhouse Facilities, or from pipes, appliances, plumbing work of the same, the roof, street, subsurface or from any other place. Neither Lessor nor its agents shall be liable for any loss or damage caused by other tenants, if any, or persons in the Premises, or caused by operations in the construction of any private, public or quasi-public work. Notwithstanding the foregoing, if any such loss to personal property of Lessee (e.g. food, liquor) sustained by Lessee is caused by the gross negligence of Lessor, its agents, servants, employees, licensees, invitees or guests, then Lessor shall be liable to Lessee for the amount of the deductible under Lessee's insurance, up to a maximum of \$5,000.00. It is expressly agreed that it shall be the sole obligation of Lessee to

insure, at its expense, any and all property of any nature whatsoever of Lessee's located on the Premises.

21. **Default.** In the event Lessee shall be in default under this Lease, Lessor shall notify Lessee in writing of such default. In the event of a monetary default, if Lessee has not cured the same within thirty (30) days, Lessor may bring a suit against Lessee to recover such monetary payment plus interest at the Applicable Rate permitted by law. If the default is non-monetary, then Lessee shall have a reasonable amount of time to cure such default. If such default is not cured within a reasonable amount of time, Lessor may bring an action for specific performance against Lessee. The remedies for which provision is made in this Section shall not be exclusive, and in addition thereto, Lessor may request that any court of competent jurisdiction appoint a receiver in the event of any breach, default or abandonment by Lessee which is not cured within any grace period set forth above. All past due installments of Rent and other sums of money due and payable from Lessee to Lessor under this Lease shall bear interest at the Applicable Interest Rate from the date due until paid. In addition to the foregoing, if any payment of rent is not received within ten (10) days after the date due, Lessee shall pay Lessor an additional \$25.00 late fee payment, which amount represents an estimate of Lessor's administrative costs reasonably related to collecting and accounting for such late payment.

21.1. **Lien for Rent.** In order to secure Lessee's payment of all rental and other sums due hereunder, Lessee hereby grants to Lessor an express contractual lien upon all property of Lessee now or hereafter placed in or upon the Premises, except such part of such property as may be exchanged, replaced or sold from time to time in the ordinary course of Lessee's operations. All such property will be and remain subject to such lien of Lessor and, subject to foreclosure in accordance with the applicable laws of the State of Florida. Such express lien will be in addition to and cumulative of any landlord's lien provided by the laws of the State of Florida. For the purpose of securing all rental and other sums due hereunder, this Lease shall also be deemed a security agreement under the Uniform Commercial Code as such is in effect in the State of Florida, and Lessor shall have all rights and remedies provided by such Uniform Commercial Code. Lessor and Lessee agree that five (5) days notice of public or private sale in the event of foreclosure of the rights of Lessor under this security agreement shall be reasonable notice. Lessee agrees to execute from time to time Uniform Commercial Code financing statements required by Lessor to perfect the lien hereby created.

21.2. **Survival.** All of Lessee's obligations under this Section shall survive the termination of this Lease.

22. **Waiver or Estoppel - Remedies are Cumulative.** The failure of Lessor to insist, in any one of more instances, upon strict performance of any covenants or agreements of this Lease, or exercise any option of Lessor herein contained, shall not be construed as a waiver or relinquishment for the future of such covenant, agreement or option. Such covenants, agreements, and options shall continue and remain in full force and effect, and Lessor shall have the right to require strict performance or to declare a default at any time and take such action as might be lawful or authorized hereunder, either in law or in equity. Receipt of Rent or other payments due hereunder by Lessor, with knowledge of the breach of any covenant or agreement hereof, shall not be deemed a waiver of such breach and no waiver by Lessor of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Lessor. Lessor's receipt of less than the full amount due from Lessee shall not be construed to be other than a payment on the account of the amounts then due, nor shall any statement on Lessee's check or letter accompanying Lessee's payment be deemed an accord and satisfaction. Lessor may accept such payment as a partial payment only. Any and all rights and remedies which are available to Lessor and which are either set forth herein or are generally available to Lessor under applicable law are cumulative in nature and none shall exclude any other rights or remedies allowed by law or equity.

23. **Subordination and Attornment.**

23.1. **Subordination.** All rights and interests of Lessee hereunder are and shall be and remain subject, subordinate and inferior to all mortgages, heretofore or hereafter encumbering the Premises or the Clubhouse Facilities, or any part thereof, and to all renewals, modifications, consolidations, replacements and extensions of any such mortgage. The right of the holder of any such mortgage shall at all times be and remain prior and superior to all rights and interest of Lessee. This provision shall constitute a self-operative subordination agreement with respect to all such mortgages and all renewals, modifications, consolidations, replacements and extensions thereof.

23.2. **Attornment.** Lessee further covenants and agrees that if the holder of any mortgage acquires the Premises by foreclosure or deed in lieu of foreclosure, or if any other party acquires the Premises as a purchaser at any foreclosure sale (any such lessor of any ground lease, holder of any mortgage or purchaser at a foreclosure sale being each hereinafter referred to as the "**Purchaser**"), Lessee will thereafter, but only at the option of the Purchaser, as evidenced by the written notice of the Purchaser's election given to Lessee within a reasonable time after the Purchaser's acquisition of title, remain bound by novation or otherwise to the same effect as if a new and identical lease containing the terms of this Lease between the Purchaser, as lessor, and Lessee, as lessee, had been entered into for the remainder of the Term of this Lease effective on the date of the Purchaser's acquisition of title.

23.3. **Further Documentation.** If the holder of any such mortgage or any person, firm or corporation agreeing to make a loan secured by a mortgage on the Premises or the Clubhouse Facilities shall require confirmation of any subordination for which provision is herein made or a separate subordination agreement with respect to any mortgage transaction, Lessee shall execute such confirmation or subordination agreement, within ten (10) days of Lessor's request for the same, in the form required by such mortgage holder or other person, firm or corporation agreeing to make a loan secured by a mortgage on the Premises or the Clubhouse Facilities. The execution of the same shall not diminish or affect the liability of Lessee hereunder or of any other party responsible for or guaranteeing the obligations of Lessee under this Lease.

24. **Estoppel Certificates.** Lessee will, at any time and from time to time, within five (5) days after the request of Lessor, execute, acknowledge and deliver to Lessor a certificate executed by Lessee certifying: (a) whether or not this Lease is unmodified and is in full force and effect (or, if there have been modifications, the extent to which this Lease is in full force and effect as modified and stating the modifications); (b) whether or not there are then existing any defaults on the part of Lessor or any offsets or defenses against the enforcement of any provisions of this Lease by Lessor (and if so, specifying the same); (c) the dates, if any, to which Rent and Additional Rental and other charges have been paid; (d) the address to which notices to Lessee should be sent; (e) that Lessee is in possession of the Premises; and (f) such other matters as Lessor shall request.

25. **Condemnation.** Should the Premises or the Clubhouse Facilities be taken, appropriated or condemned for public purposes, or voluntarily transferred in lieu of condemnation, in whole or in such substantial part as to render the Clubhouse Facilities unsuitable for Lessor's purposes, materially adversely affect the value of the Clubhouse Facilities of the Community, or render the Premises unsuitable for Lessee's purposes, then the Term shall, at the option of Lessee in the first and second instances and at the option of Lessee in the third instance, terminate when Lessee's right to possession is terminated. If neither party exercises this option to terminate by notice to the other party within ten (10) days after the date of such taking, or if the portion of the Premises or the Clubhouse Facilities taken, appropriated, condemned or voluntarily transferred in lieu of condemnation does not render the Clubhouse Facilities unsuitable for Lessor's purposes or the Premises unsuitable for Lessee's purposes, then this Lease shall terminate only as to the part taken or conveyed on the date Lessee shall yield possession, and Lessor shall make such repairs and alterations as may be necessary to make the part not taken usable. The rental payable hereunder shall consequently be reduced in proportion to the part of the Premises taken. The Premises shall be deemed unsuitable for Lessee's purposes only if the portion of the Premises taken is so great that Lessee cannot continue to conduct business in a manner

comparable to the manner in which Lessee conducted its business prior to the taking. Lessor reserves unto itself, and Lessee assigns to Lessor, all right to damages or compensation accruing on account of any taking, appropriation, transfer in lieu of condemnation, or condemnation of any part of the Premises or the Clubhouse Facilities, or by reason of any act of any public or quasi-public authority for which damages are payable, including, without limitation, any award for the value of the unexpired portion of the Term. Lessee agrees to execute such instruments of assignment as may be required by Lessor, to join with Lessor in any petition for the recovery of damages if requested by Lessor, and to turn over to Lessor any such damages that may be recovered in any such proceeding. Lessor does not reserve to itself, and Lessee does not assign to Lessor, any damages payable for and on account of an interruption in Lessee's business, for moving and relocation expenses and for depreciation to, removal of and/or loss of trade fixtures installed by Lessee at its cost and expense which are not part of the Premises. Notwithstanding the foregoing, no temporary taking of the Premises, and/or Lessee's rights therein, by a public or quasi-public agency under the right of eminent domain will terminate this Lease or give Lessee any right to any abatement of Rent, Additional Rent or any other payment to be made by Lessee under this Lease. Any award made to Lessee by reason of any temporary taking will belong entirely to Lessee and Lessor will not be entitled to share in such award.

26. **Lessor's Right of Performance.** In the event that Lessee fails to completely fulfill or perform any of its monetary or non-monetary duties and obligations set forth herein, Lessor may, in its sole discretion, perform or cause to be performed any and all such duties and obligations. If Lessor expends any sums of money in the performance of any of the monetary or non-monetary duties and obligations of the Lessee set forth herein, any such sums of money expended by Lessor shall become additional amounts of rental due under this Lease and shall be paid by Lessee immediately upon demand.

27. **Liability of Lessor.** Lessor shall not be liable for or responsible to Lessee for any loss or damage to any property or person occasioned by act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority.

28. **Reservation of Rights by Lessor.** Lessor shall have the following rights, exercisable without notice or restriction (except as provided to the contrary in subsections (a), (b), (e) and (g) below, and provided, however, that the exercise of such rights do not interfere with Lessee's use of the Premises for such purposes as are permitted under this Lease), without any liability to Lessee for damage or injury to person, property or business, without being deemed an eviction or disturbance of any manner of Lessee's use or possession of the Premises and without relieving Lessee from its obligation to pay all Rent when due or from any other obligation under this Lease: (a) to change the Clubhouse Facilities's and/or the Community's name or to change the Clubhouse Facilities's and/or the Community's street address upon sixty (60) days' prior notice; (b) to install, affix and maintain any and all signs on the exterior and/or interior of the Clubhouse Facilities (excluding the interior of the Premises); (c) to designate or approve all signs, sign painting and lettering to Lessee and to designate or approve prior to installation all types and configurations of signs, window shades, blinds, window treatments, drapes, awnings or other similar items, and all internal lighting, fixtures or equipment that may be visible from the exterior of the Premises or the Clubhouse Facilities; (d) to display the Premises to prospective mortgagees and purchasers at reasonable hours, upon reasonable notification to Lessee, and, during the last 12 months of the Term, to display the Premises at reasonable hours to prospective tenants; (e) to display on the exterior of the Premises "for rent" or "for sale" signs provided that no such signs shall be placed or maintained on the Premises prior to the ninetieth (90th) day before the expiration or termination of this Lease; (f) to change the arrangement and/or location of entrances, parking areas, doors, corridors, stairs, toilets or other public parts of the Clubhouse Facilities and the Community; (g) to grant to any person the exclusive right to conduct any business or render any service in or to the Clubhouse Facilities or the Community, provided such exclusive right shall not interfere with Lessee's use of the Premises for such purposes as are permitted under this Lease; (h) to prohibit the placing of vending or dispensing machines of any kind in or about the Premises, except such machines which are for the exclusive use of Lessee, its employees and invitees; (i) to have access for Lessor and other occupants of the Clubhouse

Facilities of which the Premises are a part to any and all mail chutes and mail boxes located in the Clubhouse Facilities according to the rules of the United States Post Office; (j) to take any and all reasonable measures, including inspections, repairs, alterations, decorations, additions and improvements to the Premises, the Clubhouse Facilities or the Community, as may be necessary or desirable in the operation thereof or for the safety, protection or preservation thereof or Lessor's interest therein; (k) to retain at all times master keys or passkeys to the Premises; (l) to increase or decrease the size of the Clubhouse Facilities by adding additional real property to the Clubhouse Facilities or by expanding the improvements (i.e. additional stories) thereon or adding additional improvements thereto or by taking away real property from the Clubhouse Facilities; (m) to change Lessee's pro rata share of Operating Costs as a result of (i) expansion or reduction of the size of the Clubhouse Facilities; (ii) casualty; (iii) eminent domain or (iv) any provision(s) of this Lease; (n) to change or modify the design and layout of Common Areas, including, but not limited to, the parking area(s) of the Clubhouse Facilities or the Community; (o) to temporarily grant any occupant of the Clubhouse Facilities exclusive use of a portion of the parking areas serving the Clubhouse Facilities (by roping off that portion of the parking areas or otherwise)(i.e. special events); (p) to enter onto the Premises for repair or expansion of the Clubhouse Facilities or to use the exterior walls of the Premises and the area between the finished ceiling of the Premises and the slab of the Clubhouse Facilities floor thereabove and the area between the finished floor of the Premises floor and the finished ceiling of the portion of the Clubhouse Facilities therebelow, together with the right to locate or relocate (both vertically and horizontally), install, maintain, use, repair and replace pipes, utility lines, cables, ducts, conduits, flues, refrigerant lines, drains, sprinkler mains and valves, access panels, wires and appurtenant meters or equipment, and structural elements leading through, under or above the Premises, when deemed necessary by the Lessor for improvement of other premises in the Clubhouse Facilities or the Community; provided, however, such construction, installation and maintenance shall not materially diminish the area of the Premises or materially interfere with Lessee's intended use of the Premises; and (q) to close any skylights or windows in the Clubhouse Facilities not within the Premises. This Section shall not be construed to alter or create any obligations of Lessor or Lessee with respect to repairs or improvements or other obligations provided herein.

29. **Hazardous Waste.** Without limiting the foregoing, Lessee agrees to comply strictly and in all respects with the requirements of any and all federal, state and local statutes, rules and regulations now or hereinafter existing relating to the discharge, spillage, storage, uncontrolled loss, seepage, filtration, disposal, removal or use of hazardous materials, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act, the Resource Conservation and Recovery Act, the Hazardous Materials Transportation Act and the Florida Hazardous Substances Law (collectively the "Hazardous Waste Law") and with all similar applicable laws and regulations. Lessee shall notify Lessor promptly in the event of any discharge, spillage, uncontrolled loss, seepage or filtration of oil, petroleum, chemical liquids or solids, liquid or gaseous products or any other Hazardous Materials (a "Spill") or the presence of any substance or material presently or hereafter identified to be toxic or hazardous according to any Hazardous Waste Law, including, without limitation, any asbestos, PCBs, radioactive substance, methane, volatile hydrocarbons, acids, pesticides, paints, petroleum based products, lead, cyanide, DDT, printing inks, industrial solvents or any other material or substance which has in the past or could presently or at any time in the future cause or constitute a health, safety or other environmental hazard to any person or property (collectively "Hazardous Materials") upon the Premises or the Clubhouse Facilities. Lessee shall promptly forward to Lessor copies of all orders, notices, permits, applications or other communications and reports in connection with any such Spill or Hazardous Materials. Lessee shall not handle, use, generate, manufacture, store or dispose of Hazardous Materials in, upon, under or about the Premises and the Clubhouse Facilities, provided that, Hazardous Materials in amounts permitted by law and stored in accordance with applicable law shall be permitted (i.e. cleaning materials). Lessee shall indemnify Lessor and hold Lessor harmless, to the extent permitted by applicable law, from and against all loss, penalty, liability, damage and expense suffered or incurred by Lessor related to or arising out of

(a) the presence of Hazardous Materials on the Premises; (b) any Spill or Hazardous Material affecting the Clubhouse Facilities, including any loss of value of the Clubhouse Facilities as a result of a Spill or the presence of Hazardous Material; or (c) any other matter affecting the Clubhouse Facilities as a result of Lessee's action or inaction within the jurisdiction of any Governmental Authority; which loss, damage, penalty, liability, damage and expense shall include, but not be limited to, (i) court costs, attorney's fees and expenses, and disbursements through and including any appellate proceedings; (ii) all foreseeable and unforeseeable consequential damages, directly or indirectly, arising out of the use, generation, storage or disposal of Hazardous Materials by Lessee; (iii) the cost of any required or necessary repair, clean-up or detoxification of the Clubhouse Facilities; and (iv) the cost of preparation of any closure or other plans required under the Hazardous Waste Law, necessary to sell or lease the Premises or the Clubhouse Facilities.

30. **Invalidity of Particular Provisions.** If any term or provisions of this Lease or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to any person or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

31. **Notices.** Any notice required or permitted to be given in connection with this Lease shall be in writing and sent by United States certified mail with return receipt requested, professional overnight courier or telefax (with confirmation and copy by certified mail) to Lessee or Lessor at the addresses on Page 1 of this Lease. All notices shall only be effective upon receipt or refusal to accept receipt (by failure to accept delivery or otherwise). By giving at least two (2) days prior written notice to the other party, either party may change its address for notices hereunder.

32. **Entire Agreement.** Lessee agrees that Lessor has not made any statement, promise or agreement, or taken upon itself any engagement whatsoever, verbally or in writing, in conflict with the terms of this Lease, or which in any way modifies, varies, alters, enlarges or invalidates any of its provisions. This Lease sets forth the entire understanding between Lessor and Lessee, and shall not be changed, modified or amended except by an instrument in writing signed by the party against whom the enforcement of any such change, modification, or amendment is sought.

33. **Representations.** The taking possession of the Premises by Lessee shall be conclusive evidence that the Premises were in good and satisfactory condition at the time such possession was taken. No representations, except those contained herein, have been made on the part of Lessor with respect to the order, repair or condition of the Premises or the Clubhouse Facilities. Lessee will make no claim on account of any representations whatsoever, whether made by any renting agent, broker, officer or other representative of Lessor or which may be contained in any circular, prospectus or advertisement relating to the Premises, the Clubhouse Facilities of the Community, or otherwise, unless the same is specifically set forth in this Lease.

34. **Interpretation.** The covenants and agreements herein contained shall bind, and the benefit and advantages hereof shall inure to, the respective heirs, legal representatives, successors and assigns of Lessor and Lessee. Whenever used, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders. The headings set forth in this Lease are for ease of reference only, and shall not be interpreted to modify or limit the provisions hereof. All of Lessee's obligations hereunder not fully performed as of the expiration or earlier termination of the Term shall survive the expiration or earlier termination of the Term hereof.

35. **Governing Law and Venue.** This Lease shall be construed in accordance with the laws of the State of Florida. Lessor and Lessee (and any and all guarantors of this Lease) irrevocably agree that their respective agreements and obligations hereunder (and under any Guaranty of Rent Payment) will be performable in the County where the Premises are located and that venue

for any action to any Guaranty of Rent Payment) shall be in the County where the Premises are located.

36. **Attorney's Fees.** In any litigation involving the interpretation of this Lease or the enforcement of any provisions hereof, the prevailing party shall be entitled to attorney's fees, expenses and costs. When any party is entitled to attorney's fees, expenses and costs hereunder, the term attorney's fees and costs shall be construed to include the payment of attorney's fees, expenses and costs on appeal.

37. **No Partnership or Joint Venture.** It is understood and agreed that nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Lessor and Lessee or between Lessor and any other party, or cause either party to be characterized as a "warehouseman" or a "bailee" or to be responsible in any way for the debts and obligations of the other party.

38. **Intentionally Deleted.**

39. **Waiver of Jury Trial.** Lessor and Lessee each acknowledges that it is aware of and has had the advice of counsel of its choice with respect to its rights to trial by jury under the Constitutions of the United States and the State of Florida, and each party does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by either party hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, Lessee's use or occupancy of the Premises, and/or any claim of injury or damage.

40. **No Offer.** Submission of this Lease by Lessor to Lessee for examination and signature does not constitute an offer or option for lease. This Lease will be effective only upon execution and delivery by both Lessee and Lessor.

41. **Counterparts.** This Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

42. **Lessee's Authority.** Lessee makes the following representations to Lessor, on which Lessor is entitled to rely in executing this Lease: (i) Lessee has the power to enter into this Lease and the transactions contemplated hereby and to perform its obligations hereunder, and by proper resolution, the signatory hereto has been duly authorized to execute and deliver this Lease; and (ii) the execution, delivery and performance of this Lease and the consummation of the transactions herein contemplated shall not conflict with or result in a violation or breach of any law, rule, ordinance or agreement to which Lessee is bound.

43. **Brokerage.** Lessee warrants and represents that it has not dealt, consulted or negotiated with any real estate broker or agent in connection with this Lease. In the event of any breach of the foregoing, Lessee hereby agrees to indemnify and hold harmless, to the extent permitted by applicable law, Lessor from and against any and all loss of liability resulting from or arising out of all claims of any real estate broker or agent for a commission other than claims such claims.

44. **RADON GAS.** This disclosure is required by Section 404.056 of the Florida Statutes. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be executed as required by law on this, the day and year first above written.

Signed, sealed and delivered

LESSOR:

in the presence of:

HERITAGE HARBOR GOLF & COUNTRY
CLUB COMMUNITY ASSOCIATION, INC.,
a Florida not-for-profit corporation

Mary Anne N...
Print Name: Mary Anne N...
Deena Brown
Print Name: DEENA BROWN

By: Betty D. Valenti
Name: BETTY D. VALENTI
Title: President

LESSEE:

HERITAGE HARBOR COMMUNITY
DEVELOPMENT DISTRICT, a special
purpose unit of local government organized
pursuant to Chapter 190, Florida Statutes

Mary Anne N...
Print Name: Mary Anne N...
Deena Brown
Print Name: DEENA BROWN

By: Dawn E. Simeone
Name: DAWN E. SIMEONE
Title: CHAIRMAN

EXHIBIT A

A parcel of land lying in Section 4, Township 27 South, Range 18 East, Hillsborough County, Florida, being a portion of those lands described as Golf Course Parcel 1A in Official Record Book 8850, page 565 of the public records of Hillsborough County, Florida and being more particularly described as follows:

Commence at the Northwest corner of said Section 4; thence along the North boundary line of said Section 4, S89°17'29"E, a distance of 300.00 feet to a point of intersection with the East boundary line of the West 300.00 feet of aforementioned Section 4; thence along said East boundary line S00°38'08"W, a distance of 1208.70 feet; thence departing said East boundary line S89°21'53"E, a distance of 756.18 feet to a corner on the South boundary of aforementioned Golf Course Parcel 1A, said corner being the Point of Beginning; thence departing said South boundary, N85°00'00"E, a distance of 434.75 feet to the Southwest corner of a "Less and Except Parcel" excluded from Golf Course Parcel 1A; thence N85°00'00"E, a distance of 115.68 feet to the Southeast corner of said "Less and Except Parcel"; thence departing the boundary of said parcel, N85°00'00"E, a distance of 27.88 feet; thence S21°18'39"E, a distance of 278.57 feet; thence N73°33'07"E, a distance of 49.88 feet to a point of curvature; thence 101.93 feet along the arc of a curve to the right, having a radius of 217.00 feet, a central angle of 26°54'52" and a chord bearing and distance of N87°00'33"E, 101.00 feet to a point of compound curvature; thence 243.15 feet along the arc of a curve, having a radius of 584.31 feet, a central angle of 23°50'35" and a chord bearing and distance of S67°36'44"E, 241.40 feet to a point of compound curvature; thence 138.67 feet along the arc of a curve, having a radius of 337.00 feet, a central angle of 23°34'34" and a chord bearing and distance of S43°54'10"E, 137.69 feet to a point of tangency; thence S32°06'53"E, a distance of 58.80 feet to a point of intersection with the westerly right-of-way line of Heritage Harbor Parkway, a 60.00 foot wide right-of-way being a part of Heritage Harbor - Phase 1B per map or plat thereof as recorded in Plat Book 83, page 1 of the public records of Hillsborough County, Florida; thence 189.98 feet along said right-of-way by the arc of a curve to the left being non-tangent to the preceding course and having a radius of 730.00 feet, a central angle of 14°54'40" and a chord bearing and distance of S26°11'49"W, 189.44 feet to the Southeast corner of aforementioned Golf Course Parcel 1A; thence along the southerly boundary of said Golf Course Parcel 1A by the following ten (10) courses: (1) N12°14'01"W, a distance of 36.31 feet, (2) N06°34'48"W, a distance of 148.15 feet, (3) N24°50'21"W, a distance of 39.95 feet, (4) N62°28'18"W, a distance of 252.66 feet, (5) S68°22'29"W, a distance of 217.06 feet, (6) S15°37'57"W, a distance of 220.43 feet, (7) N90°00'00"W, a distance of 626.61 feet, (8) N16°23'25"W, a distance of 214.77 feet, (9) N31°15'08"E, a distance of 210.96 feet, (10) N04°02'42"E, a distance of 171.30 feet to the point of beginning.

EXHIBIT A-2

INVENTORY LIST

SEE ATTACHED

OR BK 12817 PG 1846

HERITAGE HARBOR GOLF & COUNTRY CLUB
INVENTORY AS OF JUNE 26, 2003

LOBBY/HALLWAYS

- 2 Wicker arm chairs
- 1 Wicker couch
- 1 Coffee table
- 12 Wall displays
- 1 Bench
- 1 Bulletin board
- 1 Flower vase
- 1 Large American Flag
- 1 Wall mirror
- 2 Artificial trees
- 12 Artificial plants
- 2 Pillar planters w/plants
- 10 Wall paintings
- 19 Autographs framed

LADIES ROOM

- 2 Wicker chairs
- 1 Wicker table
- 1 Trash can
- 1 Wall clock
- 1 Painting
- 1 Set of curtains

FOOD & BEVERAGE OFFICE

- 1 Computer desk
- 1 17" Dell monitor
- 1 HP printer
- 1 Dell computer tower
- 1 Computer modem
- 1 Credit card machine
- 1 Vacuum cleaner
- 1 Adding machine
- 1 Receipt printer
- 1 4 drawer lateral filing cabinet
- 1 Liberty Safe
- 1 Office desk and chair
- 2 Side chairs
- 1 Network computer connector
- 1 Mounted key cabinet

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CLUB COORDINATOR'S OFFICE

- 1 Office desk
- 1 Computer desk
- 2 Office chairs
- 1 Side chair
- 1 4 drawer filing cabinet
- 1 17" Dell monitor
- 1 Compaq tower
- 1 HP printer
- 1 Surveillance monitor
- 1 Digital surveillance system
- 1 Polaroid id camera
- 1 Computer scanner

FRONT DESK OFFICE

- 2 Office Chairs
- 1 2 drawer lateral filing cabinet
- 2 4 drawer lateral filing cabinets
- 1 Office desk
- 1 Credenza
- 2 Dry erase board
- 2 Paintings
- 2 Artificial plants
- 1 Dell computer for swipe card access
- 1 Dell tower for swipe card access
- 1 Compaq computer
- 1 Compaq tower
- 1 HP printer
- 1 Canon NP6230 copier
- 1 Canon Super G3 Fax machine
- 2 PA amplifiers
- 2 PA microphones
- 2 Audio receivers
- 2 Muzak music dish receivers
- 1 Laminator
- 1 Cash register
- 1 Paper shredder

FITNESS ROOM

- 1 Table
- 2 Stationary fans
- 1 Paramount Sports trainer
- 1 Scale
- 1 Ab Shaper
- 1 Stool
- 1 Ab roller
- 1 Complete set of dumb bells (3-40lbs)
- 2 Benches
- 2 Stationary bikes
- 3 Treadmills
- 1 19" TV
- 1 19" TV wall mount

RESTAURANT

- 9 Bar stools
- 37 4 top tables
- 150 Table chairs
- 1 Popcorn cart
- 1 Soft-serve ice cream machine
- 36 Salt and pepper shakers
- 28 Sugar cadies
- 2 Coffee warmers
- 10 Tray stands
- 3 Toaster
- 1 Heat lamp
- 30 Pitchers
- 1 Perculator
- 1 Juice container w/chiller
- 2 Coffee push pumps
- 1 Podium
- 11 Plants
- 1 Billboard w/stand
- 1 Hot dog machine
- 1 Coffee Marker
- 1 Soap Dispenser
- 1 Paper Towel holder
- 1 Soda machine
- 15 Creamer pitchers
- 12 Goose necks
- 20 Tea pots
- 1 Pepper grinder
- 1 Oil & vinegar
- 10 Coffee pots
- 7 Flower vases

- 3 Crumbs sweepers
- 62 Short glasses
- 24 Tall glasses
- 9 Wicker baskets
- 2 Blenders
- 1 Bud cooler
- 6 Beer pitchers
- 1 Cutting board
- 2 Small shakers
- 3 Large shakers
- 1 Muddler
- 69 Pourers
- 37 Champagne glasses
- 9 Martini glasses
- 40 Red wine glasses
- 9 Snifters
- 11 Shot glasses
- 49 Double shot glasses
- 58 Beer glasses
- 14 White wine glasses
- 57 Small glasses
- 69 Large glasses
- 1 Ice cream cone container
- 1 Bar glass washer
- 4 Juice pourers
- 1 48" TV w/remote
- 4 27" TVs w/remote
- 2 Lime and Salt dispenser
- 2 Stir stix & bev nap dispenser
- 4 Hi-Chairs
- 2 Touch screen monitors w/keyboards
- 4 Receipt printers
- 3 Tills
- 1 Credit Card machine
- 1 Time Clock
- 16 Banquet tables
- 1 Dance floor

KITCHEN

- 4 Push carts
- 1 Small freezer
- 2 Fryers
- 1 Flat grill
- 1 Stove
- 1 Char-boiling grill
- 1 Microwave
- 1 Salad crisper/pantry

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- 1 Calamander
- 1 Streamer table
- 2 Conventional Ovens
- 1 Streamer
- 1 Meat slicer
- 1 Hobart
- 1 Robo coup
- 1 Dishwasher
- 35 Baking sheets
- 21 Serving trays
- 9 Chaffing dishes
- 13 Small sauté pans
- 30 2" ½ hotels
- 25 2" full hotels
- 7 2" perforated hotels
- 1 Set chef knives
- 100 Salad plates
- 50 Misc. cooking/serving utensils
- 150 Tables settings of dishes, utensils, coffee cups etc (more or less)
- 4 Bar serving boards
- 14 Assorted sizes of pots and pans

LIBRARY

- 1 Conference Table
- 9 Conference Chairs
- 2 Side arm chairs
- 3 Side chairs
- 1 17" computer monitor
- 1 HP printer
- 1 Computer tower
- 8 Planters
- 3 Pictures
- 15 Misc nik naks
- 300 Books (more or less)

ACTIVITY ROOM

- 1 32" Panasonic TV
- 1 Panasonic VCR
- 1 Air Hockey table
- 1 Fuss Ball table
- 2 Small childrens table
- 9 Small chairs

COMPUTER ROOM

- 1 KDS Computer with tower and keyboard

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OR BK 12817 PG 1851

POOL FURNITURE

12 Bar Stools
41 Blue plastic chairs
64 Chaise lounges
5 Outside tables
8 Chairs
6 Umbrellas

SIDE PATIO

4 Tables
15 Chairs

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EXHIBIT B

LEGAL DESCRIPTION OF COMMUNITY

A PARCEL OF LAND LYING IN SECTIONS 3, 4, 9 AND 10, TOWNSHIP 27 SOUTH, RANGE 18 EAST, HILLSBOROUGH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 4; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID SECTION 4, S89°17'29"E, A DISTANCE OF 300.00 FEET; THENCE DEPARTING SAID NORTH BOUNDARY LINE S00°38'08"W, A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING, SAID POINT BEING LOCATED ON THE SOUTHERLY BOUNDARY LINE OF A PROPOSED 100.00 FOOT WIDE EASEMENT; THENCE ALONG SAID SOUTHERLY BOUNDARY LINE WITH THE FOLLOWING FIVE (5) COURSES (1) S89°17'29"E, A DISTANCE OF 1961.48 FEET TO THE BEGINNING OF A CURVE; (2) THENCE 239.24 FEET ALONG THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 400.00 FEET, A CENTRAL ANGLE OF 34°16'05", A CHORD BEARING OF S72°09'26"E AND A CHORD DISTANCE OF 235.69 FEET TO A POINT OF REVERSE CURVATURE; (3) THENCE 290.15 FEET ALONG THE ARC OF A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 500.00 FEET, A CENTRAL ANGLE OF 33°14'55", A CHORD BEARING OF S71°38'52"E AND A CHORD DISTANCE OF 286.10 FEET TO A POINT OF COMPOUND CURVATURE; (4) THENCE 387.01 FEET ALONG THE ARC OF A CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1060.00 FEET, A CENTRAL ANGLE OF 20°55'08", A CHORD BEARING OF N81°16'07"E AND A CHORD DISTANCE OF 384.87 FEET TO A POINT OF REVERSE CURVATURE; (5) THENCE 171.19 FEET ALONG THE ARC OF A CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 910.00 FEET, A CENTRAL ANGLE OF 10°46'43", A CHORD BEARING OF N76°11'54"E AND A CHORD DISTANCE OF 170.94 FEET TO THE CURVE'S END; THENCE DEPARTING SAID SOUTHERLY BOUNDARY LINE S00°42'31"W, A DISTANCE OF 602.46 FEET; THENCE S89°17'29"E, A DISTANCE OF 561.57 FEET; THENCE S22°32'11"E, A DISTANCE OF 1765.67 FEET; THENCE S25°17'23"W, A DISTANCE OF 710.61 FEET; THENCE N79°02'49"E, A DISTANCE OF 241.23 FEET TO THE BEGINNING OF A CURVE; THENCE 333.96 FEET ALONG THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 330.00 FEET, A CENTRAL ANGLE OF 57°58'59", A CHORD BEARING OF N50°03'20"E AND A CHORD DISTANCE OF 319.89 FEET TO THE CURVE'S END; THENCE N21°03'50"E, A DISTANCE OF 329.27 FEET; THENCE S68°56'10"E, A DISTANCE OF 224.29 FEET; THENCE S22°35'12"E, A DISTANCE OF 795.52 FEET; THENCE S43°20'11"E, A DISTANCE OF 507.44 FEET; THENCE S58°09'31"E, A DISTANCE OF 354.88 FEET; THENCE S53°39'02"W, A DISTANCE OF 388.90 FEET; THENCE N75°15'06"W, A DISTANCE OF 102.66 FEET; THENCE N56°23'06"W, A DISTANCE OF 864.46 FEET; THENCE N21°53'29"W, A DISTANCE OF 250.00 FEET; THENCE S77°38'34"W, A DISTANCE OF 281.32 FEET; THENCE S29°11'18"W, A DISTANCE OF 259.15 FEET; THENCE N61°58'17"W, A DISTANCE OF 165.63 FEET; THENCE N76°18'07"W, A DISTANCE OF 94.38 FEET; THENCE S82°11'43"W, A DISTANCE OF 138.52 FEET TO A POINT ON THE ARC OF A CURVE; THENCE 11.31 FEET ALONG THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 480.45 FEET, A CENTRAL ANGLE OF 01°20'57", A CHORD BEARING OF N08°59'10"W AND A CHORD DISTANCE OF 11.31 FEET TO THE CURVE'S END; THENCE S32°19'32"W, A DISTANCE OF 157.09 FEET; THENCE S13°17'00"W, A DISTANCE OF 1088.77 FEET; THENCE S04°02'26"W, A DISTANCE OF 238.23 FEET; THENCE N57°38'39"E, A DISTANCE OF 815.61 FEET; THENCE S56°19'40"E, A DISTANCE OF 884.02 FEET; THENCE S36°40'28"W, A DISTANCE OF 252.67 FEET; THENCE S62°00'02"E, A DISTANCE OF 641.08 FEET; THENCE S08°26'25"W, A DISTANCE OF 437.33 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF LUTZ - LAKE FERN ROAD; THENCE ALONG SAID NORTH RIGHT-OF-WAY LINE N81°34'05"W, A DISTANCE OF 2209.05 FEET TO THE BEGINNING OF A CURVE; THENCE 762.88 FEET ALONG THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 1812.98 FEET, A CENTRAL ANGLE OF 24°06'34".

OR BK 12817 PG 1853

A CHORD BEARING OF $S86^{\circ}22'38''W$ AND A CHORD DISTANCE OF 757.27 FEET TO THE CURVE'S END; THENCE $S74^{\circ}19'21''W$, A DISTANCE OF 2049.79 FEET TO THE BEGINNING OF A CURVE; THENCE 272.26 FEET ALONG THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 1859.90 FEET, A CENTRAL ANGLE OF $08^{\circ}23'14''$, A CHORD BEARING OF $S78^{\circ}30'59''W$ AND A CHORD DISTANCE OF 272.02 FEET TO THE CURVE'S END, SAID POINT BEING LOCATED ON THE EAST BOUNDARY LINE OF THE WEST 300.00 FEET OF AFOREMENTIONED SECTION 9; THENCE DEPARTING SAID NORTH RIGHT-OF-WAY LINE AND ALONG SAID EAST BOUNDARY LINE $N00^{\circ}20'22''E$, A DISTANCE OF 940.05 FEET TO A POINT BEING LOCATED ON THE NORTH BOUNDARY LINE OF SAID SECTION 9; THENCE $N00^{\circ}38'08''E$, ALONG THE EAST BOUNDARY LINE OF THE WEST 300.00 FEET OF THE AFOREMENTIONED SECTION 4, A DISTANCE OF 5282.83 FEET TO THE POINT OF BEGINNING.

EXHIBIT C**BREAKDOWN OF EXPENSES AND RESERVES BETWEEN LESSOR AND LESSEE**

CLUBHOUSE EXPENSES	% Allocation Lessor	% Allocation Lessee
A/C MAINTENANCE	34.00%	46.00%
ADVERTISING/HELP WANTED	100.00%	0.00%
ALARM	54.00%	46.00%
BACKFLOW VALVE	0.00%	100.00%
BUILDING MAINTENANCE	50.00%	50.00%
CLEANING SERVICE	38.00%	42.00%
COMPUTER SUPPORT	50.00%	50.00%
COMMUNITY NEWSLETTER	100.00%	0.00%
CONTINGENCY FUND	0.00%	100.00%
COPY/FAX MACHINE LEASE	50.00%	50.00%
DECORATING	100.00%	0.00%
DEPRECIATION EXPENSE	0.00%	100.00%
ELECTRICITY	54.00%	46.00%
EMPLOYEE NEW HIRE	100.00%	0.00%
EXERCISE ROOM EQUIPMENT REPAIR	100.00%	0.00%
EQUIPMENT PURCHASE	100.00%	0.00%
EQUIPMENT RENTAL/ WATER TREATMENT	50.00%	50.00%
EQUIPMENT REPAIR	100.00%	0.00%
FIRE ALARM	50.00%	50.00%
GUEST PASS	100.00%	0.00%
INSURANCE	35.00%	65.00%
INSURANCE DEDUCTIBLE	35.00%	65.00%
JANITORIAL SUPPLIES	100.00%	0.00%
MANAGEMENT FEE	25.00%	75.00%
MISCELLANEOUS	100.00%	0.00%
MUSIC/CABLE	50.00%	50.00%
OFFICE SUPPLIES	100.00%	0.00%
PAYROLL OFFICE	100.00%	0.00%
PAYROLL CLUBHOUSE DIRECTOR	100.00%	0.00%
PAYROLL MAINTENANCE	100.00%	0.00%
PAYROLL TAXES & FEES	100.00%	0.00%
PAY RELATED GR. INS	100.00%	0.00%
401K	100.00%	0.00%
PEST CONTROL	50.00%	50.00%
POSTAGE	100.00%	0.00%
REPAIRS/MAINTENANCE	50.00%	50.00%
SPECIAL EVENTS	100.00%	0.00%
SUPPLIES MISCELLANEOUS	100.00%	0.00%
TELEPHONE	100.00%	0.00%
TOT LOT MULCH	100.00%	0.00%
TRASH	15.00%	85.00%
TRAINING - STAFF	100.00%	0.00%
UNIFORMS	100.00%	0.00%
WATER & SEWER	50.00%	50.00%
WEBSITE	50.00%	50.00%

SHARED RESERVES

<u>Shared Reserve Allocations</u>	<u>Sq Ft</u>	<u>Total</u>	<u>Interior</u>
Pro Shop	789	4.90%	7.01%
Cart Barn	4,834	30.03%	
Restaurant	4,407	27.38%	39.13%
Clubhouse	6,066	37.69%	53.86%
	16,096	100.00%	100.00%
Excluding Cart Barn (Interior)	11,262		

		% Allocation	% Allocation
<u>Shared Reserves</u>	<u>Years</u>	<u>Lessor</u>	<u>Lessee</u>
Parking Lot Paving	20	50%	50%
Parking Lot/Sealing & Striping	5	50%	50%
Clubhouse Renovation	15	54%	46%
Clubhouse Roof	20	38%	62%
Front French Door	10	50%	50%
HVAC System	20	54%	46%
Wood Picket Fence	R&M (10)	38%	62%
Canvas Awnings	10	50%	50%
Carpeting	8	54%	46%

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EXHIBIT DRULES AND REGULATIONS FOR THE COMMUNITY

1. The sidewalks, entrances, passages, courts, vestibules, stairways, corridors or halls of the Clubhouse Facilities shall not be obstructed or encumbered, nor shall they be used for any purpose other than ingress and egress to and from the Premises or Common Areas.
2. Tenant identification shall be provided by Lessor at each tenant's expense in conformance to the signage standards for the Clubhouse Facilities and local codes. No additional signage shall be installed by a tenant.
3. Parking spaces associated with the Clubhouse Facilities are intended for the exclusive use of passenger vehicles. Except for intermittent deliveries, no vehicles other than passenger vehicles may be parked in a parking space without the express written permission of Lessor.
4. Lessor shall provide trash receptacles or dumpsters at predetermined locations; it is Lessee's obligation to place all trash and debris within those containers. Should Lessee generate more than a normal amount of trash and debris or create a special type of waste calling for special treatment, then Lessor reserves the right to bill additional amounts to Lessee to cover any or all expenses incurred by Lessor in dealing with this problem.
5. Lessee shall not burn any trash or any kind in or about the Premises, nor shall Lessee permit rubbish, refuse or garbage to accumulate or any fire or health hazard to exist upon or about the Premises.
6. The toilets and urinals and other plumbing fixtures in the Clubhouse Facilities shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown into them. All damages resulting from any misuse of the fixtures shall be borne by the occupant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same. Waste and excessive or unusual use of water shall not be allowed.
7. Lessee and Lessee's employees shall not make disturbing noises, permit a nuisance about the Premises, keep birds or animals in the Premises or use such Premises for lodging, sleeping, immoral or illegal purposes or commit any act on the Premises or other parts of the Clubhouse Facilities which Lessor deems an interference with the rights, comforts and convenience of others.
8. No bicycles, vehicles or animals of any kind shall be brought into or kept in or about the Clubhouse Facilities.
9. No curtains, blinds, shades, or awnings, interior window treatments or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises, without the prior written consent of the Lessor. Should such permission be granted, fixtures must be of a quality, type, design and color, and attached in the manner approved by the Lessor.
10. Lessee shall see that all doors are securely locked, water faucets, electric lights and air conditioning thermostats turned off before leaving the Clubhouse Facilities. Lessee shall be responsible for any damage to the Premises or the Clubhouse Facilities and for all damage or injuries sustained by other tenants or occupants of the Clubhouse Facilities arising out of Lessee's failure to observe this rule.
11. No space on or in the Clubhouse Facilities shall be used for manufacturing, for the storage or retail sale of tangible personal property of any kind (provided, however, the sale of food and liquor on the Premises is expressly permitted), unless Lessor gives its prior written consent to

such manufacturing, storage or retail sale, which consent shall not be unreasonably withheld or delayed.

12. No tenant shall overload the floors of the Clubhouse Facilities, and each shall obtain approval from Lessor before installing any iron safe or other heavy equipment or machines. No safes, bulky or heavy articles, furniture or freight, shall be carried into the main entranceway of the Clubhouse Facilities unless arrangements are first made with Lessor. All furniture, building supplies and materials, safes and other heavy property, equipment, machinery and other freight must be moved into, within and out of the Clubhouse Facilities under the Lessor's supervision, but Lessor will not be responsible for loss of or damage to such freight from any cause. Lessor shall prescribe the time and manner for the carrying in and removal of such articles, also the right and proper position of safes and other weighty articles before they are admitted to the Clubhouse Facilities. Each tenant shall be responsible for all injury to person or property caused by the installing, maintaining or removing of such articles.

13. When electric wiring of any kind is introduced, it must be connected as directed by the Lessor. No boring or cutting for wires will be allowed, except with the Lessor's consent. The location of telephones, telegraph instrument, electric appliances, call boxes, etc., shall be prescribed by the Lessor. No apparatus of any kind shall be connected with the electric wiring without the written consent of the Lessor except by normal electrical plugs and outlets. The tenants agree not to use or connect with the electric wires any more lights than are provided for in each room, or any electric lamp of higher candle power than provided, or any fan, motor or other apparatus without the Lessor's written consent. The tenants agree not to connect with the water pipes any apparatus using water, without the express prior written consent of the Lessor. Upon Lessee's occupancy, Lessor shall equip the Premises with the necessary electric lamps. Lessee shall pay for all lamps replaced by reason of breaking or burning out during Lessee's occupancy and surrender the Premises fully equipped with operative lamps.

14. No tenant shall bore, cut or string wires, except with the prior written consent of the Lessor, and as the Lessor may direct. The expense of any breakage, stoppage or damage resulting from a violation of this Rule shall be borne by the tenant who has caused such breakage, stoppage or damage. Lessee may place nails, paint or screws in the walls of the Premises necessary to secure art work on such walls. Notwithstanding the foregoing, Lessee shall be responsible for fully repairing damage to the Premises resulting from such nails or screws prior to termination of the Lease.

15. The requirements of the tenants will be attended to only upon application at the management office of the Clubhouse Facilities. Clubhouse Facilities management employees and contractors shall not perform any work or do anything outside of their regular duties, unless under special instructions from the Lessor.

16. No tenant, nor any of the servants, employees, agents, visitors or licensees of the tenant, shall at any time bring or keep upon the Clubhouse Facilities any flammable, combustible or explosive fluids, firearms, chemicals or substances, or any matter forbidden or regulated by any insurance company, at risk with respect to all or any part of the Clubhouse Facilities. Lessee shall not make any use of the Premises which would make void or voidable any policy of fire or extended coverage insurance covering the Premises, the Clubhouse Facilities or the Community. Lessee, at its own cost and expense, shall comply with any reasonable request relating to the Premises or Lessee's use and occupation thereof, of any insurance company insuring the Premises, the Clubhouse Facilities or the Community, or Lessor with respect thereto.

17. Lessee shall not use or do, or allow anything to be used or done, upon the Premises which may be dangerous, explosive or damaging to life or limb.

18. No auction, fire or bankruptcy sale may be conducted on the Premises without express prior written consent of Lessor, which consent may be withheld for any or no reason.

19. The Lessor may waive or modify any one or more of these rules for the benefit of any particular occupant of the Clubhouse Facilities, but no such waiver by the Lessor of any such rules shall be construed as a waiver or modification of such rule in favor of any other occupant of the Clubhouse Facilities, nor prevent the lessor from thereafter enforcing any such rule against any or all of the occupants of the Clubhouse Facilities. Lessor reserves the right to make such other and further rules and regulations as in its judgment may from time to time be necessary for the safety and cleanliness of, and for the preservation of good order in the Clubhouse Facilities and the Common Areas. These rules shall be applied to each occupant on a non-discriminatory basis.

EXHIBIT E**MEMORANDUM OF LEASE**

THIS MEMORANDUM OF LEASE, made as of the 26th day of June, 200_, by and between Heritage Harbor Golf & Country Club Community Association, Inc. (the "**Lessor**"), a Florida not-for-profit corporation, and Heritage Harbor Community Development District ("**Lessee**"), a special purpose unit of local government organized pursuant to Chapter 190, Florida Statutes.

W I T N E S S E T H T H A T :

1. Lessor and Lessee have entered into a lease of a portion of property situated in Hillsborough County, Florida, and legally described as follows:

SEE EXHIBIT A ATTACHED HERETO

2. The term of the lease shall expire no later than the date upon which the indebtedness evidenced by the Heritage Harbor Community Development District Recreational Revenue Bond Series 1997 in the amount of \$1,960,000 or any refinancing thereof has been paid in full.

3. The property demised in and by said Lease may be occupied and shall only be used by the Lessee for the following purpose(s): restaurant, banquet hall, cart barn, and pro shop.

4. Except as otherwise set forth in the lease, the lease may not be assigned, transferred or encumbered by the Lessee, nor may the demised premises, or any part thereof, be sublet by the Lessee, without the express prior written consent of the Lessor.

5. Lessee is precluded by the terms of said lease from creating or allowing to be created against Lessor's interest in the demised property, or any other portion of the entire project, any construction, mechanics', materialmen's or laborer's liens. All persons claiming by, through, under or against Lessee are hereby notified Lessee has no power or authority to subject the interest of Lessor in the demised property, or any other portion of the entire project, to any claim for any such lien. All persons dealing with Lessee and claiming by, through, under or against Lessee shall look entirely to Lessee for the payment and satisfaction of any and all charges or other obligations arising out of any repairs, alterations, improvements, changes or other work done for Lessee to the demised property at any time during the term of said lease.

6. Reference should be made to the lease (and any amendments thereto) for the full description of the rights and duties of Lessor and Lessee, and this Memorandum of Lease shall in no way affect the terms or conditions of the lease, or the rights or obligations of any party thereunder.

[ADDITIONAL TEXT AND SIGNATURE PAGE FOLLOW]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Memorandum of Lease to be executed as required by law on this the day and year first above written.

LESSOR:

HERITAGE HARBOR GOLF & COUNTRY
CLUB COMMUNITY ASSOCIATION, INC.,
a Florida not-for-profit corporation

Mary Anne Kelly
Print Name: Mary Anne Kelly
Deena Brown
Print Name: DEENA BROWN

By: Betty D. Valenti
Name: BETTY D. VALENTI
Title: PRESIDENT

LESSEE:

HERITAGE HARBOR COMMUNITY
DEVELOPMENT DISTRICT, a special
purpose unit of local government organized
pursuant to Chapter 190, Florida Statutes

Mary Anne Kelly
Print Name: Mary Anne Kelly
Deena Brown
Print Name: DEENA BROWN

By: Dawn G. Simeone
Name: DAWN G. SIMEONE
Title: CHAIRMAN

STATE OF FLORIDA)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this 26 day of JUNE, 2003, by BETTY D. VALENTI, as PRESIDENT of HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY ASSOCIATION, INC., a Florida not-for-profit corporation, on behalf of said corporation.

Deena Brown
NOTARY PUBLIC

My Commission Expires:



State of Florida at Large

[NOTARIAL SEAL]

STATE OF Florida)
COUNTY OF Hillsborough) SS:

The foregoing instrument was acknowledged before me this 26TH day of JUNE, 2003, by DAWN G. SIMONE, as CHAIRMAN of HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT, a special purpose unit of local government organized pursuant to Chapter 190, Florida Statutes, on behalf of such entity.

Deena Brown
NOTARY PUBLIC

My Commission Expires:



State of Florida at Large

[NOTARIAL SEAL]

EXHIBIT A

That certain restaurant and banquet hall containing approximately 4,407 square feet, cart barn containing approximately 4,834 square feet, and pro shop containing approximately 789 square feet situate within a portion of the following legal description:

A parcel of land lying in Section 4, Township 27 South, Range 18 East, Hillsborough County, Florida, being a portion of those lands described as Golf Course Parcel 1A in Official Record Book 8850, page 565 of the public records of Hillsborough County, Florida and being more particularly described as follows:

Commence at the Northwest corner of said Section 4; thence along the North boundary line of said Section 4, S89°17'29"E, a distance of 300.00 feet to a point of intersection with the East boundary line of the West 300.00 feet of aforementioned Section 4; thence along said East boundary line S00°38'08"W, a distance of 1208.70 feet; thence departing said East boundary line S89°21'53"E, a distance of 756.18 feet to a corner on the South boundary of aforementioned Golf Course Parcel 1A, said corner being the Point of Beginning; thence departing said South boundary, N85°00'00"E, a distance of 434.75 feet to the Southwest corner of a "Less and Except Parcel" excluded from Golf Course Parcel 1A; thence N85°00'00"E, a distance of 115.68 feet to the Southeast corner of said "Less and Except Parcel"; thence departing the boundary of said parcel, N85°00'00"E, a distance of 27.88 feet; thence S21°18'39"E, a distance of 278.57 feet; thence N73°33'07"E, a distance of 49.88 feet to a point of curvature; thence 101.93 feet along the arc of a curve to the right, having a radius of 217.00 feet, a central angle of 26°54'52" and a chord bearing and distance of N87°00'33"E, 101.00 feet to a point of compound curvature; thence 243.15 feet along the arc of a curve, having a radius of 584.31 feet, a central angle of 23°50'35" and a chord bearing and distance of S67°36'44"E, 241.40 feet to a point of compound curvature; thence 138.67 feet along the arc of a curve, having a radius of 337.00 feet, a central angle of 23°34'34" and a chord bearing and distance of S43°54'10"E, 137.69 feet to a point of tangency; thence S32°06'53"E, a distance of 58.80 feet to a point of intersection with the westerly right-of-way line of Heritage Harbor Parkway, a 60.00 foot wide right-of-way being a part of Heritage Harbor - Phase 1B per map or plat thereof as recorded in Plat Book 83, page 1 of the public records of Hillsborough County, Florida; thence 189.98 feet along said right-of-way by the arc of a curve to the left being non-tangent to the preceding course and having a radius of 730.00 feet, a central angle of 14°54'40" and a chord bearing and distance of S26°11'49"W, 189.44 feet to the Southeast corner of aforementioned Golf Course Parcel 1A; thence along the southerly boundary of said Golf Course Parcel 1A by the following ten (10) courses: (1) N12°14'01"W, a distance of 36.31 feet, (2) N06°34'48"W, a distance of 148.15 feet, (3) N24°50'21"W, a distance of 39.95 feet, (4) N62°28'18"W, a distance of 252.66 feet, (5) S68°22'29"W, a distance of 217.06 feet, (6) S15°37'57"W, a distance of 220.43 feet, (7) N90°00'00"W, a distance of 626.61 feet, (8) N16°23'25"W, a distance of 214.77 feet, (9) N31°15'08"E, a distance of 210.96 feet, (10) N04°02'42"E, a distance of 171.30 feet to the point of beginning.

09-20-07 14:02 FROM HERITAGE HARBOR

PREPARED BY AND RETURN TO:

PATRICIA KIMBALL FLETCHER, ESQ.
Patricia Kimball Fletcher, P.A.
Duane Morris LLP
200 South Biscayne Blvd.
Suite 3410
Miami, Florida 33131

8155054820

INSTR # 2003289150

O BK 12868 PG 1404

RECORDED 07/17/2003 03:24:42 PM
RICHARD AWE CLERK OF COURT
HILLSBOROUGH COUNTY
DEPUTY CLERK S Williams

FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION
FOR HERITAGE HARBOR

THIS FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION FOR HERITAGE HARBOR ("First Amendment") is made by U.S. HOME CORPORATION, a Delaware corporation ("Declarant") and joined in by HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY ASSOCIATION, INC., a Florida not-for-profit corporation ("Association").

RECITALS

A. Declarant recorded the Amended and Restated Declaration for Heritage Harbor in Official Records Book 12817 at Page 1770 of the Public Records of Hillsborough County, Florida (the "Declaration"), respecting the residential community located in Hillsborough County, Florida known as the Heritage Harbor (the "Heritage Harbor Community").

B. Section 11.5 of the Declaration permits Declarant to amend the Declaration without the consent of any other party, prior to the Turnover Date (as defined in the Declaration), which date has not yet occurred, by the recording of an amendment to the Declaration.

C. Declarant desires to substitute Exhibit 1 of this First Amendment as Exhibit E to the Declaration.

D. Declarant desires to add Exhibit 2 of this First Amendment to Exhibit I of the Declaration.

E. Declarant desires to amend the Declaration as set forth herein.

NOW THEREFORE, Declarant hereby declares that every portion of the Heritage Harbor Community is to be held, transferred, sold, conveyed, used and occupied subject to the covenants, conditions and restrictions hereinafter set forth.

1. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this First Amendment.

2. Conflicts. In the event that there is a conflict between this First Amendment and the Declaration, this First Amendment shall control. Whenever possible, this First Amendment and the Declaration shall be construed as a single document. Except as modified hereby, the Declaration shall remain in full force and effect.

3. Capitalized Terms. All initially capitalized terms not defined herein shall have the meaning set forth in the Declaration, except that the defined terms "Association" and "Declaration" are hereby modified as follows:

"Association" shall mean and refer to Heritage Harbor Golf & Country Club Community Association, Inc., a Florida not for profit corporation, its successors and assigns.

"Declaration" shall mean the Declaration and this First Amendment, together with all amendments and modifications thereof.

BEST IMAGES AVAILABLE

OR BK 12868 PG 1405

4. Amendment of Exhibit E. The Approved Budgets were not attached to the Declaration as Exhibit E. The Approved Budgets for 2003, 2004 and 2005 attached hereto as Exhibit 1 replace entirely Exhibit E attached to the Declaration.

5. Amendment of Exhibit I. The CDD Lease attached to the Declaration as Exhibit I is hereby amended by the First Amendment to Commercial Lease attached hereto as Exhibit 2.

6. Covenant Running with the Heritage Harbor Community. This First Amendment is a covenant running with the Heritage Harbor Community.

IN WITNESS WHEREOF, the undersigned, being Declarant under the Declaration, has hereunto set its hand and seal this 17th day of July, 2003.

WITNESSES:

U.S. HOME CORPORATION, a Delaware corporation

Erin L. Cissel
Print Name: Erin L. Cissel
Molly Bourdon
Print Name: Molly Bourdon

By: Francine Miller
Name: Francine Miller
Title: Division President

(SEAL)

STATE OF FLORIDA)

COUNTY OF Hillsborough) SS.:

The foregoing instrument was acknowledged before me this 17th day of July, 2003, by Francine Miller as Division President of U.S. HOME CORPORATION, a Delaware corporation, who is personally known to me or who has produced _____ as identification.

My commission expires:

Erin L. Cissel
NOTARY PUBLIC, State of Florida
at Large
Print Name: ERIN L. CISSEL



JOINDER

HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY ASSOCIATION, INC.,

HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY ASSOCIATION, INC does hereby join in the First Amendment to Amended and Restated Declaration for Heritage Harbor ("First Amendment"), to which this Joinder is attached, and the terms thereof are and shall be binding upon the undersigned and its successors in title. Association acknowledges that this Joinder is for convenience only and is not to the effectiveness of the First Amendment, as Association has no right to approve the First Amendment.

IN WITNESS WHEREOF, the undersigned has executed this Joinder on this 17th day of July, 2003.

WITNESSES:

Erl L. Cissel
Print Name: Erl L. Cissel
Molly Burdon
Print Name: Molly Burdon

HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY ASSOCIATION, INC.,
a Florida not for profit corporation

By: Betty D. Valenti
Name: Betty D. Valenti
Title: President

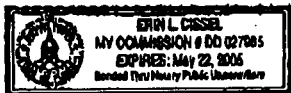
(SEAL)

STATE OF FLORIDA

COUNTY OF Hillsborough) SS.:

The foregoing instrument was acknowledged before me this 17th day July, 2003, by Betty Valenti as President of HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY ASSOCIATION, INC., a Florida not for profit corporation, who is personally known to me or who has produced _____ as identification.

My commission expires:



Erl L. Cissel
NOTARY PUBLIC, State of Florida
at Large
Print Name: Erl L. Cissel

OR BK 12868 PG 1407

EXHIBIT 1

APPROVED BUDGETS FOR 2003, 2004 AND 2005

EXHIBIT E

APPROVED FORM OF BUDGETS

HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY
ASSOCIATION, INC. I
ESTIMATED 2003 OPERATING BUDGET

PROPOSED BUDGET FOR 7/1/03-12/31/03

REVENUE	MONTHLY REVENUE	ANNUAL REVENUE
TOTAL CLUB REVENUE ¹ for period 7/1/03 - 12/31/03	\$3,681.00	261,009.00
TOTAL RESERVE REVENUE ² for period 7/1/03 - 12/31/03	183.00	1,098.00
TOTAL HOA REVENUE ³	1,187.50	56,230.00
TOTAL SEA COVE REVENUE ⁴	1,310.00	15,720.00
TOTAL REVENUE	\$6,361.50	334,057.00

CLUB EXPENSES PAYABLE BY ALL LOTS	MONTHLY CLUB	ANNUAL CLUB
Clubhouse Expenses		
AVC Maintenance ⁵	135.33	812.00
Advertising / Help Wanted ⁶	100.00	600.00
Alarm ⁷	27.67	186.00
Building Maintenance ⁸	187.50	1,125.00
Cleaning Service ⁹	1,015.00	8,090.00
Computer Support ¹⁰	80.00	800.00
Community Newsletter ¹¹	155.00	930.00
Cooling Fans ¹²	5,823.83	52,814.50
Copy / Fax Machine Lease ¹³	145.00	870.00
Decorating ¹⁴	38.33	200.00
Electricity ¹⁵	1,738.88	10,421.00
Exterior Room Eqt. Repair ¹⁶	100.00	600.00
Equipment Purchase ¹⁷	0.00	-
Equipment Repair / W/P Treatment ¹⁸	23.00	138.00
Equipment Repair ¹⁹	0.00	-
Fire Alarm ²⁰	32.17	193.00
Gate Arm ²¹	200.00	1,200.00
Income Tax Preparation & Accounting Review ²²	0.00	-
Insurance ²³	2,218.87	13,844.00
Janitorial Supplies ²⁴	200.00	1,200.00
Management Fee ²⁵	2,840.50	17,843.00
Miscellaneous Administrative ²⁶	158.33	950.00
Music / Cable ²⁷	148.00	870.00
Office Supplies ²⁸	475.00	2,850.00
Payroll Office ²⁹	1,580.00	9,480.00
Payroll Clubhouse Director ³⁰	2,254.00	13,524.00
Payroll Maintenance ³¹	2,000.00	12,000.00
Payroll Taxes & Fees ³²	268.00	1,608.00
Payroll Related Group Ins ³³	333.00	1,998.00
401K ³⁴	35.00	210.00
Pest Control ³⁵	43.00	258.00
Poolside ³⁶	108.00	600.00
Repairs / Maint ³⁷	0.00	-
Security Alarm ³⁸	299.00	1,390.00
Telephone ³⁹	218.00	2,058.00
Toilet ⁴⁰	27.00	162.00
Training - Staff ⁴¹	0.00	-
Turf Lot Mutch ⁴²	133.33	800.00
Uniforms ⁴³	0.00	-
Water & Sewer ⁴⁴	627.00	4,062.00
Total Clubhouse Expense	10,218.83	61,341.00
Pool Expense		
Electricity ⁴⁵	2,042.33	12,254.00
Equipment Repair / Maint / Clean ⁴⁶	1,934.83	11,609.00
License / Permits ⁴⁷	38.33	230.00
Lifeguards ⁴⁸	0.00	0.00
Pool Equipment ⁴⁹	0.00	0.00
Supplies ⁵⁰	1,450.00	8,700.00
Water & Sewer ⁵¹	353.83	2,388.00
Total Pool Expense	6,529.33	35,308.00
Tennis Expense		
Repairs / Maintenance ⁵²	60.00	300.00
Supplies ⁵³	26.00	150.00
Electricity ⁵⁴	75.00	450.00
Total Tennis Expense	161.00	900.00
Golf Expense		
Golf Service ⁵⁵	17,088.88	102,500.00
Total Golf Expense	17,088.88	102,500.00
TOTAL CLUB EXPENSES PAYABLE BY ALL LOTS	33,898.04	201,049.00
TOTAL CLUB EXPENSES PAYABLE BY EACH LOT	30.00	300.00

EXHIBIT E
APPROVED FORM OF BUDGETS
HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY
ASSOCIATION, INC.
ESTIMATED 2003 OPERATING BUDGET

OR BK 12868 PG 1409

PROPOSED BUDGET FOR 7/1/03-12/31/03

TOTAL RESERVES PAYABLE BY ALL LOTS	MONTHLY RESERVES	ANNUAL RESERVES
Reserves ⁴⁰	0.00	0.00
TOTAL RESERVES PAYABLE BY ALL LOTS	0.00	-
TOTAL RESERVES PAYABLE BY EACH LOT	0.00	-

HOA EXPENSES PAYABLE BY ALL LOTS	MONTHLY HOA	ANNUAL HOA
Annual Corporate Report ⁴¹	88.87	800.00
Contingency ⁴²	166.88	1,000.00
Income Tax Preparation & Accounting Review ⁴³	25.00	300.00
Insurance ⁴⁴	350.53	4,800.00
Management Fee ⁴⁵	2,680.00	32,160.00
Miscellaneous Administrative ⁴⁶	600.87	7,200.00
Professional Fees ⁴⁷	250.00	3,000.00
TOTAL HOA EXPENSES PAYABLE BY ALL LOTS	4,187.55	50,260.00
TOTAL HOA EXPENSES PAYABLE BY EACH LOT	6.39	78.66

ASSESSMENTS PAYABLE BY EACH LOT OTHER THAN SEA COVE LOTS	MONTHLY	ANNUAL
CLUB EXPENSES	50.00	600.00
RESERVES	0.00	-
HOA EXPENSES	8.25	78.66
TOTAL ASSESSMENTS PAYABLE BY EACH LOT OTHER THAN SEA COVE LOTS	58.25	678.66

SEA COVE LOTS

HOA EXPENSES PAYABLE BY SEA COVE LOTS ONLY	MONTHLY Sea Cove	ANNUAL Sea Cove
Sea Cove Grounds ⁴⁸	1,310.00	15,720.00
TOTAL HOA EXPENSES PAYABLE BY ALL SEA COVE LOTS	1,310.00	15,720.00
TOTAL HOA EXPENSES PAYABLE BY EACH SEA COVE LOT	13.10	157.20

ASSESSMENTS PAYABLE BY EACH SEA COVE LOT	MONTHLY	ANNUAL
CLUB EXPENSES	50.00	600.00
RESERVES	0.00	-
HOA EXPENSES - ALL LOTS	8.25	78.66
HOA EXPENSES - SEA COVE LOTS ONLY	13.10	157.20
TOTAL ASSESSMENTS PAYABLE BY EACH SEA COVE LOT	71.35	835.86

VILLAGE 17 LOTS

ASSESSMENTS PAYABLE BY EACH VILLAGE 17 LOT	MONTHLY	ANNUAL
CLUB EXPENSES	50.00	600.00
RESERVES	0.00	-
HOA EXPENSES - ALL LOTS	8.25	78.66
RESERVES - VILLAGE 17 LOTS ONLY (estimate) ⁴⁹	1.50	18.00
TOTAL ASSESSMENTS PAYABLE BY EACH VILLAGE 17 LOT	60.75	736.66

EXHIBIT F

APPROVED FORM OF BUDGETS

HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY
ASSOCIATION, INC.
ESTIMATED 2004 OPERATING BUDGET

PROPOSED BUDGET FOR 2004

REVENUE	MONTHLY REVENUE	ANNUAL REVENUE
TOTAL CLUB REVENUE ¹	46,500.00	558,000.00
TOTAL RESERVE REVENUE ²	3,828.00	47,137.00
TOTAL HOA REVENUE ³	4,187.50	50,250.00
TOTAL SEA COVE REVENUE ⁴	1,310.00	15,720.00
TOTAL REVENUE	55,825.50	671,107.00

CLUB EXPENSES PAYABLE BY ALL LOTS	MONTHLY CLUB	ANNUAL CLUB
Clubhouse Expenses		
A/C Maintenance ¹	141.67	1,700.00
Advertising / Help Wanted ²	100.00	1,200.00
Alarm ³	33.33	400.00
Building Maintenance ⁴	0.00	-
Cleaning Service ⁵	1,041.67	12,500.00
Computer Support ⁶	80.00	960.00
Community Newsletter ⁷	166.67	2,000.00
Contingency ⁸	2,400.25	28,775.00
Copy / Fax Machine Lease ⁹	150.00	1,800.00
Decorating ¹⁰	41.67	500.00
Electricity ¹¹	1,433.33	17,200.00
Examine Room Eq. Repair ¹²	100.00	1,200.00
Equipment Purchase ¹³	0.00	-
Equipment Rental / Wx Treatment ¹⁴	25.00	300.00
Equipment Repair ¹⁵	200.00	2,400.00
Fire Alarm ¹⁶	33.33	400.00
Golf Arm ¹⁷	200.00	2,400.00
Income Tax Preparation & Accounting Review ¹⁸	166.67	2,000.00
Insurance ¹⁹	2,375.00	28,500.00
Janitorial Supplies ²⁰	200.00	2,400.00
Management Fee ²¹	9,000.00	108,000.00
Miscellaneous Administrative ²²	89.17	1,070.00
Music / Cable ²³	160.00	1,920.00
Office Supplies ²⁴	800.00	9,600.00
Payroll Office ²⁵	1,750.00	21,000.00
Payroll Clubhouse Director ²⁶	2,500.00	30,000.00
Payroll Maintenance ²⁷	2,333.33	28,000.00
Payroll Taxes & Fees ²⁸	1,000.00	12,000.00
Payroll Related Group Ins. ²⁹	841.67	10,100.00
Pool ³⁰	41.67	500.00
Pool Control ³¹	50.00	600.00
Postage ³²	125.00	1,500.00
Repairs / Maint ³³	333.33	4,000.00
Supplies Maint ³⁴	241.67	2,900.00
Telephone ³⁵	850.00	10,200.00
Trash ³⁶	33.33	400.00
Training - Staff ³⁷	25.00	300.00
Trial Majors ³⁸	141.67	1,700.00
Uniforms ³⁹	41.67	500.00
Water & Sewer ⁴⁰	850.00	10,200.00
Total Clubhouse Expenses	33,479.75	401,745.00
Pool Expenses		
Electricity ⁴¹	1,482.75	17,793.00
Equipment Repair / Maint / Clean ⁴²	1,845.28	22,143.36
Insurance / Permits ⁴³	30.00	360.00
Utilities ⁴⁴	0.00	0.00
Pool Equipment ⁴⁵	100.00	1,200.00
Supplies ⁴⁶	1,393.83	16,726.00
Water & Sewer ⁴⁷	774.47	9,293.64
Total Pool Expenses	5,496.33	66,113.00
Tennis Expenses		
Repairs / Maintenance ⁴⁸	51.67	620.00
Supplies ⁴⁹	103.33	1,240.00
Electricity ⁵⁰	77.42	929.04
Total Tennis Expenses	332.42	3,989.04
Debt Expenses		
Debt Service ⁵¹	17,083.33	205,000.00
Total Debt Expenses	17,083.33	205,000.00
TOTAL CLUB EXPENSES PAYABLE BY ALL LOTS	56,389.50	672,847.04
TOTAL CLUB EXPENSES PAYABLE BY EACH LOT	69.45	832.93

EXHIBIT E

OR BK 12868 PG 1411

APPROVED FORM OF BUDGETS

HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY
ASSOCIATION, INC. v
ESTIMATED 2004 OPERATING BUDGET

PROPOSED BUDGET FOR 2004

TOTAL RESERVES PAYABLE BY ALL LOTS	MONTHLY RESERVES	ANNUAL RESERVES
Reserves ¹⁰	2,745.00	32,941.00
TOTAL RESERVES PAYABLE BY ALL LOTS	2,745.00	32,941.00
TOTAL RESERVES PAYABLE BY EACH LOT	5.00	67.00

HOA EXPENSES PAYABLE BY ALL LOTS	MONTHLY HOA	ANNUAL HOA
Annual Corporate Report ¹¹	56.97	683.64
Consignments ¹²	165.83	1,989.96
Monthly Tax Preparation & Accounting Review ¹³	75.00	900.00
Insurance ¹⁴	338.33	4,060.00
Management Fee ¹⁵	2,600.00	31,200.00
Maintenance Administration ¹⁶	888.87	10,666.44
Professional Fees ¹⁷	250.00	3,000.00
TOTAL HOA EXPENSES PAYABLE BY ALL LOTS	4,407.50	53,599.04
TOTAL HOA EXPENSES PAYABLE BY EACH LOT	9.23	71.18

ASSESSMENTS PAYABLE BY EACH LOT OTHER THAN SEA COVE LOTS	MONTHLY	ANNUAL
CLUB EXPENSES	89.41	1,072.92
RESERVES	5.59	67.08
HOA EXPENSES	8.25	99.00
TOTAL ASSESSMENTS PAYABLE BY EACH LOT OTHER THAN SEA COVE LOTS	101.25	1,241.00

SEA COVE LOTS

HOA EXPENSES PAYABLE BY SEA COVE LOTS ONLY	MONTHLY ¹⁸ Cove	ANNUAL Sea Cove
Sea Cove Grounds ¹⁹	1,210.00	14,520.00
TOTAL HOA EXPENSES PAYABLE BY ALL SEA COVE LOTS	1,210.00	14,520.00
TOTAL HOA EXPENSES PAYABLE BY EACH SEA COVE LOT	66.60	799.20

ASSESSMENTS PAYABLE BY EACH SEA COVE LOT	MONTHLY	ANNUAL
CLUB EXPENSES	89.41	1,072.92
RESERVES	5.59	67.08
HOA EXPENSES - ALL LOTS	8.25	99.00
HOA EXPENSES - SEA COVE LOTS ONLY	66.60	799.20
TOTAL ASSESSMENTS PAYABLE BY EACH SEA COVE LOT	169.85	2,038.20

VILLAGE 17 LOTS

ASSESSMENTS PAYABLE BY EACH VILLAGE 17 LOT	MONTHLY	ANNUAL
CLUB EXPENSES	89.41	1,072.92
RESERVES	5.59	67.08
HOA EXPENSES - ALL LOTS	8.25	99.00
RESERVES - VILLAGE 17 LOTS ONLY (estimate) ²⁰	1.50	18.00
TOTAL ASSESSMENTS PAYABLE BY EACH VILLAGE 17 LOT	104.75	1,256.00

EXHIBIT E

APPROVED FORM OF BUDGETS

OR BK 12868 PG 1412

HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY
ASSOCIATION, INC. :
ESTIMATED 2003 OPERATING BUDGET :

PROPOSED BUDGET FOR 2005

REVENUE	MONTHLY REVENUE	ANNUAL REVENUE
TOTAL CLUB REVENUE ¹	\$3,113.33	\$37,360.00
TOTAL RESERVE REVENUE ²	4,021.67	48,260.00
TOTAL HOA REVENUE ³	4,187.50	50,250.00
TOTAL SEA COVE REVENUE ⁴	1,810.00	21,720.00
TOTAL REVENUE	13,132.50	157,590.00

CLUB EXPENSES PAYABLE BY ALL LOTS	MONTHLY CLUB	ANNUAL CLUB
Clubhouse Expenses		
A/C Maintenance ¹	148.25	1,755.00
Advertising / Mail Wanted ²	103.25	1,239.00
Alarm ³	34.42	413.00
Building Maintenance ⁴	0.00	-
Cleaning Service ⁵	1,076.50	12,906.00
Computer Support ⁶	61.87	742.00
Community Newsletter ⁷	172.04	2,064.00
Cash/Agency ⁸	3,360.00	40,200.00
Copy / Fax Machine / e-mail ⁹	134.82	1,618.00
Decorating ¹⁰	48.00	576.00
Electricity ¹¹	1,832.82	21,994.00
Exercise Room Eq. Repair ¹²	103.25	1,239.00
Equipment Purchase ¹³	0.00	-
Equipment Repair / Wtr Treatment ¹⁴	25.93	311.00
Equipment Repair ¹⁵	204.50	2,454.00
Fire Alarm ¹⁶	34.42	413.00
Gate Arm ¹⁷	219.00	2,628.00
Income Tax Preparation & Accounting Review ¹⁸	168.67	2,024.00
Insurance ¹⁹	2,432.25	29,187.00
Janitorial Supplies ²⁰	215.00	2,580.00
Management Fee ²¹	3,183.60	38,203.00
Mechanics / Administrative ²²	415.00	4,980.00
Music / Cable ²³	154.82	1,858.00
Office Supplies ²⁴	519.25	6,231.00
Payroll Office ²⁵	1,600.82	19,210.00
Payroll Clubhouse Director ²⁶	2,381.25	28,575.00
Payroll Maintenance ²⁷	2,408.17	28,898.00
Payroll Taxes & Fees ²⁸	1,037.50	12,450.00
Payroll Related Group Ins ²⁹	392.75	4,713.00
Pool ³⁰	43.00	516.00
Pool Control ³¹	31.87	382.00
Postage ³²	129.00	1,548.00
Repairs / Maint ³³	344.17	4,130.00
Supplies Misc ³⁴	179.00	2,148.00
Telephone ³⁵	370.00	4,440.00
Trash ³⁶	34.42	413.00
Training - Staff ³⁷	25.65	307.00
Tire Int. Maint ³⁸	148.25	1,755.00
Uniforms ³⁹	43.00	516.00
Water & Sewer ⁴⁰	888.25	10,659.00
Total Clubhouse Expense	30,068.17	361,178.00
Pool Expense		
Electricity ⁴¹	1,310.25	15,723.00
Equipment Repair / Maint / Clean ⁴²	2,008.50	24,102.00
Insurance / Permits ⁴³	31.88	382.00
Lifeguard ⁴⁴	0.00	-
Pool Equipment ⁴⁵	109.25	1,311.00
Supplies ⁴⁶	1,459.17	17,510.00
Water & Sewer ⁴⁷	789.50	9,474.00
Total Pool Expense	5,607.67	67,602.00
Tennis Expense		
Repairs / Maintenance ⁴⁸	53.53	642.00
Supplies ⁴⁹	108.50	1,302.00
Electricity ⁵⁰	78.02	936.00
Total Tennis Expense	240.05	2,880.00
Debt Expense		
Debt Service ⁵¹	21,878.17	262,538.00
Total Debt Expense	21,878.17	262,538.00
TOTAL CLUB EXPENSES PAYABLE BY ALL LOTS	57,553.99	691,360.00
TOTAL CLUB EXPENSES PAYABLE BY EACH LOT	73.19	839.78

EXHIBIT E

APPROVED FORM OF BUDGETS

OR BK 12868 PG 1413

 HERITAGE HARBOR GOLF & COUNTRY CLUB COMMUNITY
 ASSOCIATION, INC. ()
 ESTIMATED 2005 OPERATING BUDGET ()

PROPOSED BUDGET FOR 2005

TOTAL RESERVES PAYABLE BY ALL LOTS	MONTHLY RESERVES	ANNUAL RESERVES
Reserves ¹	3,638.97	43,664.00
TOTAL RESERVES PAYABLE BY ALL LOTS	3,638.97	43,664.00
TOTAL RESERVES PAYABLE BY EACH LOT	5.78	68.76

HOA EXPENSES PAYABLE BY ALL LOTS	MONTHLY HOA	ANNUAL HOA
Annual Corporate Report ²	85.87	1,030.00
Contingency ³	163.83	1,966.00
Income Tax Preparation & Accounting Review ⁴	25.00	300.00
Insurance ⁵	339.23	4,070.00
Management Fee ⁶	2,680.00	32,160.00
Miscellaneous Administrative ⁷	644.87	7,738.00
Professional Fees ⁸	260.00	3,120.00
TOTAL HOA EXPENSES PAYABLE BY ALL LOTS	4,197.80	50,384.00
TOTAL HOA EXPENSES PAYABLE BY EACH LOT	6.34	76.40

ASSESSMENTS PAYABLE BY EACH LOT OTHER THAN SEA COVE LOTS	MONTHLY	ANNUAL
CLUB EXPENSES	79.27	951.24
RESERVES	5.78	69.76
HOA EXPENSES	6.25	75.00
TOTAL ASSESSMENTS PAYABLE BY EACH LOT OTHER THAN SEA COVE LOTS	91.30	1,096.00

SEA COVE LOTS

HOA EXPENSES PAYABLE BY SEA COVE LOTS ONLY	MONTHLY Sea Cove	ANNUAL Sea Cove
Sea Cove Grounds ⁹	1,310.00	15,720.00
TOTAL HOA EXPENSES PAYABLE BY ALL SEA COVE LOTS	1,310.00	15,720.00
TOTAL HOA EXPENSES PAYABLE BY EACH SEA COVE LOT	65.50	786.00

ASSESSMENTS PAYABLE BY EACH SEA COVE LOT	MONTHLY	ANNUAL
CLUB EXPENSES	79.27	951.24
RESERVES	5.78	69.76
HOA EXPENSES - ALL LOTS	6.25	75.00
HOA EXPENSES - SEA COVE LOTS ONLY	65.50	786.00
TOTAL ASSESSMENTS PAYABLE BY EACH SEA COVE LOT	156.75	1,882.00

VILLAGE 17 LOTS

ASSESSMENTS PAYABLE BY EACH VILLAGE 17 LOT	MONTHLY	ANNUAL
CLUB EXPENSES	79.27	951.24
RESERVES	5.78	69.76
HOA EXPENSES - ALL LOTS	6.25	75.00
RESERVES - VILLAGE 17 LOTS ONLY (estimate) ¹⁰	1.60	19.20
TOTAL ASSESSMENTS PAYABLE BY EACH VILLAGE 17 LOT	92.75	1,115.00

**HERITAGE HARBOR GOLF & COUNTRY CLUB
COMMUNITY ASSOCIATION, INC.
2003-2005 ESTIMATED OPERATING BUDGETS**

NOTES

1. All initially capitalized terms not defined herein shall have the meanings assigned to such terms in the Amended and Restated Declaration for Heritage Harbor. Each Owner should consult the Declaration and its exhibits for a more complete description of Assessments.
2. These Estimated Operating Budgets are projected and are not a guarantee of the actual amount of Operating Costs; therefore it is possible that actual Assessments may be less than or greater than projected.
3. This estimated Club Revenue is based on 670 Lots.
4. This estimated Reserve Revenue is based on 670 Lots.
5. This estimated HOA Revenue is based on 670 Lots.
6. This is the estimated HOA Revenue for the Sea Cove Lots. This line item is applicable only to those twenty owners within the Sea Cove Neighborhood who receive grounds maintenance as a part of their association assessment.
7. This line item covers an annual contract for preventive maintenance of the AC system at the Club.
8. This line item includes the costs for advertising for personnel for the Club.
9. This line item covers the cost of the annual contract for monitoring the alarm system.
10. This is the estimated cost for maintenance of club buildings and the AC system.
11. This line item is the contracted amount for janitorial services.
12. This is the estimated cost of technical services for Club's computer system.
13. This is the cost of publishing and distributing newsletter and updating web-site.
14. This line item is for unanticipated expenses.
15. This line item is the contracted costs to lease fax and copy machines.
16. This line item includes the cost for decorating the Club for holidays and special event.
17. This is the estimated cost of electricity for the Clubhouse.
18. This line item covers the cost of repairs and preventive maintenance for the exercise equipment.
19. This line item includes the cost to purchase miscellaneous small equipment for the Club facilities and office.
20. This is the contracted amount for rental of water conditioning equipment.
21. This is the estimated cost of repairs to equipment owned by Club.
22. This line item covers the cost of annual inspection of the fire and emergency alarm system.
23. This line item includes the cost of maintaining secondary gate.
24. This is the estimated cost of having a professional accountant review the financial records for the Club and for preparing the annual tax return.
25. This is the cost for insurance policies to cover property and liability insurance plus directors and officers insurance.
26. This line item includes the cost of cleaning supplies and paper products.
27. Management fees are based upon contracted prices that equal \$4.50 per door.
28. Miscellaneous Administrative expenses are office and administrative expenses charged by our management company to cover such items as long distance calls, faxes, copies, etc.

29. Cost of cable TV and music service is included in this line item.
30. This line item includes cost of office supplies for the Club office.
31. This line item is for salaries and related expenses for office personnel.
32. This line item is for the salary and related expenses for Club director.
33. This line item is for salaries and related expenses for maintenance staff.
34. This line item is for the Club's portion of payroll taxes.
35. This line item is for Club's portion of group insurance for employees.
36. This line item is for the Club's portion of 401K plan for employees.
37. This is the annual contracted cost of monthly pest control services at the Club.
38. This is the estimated cost of postage for the Club.
39. This line item is for the cost of repairs and maintenance of the facilities.
40. This line item is for the various supplies that may be needed for maintenance of the facilities.
41. This line item is for the telephone service for the office and Clubhouse.
42. This line item is for the cost of trash removal for the Club.
43. This line item is for off-site staff training classes and/or seminars.
44. This is the estimated cost for maintaining mulch at the recommended depth on the tot lot.
45. This line item is for the cost of uniforms for Club staff.
46. This is the estimated cost of water and sewer services provided by Hillsborough County.
47. This line item covers the cost of electricity for the pool equipment and lights.
48. This line item includes the cost of maintaining the pool equipment.
49. This line item is for the cost of annual renewal of pool licenses and permits that are required by Hillsborough County.
50. At this time, the Association has chosen not to provide lifeguard services.
51. This line item is for the replacement of small pool equipment such as brushes, hoses, etc.
52. This line item is for chemicals and other supplies needed to maintain the pool facilities.
53. This is the estimated cost of water and sewer services provided by Hillsborough County.
54. This line item is for the cost of repairs and maintenance for the tennis courts.
55. This line item is for the cost of supplies such as nets, cranks, etc. that are needed to maintain the tennis courts.
56. This line item is for the cost of lighting the tennis courts.
57. The debt service is the loan payments for the debt obtained for the purchase of the Club.
58. The Reserve for capital repairs and replacements is based upon a professional reserve study.
59. The Corporate Annual Report is required by law and is an annual expense.
60. This line item is for unanticipated expenses.
61. This is the estimated cost for having a professional accountant review the financial records of the Association and for preparing the annual tax return.
62. This is the cost for insurance policies to cover property and liability insurance plus directors and officers insurance for the Association's Board of Directors.

OR BK 12868 PG 1416

63. The Management fees are based upon contracted prices that equal \$4.00 per door.
64. Miscellaneous Administrative expenses are office and administrative expenses charged by our management companies to cover such items as long distance calls, faxes, copies, etc.
65. Professional fees are those paid for accounting and legal services.
66. A portion of the Sea Cove Neighborhood is a full service neighborhood. These 20 Sea Cove Owners pay additional assessments for lawn and grounds maintenance. This is the contracted amount for the lawn maintenance service.
67. Road reserve payable by residents in Village 17 for private road repaving.

EXHIBIT 2

FIRST AMENDMENT TO COMMERCIAL LEASE

THIS FIRST AMENDMENT TO COMMERCIAL LEASE (this "Amendment") is made and entered into this 17th day of July, 2003, by and between Heritage Harbor Golf & Country Club Community Association, Inc., a Florida not-for-profit corporation ("Lessor"), whose address is c/o Rampart Properties, Inc., 10012 North Dale Mabry, Suite 223, and Heritage Harbor Community Development District ("Lessee"), a special purpose unit of local government organized pursuant to Chapter 190, Florida Statutes, whose address is c/o Severn Trent Environmental Services, Inc., 16311 West Tampa Boulevard, Tampa, Florida 33647, Attention: Mr. John Daugirda.

RECITALS

A. Lessor and Lessee have entered in to that certain Commercial Lease dated June 26, 2003 (the "Lease") with respect to certain premises located at 19502 Heritage Harbor Parkway, Lutz, Florida.

B. The parties desire to incorporate into the lease a revised Exhibit C which sets for the agreed upon breakdown of expenses and reserves been Lessor and Lessee with respect to the Property.

C. The parties desire to amend the Lease as set forth herein.

NOW, THEREFORE, incorporating the Recitals Section herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. Recitals. The foregoing Recitals are true and correct and are incorporated into and form a part of this Amendment.

2. Conflicts. In the event that there is a conflict between this Amendment and the Lease, this Amendment shall control. Whenever possible, this Amendment and the Lease shall be construed as a single document. Except as modified hereby, the Lease shall remain in full force and effect.

3. Capitalized Terms. All initially capitalized terms not defined herein shall have the meaning set forth in the Lease, except that "Lease" shall mean the Lease and this Amendment, together with all amendments and modifications thereof.

4. Amendment to Exhibit C. Exhibit C to the Lease is hereby deleted in its entirety and replaced with Exhibit 1 attached hereto.


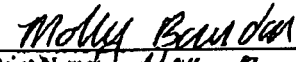
5. Governing Law. The Lease and this Amendment shall be governed and construed in accordance with the internal laws of the State of Florida.

[ADDITIONAL TEXT AND SIGNATURE ON FOLLOWING PAGE]

6. Entire Agreement. This Amendment and the Lease contain the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified or changed in any way except in writing signed by both parties.

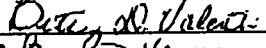
IN WITNESS WHEREOF, Lessor and Lessee have caused this First Amendment to Lease to be executed as required by law on this, the day and year first above written.

WITNESSES:


Print Name: ERIN L. CISSEL

Print Name: MOLLY BRANDON

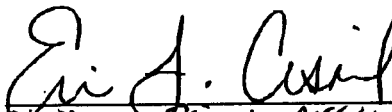
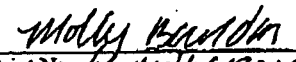
LESSOR:

HERITAGE HARBOR GOLF & COUNTRY
CLUB COMMUNITY ASSOCIATION, INC.,
a Florida not-for-profit corporation

By: 
Name: BETTY D. VALENTI
Title: PRESIDENT

LESSEE:

HERITAGE HARBOR COMMUNITY
DEVELOPMENT DISTRICT, a special
purpose unit of local government organized
pursuant to Chapter 190, Florida Statutes


Print Name: ERIN L. CISSEL

Print Name: MOLLY BRANDON


By: 
Name: DAWN G. SIMBORE
Title: CHAIRMAN - BO of Supervisors

EXHIBIT 1

BREAKDOWN OF EXPENSES AND RESERVES BETWEEN LESSOR AND LESSEE

CLUBHOUSE EXPENSES	% Allocation Lessor	% Allocation Lessee	NOTES
A/C MAINTENANCE	54.00%	46.00%	Pro Shop & Restaurant 5,188 sq ft, Clubhouse 8,068 sq ft
ADVERTISING/HELP WANTED	100.00%	0.00%	Help wanted advertising for Club employees Pro Shop & Restaurant 5,188 sq ft, Clubhouse 8,068 sq ft
ALARM	54.00%	46.00%	
BACKFLOW VALVE	0.00%	100.00%	
BUILDING MAINTENANCE	50.00%	50.00%	CDD & Club to split cost 50/50
CLEANING SERVICE	58.00%	42.00%	Restaurant 4,407 sq ft, Clubhouse 8,068 sq ft, Pro Shop excluded
COMPUTER SUPPORT	50.00%	50.00%	CDD & Club to split cost 50/50
COMMUNITY NEWSLETTER	100.00%	0.00%	Community newsletter for Club events
CONTINGENCY FUND	0.00%	100.00%	
COPY/FAX MACHINE LEASE	50.00%	50.00%	CDD & Club to split cost 50/50
DECORATING	100.00%	0.00%	Decorating cost for Club area
DEPRECIATION EXPENSE	0.00%	100.00%	
ELECTRICITY	54.00%	46.00%	Pro Shop & Restaurant 5,188 sq ft, Clubhouse 8,068 sq ft
EMPLOYEE NEW HIRE	100.00%	0.00%	New hire expense for Club employees
EXERCISE ROOM EQ. REPAIR	100.00%	0.00%	Repair expense for Club exercise equipment
EQUIPMENT PURCHASE	100.00%	0.00%	Equipment purchases for Club operations
EQUIPMENT RENTAL/Water Treatment	50.00%	50.00%	CDD & Club to split cost 50/50
EQUIPMENT REPAIR	100.00%	0.00%	Repair expense for Club equipment
FIRE ALARM	50.00%	50.00%	CDD & Club to split cost 50/50
GATE ARM	100.00%	0.00%	Gate at Village 17 entrance Allocation based on premium amount by category
INSURANCE	35.00%	65.00%	Allocation based on premium amount by category
INSURANCE DEDUCTIBLE	35.00%	65.00%	
JANITORIAL SUPPLIES	100.00%	0.00%	Cleaning supplies for Club areas
MANAGEMENT FEE	25.00%	75.00%	S&S management fee
MISC	100.00%	0.00%	Club related miscellaneous expenses
MUSIC/CABLE	50.00%	50.00%	CDD & Club to split cost 50/50
OFFICE SUPPLIES	100.00%	0.00%	Office supplies for Club operations
PAYROLL OFFICE	100.00%	0.00%	Part-time receptionist(s)
PAYROLL CLUBHOUSE DIRECTOR	100.00%	0.00%	Full-time Club coordinator
PAYROLL MAINTENANCE	100.00%	0.00%	Full-time maintenance person
PAYROLL TAXES & FEES	100.00%	0.00%	Payroll taxes & fees for Club employees Group insurance expense for Club employees
PAY RELATED GR. INS 401K	100.00%	0.00%	401K expense for Club employees
PEST CONTROL	50.00%	50.00%	CDD & Club to split cost 50/50
POSTAGE	100.00%	0.00%	Postage for Club mailings
REPAIRS/MAINT	50.00%	50.00%	CDD & Club to split cost 50/50
SPECIAL EVENTS	100.00%	0.00%	Special events for Club members
SUPPLIES MISC	100.00%	0.00%	Supplies for Club operations
TELEPHONE	50.00%	50.00%	CDD & Club to split cost 50/50
TOT LOT MULCH	100.00%	0.00%	Mulch for lot lot Trash pick-up service for Club, Restaurant & Pro Shop
TRASH	15.00%	85.00%	
TRAINING - STAFF	100.00%	0.00%	Training expense for Club employees
UNIFORMS	100.00%	0.00%	Uniform expense for Club employees
WATER & SEWER	50.00%	50.00%	CDD & Club to split cost 50/50
WEBSITE	50.00%	50.00%	CDD & Club to split cost 50/50

Note: An invoice that is specific to an area of operation (Club or CDD) will be charged 100% to its respective area, regardless of whether or not the charge falls under one of the shared cost line items. Only invoices that are truly shared expenses will be shared between the operations.

**HERITAGE HARBOR CDD
SHARED RESERVES**

<u>Shared Reserve Allocations</u>	<u>Sq Ft</u>	<u>Total</u>	<u>Interior</u>
Pro Shop	789	4.90%	7.01%
Carl Barn	4,834	30.03%	
Restaurant	4,407	27.36%	39.13%
Clubhouse	6,066	37.69%	53.86%
	<u>16,096</u>	<u>100.00%</u>	<u>100.00%</u>
Excluding Carl Barn (Interior)	11,262		

<u>Shared Reserves</u>	<u>Years</u>	<u>% Alloc Lessor</u>	<u>% Alloc Lessee</u>
Parking Lot Paving	20	50%	50%
Parking Lot/Sealing & Striping	5	50%	50%
Clubhouse Renovation	15	54%	46%
Clubhouse Roof	20	38%	62%
Front French Door	10	50%	50%
HVAC System	20	54%	46%
Wood Picket Fence	R&M (10)	38%	62%
Canvas Awnings	10	50%	50%
Carpeting	8	54%	46%

STATE OF FLORIDA)
COUNTY OF HILLSBOROUGH

THIS IS TO CERTIFY THAT THE FOREGOING IS A
TRUE AND CORRECT COPY OF THE DOCUMENT ON
FILE IN MY OFFICE. WITNESS MY HAND AND
OFFICIAL SEAL THIS..... DAY OF.....



RICHARD A. CLERK

BY *[Signature]* 20. 03