



**MANAGEMENT SERVICES AGREEMENT**

**Eagle Landing Golf Club and Amenity Facilities**

**THIS MANAGEMENT AGREEMENT** (the "Agreement") is made and entered into the 31<sup>st</sup> day of July, 2018 between **South Village Community Development District**, a local unit of special-purpose government organized pursuant to Chapter 190, Florida Statutes ("Owner") and **HONOURS GOLF COMPANY, LLC**, a Georgia limited liability company ("Manager").

## BACKGROUND

1. Owner has an 18-hole golf course, driving range, restaurant, and clubhouse known as the "Eagle Landing Golf Club", as well as an athletic center with tennis courts, swim park, café and cabana bar, kids club, boathouse, community playgrounds/parks, resident's center, and related facilities (including such other facilities as may be subsequently constructed or acquired by the Owner) located in Orange Park, Florida (collectively with the Eagle Landing Golf Club, "the Facilities").
2. Manager is engaged in the business of developing, marketing, maintaining and managing high-end golf and amenity facilities.
3. Owner desires to hire Manager under the terms and conditions set forth herein to manage and conduct the day-to-day business and services of the Facilities.
4. In the management of the Facilities, Manager agrees to be guided by the goals, purposes and policies of the Owner.

## AGREEMENT

For and in consideration of the mutual covenants contained herein and other valuable consideration, the parties agree as follows:

1. **APPOINTMENT OF MANAGER.** Owner hereby appoints and Manager hereby accepts the appointment as Executive Manager of the Facilities, subject to the provisions hereof.
2. **TERM; RENEWAL; TERMINATION RIGHT.**

2.1 **Initial Term.** The term of the Agreement shall be for three (3) full fiscal years (the "Initial Term") and shall commence on August 18, 2018 (the "Effective Date") and end on September 30, 2021. Unless written notice of cancellation is provided as set forth in Section 2.2, this Agreement shall automatically renew for two (2) successive three (3) year terms (the "Renewal Term"). All terms and conditions contained herein shall be effective during the Renewal Term(s). The Initial Term along with any Renewal Terms shall be referred to as the "Term".

2.2 **Renewal Terms.** Either party shall have the right, during the final year of the Initial Term or a Renewal Term, but not less than sixty (60) days prior to the expiration of the then-existing term, to terminate this Agreement at the expiration of the then-existing term without further liability to the other except as otherwise hereinafter provided, by providing written notice to the other party of their desire not to renew the Agreement at the expiration of the then-existing term.

### 3. OPERATION OF THE FACILITIES, MANAGER'S SERVICES, OWNER'S RESPONSIBILITIES.

3.1 **General.** Commencing with the Effective Date and continuing until the termination of this Agreement (which period is hereinafter referred to as the "Operating Period"), Manager shall have full authority and responsibility to conduct, supervise, and manage day-to-day operations of the Facilities. Manager shall not undertake any activities outside of the Scope of this Agreement unless such

activities are approved in writing by both Parties. In the absence of oral or written direction or written policies of Owner, Manager shall be expected to exercise reasonable judgment in its management activities in the best interests of the Facilities and in a manner comparable to similarly situated golf and amenity facilities located in the Jacksonville metropolitan area. Subject to the consultation and reasonable approval by Owner, Manager shall have the right to determine and implement the operating policy, standards of operation, quality of service and any other matters affecting customer relations or the efficient management and operation of the Facilities and shall have the authority to: (i) determine, establish, amend and implement the policies, standards and schedules for the management, operation and maintenance of the Facilities and all matters affecting customer relations; (ii) determine and implement standards for agronomic conditioning of the golf courses; (iii) recommend and implement all pricing (including rates and prices for dues, greens fees, rental fees and other similar fees and charges for usage at the Facilities); (iv) supervise and direct all phases of advertising, sales, and publicity for the Facilities; (v) establish accounting and payroll procedures and functions for the Facilities; (vi) receive, hold and disburse funds, and maintain bank accounts; (vii) supervise food and beverage services, including, without limitation, banquet services, menu prices and other guest charges; (viii) maintain all business licenses including liquor and seating license(s) required for the Facilities; (ix) procure inventories, supplies and services; and (x) assess and make recommendations with respect to technology requirements, as well as coordinate technology-related issues, either directly or through third party vendor relationships. All intellectual property (excluding patents), documents or data developed or compiled in the performance of this Agreement or in the Manager's operation, management or maintenance of the Facilities, and all records relating thereto, including, without limitation, all drawings, maps, schematics, specifications, reports, summaries, photographs, memoranda, notes, calculations, manuals, software, computer programs, and computer-based data regarding the Facilities or its membership, and other similar documents and information ("Work Product"), shall be deemed "works made for hire" and the sole and exclusive property of Owner. Manager hereby assigns to Owner all right, title, and interest it has or claims to have, if any, in any and all such Work Product and shall turn over to Owner all Work Product at the termination of this Agreement.

### 3.2 *Annual Budget and Annual Plan.*

(a) By May 1 of each year of the Term, Manager shall submit to Owner, for Owner's approval, a proposed annual plan and operating budget (the "Annual Plan and Budget" each a "Plan" or "Budget" respectively), which shall include goals, objectives, estimated revenues, operating expenses and capital expenditures for the Owner's upcoming fiscal year. The Annual Plan and Budget shall also include a scope of work that outlines the work that Manager is reasonably expected to perform in the upcoming year ("Scope of Work"). The Annual Plan and Budget shall describe the major management goals and intended actions for the ensuing year, in reasonable detail, so as to enable Owner to evaluate the intended conduct of the affairs of the Facilities during that period. Manager acknowledges that the Owner's fiscal year commences October 1<sup>st</sup> and terminates September 30<sup>th</sup>. Owner's approval of the Annual Plan and Budget shall not be unreasonably withheld, conditioned or delayed, and the Annual Plan and Budget shall be approved in conjunction with the adoption of the Owner's final budget prior to September 30<sup>th</sup> of each year of the Term. Owner approval of revisions and updates shall not be unreasonably withheld. Upon request of Owner, Manager shall provide Owner with the data and information utilized in preparing the Annual Plan and Budget or any revisions thereto. The initial Scope of Work and Annual Plan and Budget shall be provided to the District within sixty (60) days of the Effective Date.

(b) Manager shall not be deemed to have made any guarantee, warranty or representation whatsoever in connection with the Annual Plan and Budget, and Owner acknowledges that the Annual Plan and Budget and all expense estimates furnished pursuant to this Agreement are intended only to be reasonable estimates.

(c) Owner and Manager acknowledge and agree that it is necessary that Owner establish an appropriate rate structure and/or financing through other prudent means to provide sufficient funds for the maintenance and operation of the Facilities. Owner recognizes that it is impossible for Manager

to operate the Facilities properly without sufficient funds and that the proposed Annual Plan and Budget and any proposed subsequent modifications thereof, are necessary for such continuous, efficient operation of the Facilities. Therefore, if Owner disapproves of Manager's recommended Annual Plan and Budget, or if Owner disapproves of proposed subsequent modifications to the Annual Plan and Budget, or if Owner and Manager are unable to reach agreement as to the amount to be budgeted for operating expenses for any fiscal year, both parties herewith agree to exercise every reasonable effort to reach mutual agreement. In the event Owner and Manager still are unable to reach mutual agreement on the Annual Plan and Budget for operating expenses (not including Capital Items) prior to the commencement of the applicable fiscal year, the aggregate amount of operating expenses (not including Capital Items) reflected in the Annual Plan and Budget for the preceding fiscal year adjusted pursuant to Section 16.10 below, shall be the amount of expenses authorized as the Annual Plan and Budget for the new fiscal year, until such time as a new Annual Plan and Budget has been agreed upon by Owner and by Manager.

(d) Whether the Annual Plan and Budget for operating expenses is established by mutual agreement, or established in accordance with the provisions of the preceding paragraph (c), it shall be the responsibility of the Owner to provide sufficient funds for the operation of the Facilities in accordance with the level of expenditures set forth in the Annual Plan and Budget. In the event Owner shall fail to provide sufficient operating funds to fulfill the Annual Plan and Budget as established by the provisions herein, Manager may elect to terminate this Agreement under the provisions of Section 11.1 hereof, upon one hundred twenty (120) days written notice to Owner.

**3.3 Bank Accounts: Flow of Funds.** This Agreement contemplates that the flow of funds received and disbursed in connection with the operation of the Facilities shall be conducted through and controlled by a system of accounts established by agreement of Owner and Manager.

(a) Owner shall establish and/or maintain such bank or other deposit accounts as Owner and Manager shall mutually agree are necessary for the efficient operation of the Facilities and control of the flow of funds received and disbursed in connection with such operation, in its name at a bank(s) or other financial institution(s) mutually agreed upon by Owner and Manager. Owner's and Manager's designees (as approved by Owner) shall be the only parties authorized to draw upon such account. All revenues and receipts arising from operation of the Facilities shall be deposited into such accounts, and in no event shall such amounts deposited in any accounts established under this Agreement be co-mingled with any other funds of Manager or any third party. (These accounts shall hereinafter be referred to as the "Operating Accounts").

(b) Owner is required to maintain a balance within the Operating Accounts listed above for the normal operating cash needs of the Facilities (the "Minimum Funds Balance"). The Minimum Funds Balance shall be the greater of (i) the dollar amount of the Annual Budget for the month following the current month or (ii) Fifty Thousand Dollars (\$50,000). Upon Manager's notifying Owner of any current or pending deficit to the Minimum Funds Balance, Owner shall have five (5) days to deposit into the Operating Account(s) the funds necessary to cover such deficits and to restore the Minimum Funds Balance. If Owner does not fund the Minimum Funds Balance, Manager shall not be responsible to cover such operating expenses shortfalls.

### **3.4 Status of Manager and Staff**

(a) Owner shall continue to employ the existing manager(s) of the Facilities until the Effective Date. On the Effective Date, the Owner shall facilitate the transfer of the employees of the existing manager(s) of the Facilities to Manager's employment platform (the "Employee Transition Date"). Commencing on the Employee Transition Date, all persons hired by Manager to assist it in performing its duties and obligations set forth in this Agreement shall be direct employees of Manager. From and after the Effective Date, Manager shall hire, train, promote, discharge, and supervise the work of the executive staff and all employees of the Facilities. Prior to the Effective Date, Manager, as Owner's agent

and for and on behalf of Owner shall hire, train promote, discharge and supervise the work of the executive staff and all employees of the Facilities. Manager is responsible for the payment for all salary, payroll, overhead, employment taxes and benefits, in accordance with the Annual Plan and Budget approved by Owner, such payments to be payable every two weeks in accordance with payroll dates. Manager shall be entitled to make such reimbursement from the account(s) established pursuant to Section 3.3 and in the event that funds on deposit in such account(s) are insufficient, an unreasonable failure by Owner to make such reimbursement within thirty (30) days after being notified of such deficiency shall constitute an Event of Default hereunder.

(b) Manager shall be responsible for compliance with all laws, regulations and tax requirements relative to payroll and employment with all such expenses to be reimbursed by Owner per 3.4(a).

(c) Manager shall be an independent contractor and neither Manager nor its employees shall not be considered employees of Owner for any purposes, including, but not limited to, the application of the Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the State Revenue and Taxation Code relating to income tax withholding at the source of income, the Workers' Compensation Insurance Code, 401(k), any other employment-related benefits or payments and third party liability claims. Manager shall retain sole and absolute discretion in the manner, method and means of carrying out its activities and responsibilities under this Agreement. This Agreement shall not be considered or construed to be a partnership or joint venture, and Owner shall not be liable for any obligations incurred by Manager unless specifically authorized in writing or by the terms of this Agreement. Manager shall not act as an agent of Owner, ostensibly or otherwise, nor bind Owner in any manner, unless specifically authorized to do so in advance in writing or by the terms of this Agreement.

**3.5 Accounting.** With the approval of Owner, and within 30 days of the Effective Date of this agreement, Manager shall establish and supervise an appropriate accounting and cost control system to be maintained at Owner's expense. The staffing plan for the Facilities shall provide for an individual with administrative bookkeeping skills, who shall have responsibilities for maintaining on-site financial records, compiling data, processing receivables, payables and other similar duties and reporting to Manager. Charts of accounts and all accounting systems shall be maintained in accordance with ordinary accounting procedures and generally accepted accounting principles and reviewed with Owner as requested. Complete financial statements shall be furnished by Manager to Owner through the month of termination of this Agreement, as provided for in Section 5 below.

All accounting systems and software, procedures and manuals and related materials utilized by Manager in providing services shall be and remain the exclusive property of Owner.

Upon termination of this Agreement for any reason, all source documents, work papers, financial statements relating to past periods, and other supporting documents shall be and remain the property of Owner.

Any on-site equipment or systems purchased by Owner, such as cash registers or computers, also shall be and remain property of Owner. Upon termination of this Agreement and payment to Manager of all sums not in dispute and therefore due and owing to Manager by Owner, Manager shall transfer all policies and procedures manuals to Owner, which shall accurately reflect all the current policies and procedures, and Manager shall be relieved of any obligations to update said manuals thereafter. Owner recognizes the proprietary nature of such documents and agrees that they shall only be utilized in connection with the operation of the Facilities. Manager will also transfer to Owner all computer passwords, contracts, warranties, keys, account numbers and other items necessary for Owner to continue the uninterrupted operation of the Facilities.

**3.6 Fees and Charges.** Subject to the prior written approval of the Owner, Manager shall establish, maintain, revise and administer, the overall charge structure of the Facilities, including, without

limitation, membership fees, golf greens fees, golf car rental fees, golf club rentals, food or beverage charges of any kind, and the charge for any other services provided at the Facilities.

### 3.7 *Vendor Services.*

(a) Manager shall enter into contracts in the name of and at the expense of Owner for the furnishing to the Facilities of electricity, gas, water, telephone, catering service, cleaning services, vermin extermination services, Facilities maintenance, air conditioning maintenance, cable television service, and other necessary utilities or services, and purchase all materials and supplies in the name of, for the account of, and at the expense of Owner within the approved Annual Plan and Budget. All selection of vendors to the Facilities shall be made subject to Owner's reasonable right of final written approval. Manager shall not enter into contracts or arrangements with a term that exceeds one (1) year without the advance written approval of Owner.

(b) Manager has entered into, or may in the future enter into, various national accounts with certain key vendors who may provide goods and services to the Facilities at substantial discounts which discounts will be for the benefit of Owner. In connection with these contracts, Manager may also receive various rebates from the vendors based on Manager's and Manager's affiliates annual purchases for all clubs managed by Manager. Such rebates may be retained by Manager without credit or application to any amounts payable to Manager by Owner, provided however, the cost to Owner for such goods and services, must always be less than the amount that Owner could acquire the same goods and services or similar goods and services of substantially the same quality from such vendors for its own account. Owner shall have the right at any time during the term to opt out of Manager's procurement program by providing Manager at least thirty (30) days prior written notice of its intent to opt out of the program.

3.8 *Repairs and Maintenance.* In accordance with the Annual Plans and Budget or otherwise in accordance with this Agreement, Manager shall arrange for the making or installing, at Owner's expense and in the name of Owner, of such alterations, repairs, decorations, or replacements of furnishing or equipment to the Facilities in an amount up to \$10,000 without Owner's approval, as Manager or Owner deems reasonable or necessary. Additional alterations, repairs, decorations, or replacements of furnishing or equipment must be approved in advance in writing by Owner.

3.9 *Capital Expenditures.* Owner recognizes the necessity of improvement and replacement of facilities, the need to provide proper and adequate equipment for the maintenance and operation of the Facilities and to provide funds for ordinary capital improvement or replacement items (collectively the "Capital Items"). To the extent feasible, Owner agrees to expend such budgeted amounts for Capital Items as shall be required in the normal and ordinary course of operation of the Facilities, in order to operate the Facilities in accordance with Manager's recommended standards. To this purpose, Manager shall make recommendations to Owner regarding the need or desirability for Capital Items, including estimates as to the cost of proposed Capital Items, and, if approved in advance in writing by Owner, Manager shall supervise the installation or purchase of Capital Items, in accordance with such approval.

3.10 *Compliance with Laws.* Manager shall arrange at Owner's expense for compliance in all material respects to the extent practicable with any statutes, ordinances, laws, rules, regulations, orders and determinations affecting or issued in connection with the Facilities and, with the prior written consent of Owner, make arrangements for any alterations or repairs ordered or required thereby, if not included in the Annual Plan and Budget. Notwithstanding the foregoing, in case of any emergency or if the failure to comply promptly with any order or to cure any violation might expose Owner or Manager to the imminent danger of criminal liability, then in such event Manager shall cause such order or violation to be complied with or cured without awaiting Owner's written consent.

4. **COVENANTS.**

4.1 **Ownership of the Facilities.** Owner covenants and agrees that it has the right to permit Manager to perform its obligations as set forth in this Agreement.

4.2 **Covenants of Title.** Subject to litigation, Owner covenants during the term hereof that Manager shall and may peaceably and quietly operate the Facilities in accordance with the terms of this Agreement, free from molestation, eviction and disturbance by Owner.

4.3 **Owner's Responsibility for Expenses.** Notwithstanding that Manager is authorized to and shall disburse funds on behalf of Owner in connection with the operation of the Facilities, Owner will be solely responsible for costs and expenses of any kind associated with the Facilities and Manager shall have no liability or obligation with respect thereto, except to the extent they are not set forth in the approved Annual Plan and Budget or have not received prior approval of the Owner if exceeding \$10,000 annually.

4.4 **Litigation.** Manager covenants and agrees that Owner has the right to terminate this Agreement, subject to the conditions as set forth in Section 12, if the Owner loses title to, or control of, the Facilities, or is legally required or obligated to cease the operation of the Facilities or its facilities.

5. **STATEMENTS TO OWNER.**

5.1 **Monthly Financial Statements.** Manager shall deliver to the Owner a balance sheet, cash flow, and operating statement detailing all monthly income and expenses within twenty (20) days after month-end, along with a written summary of Manager's actions and results relative to the Annual Plan and Budget, as reasonably necessary to inform Owner of the status of the affairs of the Facilities.

5.2 **Annual Reports.** After the end of each of Owner's fiscal years, Manager shall deliver to Owner, and to any persons designated by Owner, a balance sheet of the Facilities as of the end of such year, a statement of income and expenses, and a statement of any changes in the financial position of the Facilities for such year in form satisfactory to Owner. This information shall be provided by Manager to Owner within sixty (60) days of the end of the Owner's fiscal year. The Owner may, at Owner's expense, request an audited or reviewed financial statement prepared by certified public accountants designated by Owner.

5.3 **Access to Books and Records.** Upon reasonable advance notice by Owner to Manager, Manager shall permit Owner, its accountants, attorneys and agents to examine and make copies of the books and records of the Facilities during normal business hours. If as a result of any such examination, it is discovered that Manager has misstated the Incentive Compensation payable hereunder, Manager or Owner, as the case may be, shall promptly pay to the other any sum shown to be payable by the other as a result of such examination

6. **MANAGEMENT PERSONNEL AND SUPERVISION.**

6.1 **General Manager.** Manager shall, during the term hereof, provide a qualified General Manager to supervise all operations of the Facilities and Manager's employees, and to serve as principal on-site representative responsible for carrying out Manager's duties and obligations under this Agreement.

6.2 **Director of Golf.** Manager shall, during the term hereof, provide either a qualified Director of Golf or Head Golf Professional to oversee the establishment and operations of all golf activities at the Facilities.

6.3 **Director of Agronomy.** Manager shall, during the term hereof, provide a qualified Director of Agronomy to establish and maintain turfcare conditions at the Facilities in keeping with the standards set forth by Manager and Owner.

6.4 **Other Personnel.** Manager shall provide such other qualified personnel as shall be deemed necessary for the successful operation and maintenance of the Facilities and the successful marketing and management of the golf program and other business activities at the Facilities, such as a Property Operations Manager, Property Amenity Manager, Food and Beverage Manager, Athletic Manager(s), Property Accountant and an Executive Chef, as long as such positions are deemed necessary at the Facilities. Owner shall approve the compensation of personnel through the Annual Plans and Budgets.

6.5 **Intentionally Omitted.**

6.6 **Reimbursement of Salaries and Payroll.** All employee salaries and associated payroll costs, once approved by Owner in the Annual Plan and Budget, shall be the Owner's responsibility and shall be fully reimbursed to Manager as an operating expense.

7. **MANAGER COMPENSATION.**

7.1 **Management Fee.**

(a) As compensation for the services to be rendered by Manager beginning on the Effective Date, Owner will pay Manager a monthly Base Management Fee equal to **FOURTEEN THOUSAND DOLLARS (\$14,000.00)** per calendar month, prorated for any partial calendar month. Payments are due on or before the 10<sup>th</sup> day of each calendar month.

(b) The Base Management Fee shall be increased for each fiscal year at the lesser of (i) three percent (3%) or (ii) the percentage increase, if any, in the Consumer Price Index for All Urban Consumers (1982 84=100) published by the United States Department of Labor, Bureau of Labor Statistics ("CPI") (or if such index is discontinued, such substitute comparable index as shall be designated by Honours, and approved by Owner, which approval shall not be unreasonably withheld).

7.2 **Incentive Compensation.** In addition to the Base Management Fee, commencing with the Owner's fiscal year starting on October 1, 2019 and each successive fiscal year of the Term, Owner shall pay to Manager incentive compensation for each such fiscal year equal to but not more than 12 (Twelve) % of the Base Fee for each such fiscal year based on metrics to be negotiated between Owner and Manager at least ninety (90) days prior to the start of the upcoming fiscal year.

7.3 **Reimbursement of Expenses.** It is intended by Owner and Manager that the Base Management Fees provided for in Section 7 be in addition to the Facilities' expected operating expenses as set forth in the Annual Plan and Budget. Owner further covenants and agrees to reimburse Manager for any and all reasonable travel, lodging, or other business expenses incurred by Manager in connection with the performance of Manager's obligations hereunder, as provided in the Annual Plan and Budget. Reimbursable expenses shall be paid only upon presentation of vouchers reflecting the name of the person or persons incurring the expense, the amount and date thereof and the purpose or purposes for the expenditure. The Annual Plan and Budget approved by the Owner shall include provisions for such expense reimbursement.

8. **INSURANCE.**

8.1 **Insurance Coverage.** Unless otherwise agreed in writing, the procurement and maintenance of property, commercial general liability and other insurance coverage for the Facilities throughout the Term (or at such other times during the Term as shall be appropriate depending upon the type of insurance required to be procured), shall be as set forth in Exhibit "A" attached hereto.



## 8.2 *Insurance Policies.*

(a) All insurance policies provided for under this Article 8 shall be issued by insurance companies that have sound financial strength and maintain a rating of A VIII in Am Best's Key rating guide, or equivalent.

(b) Subject to Article 8(2)(c) below, Manager and/or Owner shall procure and maintain, as an operating expense, the insurance policies covering the Facilities set forth on Exhibit "A". Such policies may be procured and maintained through Manager's comprehensive insurance program, provided the policies within such program otherwise comply with all of the requirements set forth in Exhibit "A". All insurance procured by Manager shall be written in the name of Manager with the Owner named as an additional insured thereon except for worker's compensation insurance and any other insurance with respect to which Manager shall procure based upon Manager employing the personnel at the Facility.

(c) Prior to the Effective Date, Owner shall provide Manager with all necessary information to enable Manager to procure the policies described on Exhibit "A". In the event Manager is unable to procure the policies described on Exhibit "A" for the Facilities on the Effective Date, Owner and Manager shall cooperate to accumulate all necessary information to enable Manager to procure such policies for the Facilities as soon as practicable after the Effective Date.

(d) Certificates of insurance shall be delivered to Owner on or before the Effective Date, or as soon thereafter as practicable, at the addresses shown in Article 15 below and all insurance policies shall be renewed (or replaced, as applicable) prior to their respective expiration dates.

(e) All such policies of insurance shall also be endorsed specifically to the effect that such policies shall not be canceled or materially changed without at least thirty (30) calendar days' prior written notice to Owner and Manager. Each policy shall provide that the insurer shall not have any rights of subrogation to any claim which either party hereto may have or may acquire against the other. Neither Owner nor Manager shall have any claim against the other with respect to the failure of any insurance carrier to provide the coverage or protection placed with such carrier as contemplated by this Agreement.

(f) Subject to Article 8.2(b) above, the cost of procuring and maintaining all required insurance policies required hereunder shall be paid by Owner. Provided, however, that Manager acknowledges and agrees that the difference in cost between an umbrella liability insurance policy for Ten Million Dollars (\$10,000,000) and Two Million Dollars (\$2,000,000), as evidenced by quotes from insurance companies, shall be applied as a credit to the District's last payment of a fiscal year.

(g) In connection with all significant construction at the Facilities, Owner shall cause the general contractor to maintain with a reputable insurer commercial general liability insurance (with products, completed operations and independent contractors coverage) in at least the amount of Five Million Dollars (\$5,000,000), with Owner and Manager being named thereon as additional insureds.

## 9. **TRADE NAMES.**

9.1 *Facilities Tradename.* During the Term, the Facilities shall be known by such tradename as may from time to time be determined by Owner (the "Facilities Tradename") and Owner grants to Manager a non-exclusive license to identify, market, and operate the Facilities under the Facilities Tradename, which license shall expire upon the termination or expiration of this Agreement. Manager acknowledges that the Facilities Tradename and the trademarks and/or service marks "Eagle Landing Golf Club" is and shall continue to be the sole property of Owner, together with any other names, service marks, trademarks, slogans, logos, designs or the like owned by Owner or created by Owner during the Term and are now or hereafter used in the ownership of the Facilities (collectively, "Owner Marks"). Manager shall not

acquire any right, title or interest of any kind or nature whatsoever in or to the Owner Marks or the goodwill associated therewith.

9.2 **Honours Tradename.** Owner acknowledges that the trademark and/or service mark "Honours Golf" is and shall continue to be the sole property of Manager, together with any other names, service marks, trademarks, slogans, logos, designs or the like owned by Manager or created by Manager during the Term and are now or hereafter used in the management and operation of the Facilities or any affiliated facilities (collectively, "Honours Marks"). Manager shall identify the Facilities as a golf Facilities managed and operated by Manager and shall use the Honours Marks in such locations at the Facilities as reasonably determined by Manager. Owner shall not contest Honour's unrestricted and exclusive ownership of the Honours Marks or its right to grant others licenses to use the Honours Marks and Owner shall not acquire any right, title or interest of any kind or nature whatsoever in or to the Honours Marks or the goodwill associated therewith.

10. **EVENTS OF DEFAULT.**

10.1 **Owner.** With respect to Owner it shall be an event of default ("Event of Default") hereunder, if any of the following shall occur other than as an outcome or result of the litigation (in which case any of the following shall be an event of termination rather than an event of default):

(a) If, upon sixty (60) days' notice Owner shall fail to make or cause to be made any payment to Manager required to be made hereunder;

(b) If Owner shall fail to keep, observe or perform any material agreement, term or provision of this Agreement to be kept, observed or performed by it, and such default shall continue for a period of sixty (60) days after written notice thereof has been provided by Manager to Owner. In the event Manager seeks to avail itself of the rights and obligations set forth herein, the written notice provided by Manager to Owner must expressly invoke the rights and obligations of this section by specific reference to this Section 10.1(b). Moreover, any notice by Manager to Owner shall clearly specify the nature of the alleged default. If the default is incapable of being cured within 60 days, this Agreement shall not terminate so long as Owner has commenced and is diligently pursuing a cure. Evidence of such cure and its diligent pursuit shall be provided from Owner to the reasonable satisfaction of Manager; or

(c) Owner's insolvency; or

(d) The filing by Owner in any court of a petition in bankruptcy, receivership, re-organization or for respite.

(e) If, through no fault of Manager the licenses (exclusive of liquor license) required for the operation of the Facilities are at any time suspended, terminated, or revoked, and such suspension, termination, or revocation shall continue unstayed and in effect for a period of sixty (60) days consecutively after notice of such suspension, termination or revocation has been communicated by Manager to Owner.

10.2 **Manager.** With respect to Manager, it shall be an Event of Default hereunder:

(a) If any of Managers' officers or agents are involved in the theft or embezzlement of personal property or money;

(b) If Manager shall fail to keep, observe or perform any of the material terms of this Agreement, or the material terms of the Scope of Work, and such default should continue for a period of thirty (30) days after written notice thereof has been provided to Manager by Owner. In the event Owner seeks to avail itself of the rights and obligations set forth herein, the written notice provided by Owner to

Manager must expressly invoke the rights and obligations of this section by specific reference to this Section 10.1(b). Moreover, any notice by Owner to Manager shall clearly specify the nature of the alleged default. If the default is incapable of being cured within 30 days, this Agreement shall not terminate so long as Manager has commenced and is diligently pursuing a cure. Evidence of such cure and its diligent pursuit shall be provided from Manager to the reasonable satisfaction of Owner; or

(c) Manager's insolvency; or

(d) The filing by Manager in any court of a petition in bankruptcy, receivership, re-organization or for respite; or

(e) If the Manager fails to satisfactorily fulfill the scope of services set forth herein on a continuing basis.

## 11. REMEDIES UPON DEFAULT.

11.1 *Remedies of Manager.* If any Event of Default by Owner shall occur or if Manager shall elect to terminate this Agreement under the provisions of Section 3.2(d) Manager may (in addition to any other remedy available to it in law or equity if such termination is on account of the occurrence of an Event of Default) forthwith terminate this Agreement, and remove from the Facilities all Manager employees. In such event, Manager shall be entitled to immediately receive payment of all accrued unpaid amounts due to Manager pursuant to the terms hereof with interest at ten percent (10%) per annum until paid, unless prohibited or limited under applicable law, in which event such charge(s) shall not exceed the amount collectible under such law, and neither party shall have further obligations whatever under this Agreement.

11.2 *Remedies of Owner.* If any Event of Default by Manager shall occur, Owner may, in addition to any other remedy available to it in law or equity on account of such Event of Default, forthwith terminate this Agreement. In the case of an Event of Default by Manager, Owner shall be entitled to require Manager to continue to perform its obligations pursuant to this Agreement for a period up to 90 days, during which time, Manager shall be entitled to all payments to which it is entitled pursuant to this Agreement. Further, in the Event of Default by Manager, Owner shall be entitled to receive payment of all unpaid amounts due to Owner pursuant to the terms hereof with interest at ten percent (10%) per annum until paid, unless prohibited or limited under applicable law, in which event such charge(s) shall not exceed the amount collectible under such law, and neither party shall have any further obligation whatever, under this Agreement, except pursuant to the indemnity provisions of Section 13.

11.3 *Attorney's Fees.* If either party hereto brings any action because of any Event of Default hereunder, the non-prevailing party agrees to pay all costs and reasonable attorney's fees incurred by the prevailing party in connection with such action.

11.4 *Rights Cumulative; No Waiver.* No right or remedy herein conferred upon or reserved to either party hereto is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter legally existing upon the occurrence of an Event of Default hereunder. The failure of either party hereto to insist any time upon the strict observance or performance of any of the provisions of this Agreement or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment thereof with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties hereof may be exercised from time to time and as often as may be deemed expedient by the parties hereto, as the case may be.

## 12. TERMINATION.

12.1 **Events of Termination.** It shall be an event of termination hereunder.

(a) If, as a result of litigation, Owner loses title to the Facilities, loses control over the Facilities, or is legally required or obligated to cease operating the Facilities;

(b) If the Facilities is rendered incapable of normal operation for a period of twelve (12) or more months in succession.

12.2 **Liquidated Damages.** Upon an event of termination as defined in Section 12, Owner shall notify Manager in writing that an Event of Termination has occurred, and upon said notification, Manager shall be required to remove all employees and vacate the premises within 14 days, and Manager shall be entitled to receive payment of liquidated damages as follows:

(a) Reimbursement for payroll expenses incurred and any and all other incurred expenses for which Manager normally would be entitled to reimbursement under this Agreement as of the date of notice of termination;

(b) Payment of any and all installments of the Base Management Fee due and payable as of the date of notice of termination;

(c) Payment of an amount equal to sixty (60) days compensation (salary and fringe benefits) for the General Manager, Director of Golf, and Director of Agronomy.

### 13. INDEMNIFICATION.

13.1 **By Manager.** The Manager agrees to indemnify, defend and hold harmless the Owner and its supervisors, members, managers, directors, officers, employees, attorneys, and agents, and their respective successors and assigns (collectively, the "Owner Indemnitees"), from and against any and all claims, liabilities, suits, causes of action, losses, damages, fines, penalties, liens, costs and expenses, including, without limitation, claims for personal injury, death, or property damage of any kind, and the reasonable fees and disbursements of counsel, consultants and other advisors incurred by any Owner Indemnitee (collectively, the "Losses"), related to or arising directly or indirectly out of or in connection with (a) the Manager's failure to conduct, supervise and manage the day-to-day operations of the Facilities, including, but not limited to the golf course, the clubhouse, and the related facilities, but excluding any activities conducted by Manager at the direction of Owner that are outside the scope of this Agreement, unless otherwise agreed to in writing by both parties; (b) matters arising from the gross negligence or willful misconduct of Owner; (c) the Manager's failure to perform, or the Manager's breach of, any other covenant, obligation or undertaking of the Manager set forth herein; or (d) any Owner Indemnitee defending any Third-Party Claim (as hereinafter defined) alleging the occurrence of facts or circumstances that, if true, would entitle any Owner Indemnitee to indemnification hereunder.

13.2 **By Owner.** The Owner agrees to indemnify, defend and hold harmless the Manager and its members, managers, directors, officers, employees, and agents, and their respective successors and assigns (collectively, the "Manager Indemnitees"), from and against any and all Losses related to or raising directly or indirectly out of or in connection with: (a) the Owner's failure to perform, or the Owner's breach of, any covenant, obligation or undertaking of the Owner set forth herein.

13.3 **General Procedures.** Any party seeking indemnification pursuant to this Section 13 (the "Indemnified Party") shall promptly provide written notice (a "Claim Certificate") to the other party hereto obligated to provide indemnification hereunder (the "Indemnifying Party") of any Loss or Losses giving rise to an indemnification claim hereunder, which Claim Certification shall state the basis for any anticipated liability, the nature of the Losses and, if then known by the Indemnified Party, any amount claimed in connection therewith. If the Indemnifying Party objects to the indemnification of an Indemnified

Party in respect of any claim or claims referenced in any Claim Certificate, the Indemnifying Party shall deliver a written notice to such effect to the Indemnified Party within ten (10) days after receipt by the Indemnifying Party of such Claim Certificate. Thereafter, the Indemnifying Party and the Indemnified Party shall attempt in good faith to agree upon the rights of the respective parties within thirty (30) days of receipt of such Claim Certificate with respect to each of such claims to which the Indemnifying Party has objected. If the Indemnified Party and the Indemnifying Party agree with respect to any of such claims, the Indemnified Party and the Indemnifying Party shall promptly prepare and sign a memorandum setting forth such agreement. Should the Indemnified Party and the Indemnifying Party fail to agree as to any particular item or items or amount or amounts, then the Indemnified Party shall be entitled to pursue any available remedies provided for hereunder for resolving its claim for indemnification.

#### 13.4 *Third-Party Claims.*

(a) **Notice of Losses.** Promptly after the assertion by any third party of any civil, criminal or other claim against any Indemnified Party (a "Third-Party Claim") that may result in a Loss for which such Indemnified Party would be entitled to indemnification hereunder, such Indemnified Party shall deliver to the Indemnifying Party a written notice describing in reasonable detail such Third-Party Claim; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party will relieve the Indemnifying Party of any liability or obligations hereunder, except to the extent that the Indemnifying Party has been materially prejudiced thereby, and then only to such extent.

(b) **Assumption of Defense.** The Indemnifying Party shall have the right to assume the defense of any such Third-Party Claim, provided, that the Indemnifying Party confirms that the matter giving rise to the Third-Party Claim is within the scope of the Indemnifying Party's indemnification obligations under this Agreement. If the Indemnifying Party assumes the defense of such Third-Party Claim, the Indemnifying Party shall at all times keep the Indemnified Party informed as to the progress of any Third Party Claim (including the delivery of all court papers filed in connection therewith) and, provided that the Indemnified Party is fully indemnified and held harmless with respect thereto, the Indemnifying Party shall have the authority to negotiate, compromise and settle such Third-Party Claim upon such terms and conditions as shall be mutually approved by the Indemnifying Party and the Indemnified Party. The Indemnified Party shall retain the right to employ its own counsel and to participate in the defense of any Third-Party Claim, the defense of which has been assumed by the Indemnifying Party pursuant hereto, but the Indemnified Party shall bear and shall be solely responsible for its own costs and expenses in connection with such participation.

(c) **Failure to Defend.** If the Indemnifying Party does not promptly assume the defense of a Third Party Claim or fails to pursue such Third Party Claim in a diligent manner, the Indemnified Party may assume the defense of and compromise and settle such Third Party Claim at the Indemnifying Party's expense. The Indemnifying Party shall cooperate in any such defense by the Indemnified Party.

13.5 **Method and Manner of Paying Claims; Set-Off.** Subject to the Indemnifying Party's right pursuant to Section 13.4 to defend, negotiate, compromise and settle a Third Party Claim, the amount of any Losses shall be paid by the Indemnifying Party forthwith on demand.

13.6 **Insurance.** To the extent permitted by the insurance policies procured and maintained pursuant to Section 8 hereof or otherwise, each Indemnified Party does hereby waive and release any and all claims which it may have against the Indemnifying Party for any and all Losses to the extent that (a) such Losses are covered by any such insurance policies and (b) the proceeds of said insurance policies are paid to the Indemnified Party to the extent of such Losses.

13.7 **Survival; Exclusive Remedies.** The provisions of this Section 13 shall indefinitely survive any expiration or termination of this Agreement as to claims ("Accrued Claims") based on

any event, condition, act or omission occurring during the term of this Agreement and as to Losses related to any such Accrued Claims. Except for remedies based upon fraud or equity, the remedies provided in this Section 13 constitute the sole and exclusive remedies for recovery against the Indemnifying Party based upon the failure of any Indemnifying Party to perform any covenant, agreement or undertaking required by the terms of this Agreement to be performed by such Indemnifying Party.

14. **NOTICES.** Any and all notices, consents, or directives by either party intended for the other shall be sent by registered or certified mail, return receipt requested, or by recognized overnight courier to the following address, unless either party shall have designated a different address by serving written notice of change of address on the other party by registered or certified mail.

Owner c/o Governmental Management Services  
475 West Town Place, Suite 114  
World Golf Village  
St. Augustine, Florida 32092  
Attn: Jim Oliver

With a copy to: Hopping Green & Sams, P.A.  
119 South Monroe Street, Suite 300  
Tallahassee, Florida 32301  
Attn: Katie S. Buchanan

Manager Honours Golf Company, LLC  
1960 Stonegate Drive  
Birmingham, Alabama 35242  
Attn: Robert B. Barrett

15. **ADDITIONAL TERMS.** The Owner and Manager agree that the terms set forth in Exhibit "B" attached hereto and incorporated herein are an integral part of the Agreement and are binding upon the Owner and the Manager as if set forth herein.

16. **MISCELLANEOUS.** The Owner and Manager agree as follows:

16.1 **Entire Agreement.** This Agreement sets forth the entire agreement of the parties hereto and cannot be changed or modified except by another agreement in writing signed by the party sought to be charged therewith or by its duly authorized agent.

16.2 **Non-Assignability.** This Agreement cannot be assigned, encumbered or subcontracted by either party without the prior written consent of the other party, which consent shall not unreasonably be withheld, provided, however, that Manager as an entity may without Owner's consent perform some of all of its obligations hereunder through its parent companies, their subsidiaries or affiliates, and Owner may, without Manager's consent perform some or all of obligations hereunder through subsidiaries or affiliates of owner, providing there is no adverse impact on the Facilities' Annual Plan and Budget or the Facilities' operations.

16.3 **Executed Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed an original.

16.4 **Captions.** The captions of various of the provisions of this Agreement are included for convenience only, and are in no way to be construed as part of this Agreement or as a limitation upon the scope of the particular provisions to which they refer.

16.5 **Successor and Assigns.** This Agreement and all the provisions hereof shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

16.6 **Governing Law and Venue.** This Agreement shall be governed and construed in accordance with the laws of the State of Florida. The parties hereto expressly and irrevocably consent to the jurisdiction of the Leon County, Florida Courts for the purpose of litigation or dispute resolution regarding enforcement of rights described in this Agreement.

16.7 **Severability.** If any of the provisions of this Agreement shall be construed to be illegal or invalid, such construction shall not affect the legality or validity of any of the other provisions hereof, and the illegal or invalid provisions hereof shall be deemed stricken and deleted from this Agreement to the same extent as if never incorporated herein, but all other provisions hereof shall remain in full force and effect.

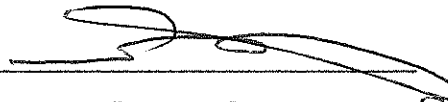
16.8 **No Third Party Beneficiaries.** It is the intention of the parties to this Agreement that no third party shall have the benefit of or any rights under any of the provisions hereof.

16.9 **Non-Recordable.** This Agreement shall not be recorded in any office or place of public record.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed on the day and year first above written.

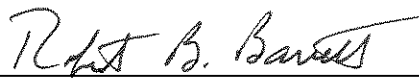
**OWNER:**

**SOUTH VILLAGE COMMUNITY  
DEVELOPMENT DISTRICT**

By:   
Name: GARY W. CROSS  
Title: Its Chairman/ Vice Chairman

**MANAGER:**

**HONOURS GOLF COMPANY, LLC,**  
*a Georgia limited liability company*

By:   
Robert B. Barrett  
Chief Executive Officer



## EXHIBIT "A"

### SCHEDULE OF REQUIRED INSURANCE

#### I. Property and Business Interruption Insurance.

A. Owner shall provide all risk property insurance for the full replacement value covering physical loss or damage to all buildings and improvements now existing or hereafter erected which constitute the Facilities, which shall include extended coverage against such perils of fire, lightning, windstorm, collapse, and sprinkler leakage. Such policy shall also provide (a) comprehensive boiler and machinery coverage, including pressure vessels, air tanks, boilers, machinery pressure piping, heating, air conditioning, and (b) earthquake coverage, if applicable and available at commercially reasonable rates in the region where the Facilities are located. Such policy shall also cover all equipment, fixtures, motors, machinery, furnishings and furniture installed and owned or leased by Owner and used in connection with the Facilities or with the buildings and improvements upon or above the Site, including all alterations, rebuilding, replacements and additions thereto (as hereinafter defined) at the option of Owner. If any insurer, or any governmental agency or authority having jurisdiction over the Facilities, shall at any time require that the foundations be insured in order to relieve the insured from the responsibility as a co-insurer or for any other purpose, the obligations with respect to insurance herein shall henceforth be increased to the extent so required.

B. Owner shall provide Business Interruption Insurance providing coverage in an amount equal to twelve (12) months of Net Operating Income at the Facilities, or such other amount as is mutually satisfactory to Manager and Owner.

#### II. Liability Insurance.

The Manager shall provide the following:

A. Commercial general liability insurance against claims for bodily injury, death, property damage and sexual abuse and molestation occurring on, in or about the Facilities; Employee Benefits Liability insurance with a combined single limit for each occurrence involving personal injury, death or property damage (including any loss of use resulting therefrom) in an amount not less than that generally provided with respect to the Facilities, but in no event shall the limits of such coverage be less than One Million Dollars (\$1,000,000) per location and per single occurrence and Two Million Dollars (\$2,000,000) in the aggregate per location. For the avoidance of doubt, this policy shall be a location based policy.

B. Liquor liability insurance having coverage terms at least as broad as those found in standard ISO forms. Such policy shall have an aggregate limit of at least One Million Dollars (\$1,000,000) per single occurrence and in the aggregate. Upon consent of the Owner, which shall not be unreasonably withheld, Manager shall be entitled, from time to time, to designate such higher limits. In the event that Manager, or Manager's Affiliate, holds the liquor license for the Facilities, Manager shall be the named insured (and Owner shall be an additional insured) with respect to the foregoing insurance coverage.

C. Automobile liability insurance on vehicles operated in conjunction with the Facilities against claims for damages on owned vehicles, non-owned vehicles, and uninsured motorist coverage (where required by statute), with a combined single limit for each occurrence involving personal injury, death or property damage (including any loss of use resulting therefrom) in an amount not less than that generally provided with respect to the Facilities, but in no event shall the limits of such coverage be less than One Million Dollars (\$1,000,000) per occurrence.

D. Umbrella liability insurance with limits of not less than Ten Million Dollars (\$10,000,000) per single occurrence and in the aggregate.

E. Pollution insurance policy (including, but not limited to Herbicide and Pesticide coverage) with a limit of not less than One Million Dollars (\$1,000,000) per single occurrence, including coverage for on-site and off-site clean up as well as third party coverage for on-site and off-site third party claims for bodily injury and property damage.

F. Privacy liability insurance covering employee and member/guest data at the Facilities with limits as determined by Manager and Owner. This coverage does not apply to computers at facilities not on the Manager network or networks managed by Manager.

III. Workers Compensation and Employer's Liability (provided that Manager employs the employees).

A. Workers' compensation and Employer's liability insurance as may be required under applicable laws covering all of Manager and its Affiliates' employees employed at the Facilities.

B. Comprehensive crime insurance covering Manager employee theft and dishonesty with a limit of at least One Million Dollars (\$1,000,000) per occurrence.

C. Employment practices liability insurance covering Manager employees with a limit of at least One Million Dollars (\$1,000,000) per occurrence.

## EXHIBIT "B"

### ADDITIONAL TERMS

#### I. Manager Performance.

A. Manager shall immediately notify the District Manager should it discover any issues or concerns that affect the public's health, safety and welfare, and shall immediately address and correct such concerns, specifically as such issues or concerns relate to Facilities involving licensing including but not limited to the restaurant, snack bar, cabana bar, and pool facilities and related inspections..

B. At all times during operation of the Facilities, Manager shall ensure responsible and proper staffing levels that meet the provisions of law and best practices.

C. Manager shall ensure at all times there is a manager assigned to on-call duty, including nights and weekends. The individual designated to be on-call or on-site for such after-hours time periods shall be communicated to on-site staff working during such time periods. There shall always be management oversight, availability and communication.

D. The General Manager shall attend the Board of Supervisors meetings, shall prepare a report and submit it to the District Manager at least eight days prior to the Board meeting, and shall include substantive updates and information as may be needed and/or requested by Owner.

E. In providing the services set forth herein, the Manager shall use approved and effective chemicals in strict compliance with all labeling provisions and state and federal environmental guidelines. Further, the Manager shall take any action necessary to promptly comply with any and all orders or requirements affecting the Facilities placed thereon by any governmental authority having jurisdiction. However, Manager shall not take any action under this paragraph if the Owner is contesting or has affirmed its intention to contest any such order or requirement. The Manager shall promptly and in no event within more than forty-eight (48) hours notify the Owner in writing of all such orders or requirements.

F. All purchases and dispositions made by the Manager will be in accordance with and subject to the Owner's procurement and purchasing policies, Rules of Procedure, and subject to all requirements for procurement and purchases imposed by Florida law.

G. All rates, fees, and charges proposed by the Manager must be adopted by the Owner in accordance with its Rules of Procedure and Chapter 190, Florida Statutes. The Manager agrees that it will not implement or modify any rate, fee or charge without meeting these requirements.

#### II. Modification or Termination of Services.

A. The Owner may elect to add additional services to this Agreement upon mutual agreement by the Owner and the Manager, as confirmed in a written addendum hereto.

#### III. Public Records.

Manager understands and agrees that all documents of any kind prepared in connection to or provided to the Owner in connection with this Agreement may be public records, and accordingly, Manager agrees to comply with all applicable provisions of Florida law in handling such records, including, but not limited to, section 119.0701, *Florida Statutes*. Manager acknowledges that the designated public records custodian for the Owner is Jim Oliver ("**Public Records Custodian**"). Among other requirements and to

the extent applicable by law, Manager shall 1) keep and maintain public records required by the Owner to perform the service; 2) upon request by the Public Records Custodian, provide the Owner with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes*; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the Term and following the contract term if Manager does not transfer the records to the Public Records Custodian of the Owner; and 4) upon completion of the contract, transfer to the Owner, at no cost, all public records in Manager's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by Manager, Manager shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the Owner in a format that is compatible with Microsoft Word or Adobe PDF formats.

**IF MANAGER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, *FLORIDA STATUTES*, TO MANAGER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE PUBLIC RECORDS CUSTODIAN AT 1-904-940-5850, JOLIVER@GMSNF.COM, OR 475 WEST TOWN PLACE, SUITE 114, ST. AUGUSTINE, FLORIDA 32092.**

IV. Limitations on Governmental Liability.

Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the Owner beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in section 768.28, *Florida Statutes*, or other statute or law, and nothing in this Agreement shall inure to the benefit of any third-party for the purpose of allowing any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.

Troon is in the process of obtaining quotes for property and liability and property insurance coverage. Troon will do all of the investigative work for Troon to hold premium on both. If it is cheaper, then Troon will do both. If liability is different, the Troon would cover the difference between the Troon coverage at \$10,000,000 and CDD coverage at \$1,000,000.

In no event it would cost CDD more money.