

INTERDEVELOPMENT AND OPERATING AGREEMENT

THIS INTERDEVELOPMENT AND OPERATING AGREEMENT ("this Agreement") made and entered into as of January 5, 1995, between KEY WEST COUNTRY CLUB, INC. ("Club"), a Florida corporation, and KEY WEST COUNTRY CLUB DEVELOPMENT, INC. ("Developer"), a Florida corporation (Club and Developer are jointly, the "Parties").

WITNESSETH:

WHEREAS, the Club and Developer are corporations which were formed by the same incorporator for the purpose of acquiring certain fee simple and leasehold interests in certain land and improvements, commonly known as KEY WEST GOLF COURSE (the "Golf Course Property") and the fee simple land surrounding the Golf Course Property (the "Development Property"), as the Golf Course Property and Development Property are more particularly described in Schedule A attached hereto and that certain purchase agreement (the "Delgolf Agreement"), dated October 19, 1994, by and among KEY WEST RESORT GOLF COURSE CORP. and KEY WEST RESORT DEVELOPMENT CORP., both Florida Corporations ("Sellers"), as seller, and Club, as purchaser; and

WHEREAS, Club intends to change its corporate name to Key West Golf Course, Inc.; and

WHEREAS, Club has assigned to Developer certain rights under the Delgolf Agreement to purchase fee simple title to the Development Property; and

WHEREAS, pursuant to the Delgolf Agreement, as partially assigned to Developer, Sellers transferred all of their respective interest in the Development Property consisting of approximately forty-eight (48) acres to Developer and all of their respective interest in the Ground Lease for the Golf Course Property to Club; and

WHEREAS, it is recognized by the Parties that the development of the Development Property into a gated-community of approximately 353 Townhomes (the "Townhome Project") was the primary consideration for entering into the Delgolf Agreement, and that Club agreed to acquire the Ground Lease from the Sellers with the intent and purpose of immediately transferring the Ground Lease (or Stock in Club) to a third party, subject to the retention by Developer of necessary controls over the operation and use of the public golf course and related amenities (the golf course and related amenities being collectively, the "Golf Club") for the limited purpose of facilitating the development of the Development Property and not for the internal operation of the Golf Club and the imposition of certain restrictions and other use requirements as set forth herein; and

WHEREAS, Club intends to operate the Golf Club, subject to the terms and conditions of the Ground Lease and this Agreement; and

WHEREAS, Club intends to obligate any successor to the terms and conditions of this Agreement; and

WHEREAS, in order to develop the Townhome Project and preserve and enhance the values and amenities thereof and the architectural integrity and standard of the project, it will be necessary for the Developer to declare and subject the Development Property and to the extent possible the Golf Course Property to certain land use covenants, restrictions, reservations, regulations, and burdens; and

WHEREAS, the Parties wish to memorialize and set forth their understanding as to future development plans by the Developer with particular and specific recognition that the Development Property shall be deemed dominant insofar as it relates to such development plan, and the Golf Course Property shall be deemed servient to the needs and requirements of the Development Property; and

WHEREAS, the Parties further recognize that, in view of the early stage of development plans for the Townhome Project, it is neither practical nor possible to set forth, in detail and with exacting specificity, the needs and requirements of the Developer in order to adequately, professionally, economically and profitably develop the Townhome Project; and

WHEREAS, the Parties recognize that as a result of certain easements and other rights granted to Developer as owner of the dominant property may result in damages to the servient property, and Developer has agreed to correct or otherwise compensate Club for any such damages to the Golf Course Property, including loss of business income directly resulting from the Developer's failure to promptly restore the Golf Course Property to its proper condition; and

WHEREAS, the Parties recognize the benefits flowing from conducting a joint and coordinated effort for the development and operation of the subject properties such as shall likely result in their respective abilities to more successfully undertake their respective business activities.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Representation and Incorporation of Foregoing Recitals. The Parties recognize that the foregoing recitals are the essence of this Agreement, and that the recitals are true and accurate to the best of their knowledge and belief. Accordingly, the Parties incorporate herein, by reference, each of such recitals and further state that, in interpretation of the terms and conditions of this Agreement, said recitals are to be given full and complete

recognition by and between themselves and, to the extent necessary, by any trier of fact and/or law.

2. Definitions. As used herein, the following terms shall have the following meanings and each such definition and each and every substantive provision thereof and each and every stipulation, agreement, condition and covenant contained and set forth in each such definition is incorporated into and forms an integral part of this Agreement:

a. "Assignee":

i. includes any pledgee or secured creditor who accepts a security interest in the Ground Lease or the Stock of Club issued to a Stockholder and/or acquires a security interest in the Ground Lease or the Stock of Club voluntarily, involuntarily or by operation of law,

ii. includes any transferee who acquires the Ground Lease or a Stockholder's interest in the Stock by voluntary or involuntary transfer of the Stockholder's interest in the Stock and/or by operation of law, and

iii. specifically excludes: (a) Pritam Singh ("Singh"), Johnston, and Behmke, their respective spouses and/or any one or more of their lineal descendants, and/or any trust under which such parties are the sole beneficiaries, and/or any entity majority-owned by one or more of such parties, (b) any transfer of the beneficial interest owned by Singh and/or Johnston in the Trust between them or to any one or more of their lineal descendants and/or any trust between them and/or any entity majority-owned by one or more of such parties (a "Singh/Johnston Entity"), (c) any transfer of the beneficial interest owned by Behmke and/or Kaye D. Behmke in the Trust between them or to any one or more of their lineal descendants and/or any trust between them and/or any entity majority-owned by one or more of such parties (a "Behmke Entity"). Each of the assignees excluded in this subsection is deemed a "Permitted Assignee".

b. "Association" means the not-for-profit corporation to be formed by Developer for the purpose of governing the Townhome Project, the members of which shall be the Owners of Townhomes.

c. "Golf Club" means overall facility offered to the guests and members at the Golf Course Property.

d. "Improvement" means any structure or artificially and intentionally created condition, together with all appurtenances thereto, of every type and kind located within the Golf Course Property, including, without limitation, buildings, walkways, roads, sidewalks, alleys, street lights, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping,

windbreaks, planted trees and shrubs, cable television lines and site lighting poles, and signs.

e. "Lot" means a homesite lot upon which Developer shall construct a Townhome Unit for conveyance from Developer to Owner.

f. "Owner" means the fee simple title holder to Townhomes.

g. "Townhome or Townhome Unit" means each attached townhome residential dwelling together with that portion of land located within the property line of the area to be deeded in fee simple by the Developer to Owner.

3. Effectiveness of this Agreement and Effective Date. The Parties agree that the effectiveness of this Agreement is not conditioned upon any event, and this Agreement is effective as of the date hereof without further action on the part of the Parties.

4. Mutual Acknowledgements. The Parties hereby represent to each other as follows.

a. No Party was induced to enter into this Agreement by any warranty, representation, inducement, promise, or side-agreements of any kind or character.

b. Except as herein specifically provided, no Party has assigned, pledged or otherwise transferred, or allowed the voluntary or involuntary assignment, pledge, attachment or transfer of any rights under and pursuant to this Agreement and no further legal or other action or consents are necessary to render this Agreement full, complete, binding and effective.

c. Each Party has received independent advice from legal, financial, engineering, architectural, environmental and other similar professionals of the Party's choice with respect to the advisability of executing this Agreement.

d. All prior discussions and negotiations regarding the subject matters contained herein have been and are merged and integrated into, and are superseded by this Agreement.

e. Each Party is fully familiar with all aspects of the Development Property and the Golf Course Property and the subject matters contained in this Agreement and has freely executed and delivered this Agreement after diligent inquiry and full and complete access to information relating to the matters referenced herein and in the Stock Purchase Agreement.

f. Each Party specifically understands and acknowledges that neither Party nor any Stockholder, officer, director or employee, including Pritam Singh, consultant to Developer: (i) has

made any warranties, representations or guaranties, expressed, implied or statutory, written or oral, including but not limited to, any implied warranty of merchantability or fitness for any use or purpose, concerning the Development Property or the Golf Course Property, and (ii) has made any such warranties, representations or guaranties with regard to: (a) any governmental limitation or restriction, or the absence thereof, pertaining thereto, including, without limitation, any warranties, representations or guaranties as to any land use controls or other laws, rules, and regulations of any governmental agency having jurisdiction applicable to the properties, or (b) the physical condition of the properties, including environmental conditions or subsurface soil conditions, and (c) has made any warranties, representations or guaranties, expressed, implied or statutory, written or oral.

g. Each Party specifically acknowledges that it undertook the entire risk as to the state or condition or suitability of the Development Property and the Golf Course Property.

h. Each Party specifically acknowledges that except as provided in this Agreement, it has no current, future, promised or possible interest whatsoever in and to the fee simple and leasehold interests and other interest which are the subject matter of this Agreement, and each Party hereby specifically disclaims any interest in and to the fee simple and leasehold interests and other interests which are the subject matter of this Agreement, other than Developer's fee simple interest in the Development Property and Club's leasehold interest in the Golf Course Property.

5. Development Plan. The Development Property is being developed as a Townhome Planned Unit Development consisting of approximately 353 Townhome Units. Each unit will be owned by an Owner in fee simple. Nothing herein contained shall impose upon the Developer an obligation or commitment to develop and construct or complete the development.

6. Dominant and Servient Properties. It is specifically acknowledged and recognized by the Parties that they comprehend the significance of designating the Development Property as "dominant" and the Golf Course Property as "servient" in accordance with the laws and interpretations of laws in the State of Florida. In all respects (except as otherwise provided herein or as any be subsequently modified in writing by the Parties), the Development Property shall be and remain dominant in perpetuity (or until the termination of the Ground Lease, whichever shall occur first), and the Golf Course Property shall be the servient property for the Development Property.

7. Specific Undertakings by Club and Developer. Club and Developer hereby agree that each shall diligently and faithfully perform the following undertakings.

a. Easements: The parties hereto have reviewed, accepted and agree to be perpetually bound by those easements as more fully set forth in Schedule A attached hereto.

i. Agreement upon form of easement. In the event Club and Developer are unable to agree upon the form and content of the Easement Agreements within a reasonable period of time, then upon ten (10) days notice from either Party to the other, either Club or Developer shall have the right to have the form determined the appropriate local utility company, and the standard for such form shall be the forms generally used by the local utility companies for similar easements and the intent of the Parties as determined from this Agreement.

ii. Easements in General. If any grant of any easement contemplated in this Agreement would otherwise fail by virtue of the nonexistence of the grantee thereof, then Developer automatically shall be deemed to be the attorney-in-fact for such grantee to hold the interest created by such grant of easement until such grantee shall come into existence, at which time the interest created by such grant of easement automatically shall become vested in such grantee. The Golf Course Property shall be subject to a perpetual non-exclusive easement in favor of each Lot, which shall be appurtenant to and shall pass with title to each Lot, for use by the Owner, his immediate family, guests and invitees, for all purposes pursuant to this Agreement.

iii. Court Review of Easements. To the extent that said easements set forth in Schedule A are adjudicated wholly invalid and/or unenforceable, all remaining easements and any revisions as it relates to such individual easements not stricken as to unenforceability or invalidity shall remain in full force and effect without modification. To the extent a Court of law shall deem an easement to be invalid, the parties hereto direct and request such Court to nonetheless enforce said easement to the extent, just, appropriate and applicable, modifying same to the extent that the intentions of the parties as set forth herein shall be met.

iv. Minimization of Interruption and Damages. As so stated in Schedule A, Developer covenants and warrants that any actions undertaken on the part of Developer as may interrupt and/or interfere with the operations of the Golf Club by Club shall be preceded by a review with Club and Developer of such anticipated actions to be undertaken through exercise of Developer's easement rights and those rights granted herein. On a coordinated basis (but without the prior or necessary approval of Club) Developer shall undertake such actions in such a fashion as to limit interruption and/or interference with the operations of Club. During such time as Developer is required to undertake construction activities within the Golf Course Property, Developer shall provide appropriate bridges or crossover ramps to allow golfers to continue to transverse the golf course fairways. Further, to the extent that any damages are incurred by the Golf Course Property as a product of the exercise of

Developer's rights under such easements, Developer shall, at its cost and expense, undertake corrective measures in a timely, expeditious fashion. In the event Developer fails to promptly and/or properly restore the property, Developer shall be liable to and shall compensate Club for any damages directly related to Developer's actions unless otherwise waived in advance or addressed by separate agreement by the Parties. Provided further, however, that by individual agreement between the parties, such corrective actions may be undertaken by Club by way of prior written approval and agreement as to the costs attributable to and payable by Developer.

b. Existing Primary Entranceway. The Parties further specifically acknowledge that the existing primary entranceway (the "Primary Entranceway") providing ingress and egress to and from the Golf Course Property is located within the Development Property. Club agrees with and grants to Developer the right to undertake the relocation of the Primary Entranceway within the Development Property in Developer's sole discretion. Developer shall be solely responsible for any costs associated with the construction of a new entranceway and the removal of the existing Primary Entranceway. Club further grants to Developer, in Developer's sole and exclusive discretion, the right to undertake such relocation and construction (including the right to decrease or increase the overall square footage of the Primary Entranceway and determine the construction components for the entranceway) as Developer, in its sound and sole discretion deems appropriate. Developer shall cause the preparation of a new easement agreement setting forth the revised boundaries of such easement and further granting therein the perpetual right to Club to utilize such entranceway without incurring any obligation to contribute to subsequent repair, maintenance or other expense for the Primary Entranceway. Club shall promptly execute such documents as are necessary, and such agreements shall be recorded among the public records of Monroe County, Florida. Further, to the extent that the existing easement is no longer required in the discretion of Developer, said easement shall be released or terminated by Developer, as applicable. All costs associated with the preparation of such new easements and/or the release or termination of the existing easement shall be incurred by and paid for by Developer without contribution or reimbursement from Club. The existing Primary Entranceway is hereby identified on Schedule B attached hereto, same being a plot plan of the Development Property and the Golf Course Property.

c. Existing Secondary Entranceway. The Parties acknowledge that an additional, secondary entranceway (the "Service Entranceway") to the Golf Course Property presently exists as noted on Schedule B attached hereto. Club acknowledges and agrees that the Service Entranceway shall serve as the exclusive ingress and egress for all employees and service deliveries for the Club.

d. Security. The Parties acknowledge that it shall be in their best respective interests to provide for security for all

ingress to and egress from both the Golf Course Property and Development Property in order to create a secure gated-community and recreation facility. Accordingly, Developer intends to exercise its right to construct, operate and maintain a security building on a portion of the Golf Course Property to be designated by Developer in its sound and sole discretion, which gated security entrance shall be situated at the Primary Entranceway. Said security entrance shall be exclusively maintained and controlled by Developer or its designee (presently intended to be the Association. Developer shall have the right to man such security entrance for the purpose of restricting ingress to authorized Owners, customers and members of the Golf Club, and guests and invitees of Developer, Owners and Club. Ingress may be restricted to persons having possession of gate security cards issued by Developer, Club or the Association. At the time of construction of the Primary Entranceway, or at such subsequent point in time as Developer has finalized all plans for the construction of the security entrance, an easement shall be created incorporating the aforesaid conditions.

e. Existing Cartpaths and Fairway Roughs. There presently exists within the boundarys of the Development Property portions of existing cartpaths, together with three (3) feet of unpaved property adjacent to such cartpaths along the outside perimeter of such cartpaths and within the Development Property and fairway roughs between the cartpaths and the fairways (the foregoing be collectively, the "Servient Cartpaths and Roughs"), which are more particularly depicted on Exhibit A attached hereto. The Servient Cartpaths and Roughs are for the benefit of the Golf Course Property, and Developer agrees to grant Club an exclusive easement for the continued use of the Servient Cartpaths and Roughs. Such easement agreements shall prohibit Owners from loitering or using the cart paths for ingress or egress with the exception of the two cart paths connecting the number 1 green to the number 2 tee and the cart path connecting the number 8th tee to the number 7th green. The easements for the aforementioned two cart paths shall be non-exclusive easements; provided Club shall have the total responsibility to maintain all cart paths in a good, proper and safe condition at all times. Until Developer has fully constructed the Townhome Project and sold all Townhomes therein, Developer and Club shall mutually cooperate with each other to permit Developer, its sales representatives and prospective purchasers of Townhomes to use cartpaths within the Golf Course Property for the purpose of permitting prospective purchasers to view the Development Property and the Golf Course Property. Developer and Club shall attempt to regulate and limit the use of such cartpaths so as to cause the least interference with golf play and maximize the protection of the persons making use of such cartpaths.

f. Sound Wall. Developer shall have the right to construct a wall fronting U.S. 1 and College Road for the purpose of insulating the Project from as much traffic noise as possible without unreasonably interfering with the operation of the Golf Course.

Developer agrees to design such sound wall to include landscaping on both sides of the wall and to include, if possible without defeating the sound reflection of the structure, gaps in the wall to permit passerbys along such roads to view areas of the Golf Course to assist in exposing the location of the Golf Course to potential users.

8. Logo and Name Identification Consistency. The Parties recognize and appreciate the necessity of consistency in respect to presentation and promotion of the name, logo and other means of identification relative to the overall development of the Townhome Project and Golf Club. In that respect, Club agrees that the name "Key West Golf Course" shall solely be utilized as the identifying name of the Golf Course Property and Golf Club. Developer shall file the appropriate application for a trade name utilizing the words "Key West Golf Course" and "Key West Golf Club", and, upon acceptance of such tradename, Developer shall thereafter grant and extent a license to Club for the perpetual and unlimited right to utilize said tradename in promoting its activities at the Golf Club. Additionally, Developer shall expeditiously and without delay but no later than the March 31, 1995, have professionally prepared a logo, which logo shall be filed with the Secretary of State, State of Florida, as a service mark/logo to be utilized exclusively by Developer, Club, and the brokerage company to be formed by Behmke. Upon Developer's receipt of certification from the Secretary of State, State of Florida, approving such service mark, Developer shall grant a license for the perpetual use by Club and Behmke's brokerage company to utilize such logo, which consent shall also be duly filed with the Secretary of State for the State of Florida. Anything to the contrary notwithstanding, when used in connection with published written materials, Club shall inform the public when making use of such tradename or logo that Club and Developer are separate and distinct entities.

9. Mowing of Portions of Development Property by Club. Club agrees, without costs or expense to Developer or the Townhome Project, to maintain and mow on a regular basis the grass area outside of the intended fenced areas of the Townhomes and adjacent to the Golf Course Property, the intent being to present a continuous manicured area from the Golf Course Property up to outside fenced areas of the Townhomes. Further, Club shall continue to maintain the grass within the areas of the Development Property until the Developer commences construction in such areas. The foregoing obligations shall be contingent upon the areas being mowed with a "gang mower".

10. Developer's and Owners' Rights to Golfing Privileges. In conjunction with the intention to present the Golf Course Property and the Development Property as a coordinated, golf course community and in recognition of the mutual benefits associated with the anticipated increase in golf course usage by Owners and the guests and the further expectation that such golf course community will attract prospective purchasers for the Townhome Project, the Parties

recognize the necessity to extend golfing privileges to Owners, their guests and invitees. Accordingly, Club extends the perpetual right to Developer during its construction of the Townhome Project and subsequent Owners to make reservations at least one month in advance of the general public, the present anticipated right of the public to make advance reservations being one week in advance of reserved tee times. Club hereby grants in perpetuity the right of Developer to assign to Owners and their guests the right to make tee times one month in advance of the time period extended to the general public, as such right of the general public may be modified from time to time provided, however, (a) that the Club shall have the right to restrict such tee times to not more than fifty percent (50%) of the available tee times on a daily basis (Club shall fairly and reasonably allocate such times during the day in its discretion), and (b) that the aforesaid rights granted to Developer and assignable to the Owners shall be of no effect in the event it is so determined that the Ground Lease assigned to Club prohibits the granting of preferential treatment to those other than the general public, and Club shall have the right to schedule tournaments in the regular course of events which shall have precedence over Owners. In order to coordinate communication to Owners and their guests of the privileges extended herein, Developer and Club, jointly, from time to time as prudent, shall communicate such privilege to Owners. Developer is additionally granted the right to further communicate the existence of such tee time privileges to prospective owners in its marketing and sales efforts. Club shall not charge Developer or Owners (including members of the Owners' immediate families) for green fees, cart rentals or other Golf Club charges at any rates greater than the least expensive rate offered to other users of the facilities at the Golf Club. In addition, guests and invitees of Owners shall be entitled to at least a ten percent (10%) discount from standard rates charged to the public in general. In the event it is determined that the existing Ground Lease prohibits any of the aforesaid rights or privileges herein granted to Developer, Owners and their guests and invitees, then such rights and/or privileges shall be reformed to the extent necessary to grant Developer, Owners and their guests and invitees the maximum benefits as contemplated by the Parties. Additionally, Developer, Owners and their guests and invitees shall comply in all respects to standard Golf Club policies which are generally applicable to all users of the Golf Club, as the same may be modified from time to time.

11. Clubhouse Construction: Developer and Club acknowledge and agree that the existing clubhouse ("Old Clubhouse") currently situated on the Development Property

a. is insufficient to meet the needs of prospective golfers on the long-term basis,

b. is not architecturally and aesthetically consistent with the development plans of the Townhome Project, and

c. must be relocated to the Golf Course Property in order to meet the proposed development plans of the Developer. Accordingly, with six (6) months prior written notice from Developer, Club agrees to undertake the construction of a new clubhouse ("New Clubhouse") upon the Golf Course Property, the specific location of which shall be mutually agreed upon by Developer and Club. The New Clubhouse shall be no less than 4,000 total interior (air conditioned) square feet and shall provide the at least those amenities in the Old Clubhouse, e.g., pro shop and restaurant. The New Clubhouse shall be constructed only after the review and approval of all plans and specification by Developer, which approval shall not be unreasonably withheld. Club shall complete construction of the New Clubhouse in accordance with the approved plans and specifications within four (4) months of final approval of the plans and specifications and issuance of necessary building permits, whichever is later. Club agrees to use due diligence in the processing of all necessary applications for building permits.

d. In recognition of the indirect benefits for Developer from the construction of the new Clubhouse, Developer agrees to contribution the sum of \$200,000 to Club on or before January 20, 1995.

12. Utilization of Old Clubhouse and Driving Range. Developer agrees to lease the Old Clubhouse and driving range pursuant to the terms and conditions of that certain lease agreement executed by the Parties simultaneously herewith. All rights granted to Club in connection with the use of the Old Clubhouse and driving range shall be governed by such lease agreement.

13. Architectural Control. Developer intends, as part of its development of the Townhome Project to record covenants and restrictions which shall, inter alia, require all proposed Improvements to be submitted to an architectural control committee for its approval of the plans and specifications. The guidelines and requirements for all plans and specifications for Improvements shall be included in the restrictions to be recorded. It is specifically recognized by Club that the planned golf course community shall be subject to strict and exacting architectural control conditions over which Developer shall maintain exclusive control in perpetuity unless otherwise assigned to the Association, and that it is in the best interests of all parties to present an architecturally consistent appearance as to all facilities constructed upon the Development Property and the Golf Course Property. To that end, the terms and conditions contained therein as to architectural control shall apply equally to any subsequently constructed Improvement on the Golf Course Property.

14. Utilization of Maintenance Building. It is recognized that a maintenance building is presently situated on the Development Property, which maintenance building is presently utilized by Club for the operation of the Golf Club. Developer grants to Club the

option to remove such building; or cease its use of same. Developer shall have the right to require Club to exercise either of the aforementioned options within a period of thirty (30) days from date Club receives such written notice from Developer. Upon exercise of such respective option, the Club shall proceed thereafter to, as applicable, (a) remove the existing maintenance building to a site situated on the Golf Course Property approved in advance by Developer; or (b) terminate further use of the maintenance building, each to be accomplished on or before sixty (60) days after the date Developer delivers the notice to Club. In the event of Club's election to move such maintenance building, Club shall both repair that area where the maintenance building was previously situated at its sole expense, including the removal of all foundation components and other elements as directed by Developer and conducting such grading as Developer deems appropriate in its reasonable discretion.

15. Easement as to Ball Retrieval. As depicted in Exhibit --, an easement area shall be reserved in favor of golfers using the Golf Course for the limited purpose of retrieving golf balls owned by them as opposed to golfers randomly in search of golf balls lost by other golfers. Developer shall cause the filing of the easements so noted granting ball retrieval rights to those golfers utilizing the golf course property. Such easement shall limit entry for golf balls clearly visible from the Golf Course Property in order to minimize disturbances to Owners and damage to their property.

16. Non-Interference with Existing Course Golf Layout. Developer warrants that no development actions shall require Club as a result of its development of the Townhome Project to modify the existing Golf Course layout.

17. Construction Activities. Developer, its agents, contractors, subcontractors, licensees and/or other designees may, from time to time, be engaged in construction, excavation, and other activities within or in proximity to the Golf Course Property. Developer agrees to use reasonable diligence in all construction work having a material and adverse affect of the operation of the Golf Club. Further, Developer shall provide Club with advance notice of construction work which would reasonably be foreseeable as materially and adversely affecting the operation of the Golf Club. In the event that the Golf Course is temporarily closed for golf play because of such construction work, then Developer shall reasonably compensate Club for loss of revenue during such time. In addition, any damage caused to the Golf Course during the construction work by Developer shall be repaired so that the Golf Course shall be restored to its condition immediately prior to Developer's commencement of construction. Club hereby acknowledges, stipulates and agrees:

a. None of the aforesaid activities shall be deemed a nuisance or offensive activity; and

b. Not to enter upon or allow other persons under their direction or control to enter upon any portion of the Golf Course Property where such activity is being conducted (even if not being conducted actively at the time of entry, such as at night or otherwise during non-working hours).

18. Use Standards and Restrictions.

a. Improvements. All Improvements shall comply with all applicable minimum standards established by the Architectural Control Committee and zoning laws. No Improvement shall be constructed, removed, changed or installed without the Committee's prior written approval; provided, however, that no such approval shall be required in connection with the maintenance building, which may be constructed as a "Butler" building with appropriate landscape/screening. Anything herein to the contrary notwithstanding, Club may make alterations, changes and modifications within the interior of any Improvement without obtaining the Committee's consent.

b. Maintenance of Improvements. All Improvements on the Golf Course Property shall be kept by Club in a clean, neat and attractive condition consistent with the general appearance of the Townhome Project.

19. Negative Covenants. As partial consideration for this Agreement, Developer have requested Club to covenant that it will maintain the Golf Club and Golf Course Property as presently operated, improved and maintained except as provided to the contrary herein. To that end, Club agrees that it shall not violate, cause to be violated or permit the violation of any of the following negative covenants.

a. Golf Course Layout. Club shall not materially alter the layout of the Golf Course, including without limitation, location of tees and greens.

b. Cart paths. Club shall not materially alter the location of cart paths within the Golf Course. OK

c. Construction of future improvements. Club shall not construct any Improvements which materially and adversely affect any view or proposed view of Owners from Townhome Units.

d. Use of Golf Course Project. Club shall not alter the use of the Golf Course Property from its present use as a Golf Club.

e. Outdoor Events After Sundown. Club shall not permit outdoor functions after sundown without the consent of Developer and Association. Club acknowledges that the intent and purpose of this negative covenant is maximize the quiet and undistracting setting within the Townhome Project during night hours. Events on the balcony of the Clubhouse prior to 10:00 p.m. shall not be prohibited;

provided, the noise level shall be properly controlled to avoid a nuisance for Owners.

f. Tradenname and Logo. Club shall not use any tradenname other than Key West Golf Course or the logo as provided in Section 8 hereof without the prior written consent of Developer.

g. Modification of Landscaping and Waterscaping. Club shall not materially and adversely alter the landscaping or waterscaping of the Golf Course unless required by the City of Key West under the Ground Lease or otherwise required by governmental rules or regulations.

h. Signs. No sign of any kind shall be permitted on the Golf Course Property except signs advertising signs and informational signs related to the Golf Course or Townhome Project.

i. Use of Land. No Improvement or any portion of The Golf Course Property shall be used for any purpose other than the Golf Course and related amenities.

j. Nuisances. No noxious, offensive or unlawful activity shall be carried on within the Golf Course Property nor shall anything be done in the Golf Course Property which may be or may become an annoyance or nuisance to Developer or Owners.

k. Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, shed, barn or other outbuilding shall be built, installed or used in the Golf Course Property at any time. No building, fence, screen enclosure, wall or other structure shall be erected or maintained, nor shall any exterior addition, change or alteration thereof be made, unless consistent with the general aesthetics of the Townhome Project and unless and until plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted and approved in writing by the Architectural Control Committee. The foregoing shall not prohibit the temporary erection of tents for special events provided the same are only erected within a reasonable time before such event(s) and removed within a reasonable time after such events. In all circumstances such reasonable time shall not exceed seven (7) days.

l. Garbage, Refuse and Sewage Disposal. No portion of the Golf Course Property shall be used or maintained as a dumping ground for rubbish. Trash and garbage shall not be kept except in sanitary containers or as required by applicable County ordinances. All equipment for the storage or disposal of such material shall be kept in clean and sanitary condition.

m. Exterior Lighting. No exterior lighting (in addition to the general type of exterior lighting existing as of the date of this Agreement and appropriate security lighting) shall be install on

the Golf Course Property. Club acknowledges that the intent and purpose of this negative covenant is maximize the quiet and undistracting setting within the Townhome Project during night hours.

n. Fences. No fences shall be permitted along the adjoining property lines of the Golf Course Property and the Development Property unless installed by Developer during construction periods or as otherwise approved by Developer or the Committee. Club acknowledges that the intent and purpose of this negative covenant to maximize the unobstructed view of Owners to the vista of the Golf Course.

o. Solicitation for Real Estate Sales and Leasing. Club acknowledges that Behmke is a shareholder of the Developer and that, pursuant to agreement among Behmke, Developer and Johnston, Behmke has been granted the exclusive brokerage/listing rights for the marketing, sale and lease of all Townhomes. Club acknowledges that Behmke would not have agreed to transfer to any successor-in-interest or relinquish control of Club unless Club and Club's successor-in-interest also agree that they shall not, directly or indirectly, compete with Behmke and/or Behmke's designated real estate brokerage and rental company for a period of twenty-seven (27) years from the date hereof nor shall Club permit any competitive real estate brokers or rental agency or company to use the Golf Course Property to solicit prospective purchasers or renters in connection with the Townhome Project. Club further agrees not to permit any third party to use the membership information of the Golf Club for the purpose of solicitation in connection with the sale or lease of any real estate projects located within Monroe County, Florida. Club further acknowledges that as inducement for Johnston and Behmke to agree to the transfer of Club's interest to any third party, Johnston and Behmke have required and Club has agreed not to permit any solicitation on the Golf Course Property for the sale or lease of any real estate property located within Monroe County, Florida. This covenant not to compete and/or solicit or not to permit others to compete and/or solicit shall remain in full force and effect for a period of twenty-seven (27) years. Further, Club covenants that, in the event of assignment, sale and/or transfer of any interests (in whole or in part) in respect to the Ground Lease, the Golf Course Property, or any stock interest in Club, such transferees shall be required as a condition of same to agree to not compete or solicit in accordance with the terms and conditions set forth herein.

20. Preservation of Ground Lease. Club acknowledges that a material inducement for this Agreement is Club's representation and warranty that it shall at all times diligently and faithfully comply with all obligations imposed upon it as lessee under the Ground Lease. Accordingly, until Developer constructs and sells all Townhome Units, or until December 31, 2001, whichever shall occur first, Club hereby agrees that:

a. Club shall maintain the Ground Lease free from default; and

b. Club shall provide Developer with copies of all communications from the lessor under the Ground Lease wherein the lessor alleges any default under the Ground Lease; and

c. Developer shall have the right to cure any default under the Ground Lease, and to the extent that any funds are advanced by Developer on behalf of Club to cure any default under the Ground Lease, then Developer shall have a lien on Club's interest in the Ground Lease which shall be subject to foreclosure with the same force and effect as if Developer had a mortgage encumbering the Ground Lease; and

d. Club shall not modify the Ground Lease in any way which would short the term of the Ground Lease or materially and adversely modify the terms or conditions of the Ground Lease, including without limitation increasing lease payments.

21. Assumption of Risk by Developer. Developer acknowledges that certain inherent risks are associated with the development of a residential community adjacent to a golf course, and in connection therewith Developer agrees:

a. The operation of a golf course is from a sunrise to sunset operation, including the mowing of greens, tees and fairways in the early morning hours. Developer agrees that all usual operations of a golf course shall not be considered a nuisance for which the Club shall have any liability.

b. Another risk associated with a residential community adjacent to a golf course is damage to person or property caused by golf balls being hit from within the golf course and unintentionally striking objects outside of the golf course. In such events, Developer agrees to hold Club harmless from any and all damages caused by such misdirected golf balls, and Developer agrees to disclose such risks to all potential Owners in its sales materials. Nothing herein shall be deemed or construed to waive any claim against the golfer responsible for misdirecting a golf ball which causes damage to property or person.

22. Survival of Agreement. All obligations and covenants of this Agreement shall be in full force and effect in perpetuity.

23. Successors. This Agreement shall inure to the benefit of and be binding upon its heirs, successors, assigns and personal representatives of the Parties hereto. The provisions of the preceding sentence to the contrary notwithstanding, this Agreement is personal, and no party shall have the right to assign its obligations hereunder except as provided herein.

24. Litigation. In the event any Party shall be required to retain the services of an attorney in order to enforce any of his or its rights hereunder, the prevailing party shall be entitled to receive from the defaulting party all court costs, if any, reasonable attorneys' and accountants' fees, and such other expenses as may be incurred in connection therewith. The right to receive court costs and reasonable attorneys' and accountants' fees shall apply prior to litigation with respect to courts of original jurisdiction, and with respect to all courts of appellate jurisdiction. Any party shall have the right to arbitrate any claim under this Agreement before the American Arbitration Association.

25. Recording Memorandum of Agreement. Upon consummation of the Stock Purchase Agreement, a memorandum of this Agreement shall be recorded among the public records of Monroe County, Florida.

26. General Provisions.

a. Any forbearance, failure or delay by any party in exercising any right, power or remedy hereunder shall not preclude the further exercise thereof.

b. This Agreement may be amended, modified, superseded or cancelled, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties hereto or, in the case of a waiver, by the party to be charged with such waiver. In the event of such waiver, the same shall be effective only for the period and on the conditions and for the specific instances and purposes specified in such writing.

c. This Agreement supersedes and revokes any and all prior agreements, written or oral, relating to the subject matter hereof other than the documents required to be executed hereunder or referred to herein and the terms and conditions hereof and thereof shall be solely determinative of the subject matter hereof.

d. If any covenant or other provision of this Agreement is invalid, illegal or incapable of being enforced by reason of any rule, law or public policy, all other conditions and provisions of this Agreement shall, nevertheless, remain in full force and effect and no covenant or provision shall be deemed dependent on any other covenant or provision unless so expressed herein.

e. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed, certified or registered mail, return receipt requested, postage prepaid.

To Club:

6450 East Junior College Road
Key West, Florida 33040

To Developer: 201 Front Street
Suite 101
Key West, Florida 33041

or to any other address or addresses which shall hereafter be designated in writing by a party to the others.

f. This Agreement, and all related documents shall be deemed to be contracts made and delivered in the State of Florida and shall be governed and construed in accordance with the laws of the State of Florida, and any litigation arising hereunder shall occur only in Monroe County, Florida. In connection with any litigation arising out of this Agreement, the parties stipulate to Monroe County, Florida as proper venue, and the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

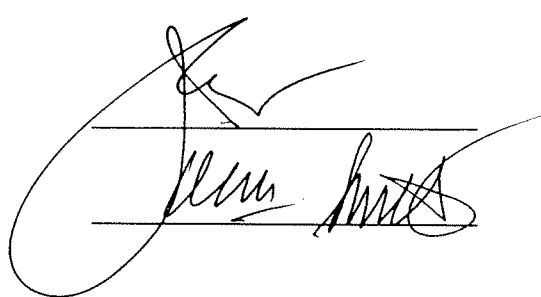
g. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which, when executed, shall constitute one and the same agreement.

h. Captions and headings to the various Sections of this Agreement are for convenience only, and carry no legal effect and shall in no way effect the legal interpretation or construction of the Sections of this Agreement.

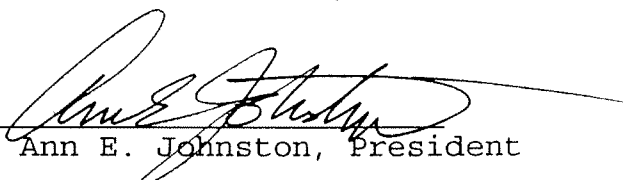
i. Each of the parties shall bear all their own and respective expenses incurred by them in connection with this Agreement and in the consummation of the transactions contemplated hereby and in preparation thereof.

j. This Agreement shall not be assignable by Developer or Club without the consent of the other.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals effective as of the day first above written.



KEY WEST COUNTRY CLUB, INC.

BY: 
Ann E. Johnston, President

(Corporate Seal)

KEY WEST COUNTRY CLUB DEVELOPMENT,
INC.

[Handwritten signature]

BY: *[Handwritten signature]*
Ann E. Johnston, President

(Corporate Seal)

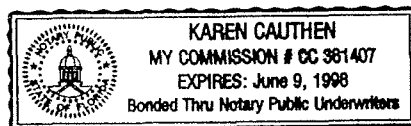
STATE OF FLORIDA)
) SS:
COUNTY OF MONROE)

I HEREBY CERTIFY that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgements, personally appeared Ann E. Johnston well known to me to be the President of Key West Country Club, Inc. and Key West Country Club Development, Inc., all Florida Corporations, and she severally acknowledged executing the foregoing instrument freely and voluntarily under authority duly vested in her by said Corporations and that the seal affixed thereto is the true corporate seal of said Corporations.

WITNESS my hand and official seal in the County and State last aforesaid this 5th day of January, 1995.

[Handwritten signature]
Notary Public
State of Florida at Large

My Commission Expires:



SCHEDULE A

PARCEL A as legally described hereafter is the Golf Course Property,
and PARCEL B as legally described hereafter is the Development
Property.

SCHEDULE A

PARCEL A

DESCRIPTION OF GOLF COURSE PROPERTY

LEGAL DESCRIPTION

BEING PART OF LAND ON STOCK ISLAND, MONROE COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: COMMENCING AT COORDINATES OF WHICH ARE X251,328.207 AND Y87,107.701 BASED ON THE UNITED STATES COAST AND GEODETIC SURVEY'S MERCATOR GRID COORDINATE SYSTEM WHICH HAS FOR ITS ZERO COORDINATES A POINT AT LATITUDE 24°20'00" NORTH AND 500,000 FEET WEST OF LONGITUDE 81°00'00" WEST, SAID POINT BEING THE INTERSECTION OF THE EASTERLY RIGHT-OF-WAY BOUNDARY LINE OF JUNIOR COLLEGE ROAD WITH THE NORTHERLY RIGHT-OF-WAY BOUNDARY LINE OF U. S. HIGHWAY #1 (STATE ROAD 5) AT THE WESTERLY END OF JUNIOR COLLEGE ROAD AND RUN THENCE NORTH 70°58'03" EAST ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF U. S. HIGHWAY #1 A DISTANCE OF 21.39 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED: THENCE NORTH 04°24'16" WEST ALONG THE EASTERLY BOUNDARY LINE OF THE LAND DESCRIBED IN DEED BOOK G-56 AT PAGE 59 OF THE PUBLIC RECORDS OF SAID MONROE COUNTY EXTENDED SOUTHERLY, FOR A DISTANCE OF 818.02 FEET TO THE SOUTHEASTERLY CORNER OF THE LAND NOW LEASED TO THE KEY WEST GARDEN CLUB, INC., AS DESCRIBED IN SAID LEASE AUTHORIZED BY RESOLUTION NO. 76-70 OF THE CITY COMMISSION OF THE CITY OF KEY WEST; THENCE NORTH 00°33'35" EAST ALONG THE EASTERLY BOUNDARY LINE OF SAID LEASE FOR A DISTANCE OF 435 FEET; THENCE NORTH 29°33'35" EAST ALONG THE EASTERLY BOUNDARY LINE OF SAID LEASE FOR A DISTANCE OF 400 FEET; THENCE NORTH 17°18'35" EAST ALONG THE EASTERLY BOUNDARY LINE OF SAID LEASE FOR A DISTANCE OF 300 FEET; THENCE NORTH 44°26'25" WEST ALONG THE NORTHERLY BOUNDARY LINE OF SAID LEASE FOR A DISTANCE OF 50 FEET; THENCE SOUTH 46°33'35" WEST ALONG THE WESTERLY BOUNDARY LINE OF SAID LEASE FOR A DISTANCE OF 585 FEET; THENCE SOUTH 06°34'53" WEST ALONG THE WESTERLY BOUNDARY LINE OF SAID LEASE FOR A DISTANCE OF 155.68 FEET TO THE NORTHEAST CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORD BOOK NO. 365 AT PAGE 324 OF THE SAID PUBLIC RECORDS; THENCE RUN NORTH 70°12'57" WEST ALONG THE NORTH

BOUNDARY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORD BOOK NO. 365 AT PAGE 324 AND EXTENSION OF SAID NORTH BOUNDARY LINE FOR A DISTANCE OF 252.44 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF THE LAND DESCRIBED IN OFFICIAL RECORD BOOK 408 AT PAGE 345 OF THE SAID PUBLIC RECORDS; THENCE NORTH 22°53'13" EAST ALONG THE SAID EASTERLY RIGHT-OF-WAY LINE FOR DISTANCE OF 598.26 FEET; THENCE NORTH 47°22'24" EAST FOR A DISTANCE OF 400.00 FEET TO THE SOUTHEASTERLY CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORD BOOK NO. 66 AT PAGE 421, OF THE SAID PUBLIC RECORDS; THENCE NORTH 40°25'05" EAST ALONG THE NORTHWESTERLY BOUNDARY LINE OF LAND DESCRIBED IN SAID OFFICIAL RECORD BOOK NO. 66 FOR A DISTANCE OF 600 FEET TO THE NORTHWESTERLY CORNER OF LANDS DESCRIBED IN SAID OFFICIAL RECORD BOOK NO. 66; THENCE NORTH 42°55'10" EAST FOR A DISTANCE OF 645.91 FEET TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF THE LANDS DESCRIBED IN AFORESAID OFFICIAL RECORD BOOK NO. 408; THENCE RUN NORTH 62°03'18" EAST ALONG SAID RIGHT-OF-WAY LINE FOR A DISTANCE OF 412 FEET TO THE WESTERLY CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORD BOOK NO. 416 AT PAGE 457 OF THE SAID PUBLIC RECORDS; THENCE RUN SOUTH 27°56'42" EAST ALONG THE SOUTHWESTERLY BOUNDARY LINE OF THE LANDS DESCRIBED IN SAID OFFICIAL RECORD BOOK NO. 416 FOR A DISTANCE OF 700 FEET TO THE SOUTHERLY CORNER OF SAID LANDS; THENCE NORTH 62°03'20" EAST ALONG THE SOUTHEASTERLY BOUNDARY LINE OF THE LANDS DESCRIBED IN THE SAID OFFICIAL RECORD BOOK NO. 416 FOR A DISTANCE OF 896.20 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF THE LANDS DESCRIBED IN THE SAID OFFICIAL RECORD BOOK NO. 408; THENCE SOUTH 12°03'39" EAST ALONG SAID RIGHT-OF-WAY LINE FOR A DISTANCE OF 61.59 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 550 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC DISTANCE OF 201.59 FEET; THENCE SOUTH 33°03'39" EAST FOR A DISTANCE OF 265.73 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 550 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC DISTANCE OF 266.83 FEET; THENCE SOUTH 60°51'29" EAST FOR A DISTANCE OF 370.58 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 3769.72 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC DISTANCE OF 180.60 FEET; THENCE SOUTH 22°15'23" WEST FOR A DISTANCE OF 86.38 FEET TO A POINT; THENCE NORTH 43°37' WEST FOR A DISTANCE OF 208.02 FEET TO A POINT; THENCE NORTH 81°00' WEST FOR A DISTANCE OF 115.00 FEET TO A POINT; THENCE SOUTH 26°10' WEST FOR A DISTANCE OF 465.00 FEET TO A POINT; THENCE NORTH 86°11'18" WEST FOR A DISTANCE OF 238.37 FEET TO A POINT; THENCE SOUTH 63°00' WEST FOR A DISTANCE OF 202.50 FEET TO A POINT; THENCE SOUTH 02°20' EAST FOR A DISTANCE OF 77.00 FEET TO A POINT; THENCE SOUTH 33°02'52" WEST FOR A DISTANCE OF 273.48 FEET TO A POINT; THENCE SOUTH 70°00' WEST FOR A DISTANCE OF 140.00 FEET TO A POINT; THENCE NORTH 34°15' WEST FOR A DISTANCE OF 567.00 FEET TO A POINT; THENCE NORTH 75°15' WEST FOR A DISTANCE OF 655.58 FEET TO A POINT; THENCE SOUTH 34°41'34" WEST FOR A DISTANCE OF 405.85 FEET TO A POINT; THENCE SOUTH 38°50' WEST FOR A DISTANCE OF 251.36 FEET TO A POINT; THENCE SOUTH 33°20' WEST FOR A DISTANCE OF 573.00 FEET TO A POINT; THENCE SOUTH 03°40'22" WEST FOR A DISTANCE

OF 549.85 FEET TO A POINT; THENCE NORTH 71°00' EAST FOR A DISTANCE
OF 338.50 FEET TO A POINT; THENCE NORTH 21°15' EAST FOR A DISTANCE
OF 370.00 FEET TO A POINT; THENCE NORTH 38°15' EAST FOR A DISTANCE
OF 188.52 FEET TO A POINT; THENCE NORTH 25°00' EAST FOR A DISTANCE
OF 165.30 FEET TO A POINT; THENCE NORTH 21°30' WEST FOR A DISTANCE
OF 151.47 FEET TO A POINT; THENCE NORTH 00°20' EAST FOR A DISTANCE
OF 284.00 FEET TO A POINT; THENCE NORTH 20°20' EAST FOR A DISTANCE
OF 173.00 FEET TO A POINT OF CURVE CONCAVE TO THE SOUTHEAST AND
HAVING A RADIUS OF 70.00 FEET; THENCE NORTHEASTERLY AND
SOUTHEASTERLY ALONG SAID CURVE FOR AN ARC DISTANCE OF 150.88 FEET
TO THE POINT OF REVERSE CURVE; THENCE SOUTHEASTERLY ALONG A CURVE,
CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 350.00 FEET, FOR AN
ARC DISTANCE OF 189.99 FEET TO THE END OF SAID CURVE; THENCE SOUTH
15°30' EAST FOR A DISTANCE OF 545.60 FEET TO A POINT; THENCE SOUTH
25°00' WEST FOR A DISTANCE OF 600.00 FEET TO A POINT; THENCE NORTH
59°00' EAST FOR A DISTANCE OF 614.00 FEET TO A POINT; THENCE NORTH
74°00' EAST FOR A DISTANCE OF 346.60 FEET TO A POINT; THENCE SOUTH
88°20' EAST FOR A DISTANCE OF 239.25 FEET TO A POINT; THENCE NORTH
77°40' EAST FOR A DISTANCE OF 183.78 FEET TO A POINT; THENCE SOUTH
25°40' EAST FOR A DISTANCE OF 201.70 FEET TO A POINT; THENCE NORTH
65°30' EAST FOR A DISTANCE OF 284.00 FEET TO A POINT; THENCE NORTH
24°30' WEST FOR A DISTANCE OF 223.28 FEET TO A POINT; THENCE SOUTH
89°30'00" WEST FOR A DISTANCE OF 90.85 FEET TO A POINT; THENCE
NORTH 24°30'00" WEST FOR A DISTANCE OF 75.00 FEET TO A POINT;
THENCE NORTH 65°30' EAST FOR A DISTANCE OF 88.00 FEET TO A POINT OF
CURVE, CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 500.00 FEET;
THENCE NORTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 216.08
FEET TO THE END OF SAID CURVE; THENCE NORTH 87°50'12" EAST FOR A
DISTANCE OF 661.73 FEET TO A POINT; THENCE SOUTH 56°40' EAST FOR A
DISTANCE OF 461.00 FEET TO A POINT; THENCE NORTH 38°00' WEST FOR A
DISTANCE OF 480.00 FEET TO A POINT; THENCE NORTH 48°00' WEST FOR A
DISTANCE OF 510.00 FEET TO A POINT; THENCE NORTH 40°11'41" EAST FOR
A DISTANCE 194.11 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF
THE LANDS DESCRIBED IN THE AFORESAID OFFICIAL RECORD BOOK NO. 408;
THENCE SOUTH 57°18'04" EAST ALONG SAID RIGHT-OF-WAY LINE FOR A
DISTANCE OF 706.82 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE
SOUTHWEST AND HAVING A RADIUS OF 250 FEET; THENCE SOUTHEASTERLY
ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC DISTANCE OF 177.76
FEET; THENCE SOUTH 16°33'39" EAST ALONG SAID RIGHT-OF-WAY LINE FOR
A DISTANCE OF 343.19 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO
THE SOUTHWEST AND HAVING A RADIUS OF 1477.88 FEET; THENCE
SOUTHEASTERLY ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC
DISTANCE OF 193.20 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF U. S.
HIGHWAY #1; THENCE SOUTH 80°54'38" WEST ALONG SAID RIGHT-OF-WAY
LINE FOR A DISTANCE OF 1165.43 FEET TO THE BEGINNING OF A CURVE,
CONCAVE TO THE SOUTHEAST AND HAVING A RADIUS OF 2964.93 FEET;
THENCE SOUTHWESTERLY ALONG SAID CURVED RIGHT-OF-WAY LINE FOR AN ARC
DISTANCE OF 514.57 FEET; THENCE SOUTH 70°58'03" WEST ALONG SAID
RIGHT-OF-WAY LINE FOR A DISTANCE OF 2681.10 FEET BACK TO THE POINT
OF BEGINNING:

LESS AND EXCEPT

THE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 66, AT PAGE 421 OF THE
SAID PUBLIC RECORDS. THE LANDS DESCRIBED IN OFFICIAL RECORD BOOK
G-52 AT PAGE 32 OF THE SAID PUBLIC RECORDS.

PARCEL B

DESCRIPTION OF DEVELOPMENT PROPERTY

LEGAL DESCRIPTION

BEING PART OF LAND ON STOCK ISLAND, MONROE COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT COORDINATES OF WHICH ARE X251,328.207 AND Y87,107.701 BASED ON THE UNITED STATES COAST AND GEODETIC SURVEY'S MERCATOR GRID COORDINATE SYSTEM WHICH HAS FOR ITS ZERO COORDINATES A POINT AT LATITUDE 24°20'00" NORTH AND 500,000.00 FEET WEST OF LONGITUDE 81°00'00" WEST, SAID POINT BEING THE INTERSECTION OF THE EASTERLY RIGHT-OF-WAY BOUNDARY LINE OF JUNIOR COLLEGE ROAD WITH THE NORTHERLY RIGHT-OF-WAY BOUNDARY LINE OF U. S. HIGHWAY #1 (STATE ROAD NO. 5) AT THE WESTERLY END OF JUNIOR COLLEGE ROAD AND RUN THENCE NORTH 70°58'03" EAST ALONG THE NORTHERLY RIGHT-OF-WAY OF U. S. HIGHWAY #1 A DISTANCE OF 21.39 FEET; THENCE NORTH 32°21'44" EAST A DISTANCE OF 704.35 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED;

THENCE NORTH 71°00' EAST FOR A DISTANCE OF 338.50 FEET TO A POINT; THENCE NORTH 21°15' EAST FOR A DISTANCE OF 370.00 FEET TO A POINT; THENCE NORTH 38°15' EAST FOR A DISTANCE OF 188.52 FEET TO A POINT; THENCE NORTH 25°00' EAST FOR A DISTANCE OF 165.30 FEET TO A POINT; THENCE NORTH 21°30' WEST FOR A DISTANCE OF 151.47 FEET TO A POINT; THENCE NORTH 00°20' EAST FOR A DISTANCE OF 284.00 FEET TO A POINT; THENCE NORTH 20°20' EAST FOR A DISTANCE OF 173.00 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTH;

THENCE NORTHERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 70.00 FEET A DISTANCE OF 150.88 FEET TO A POINT OF REVERSE CURVE CONCAVE NORTH EASTERLY;

THENCE SOUTH EASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 350.00 FEET A DISTANCE OF 189.99 FEET TO A POINT;

THENCE SOUTH 15°30' EAST A DISTANCE OF 545.60 FEET TO A POINT; THENCE SOUTH 25°00' WEST A DISTANCE OF 600.00 FEET TO A POINT; THENCE NORTH 59°00' EAST A DISTANCE OF 614.00 FEET TO A POINT; THENCE NORTH 74°00' EAST A DISTANCE OF 346.60 FEET TO A POINT; THENCE SOUTH 88°20' EAST A DISTANCE OF 239.25 FEET TO A POINT; THENCE NORTH 77°40' EAST A DISTANCE OF 183.78 FEET TO A POINT; THENCE SOUTH 25°40' EAST A DISTANCE OF 201.70 FEET TO A POINT; THENCE NORTH 65°30' EAST A DISTANCE OF 284.00 FEET TO A POINT; THENCE NORTH 24°30' WEST A DISTANCE OF 223.28 FEET TO A POINT; THENCE SOUTH 89°30' WEST A DISTANCE OF 90.85 FEET TO A POINT; THENCE NORTH 24°30' WEST A DISTANCE OF 75.00 FEET TO A POINT; THENCE NORTH 65°30' EAST A DISTANCE OF 88.00 FEET TO A POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 500.00 FEET A DISTANCE OF 216.08 FEET TO A POINT;

Schedule A -

PARCEL B. CONTINUED - DESCRIPTION OF DEVELOPMENT PROPERTY

THENCE NORTH 87°50'12" EAST A DISTANCE OF 661.73 FEET TO A POINT;
THENCE SOUTH 56°40' EAST A DISTANCE OF 461.00 FEET TO A POINT;
THENCE NORTH 38°00' WEST A DISTANCE OF 480.00 FEET TO A POINT;
THENCE NORTH 48°00' WEST A DISTANCE OF 510.00 FEET TO A POINT;
THENCE NORTH 40°11'41" EAST A DISTANCE OF 194.11 FEET TO A POINT ON
THE WEST RIGHT-OF-WAY LINE OF JUNIOR COLLEGE ROAD;
THENCE NORTH 57°18'04" WEST ALONG SAID RIGHT-OF-WAY LINE 46.57 FEET
TO A POINT OF CURVATURE OF A CURVE ON SAID RIGHT-OF-WAY LINE
CONCAVE TO THE SOUTH;
THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF
3769.72 FEET A DISTANCE OF 53.43 FEET TO A POINT;
THENCE SOUTH 22°15'23" WEST A DISTANCE OF 86.38 FEET TO A POINT;
THENCE NORTH 43°37' WEST A DISTANCE OF 208.02 FEET TO A POINT;
THENCE NORTH 81°00' WEST A DISTANCE OF 115.00 FEET TO A POINT;
THENCE SOUTH 26°10' WEST A DISTANCE OF 465.00 FEET TO A POINT;
THENCE NORTH 86°11'18" WEST A DISTANCE OF 238.37 FEET TO A POINT;
THENCE SOUTH 63°00' WEST A DISTANCE OF 202.50 FEET TO A POINT;
THENCE SOUTH 02°20' EAST A DISTANCE OF 77.00 FEET TO A POINT;
THENCE SOUTH 33°02'52" WEST A DISTANCE OF 273.48 FEET TO A POINT;
THENCE SOUTH 70°00' WEST A DISTANCE OF 140.00 FEET TO A POINT;
THENCE NORTH 34°15' WEST A DISTANCE OF 567.00 FEET TO A POINT;
THENCE NORTH 75°15' WEST A DISTANCE OF 655.58 FEET TO A POINT;
THENCE SOUTH 34°41'34" WEST A DISTANCE OF 405.85 FEET TO A POINT;
THENCE SOUTH 38°50' WEST A DISTANCE OF 251.36 FEET;
THENCE SOUTH 33°20' WEST A DISTANCE OF 573.00 FEET;
THENCE SOUTH 03°40'22" WEST FOR A DISTANCE OF 549.85 FEET BACK TO
THE POINT OF BEGINNING.

DESCRIPTION OF EASEMENTS

I. Drainage Easement. Club acknowledges that the development plans, including the infrastructure plans, for the Townhome Project are not completed and probably will not be completed until early 1995. Notwithstanding, in anticipation of Smith's acquisition of the Stock and control of Club, it is necessary to establish the intent of the Parties to specifically delineate easements to be granted by or consented to by Club, as the long-term tenant of the servient property, in favor of Developer, as the owner of the dominant property.

Proper drainage for water runoff and retention must be provided in order for Developer to construct the Townhome Project in accordance with its intended site plan and in order to comply with governmental rules and regulations as a precondition to the issuance of building permits for the construction of the 353 Townhome Units and related amenities. To the greatest extent possible, without requiring Club to modify the Golf Course layout with the exception of increasing the existing area of lakes and ponds and the creation of additional lakes or ponds, Club shall grant to Developer easements over, under and across the Golf Course Property for the purpose of constructing and maintaining drainage facilities permitting the drainage and/or retention of water from the Development Property to the lakes and ponds within the Golf Course Property.

All costs and expenses for the installation of the drainage facilities and repair of the Golf Course Property in connection therewith shall be the sole obligation of Developer.

II. Utility Easements. Similar to the need for the nonspecific grant of easement for drainage easements as stated above, a need for easements in favor of Developer for the installation of all required utility services for the Townhome Project is required from Club. To the greatest extent possible, without requiring Club to modify the Golf Course layout, Club shall grant to Developer subsurface easements under the Golf Course Property for the purpose of constructing and maintaining utilities lines and services, including without limitation, water, sewer, telephone, and electric, for the purpose of permitting the connection of utility services from the point of connection within the Development Property through the Golf Course Property to the point of connection with the provider of the utility services. Additionally, surface easements over the Golf Course Property for the purpose of constructing and maintaining utilities lines and services shall be granted to Developer by Club.

The foregoing easements-in-gross shall be substituted with specific easements at such time as the construction of the Townhome Project is completed and all utilities are in place and subject to specific designation.

All costs and expenses for the installation of the utility services and repair of the Golf Course Property in connection therewith shall be the sole obligation of Developer.

III. Signage. Developer shall have the right to use the existing free standing sign located along U.S. 1 for the purpose of advertising the Project. In addition, Developer shall have the right to erect three (3) additional signs for the purpose of advertising the Project, the only limitations for which shall be that said signs shall comply with all governmental regulations for such signage and that the signs shall include the following reference to the Golf Course in letters not smaller than the size of letters advertising the Project: "Key West Golf Course". In addition, Developer and Club shall include words mutually agreeable to them indicating that public use of the golf course is permitted.

EXHIBIT A

SITE PLAN DEPICTING LOCATIONS OF EASEMENTS

[Too large to record, a copy is on file with Developer and Club]