

SANTA ROSA ISLAND AUTHORITY
PENSACOLA BEACH, FLORIDA
SPECIAL BOARD MEETING
FEBRUARY 22, 2017
5:05 P.M.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. MOMENT OF MEDITATION
4. CHAIRMAN'S COMMENTS

Item # 1 – Approval of an amendment to the 4th Interim Agreement with Portofino.
(Report by Mike Stebbins)

Item # 2 – Approval of an amendment for the 8th Interim Agreement with Portofino.
(Report by Mike Stebbins)

Item # 3 – Approval of the loan agreement for Portofino Restrooms. (Report by
Mike Stebbins)

*******Special Meeting/ Private Attorney: Client meeting to discuss matters
relative to pending litigation in the case of Pensacola Beach, Inc.,
et. al. v. American Fidelity Life Insurance Company, et. al., Case
No. 2013-CA-002311 in the Circuit Court in and for Escambia
County, Florida*******

ADJOURN SPECIAL BOARD MEETING.

THOMAS CAMPANELLA, CHAIRMAN
JERRY WATSON, VICE CHAIRMAN
KAREN SINDEL, SECRETARY/TREASURER
JANICE GILLEY, ACTING SECRETARY/TREASURER
TAMMY BOHANNON, MEMBER
BRIGETTE BROOKS, MEMBER
PAOLO GHIO, EXECUTIVE DIRECTOR

(Please note that the Santa Rosa Island Authority does not make verbatim transcripts of its meetings, although the meetings are tape-recorded. Any person desiring a verbatim transcript of a meeting of the Santa Rosa Island Authority will need to independently secure such verbatim transcript.)

Amendment to Fourth Interim Agreement
(Palm Tree Planting – Phase 3)

This Amendment to Fourth Interim Agreement (Palm Tree Planting – Phase 3) is effective _____, 2017 between the Santa Rosa Island Authority ("Authority") and Gary Work as Trustee of the Pensacola Beach Land Trust ("Lessee").

WHEREAS the parties funded the landscaping along Fort Pickens Road between Via Deluna and Fort Pickens Gate Park, which landscaping included without limitation the planting of approximately 1000 palm trees ("Palm Tree Planting – Phase 3"); and,

WHEREAS the parties agreed to that certain Fourth Interim Agreement (Palm Tree Planting – Phase 3), which was effective December 11, 2014; and,

WHEREAS the parties desire to amend that certain Fourth Interim Agreement (Palm Tree Planting – Phase 3) to allow for up to an additional sixty dollars (\$60,000.00) of Island Improvement Funds, as defined herein, to be used for the purchase of a Palm Tree Trimming Lift, which shall be owned by the Authority, in addition to the two hundred thousand (\$200,000.00) dollars of Island Improvement Funds agreed upon for Palm Tree Planting – Phase 3 per the Fourth Interim Agreement (Palm Tree Planting – Phase 3); and,

WHEREAS the parties have amended that certain Development Lease Agreement entered into between the Authority and Portofino on June 30, 1997, in Official Record Book 5100 at Page 675 of the public records of Escambia County, Florida ("Lease") to allow for the use of island improvement funds under Section

IV D.2.(a) of the Lease ("Island Improvement Funds"). The First Amendment to Development Lease Agreement dated April 13, 2011 is recorded at Official Record Book 6711 at Page 96 of the public records of Escambia County, Florida ("Amendment To Lease"); and,

WHEREAS the Lease and the Amendment to Lease are incorporated herein by reference.

WHEREAS the parties desire to memorialize the terms of the funding for an additional sixty dollars (\$60,000.00) of Island Improvement Funds, to be used for the purchase of a Palm Tree Trimming Lift; and

WHEREAS the purchase, operation and maintenance of the Palm Tree Trimming Lift shall be the responsibility of Escambia County, Florida at Escambia County, Florida's sole expense shall be memorialized via an amendment to that certain Interlocal Agreement between Escambia County, Florida and the Authority dated October 12, 2012 ("Amendment to Interlocal Agreement between Escambia County, Florida and the Authority") subject to the execution of this Amendment to Fourth Interim Agreement (Palm Tree Planting – Phase 3); and,

WHEREAS the parties agree that the Lessee and the Authority will not have approval rights under this Amendment to Fourth Interim Agreement (Palm Tree Planting – Phase 3) with respect to Escambia County, Florida's purchase, operation and maintenance of the Palm Tree Trimming Lift except as provided in the Amendment to Interlocal Agreement between Escambia County, Florida and the Authority; and,

NOW, THEREFORE, for and in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree, covenant, consent, and approve as follows:

1. The recitals contained in the Preamble of this Amendment to Fourth Interim Agreement (Palm Tree Planting – Phase 3) are declared to be true and correct and are incorporated into this Amendment to Fourth Interim Agreement (Palm Tree Planting – Phase 3).
2. The Authority and the Lessee agree that the amounts to be withdrawn from the Island Improvement Funds, currently held by the Authority, shall be used for the purchase of a Palm Tree Trimming Lift.
3. The Authority and the Lessee agree that up to sixty thousand (\$60,000.00) dollars of the Island Improvement Funds currently held by the Authority shall be used only for professional fees and other costs relating to the purchase of the Palm Tree Trimming Lift.
4. The parties hereby agree that the Lessee and the Authority will not have approval rights under this Amendment to Fourth Interim Agreement (Palm Tree Planting – Phase 3) with respect to Escambia County, Florida's purchase, operation and maintenance of the Palm Tree Trimming Lift except as provided in the Amendment to Interlocal Agreement between Escambia County, Florida and the Authority; .
5. All costs incurred by the Authority and the Lessee, including the payment of each party's attorneys' fees, pursuant to this Amendment to

Fourth Interim Agreement (Palm Tree Planting – Phase 3) with respect to Escambia County, Florida's purchase of the Palm Tree Trimming Lift shall be paid exclusively from Island Improvement Funds accrued pursuant to Section IV D.2.(a) of the Lease and the Amendment to Lease. The Authority shall pay each request for payment directly to the payee designated within the written request for payment within twenty (20) days of written request for payment submitted to the Authority. Additionally, all attorney's fees and costs incurred by Robert Rinke, in the preparation of that certain Limited Recourse Loan Agreement dated _____ shall be paid exclusively from Island Improvement Funds accrued pursuant to Section IV D.2.(a) of the Lease and the Amendment to Lease; and, the Authority shall pay each request for payment directly to the payee designated within the written request for payment within twenty (20) days of written request for payment submitted to the Authority.

6. Any Island Improvement Funds for the purchase of the Palm Tree Trimming Lift shall reduce the total sums to which Lessee is entitled under Section IV D.2.(a) of the Lease and the Amendment to Lease.

7. When all of the terms of this Amendment to Fourth Interim Agreement (Palm Tree Planting - Phase 3) are performed, this Amendment to Fourth Interim Agreement (Palm Tree Planting - Phase 3) shall terminate unless otherwise agreed by the parties.

8. Entering into this Amendment to Fourth Interim Agreement (Palm Tree Planting - Phase 3) does not commit either party to any further

agreements or contracts relating to the Palm Tree Planting - Phase 3 including but not limited to funding of the purchase of the Palm Tree Trimming Lift beyond the funding, and the source of funding, agreed upon in paragraph 2 of this Amendment to Fourth Interim Agreement (Palm Tree Planting - Phase 3); nor is this Amendment to Fourth Interim Agreement (Palm Tree Planting - Phase 3) to be construed to amend the Lease or the Amendment to Lease in any way.

9. The parties agree that if the terms and conditions of this Amendment to Fourth Interim Agreement (Palm Tree Planting - Phase 3) are in dispute or require enforcement, then the prevailing party in any such dispute or enforcement action, administrative or judicial, shall be entitled to reimbursement of all reasonable attorneys' fees and costs relating to the dispute or enforcement action at trial and on appeal, including attorneys' fees and costs incurred establishing the amount of attorneys' fees and costs to which the party is entitled. Venue for such action shall be exclusively in state court in Escambia County, Florida.

10. The parties agree that this Amendment to Fourth Interim Agreement (Palm Tree Planting - Phase 3) may not be assigned without the mutual consent of both parties.

11. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent is in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach by the other party shall constitute a consent to, waiver of, or

excuse of any other different or subsequent breach.

Gary Work as Trustee of
The Pensacola Beach Land Trust

By:
Its:

ATTEST:

SANTA ROSA ISLAND AUTHORITY

Karen Sindel
Secretary/Treasurer

Thomas Campanella
Chairman

Amendment to Eighth Interim Agreement
(Design and Construction of a Gulfside Public Restroom Facility and New
Boardwalk With Observation Platform Across County Road 399 from the
Portofino Condominiums on Pensacola Beach)

This Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) is effective _____, 2017, between the Santa Rosa Island Authority ("Authority") and Gary Work as Trustee of the Pensacola Beach Land Trust ("Lessee").

WHEREAS the parties are engaged in negotiations for the Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach; and,

WHEREAS the parties agreed to that certain to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach), which was effective April 16, 2016; and,

WHEREAS the parties desire to amend that certain Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) to allow for up to an additional four hundred and fifty-one thousand and four hundred and thirty dollars (\$451,430.00) of Island Improvement Funds, as defined herein, to be used for the Design and

Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach in addition to the three hundred thousand (\$300,000.00) dollars of Island Improvement Funds agreed upon for the Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach per the Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach); and,

WHEREAS the parties have amended that certain Development Lease Agreement entered into between the Authority and Portofino on June 30, 1997, in Official Record Book 5100 at Page 675 of the public records of Escambia County, Florida ("Lease") to allow for the use of island improvement funds under Section IV D.2.(a) of the Lease ("Island Improvement Funds"). The First Amendment to Development Lease Agreement dated April 13, 2011 is recorded at Official Record Book 6711 at Page 96 of the public records of Escambia County, Florida ("Amendment To Lease"); and,

WHEREAS the Lease and the Amendment to Lease are incorporated herein by reference; and,

WHEREAS the parties desire to memorialize the terms of the Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach; and,

WHEREAS the actual Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach shall be accomplished by Escambia County, Florida via that certain Interlocal Agreement dated May 5, 2016 between the Authority and Escambia County, Florida ("Interlocal Agreement") and an amendment to Interlocal Agreement between Escambia County, Florida and the Authority subject to the execution of this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach); and,

WHEREAS the parties agree that the Lessee and the Authority will not have approval rights under this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) with respect to Escambia County, Florida's procurement of the Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach except as provided in the Interlocal Agreement an amendment to Interlocal Agreement between Escambia County, Florida and the Authority; and,

NOW, THEREFORE, for and in consideration of the premises and other good and valuable considerations, the receipt and sufficiency of which are hereby

acknowledged, the parties hereto hereby agree, covenant, consent, and approve as follows:

1. The recitals contained in the Preamble of this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) are declared to be true and correct and are incorporated into this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach).
2. The Authority and the Lessee agree that the amounts to be withdrawn from the Island Improvement Funds, currently held by the Authority, shall be used for the Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach.
3. The parties hereby agree that up to an additional four hundred and fifty-one thousand and four hundred and thirty dollars (\$451,430.00) of Island Improvement Funds, as defined herein, shall be used for the Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach in addition to the three hundred thousand (\$300,000.00) dollars of Island Improvement Funds agreed upon for the Design and Construction of a Gulfside Public Restroom Facility and

New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach per the Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach).

4. The parties hereby agree that the Lessee and the Authority will not have approval rights under this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) with respect to Escambia County, Florida's procurement of the Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach except as provided in this Interlocal Agreement and an amendment to Interlocal Agreement between Escambia County, Florida and the Authority.

5. All costs incurred by the Authority and the Lessee, including the payment of each party's attorneys' fees, pursuant to this Amendment Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) with respect to Escambia County, Florida's Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation

Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach shall be paid exclusively from Island Improvement Funds accrued pursuant to Section IV D.2.(a) of the Lease and the Amendment to Lease. The Authority shall pay each request for payment directly to the payee designated within the written request for payment within twenty (20) days of written request for payment submitted to the Authority. Additionally, all attorney's fees and costs incurred by Robert Rinke, in the preparation of that certain Limited Recourse Loan Agreement dated _____ shall be paid exclusively from Island Improvement Funds accrued pursuant to Section IV D.2.(a) of the Lease and the Amendment to Lease; and, the Authority shall pay each request for payment directly to the payee designated within the written request for payment within twenty (20) days of written request for payment submitted to the Authority.

6. Any Island Improvement Funds utilized for the Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach shall reduce the total sums to which Lessee is entitled under Section IV D.2.(a) of the Lease and the Amendment to Lease.

7. When all of the terms of this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) are performed, this

Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) shall terminate unless otherwise agreed by the parties.

8. Entering into this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) does not commit either party to any further agreements or contracts relating to the use of Island Improvement Funds beyond the funding and source of funding agreed upon in paragraph 3 this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach); nor is this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) to be construed to amend the Lease or the Amendment to Lease in any way.

9. The parties agree that if the terms and conditions of this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) are in dispute or require enforcement, then the prevailing party in any such

dispute or enforcement action, administrative or judicial, shall be entitled to reimbursement of all reasonable attorneys' fees and costs relating to the dispute or enforcement action at trial and on appeal, including attorneys' fees and costs incurred establishing the amount of attorneys' fees and costs to which the party is entitled. Venue for such action shall be exclusively in state courts of Escambia County, Florida.

10. The parties agree that this Amendment to Eighth Interim Agreement (Design and Construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform Across County Road 399 from the Portofino Condominiums on Pensacola Beach) may not be assigned without the mutual consent of both parties.

11. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent is in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach by the other party shall constitute a consent to, waiver of, or excuse of any other different or subsequent breach.

Gary Work as Trustee of
The Pensacola Beach Land Trust

By:
Its:

ATTEST:

SANTA ROSA ISLAND AUTHORITY

Karen Sindel
Secretary/Treasurer

Thomas Campanella
Chairman

LIMITED RECOURSE LOAN AGREEMENT

This Limited Recourse Loan Agreement (the "Agreement") is made and entered into this _____ day of _____, 2017 ("Effective Date"), by and between **SANTA ROSA ISLAND AUTHORITY** ("Authority"), **GARY WORK AS TRUSTEE OF THE PENSACOLA BEACH LAND TRUST** ("Lessee") and **ROBERT RINKE** ("Lender"), individually and collectively referred to hereinafter as the "Party" or "Parties".

WITNESSETH:

WHEREAS, Authority and Lessee have been engaged in ongoing efforts to complete the design and construction of a Gulfside Public Restroom Facility and New Boardwalk With Observation Platform across County Road 399 from the Portofino Condominiums of Pensacola Beach ("Facility Construction"); and,

WHEREAS, Authority and Lessee have been engaged in ongoing efforts to complete landscaping of certain portions of Pensacola Beach including, without limitation, the planting of palm trees ("Palm Tree Planting"); and,

WHEREAS, a Palm Tree Trimming Lift is essential to the Palm Tree Planting; and,

WHEREAS, Authority and Lessee have amended that certain Development Lease Agreement entered into between the Authority and Lessee on June 30, 1997 ("Master Lease") in Official Record Book 4180, Page 1985 of the public records of Escambia County to allow for the use of island improvement funds under Section IV D.2.(a) of the Master Lease ("Island Improvement Funds"). The First Amendment to the Master Lease, dated April 13, 2011, is recorded at Official Record Book 6711, Page 96 of the public records of Escambia County to include such projects as the Facility Construction and the Purchase of a Palm Tree Trimming Lift;

WHEREAS, Authority and Lessee have entered into certain prior agreements to facilitate both the Facility Construction (Eighth Interim Agreement), which is attached hereto as Exhibit "A" and the Palm Tree Planting (Second, Third and Fourth Interim Agreements), which are attached hereto as Exhibits "B", "C", and "D" respectively ; and,

WHEREAS the additional cost to complete the Facility Construction is no more than \$451,430.00; and,

WHEREAS the cost to purchase a Palm Tree Trimming Lift is no more than \$60,000.00; and,

WHEREAS the balance of the Island Improvement Fund, as defined herein, is \$201,340.00 before the deposit of the Loan Proceeds, as defined herein; so the Island Improvement Fund has insufficient funds to complete the Facility Construction and to purchase a Palm Tree Trimming Lift; and,

WHEREAS the Authority expects a refund of approximately fifty thousand dollars

(\$50,000.00) from Escambia County Florida relating to that certain Seventh Interim Agreement dated September 23, 2015 for the Construction of the Pensacola Beach East Gate Entry ("Refund"), which will be deposited in the Island Improvement Fund no later than February 28, 2017; and,

WHEREAS, additional funds of \$311,000.00 are needed in the Island Improvement Fund to fully fund the Facility Construction and to purchase a Palm Tree Trimming Lift; and,

WHEREAS, Lender agrees to loan funds of \$311,000.00 ("Loan Proceeds") to the Island Improvement Fund on the terms set forth below; and,

WHEREAS, the Parties find that acceptance and repayment of the Loan Proceeds from the Island Improvement Fund is a proper use of the Island Improvement Fund, as the acceptance and repayment of the Loan Proceeds provides for the improvements contemplated by the Island Improvement Fund, and does so at a faster pace than would otherwise be possible without the Loan Proceeds; and,

WHEREAS the Authority and the Lessee will need to amend the Eighth Interim Agreement and the Fourth Interim Agreement in order to disburse funds, including the Loan Proceeds, from the Island Improvement Fund for the Facility Construction and for Palm Tree Trimming Lift; and,

WHEREAS the Authority and Escambia County, Florida ("County") entered into that certain inter-local agreement for the Facility Construction on May 5, 2016 (attached hereto as Exhibit "E") ("IA1") and that certain interlocal agreement for the Palm Tree Planting on October 10, 2012 (attached hereto as Exhibit "F") ("IA2"); and,

WHEREAS the Authority will need to amend IA1 And IA2, subject to the amendments to the Eighth and Fourth Interim Agreements, to utilize funds from Island Improvement Fund for the Facility Construction and the purchase of the a Palm Tree Trimming Lift; and,

WHEREAS, the parties wish to memorialize the terms of the loaning of the Loan Proceeds to the Island Improvement Fund; and,

WHEREAS, the Authority approved this Agreement at its meeting on [DATE];

Now, therefore, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Recitals.** The recitals contained above are declared by the Parties to be true and correct and are incorporated into this Agreement.

2. **Use of Loan Proceeds.** The Authority and The Lessee agree the Loan Proceeds shall only be used for purposes of completing the Facility Construction, for providing a Palm Tree Trimming Lift, and for payment of the Parties' attorneys' fees and all costs incurred in the drafting and negotiation of this Agreement, the amendments to the Fourth and Eighth Interim Agreements, and the amendments to IA1 and IA2.

3. **Representations by Authority.** For purposes of inducing the Lender to loan the Loan

Proceeds, the Authority represents:

a). The Authority has used its best efforts in determining that the Loan Proceeds, the Refund and the balance of the Island Improvement Fund as of the date of this Agreement are sufficient to complete the Facility Construction, to purchase the Palm Tree Trimming Lift, and to payment of the Parties' attorneys' fees and all costs incurred in the drafting and negotiation of this Agreement, the amendments to the Fourth and Eighth Interim Agreements, and the amendments to IA1 and IA2;

b). Following payment of the Parties' attorneys' fees and all costs relating to the drafting and negotiation of this Agreement and the amendments to the Fourth and Eighth Interim Agreements, and the amendments to IA1 and IA2, the funding of Facility Construction shall be the first priority for the Loan Proceeds and the balance of the Island Improvement Fund as of the date of this Agreement.

4. Non-Recourse Obligation. Notwithstanding anything to the contrary stated herein, Lender agrees that for repayment of the Loan Proceeds, the Lender will look solely and exclusively to the Island Improvement Fund, and no other assets of the Authority shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies of Lender, or for any payment required to be made under this Agreement, including but not limited to Litigation Attorney's Fees and Costs under Section 13 herein.

5. Time for Repayment. Time is of the essence in repayment of the Loan Proceeds. The Authority and the Lessee agree Lender shall be repaid the Loan Proceeds in full no later than August 1, 2018 subject to the availability of funds in the Island Improvement Fund. The Lender further understands that disbursement of funds from the Island Improvement Fund is subject to the mutual agreement of the Authority and the Lessee; therefore, the Lender agrees to fully release the Authority for any damages resulting from the Lessee's failure to timely execute the necessary documents for disbursement of funds from the Island Improvement Fund to repay the Lender the Loan Proceeds. Repayment shall be made as follows: (1) the Authority and the Lessee agree to timely execute the necessary documents to authorize the Authority to disburse no later than August 1, 2017 to the Lender all amounts not to exceed the amount of the Loan Proceeds that have accrued in the Island Improvement Fund as of July 31, 2017; (2) if the amounts accrued in the Island Improvement Fund as of July 31, 2017 are not sufficient to repay to the Lender the unpaid balance Loan Proceeds, the Authority and the Lessee agree to timely execute the necessary documents to authorize the Authority to disburse no later than August 1, 2018 to the Lender all amounts not to exceed the unpaid balance of the Loan Proceeds that have accrued in the Island Improvement Fund as of July 31, 2018; and (3) if the amounts accrued in the Island Improvement Fund as of July 31, 2018 are not sufficient to repay to the Lender the unpaid balance of the Loan Proceeds, the Authority and the Lessee agree to timely execute the necessary documents to authorize the Authority to disburse to the Lender all amounts not to exceed the unpaid balance of the Loan Proceeds within thirty days (30) of the receipt of funds in the Island Improvement Fund at any time funds are received and deposited into the Island Improvement Fund until such time as the Loan Proceeds are paid in full.

6. No Diversion of Funds. The Authority and the Lessee agree that no funds in the Island Improvement Funds, including but not limited to the Loan Proceeds, will be diverted or used for

any purpose other than those expressly permitted by this Agreement until the Loan Proceeds have been repaid in full. The Lender shall be provided, within a reasonable amount of time, a written accounting of the Island Improvement Fund upon request to the Authority. The Authority and the Lessee agree they shall continue to fund the Island Improvements Funds as required by the Lease and all amendments thereto.

7. **Interest:** No interest shall accrue on the Loan Proceeds at any time.

8. **Closing Date.** The closing date for the Loan Proceeds shall be _____, at a reasonable location in Pensacola, Florida, as selected by the Lender. The Loan Proceeds shall be deposited into the Island Improvement Fund on the closing date. The terms of this Agreement shall not take effect until the Loan Proceeds are deposited into the Island Improvement Fund.

9. **Time for Payment of Attorneys' Fees and Costs.** Upon submission by a party or a party's attorney of an itemized invoice for payment of attorneys' fees and costs to the Authority, the Authority shall pay said request in full within twenty (20) days of receipt of the itemized invoice either directly to the party or to the party's counsel as requested.

10. **Default.** If payment is not made as set forth herein, or if any other material provision of this Agreement is breached by the Authority or the Lessee, and is not cured upon ten (10) business days' written notice of the nonpayment or breach to the Authority and the Lessee ("Default"), then the Lender shall be entitled to immediate repayment of the full balance owed subject to the availability of funds in the Island Improvement Fund. However, if Authority can provide evidence that the inability to repay the Loan Proceeds is solely a result of the lack of funds in the Island Improvement Funds or the Lessee's failure to timely execute the necessary documents for disbursement of Funds from the Island Improvement Fund for the repayment of the Loan Proceeds in spite of its best efforts and compliance with this Loan Agreement, Lender shall not be entitled to immediate repayment, but shall only be entitled to repayment of any remaining amounts owed as funds are received into the Island Improvement Fund pursuant to Section 4 herein. In the event of a Default, the Authority shall provide the Lender with a written monthly accounting of available funds in the Island Improvement Fund from the date of Default until the cure of the Default or the repayment of the Loan Proceeds, whichever occurs first.

11. **Execution of Additional Documents.** Authority, Lender and Lessee agree to acknowledge and deliver all and every such further acts, instruments, and documents required for the purpose of carrying out the intention or facilitating the performance of the terms of this Agreement.

12. **Venue.** The sole and exclusive venue for any dispute arising from or relating to this Agreement shall be the state courts of Escambia County, Florida and no other.

13. **Litigation Attorneys' Fees and Costs.** In the event of any litigation between the Parties arising from or relating to this Agreement, the prevailing party shall be entitled to recovery of its fees and costs including, without limitation, all fees and costs incurred in establishing entitlement to and amount of fees and costs solely. Payment of fees and costs shall be from the Island Improvement Fund.

14. **WAIVER OF JURY TRIAL.** THE PARTIES AGREE THEY SHALL NOT SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, CROSS-CLAIM OR OTHER ACTION OR PROCEEDING ARISING FROM OR RELATED TO THIS AGREEMENT.

15. **Successors and Assigns Included in Parties.** Whenever in this Agreement a Party is referenced, the heirs, executors, legal representatives, successors, successors-in-title and assigns of such party shall be included, and all covenants and agreements contained in this Agreement by or on behalf of Authority or Lessee or by or on behalf of Lender shall bind and inure to the benefit of their respective heirs, executors, legal representatives, successors, successors-in-title and assigns, whether so expressed or not.

16. **Notices.** Any notices or disclosures made under this Agreement shall be in writing and shall be delivered personally, or by registered or certified mail, return receipt requested, postage prepaid, or by Federal Express or other nationally recognized overnight commercial delivery service, fees prepaid for next day delivery. The address for delivery of such notices shall be as follows (unless modified by such party in writing):

A. The address of Lender is:
Robert Rinke
10 Portofino Dr.
Pensacola Beach, FL 32561

with copies to:
McDonald Fleming Moorhead
719 S. Palafox Street
Pensacola, FL 32502
Attn: Todd Harris, Esq.

B. The address of Authority is:
Santa Rosa Island Authority
10 Portofino Dr.
Pensacola Beach, FL 32561
Attn: Paolo Ghio

with copies to:
Michael J. Stebbins, Esquire
504 North Baylen Street
Pensacola, FL 32501

C. The address of the Lessee is:
Gary Work, as Trustee of the
Pensacola Beach Land Trust
P.O. Box 460
Gulf Breeze, FL 32562-0460

17. **Assignment.** No Party shall assign this Agreement without the express written consent of the other Parties.

18. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties on the subject of this Agreement, and, except as provided for herein, all prior or contemporaneous oral or written agreements or representations of any nature with reference to the subject matter of this Agreement are canceled and superseded by the provisions of this Agreement.

19. **Non-Waiver.** No provision in this Agreement may be waived, except pursuant to a writing executed by the Party against whom the waiver is sought to be enforced.

20. **Amendment.** No modifications or amendments to this Agreement will be permitted without prior approval of all Parties. Any and all modifications or amendments must be in writing and executed by all parties.

21. **Severability.** In the event that one or more of the provisions of this Agreement shall for any reason be held to be illegal or unenforceable, this Agreement shall be revised only to the extent necessary to make such remaining provision(s) of the Agreement legal and enforceable.

[Signatures on Next Page]

IN WITNESS WHEREOF, Borrower has caused this instrument to be executed in its name by its undersigned duly authorized managers and members as of the Effective Date.

ATTEST

SANTA ROSA ISLAND AUTHORITY

Print Name: Karen Sindel
Secretary Treasurer

By: Thomas A. Campanella
Chairman

Print Name: _____

**STATE OF FLORIDA
COUNTY OF ESCAMBIA**

The foregoing instrument was acknowledged before me this _____ day of _____, 2017 by _____, as Chairman and Secretary Treasurer of the Santa Rosa Island Authority.

NOTARY PUBLIC
Print Name

Personally known to me _____
or
Produced identification _____

Type: _____

[Signatures on the next page]

Signed, sealed and delivered
in the presence of:

ROBERT RINKE

Print Name: _____

Robert Rinke

Print Name: _____

**STATE OF FLORIDA
COUNTY OF ESCAMBIA**

The foregoing instrument was acknowledged before me this _____ day of _____,
2017 by Robert Rinke

NOTARY PUBLIC
Print Name: _____

Personally known to me _____
or
Produced identification _____
Type: _____

[Signatures on the next page]

Signed, sealed and delivered
in the presence of:

GARY WORK as TRUSTEE of the
PENSACOLA BEACH LAND TRUST

Print Name: _____

Print Name: _____

By: _____
Gary Work, as Trustee

**STATE OF FLORIDA
COUNTY OF ESCAMBIA**

The foregoing instrument was acknowledged before me this _____ day of _____,
2017 by Gary Work as Trustee of the Pensacola Beach Land Trust

NOTARY PUBLIC
Print Name

Personally known to me _____
or
Produced identification _____
Type: _____