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MONROE COUNTY DANNY L. KOLHAGE

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Prepared by and Return to:
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Doc# 1742963
Bk# 2413 Pg# 1504

Mortgage and Security Agreement

THIS MORTGAGE, made this 30th day of April, 2009, between Southernmost Cabana Resort, LLC, a Florida limited liability company, with an address at 1421 1st Street, Key West, Florida 33040 (hereinafter called the "MORTGAGOR"), and Archdiocese of Miami, Inc., a Florida not for profit corporation, with an address at 9401 Biscayne Boulevard, Department of Temporalities, Miami Shores, Florida (hereinafter called the "MORTGAGEE").

WITNESSETH:

WHEREAS, MORTGAGOR is justly indebted to MORTGAGEE in the principal sum of One Million Nine Hundred Twenty Thousand and No/100 Dollars (\$1,920,000.00) as evidenced by a certain promissory note ("NOTE") of even date herewith, executed by MORTGAGOR and delivered to MORTGAGEE, payable according to the terms therein provided, and by reference being made a part hereof to the same extent as though set out in full herein;

NOW THIS INDENTURE WITNESSETH, to secure the performance and observance of all the covenants and conditions in the NOTE, and this Mortgage, and in order to charge the properties, interest and rights hereinafter described with such payment, performance and observance, and for and in consideration of the sum of ONE DOLLAR (\$1.00) paid by the MORTGAGEE to the MORTGAGOR on or before the delivery of this Mortgage, and for other valuable considerations, the receipt of which is hereby acknowledged, the MORTGAGOR does hereby grant, bargain, sell alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto the MORTGAGEE, its successors and assigns forever:

THE MORTGAGED PROPERTY

ALL that certain piece, parcel of tract of land in which the MORTGAGOR has a fee simple interest situate in the County of Monroe and State of Florida (hereinafter called the "LAND"), more particularly described to wit:

See Exhibit "A" attached hereto and made a part hereof.

TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the LAND, and all fixtures, machinery and equipment necessary for the use, operation and maintenance of the buildings on the LAND now or hereafter owned by MORTGAGOR and located in, on used or intended to be used in connection with or with the operation of the LAND, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing; and all of the right, title and interest of

the MORTGAGOR in any of the foregoing described fixtures, machinery or equipment subject to a conditional sales contract, chattel mortgage or similar lien or claim together (if any) with the benefit of any deposits or payments now or hereafter made by the MORTGAGOR or on his behalf;

TOGETHER WITH all easements, rights of way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, and all estates, rights, titles, interest, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging relating or appertaining to any of the property hereinabove described, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by MORTGAGOR, and the reversion and reversions, remainder and remainders, rents, issues, profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of MORTGAGOR of, in and to the same, including but not limited to all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the MORTGAGED PROPERTY or any part thereof under the power of eminent domain, the alteration of the grade of any street, or for any damage (whether caused by such taking or otherwise to the MORTGAGED PROPERTY) or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the MORTGAGED PROPERTY or any part thereof;

TOGETHER WITH all rents, royalties, issues, profits, revenue, income and other benefits from the MORTGAGED PROPERTY to be applied against the indebtedness secured hereby, provided, however, that permission is hereby given to MORTGAGOR so long as no default has occurred hereunder to collect, receive, take, use and enjoy such rents, royalties, issues, profits, revenue, income, licenses, foreclosures, concessions and other benefits as they become due and payable, but not in advance thereof. The foregoing assignment shall be fully operative without any further action on the part of either party and specifically MORTGAGEE shall be entitled, at its option, upon the occurrence of a default hereunder, to all rents, royalties, issues, profits, revenue, income and other benefits from the MORTGAGED PROPERTY, whether or not MORTGAGEE takes possession of the MORTGAGED PROPERTY. Upon any such notice of default hereunder, if required, the permission hereby given to MORTGAGOR to collect such rents, royalties, issues, profits, revenue, income and other benefits from the MORTGAGED PROPERTY shall terminate and such permission shall not be reinstated upon a cure of the default without MORTGAGEE's specific consent. Exercise of rights under this paragraph, and the application of any such rents, royalties, issues, profits, revenue, income or other benefits to such indebtedness, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant hereto, but shall be cumulative and in addition to all other rights and remedies of MORTGAGEE; TOGETHER WITH all right, title and interest of MORTGAGOR in and to any and all leases now or hereafter on or affecting the MORTGAGED PROPERTY, together with all security therefore and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to MORTGAGOR to collect the rentals under such lease. The foregoing assignment of any lease shall not be deemed to impose upon MORTGAGEE any of the obligations or duties of MORTGAGOR provided in any such lease, and MORTGAGOR agrees to fully perform all obligations of the lessor under all such leases. Upon MORTGAGEE's request, MORTGAGOR agrees to send to MORTGAGEE a list of all leases covered by the foregoing assignment and as any such lease shall expire or terminate or as any new lease shall be made, MORTGAGOR shall so notify MORTGAGEE in order that at all times MORTGAGEE shall have a current list of all leases affecting the MORTGAGED PROPERTY. MORTGAGEE shall have the right, at any time and from time to time, to notify any lessee of the rights of MORTGAGEE as provided by this paragraph. From time to time, upon request of MORTGAGEE, MORTGAGOR shall specifically assign to MORTGAGEE as additional security hereunder, by an assignment in writing in form approved by MORTGAGEE, all right, title and interest of MORTGAGOR in and to any and all leases now or hereafter on or affecting the MORTGAGED PROPERTY, together with all security therefore and all monies payable thereunder, subject to the conditional permission hereinabove given to MORTGAGOR to collect

the rentals under any such lease. MORTGAGOR shall also execute and deliver to MORTGAGEE any notification, financing statement, or other document reasonably required by MORTGAGEE to perfect the foregoing assignment as to any such lease;

This Instrument constitutes an absolute and present assignment of the rents, royalties, issues, profits, revenue, income and other benefits from the MORTGAGED PROPERTY, subject, however, to the conditional permission given to the MORTGAGOR to collect, receive, take, use and enjoy the same as provided hereinabove; provided, further, that the existence or exercise of such right of MORTGAGOR shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by MORTGAGOR, and any such subsequent assignment by MORTGAGOR shall be subject to the rights of MORTGAGEE hereunder;

TOGETHER WITH a security interest in (i) all property, equipment and fixtures affixed to or located on the MORTGAGED PROPERTY necessary for the use, operation and maintenance of the LAND, which, to the fullest extent permitted by law, shall be deeded fixtures and a part of the real property, (ii) all articles of personal property and all materials delivered to the MORTGAGED PROPERTY for the use, maintenance and operation of any building on the LAND or for use in any construction being conducted thereon, and owned by MORTGAGOR; (iii) and all contract rights, including but not limited to leases, construction contracts, service contracts, advertising contracts, purchase orders, equipment leases, all other contract rights associated with the MORTGAGED PROPERTY, general intangibles, actions and right of action, all deposits, prepaid expenses, permits, licenses, including all rights to insurance proceeds and accounts receivables, (iv) all right, title and interest of the MORTGAGOR in all trade names hereinafter used in connection with the use of the MORTGAGED PROPERTY, and (v) all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing. MORTGAGOR (Debtor) hereby grants to MORTGAGEE (Creditor) a security interest in all fixtures, rights in action and personal property described herein. This Mortgage is a self-operative security agreement with respect to such property, but MORTGAGOR agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as MORTGAGEE may request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. MORTGAGEE shall have all of the rights and remedies in addition to those specified herein of secured party under the Uniform Commercial Code; which LAND, together with any and all of the aforescribed additional property and rights, now or hereafter acquired by MORTGAGOR, shall sometimes hereinafter be referred to as the "MORTGAGED PROPERTY."

TO HAVE AND TO HOLD the MORTGAGED PROPERTY and all parts thereof unto the MORTGAGEE, its successors and assigns to its own proper uses and benefit forever, subject, however, to the terms and conditions herein;

PROVIDED, HOWEVER, that these presents are upon the condition that, if MORTGAGOR shall pay or cause to be paid to the MORTGAGEE the principal and interest payable in respect to the NOTE, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by the MORTGAGOR, and if MORTGAGOR shall keep, perform and observe all and singular the covenants and promises in the NOTE, and any renewal, extension or modification thereof, all without fraud or delay, then this Mortgage, and all the properties, interest and rights hereby granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, delivered, set over, warranted and confirmed, shall cease, terminate and be void, but shall otherwise remain in full force and effect.

AND, MORTGAGOR covenants and agrees with MORTGAGEE as follows:

ARTICLE ONE
PARTICULAR COVENANTS OF MORTGAGOR

1.01 Performance of Note. The MORTGAGOR recognizes and agrees that this Mortgage secures the NOTE and the payment and performance thereof.

1.02 Warranty of Title. The MORTGAGOR covenants that it is indefeasibly seized of the LAND in fee simple, has good and absolute title to all existing personal property hereby mortgaged and has full power and lawful right to convey and mortgage the same in the manner and form aforesaid. That the MORTGAGED PROPERTY is free from all encumbrances except taxes for the current year and easements, restrictions and agreements of record. The MORTGAGOR hereby makes further assurance to perfect fee simple title to the LAND in the MORTGAGEE as may reasonably be required. The MORTGAGOR does hereby fully warrant the title to the MORTGAGED PROPERTY against the lawful claims of all persons whomsoever.

1.03 Taxes, Liens and Utility Charges.

1.03.1 The MORTGAGOR covenants and agrees to deliver to the MORTGAGEE, on or before April 1, tax receipts evidencing the payment of all lawfully imposed taxes upon the MORTGAGED PROPERTY for the immediately preceding calendar year evidencing payment in the month of November; to deliver to the MORTGAGEE receipts evidencing the payment of all liens, levies and assessments for public improvements within thirty (30) days after same shall become due and payable; and to payor discharge within thirty (30) days after the due date, any and all governmental levies that may be made on the MORTGAGED PROPERTY, on this Mortgage or the NOTE or in any other way resulting from the mortgage indebtedness secured by this Mortgage. MORTGAGOR shall have the right to contest the payment of ad valorem real property taxes pursuant to and in accordance with applicable state and local law. MORTGAGOR agrees to supply proof of such contest to the MORTGAGEE on or before April 1 of each year.

1.03.2 The MORTGAGOR shall not permit any mechanics', laborers', statutory or other lien to be created or to remain outstanding upon any of the MORTGAGED PROPERTY and shall cause same to be released and discharged, or transferred to bond as permitted by law, on demand or as provided for in any collateral loan agreement pertaining thereto.

1.03.3 In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting taxes so as to adversely affect the MORTGAGEE, at the option of the MORTGAGEE, the entire balance of the principal sum secured by this Mortgage and all interest accrued thereon shall without notice become Immediately due and payable unless the MORTGAGOR shall and does in a proper and legal manner pay any and all sums of whatever kind which may be incurred or charged under such new or modified laws.

1.03.4 The MORTGAGOR will pay when due and will not suffer to remain outstanding, any charges for utilities, whether public or private, with respect to the MORTGAGED PROPERTY.

1.04 No Tax Credits. The MORTGAGOR will not claim or demand or be entitled to receive any credit or credits on the principal or interest payable under the terms of the NOTE or on any other sums secured hereby, for so much of the taxes, assessments or similar impositions assessed against the MORTGAGED PROPERTY or any part thereof, as are applicable to the indebtedness secured hereby or

to the MORTGAGEE's interest in the MORTGAGED PROPERTY. No deduction shall be claimed from the taxable value of the MORTGAGED PROPERTY or any part thereof by reason of the NOTE or Mortgage.

1.05 Insurance.

1.05.1 MORTGAGOR shall, at its sole expense, obtain for delivery to, and maintain for the benefit of MORTGAGEE during the life of the Mortgage, public liability insurance in the amount of \$1,000,000.00 and for such periods as MORTGAGEE may require. MORTGAGOR shall pay promptly, when due, any premiums on the insurance policies and renewals.

1.05.2 INTENTIONALLY DELTED

All policies shall be endorsed with a standard Mortgagee clause in favor of Mortgagee, not subject to contribution, and shall provide for at least thirty (30) days notice of cancellation to Mortgagee.

1.06 Condemnation.

1.06.1 If all or any part of the MORTGAGED PROPERTY shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental authority, and any transfer by private sale in lieu thereof, either temporarily or permanently), the entire indebtedness secured hereby shall at the option of the MORTGAGEE become immediately due and payable if the MORTGAGEE in its sole discretion determines that its security under this Mortgage is impaired. The MORTGAGEE shall be entitled to all compensation, awards, and any other payments of relief therefore and is hereby authorized, at its option to commence, appear in and prosecute, in its own or the MORTGAGOR's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the MORTGAGOR to the MORTGAGEE, who, after deducting therefrom all its reasonable expenses including reasonable attorneys' fees, may release any monies so received by it without affecting the lien of this Mortgage or may apply the same in such manner as the MORTGAGEE shall determine, to the reduction of the sums secured hereby, and to any prepayment charge herein provided, and any balance of such monies then remaining shall be paid to the MORTGAGOR. The MORTGAGOR agrees to execute such further assignments of any compensations, awards, damages, claims, rights or action and proceeds as the MORTGAGEE may require.

1.06.2 Nothing herein shall limit the rights otherwise available to Mortgagee, at law or in equity, including the right to intervene as a party to any condemnation proceeding.

1.07 Care of Property.

1.07.1 The MORTGAGOR shall preserve and maintain the MORTGAGED PROPERTY in good conditions and repair. MORTGAGOR shall not remove or demolish any building presently on or hereafter existing on the LAND without the written consent of the MORTGAGEE. MORTGAGOR shall not permit, commit or suffer any waste, impairment or deterioration of the MORTGAGED PROPERTY or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the MORTGAGED PROPERTY or to any part thereof.

1.07.2 Except as otherwise provided herein, no buildings, fixtures, or other part of the MORTGAGED PROPERTY encumbered hereby shall be removed, demolished or substantially altered

without the prior written consent of the MORTGAGEE, such written consent shall not be unreasonably withheld, conditioned or delayed .

1.07.3 If the MORTGAGED PROPERTY or any part thereof is damaged by fire or any other cause, the MORTGAGOR will give immediate written notice of same as soon as practicable to MORTGAGEE.

1.07.4 The MORTGAGEE is hereby authorized to enter upon and to inspect the MORTGAGED PROPERTY at any time during normal business hours during the life of this Mortgage.

1.07.5 The MORTGAGOR will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the MORTGAGED PROPERTY or any part thereof.

1.07.6 The MORTGAGOR shall not change use or site development plan of MORTGAGED PROPERTY.

1.08 Further Assurances. MORTGAGOR will make, execute and deliver to the MORTGAGEE and, where appropriate, shall cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or re-filed at such time and in such offices and places as shall be deemed desirable by the MORTGAGEE, any and all such further mortgages, instruments of further assurance, certificates and other documents as may, in the opinion of the MORTGAGEE, be necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve:

1.08.1 The obligation of the MORTGAGOR under this Mortgage and NOTE secured hereby, and

1.08.2 The lien of this Mortgage as a lien, upon all of the MORTGAGED PROPERTY, whether now owned or hereafter acquired by the MORTGAGOR.

Upon any failure by the MORTGAGOR to do so, the MORTGAGEE may make, execute, record, file, re-record and/or re-file any and all such mortgages, instruments, certificates and documents for and in the name of the MORTGAGOR, and the MORTGAGOR hereby irrevocably appoints the MORTGAGEE the agent and attorney-in-fact of the MORTGAGOR to do so.

1.09 After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all after acquired property attached to or used in the operation of the MORTGAGED PROPERTY or any part thereof.

1.10 Leases Affecting MORTGAGED PROPERTY. The MORTGAGOR will comply with and observe its obligations as landlord under any leases affecting the MORTGAGED PROPERTY or any part thereof. MORTGAGOR will furnish MORTGAGEE with executed copies of all leases hereafter created on said premises. Unless otherwise herein specifically provided all leases shall be inferior and subordinate in all respects to the lien of this Mortgage and the terms of each Lease shall so provided. MORTGAGOR shall not accept payment of rent more than one month in advance without the express written consent of the MORTGAGEE. MORTGAGOR specifically assigns to the MORTGAGEE as additional security any and all such leases hereafter created, including without limitation, all rents, royalties, issues and profits of the Premises from time to time accruing, the parties hereto acknowledging that this Mortgage constitutes a general assignment of any and all such future leases:

1. 11 Expenses. MORTGAGOR shall payor reimburse MORTGAGEE for all reasonable costs, charges and expenses, including reasonable attorneys' fees, including appellate proceedings and

disbursements, and costs of abstracts of title incurred or paid by MORTGAGEE in any action, proceeding or dispute in which MORTGAGEE is made a party or appears as a party plaintiff or party defendant because of the failure of the MORTGAGOR promptly and fully to perform and comply with all conditions and covenants of this Mortgage and the NOTE secured hereby, including, but not limited to, the foreclosure of this Mortgage, condemnation of all or part of the MORTGAGED PROPERTY, or any action to protect the security thereof. All reasonable costs, charges and expenses so incurred by MORTGAGEE shall become due and payable whether or not there be notice, demand, attempt to collect or suit pending. The amounts so paid or incurred by MORTGAGEE, together with interest thereon at the default rate as hereinafter defined from the date incurred until paid by MORTGAGOR, shall be secured by the lien of this Mortgage.

1.12 MORTGAGEE's Performance of Defaults. Except as otherwise provided for herein, if the MORTGAGOR shall default in the payment of any tax assessment, encumbrance or other imposition, in its obligation to furnish insurance hereunder or performance or observance of any other covenant, condition or term in this Mortgage, the MORTGAGEE may, at its option, without waiving or affecting its option to foreclose or any other rights hereunder, perform or observe the same, and all payments made or costs or expenses incurred by the MORTGAGEE in connection therewith shall be secured hereby and shall be immediately repaid by the MORTGAGOR to the MORTGAGEE, with interest thereon at the Default Rate, as hereinafter defined. Nothing contained herein shall be construed as requiring MORTGAGEE to advance or expend monies for any purposes mentioned in this Paragraph. The MORTGAGEE is hereby empowered to enter and to authorize others to enter upon the MORTGAGED PROPERTY or any part thereof for the purpose of performing or observing any such defaulted covenants, condition or terms, without thereby becoming liable to the MORTGAGOR or any person in possession holding under the MORTGAGOR.

1.13 Estoppel Affidavits. The MORTGAGOR, within ten (10) days after written request from the MORTGAGEE, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of and interest on the NOTE and whether or not any offsets or defenses exist against such principal and interest. Upon request, MORTGAGEE will provide to MORTGAGOR an estoppel letter setting forth the current unpaid principal balance and interest on the NOTE and whether any default exists thereunder.

ARTICLE TWO DEFAULTS

2.01 Event of Default. The term "EVENT OF DEFAULT," wherever used in the Mortgage, shall mean anyone or more of the following events:

2.01.1 Failure by MORTGAGOR to pay any installments of principal or interest when they are due under the NOTE, and after seven (7) days notice from Lender, or of MORTGAGOR to make any deposits for taxes and assessments or insurance premiums due hereunder or any other sums to be paid by MORTGAGOR hereunder, or under any other instrument securing the NOTE.

2.01.2 Failure by MORTGAGOR to duly keep, perform and observe any other covenant, condition or agreement in the NOTE and any other instrument collateral to the NOTE or executed in connection with the sums secured hereby for a period of thirty (30) days after MORTGAGEE gives written notice specifying the breach. If the default cannot be cured with such thirty (30) days, the commencement of such action to cure the default and the diligent and continuing effort to cure same shall be acceptable.

2.01.3 If MORTGAGOR shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, wage earner's plan, assignment for the benefit of creditors, receivership, dissolution or similar relief under any present or future Federal Bankruptcy Act or any other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of MORTGAGOR or all or any part of the properties of MORTGAGOR or of any guarantor, maker, co-maker or endorser of the NOTE; or if within thirty (30) days after commencement of any proceeding against MORTGAGOR or any maker, co-maker, guarantor or endorser of the NOTE, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, debtor relief or similar relief under any present or future Federal Bankruptcy Act of any other present or future federal, state or other statute or law, such proceeding shall not have been dismissed or stayed on appeal; or if, within thirty (30) days after the appointment, without the consent or acquiescence of MORTGAGOR or of any maker, co-maker, endorser or guarantor of the Note, of any trustee, receiver or liquidator of MORTGAGOR or any endorser or guarantor of the NOTE, or of all of any portion of the MORTGAGED PROPERTY, such appointment shall not have been vacated or stayed on appeal or otherwise; or if within ten (10) days after the expiration of any such stay, such appointment shall not have been vacated.

2.01.4 The entry by any court of last resort of a decision that an undertaking by the MORTGAGOR as herein provided to pay taxes, assessments, levies, liabilities, obligations and encumbrances is legally inoperative or cannot be enforced, or in the event of the passage of any law changing in any way or respect the laws now in force for the taxation of mortgages or debts secured thereby for any purpose or the manner of collection of any such taxes, so as to affect adversely this Mortgage or the debt secured hereby unless the MORTGAGOR can and does in a proper and legal manner pay any and all sums of whatever kind which may be incurred or charged under such new or modified laws.

2.01.5 The occurrence of a default under the terms of any mortgage superior or inferior to the Mortgage, or if foreclosure proceedings should be instituted on any mortgage superior or inferior to the Mortgage, or if any foreclosure proceeding is instituted on any lien of any kind which is not dismissed or transferred to bond within thirty (30) days of the service of foreclosure proceedings on the MORTGAGOR.

2.01.6 Any breach of any warranty or material untruth of any representation of MORTGAGOR contained in this Mortgage or any breach of any warranty or material untruth of any representation of MORTGAGOR contained in the NOTE or any other instrument securing the NOTE.

2.01.7 Death or adjudication of incompetency of any individual principal of MORTGAGOR.

2.01.8 If the MORTGAGOR, pursuant to Florida Statutes §697.04(1)(b) as amended from time to time, shall file for record a limitation of the maximum amount (including any future advances made pursuant hereto) which may be secured by this Mortgage.

2.01.9 The violation by MORTGAGOR of, or the use of the LAND in, the violation of the Florida Contraband Forfeiture Act, as amended.

2.02 Acceleration of Maturity. If an Event of Default shall have occurred and be continuing, the MORTGAGOR may declare the entire principal amount of the NOTE then unpaid, and the interest

accrued thereon to be due and payable immediately, and upon such declaration, such principal and interest shall forthwith become and be due and payable, as fully and to the same effect as if the date of such declaration were the date originally specified for the maturity of the unpaid balance of the NOTE.

2.03 MORTGAGEE's Right to Enter and Take Possession. Operate and Apply Income.

2.03.1 If an Event of Default shall have occurred and be continuing, the MORTGAGOR, upon demand of the MORTGAGEE, shall forthwith surrender to the MORTGAGEE the actual possession of the MORTGAGED PROPERTY, and to the extent permitted by law, the MORTGAGEE itself, or such officers or agents as it may appoint, may enter and take possession of all the MORTGAGED PROPERTY, and may exclude the MORTGAGOR and its agents and employees wholly therefrom, and may have joint access with the MORTGAGOR to the books, papers and accounts of the MORTGAGOR as they relate to the MORTGAGED PROPERTY.

2.03.2 If the MORTGAGOR shall, for any reason, fail to surrender or deliver any such MORTGAGED PROPERTY or any part thereof after such demand by the MORTGAGEE, the MORTGAGEE may obtain a judgment or decree conferring on the MORTGAGEE the right to immediate possession or requiring the MORTGAGOR to deliver immediate possession of all or part of such MORTGAGED PROPERTY to the MORTGAGEE, to the entry of which judgment or decree the MORTGAGOR hereby specifically consents.

2.03.3 The MORTGAGOR will pay to the MORTGAGEE, upon demand, all expenses of obtaining such judgment or decree and reasonable compensation to the MORTGAGEE, its attorneys and agents; and all such expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

2.03.4 Upon every such entering upon or taking of possession, the MORTGAGEE may hold, store, use, operate, manage and control the MORTGAGED PROPERTY and conduct the business thereof if any, and, from time to time:

2.03.4.1 make all reasonably necessary, as determined by MORTGAGEE in its sole and absolute discretion, maintenance, repairs, renewals, replacements, and purchase or otherwise acquire additional fixtures, personalty and other property;

2.03.4.2 insure or keep the MORTGAGED PROPERTY insured and exercise all the rights and powers of the MORTGAGOR in its name or otherwise, with respect to the same;

2.03.4.3 manage and operate the MORTGAGED PROPERTY and exercise all the rights and powers of the MORTGAGOR in its name or otherwise, with respect to the same;

2.03.4.4 enter into any and all agreements with respect to the exercise by others of any of the powers herein granted the MORTGAGEE.

all as the MORTGAGEE from time to time may determine to be to its best advantage; and the MORTGAGEE may collect and receive all the income, revenues, rents, issues and profits of the same, including those past due as well as those accruing thereafter, and after deduction of:

2.03.4.5 all expenses of taking, holding, managing and operating the MORTGAGED PROPERTY (including compensation for the services of all persons employed for such purposes);

2.03.4.6 the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions;

2.03.4.7 the cost of such insurance;

2.03.4.8 such taxes, assessments and other charges prior to the lien of this Mortgage as the MORTGAGEE may determine to pay;

2.03.4.9 other proper charges upon the MORTGAGED PROPERTY or any part thereof; and

2.03.4.10 the reasonable compensation, expenses, and disbursements of the attorney and agents of the MORTGAGEE;

shall apply the remainder of the monies so received by the MORTGAGEE: first, to the payment of accrued interest; second, to the payment of any required tax deposit, insurance deposit or expenses required by MORTGAGEE; and third, toward the outstanding principal balance on the NOTE.

Mortgagee may pursue any and all remedies available under the Uniform Commercial Code, Chapter 679, Florida Statutes; it being hereby agreed that fifteen (15) days notice as to time and place of any sale shall be reasonable.

2.04 MORTGAGEE's Power of Enforcement. If an Event of Default shall have occurred and be continuing, the MORTGAGEE may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to enforce payment of the NOTE or the performance of any term hereof or any other right, (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the MORTGAGED PROPERTY, under the judgment or decree of a court or courts of competent jurisdiction, and (c) to pursue any other remedy for such purposes. The MORTGAGEE shall take action either by such proceedings and/or by the exercise of its powers with respect to entry or taking possession, as the MORTGAGEE may determine.

2.05 Leases. The MORTGAGEE, at the MORTGAGEE's option, is authorized to foreclose this Mortgage, subject to the rights of any tenants of the MORTGAGED PROPERTY, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by the MORTGAGOR, a defense to any proceedings instituted by the MORTGAGEE to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the MORTGAGED PROPERTY.

2.06 Principal and Interest Become Due on Foreclosure. Upon commencement of suit or foreclosure of this Mortgage, the unpaid principal of the NOTE, if not previously declared due, and the interest accrued thereon, shall at once become and be immediately due and payable.

2.07 Purchase by MORTGAGEE. Upon any such foreclosure sale, pursuant to judicial proceedings, the MORTGAGEE may bid for and purchase the MORTGAGED PROPERTY and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in its own absolute right, without further accountability.

2.08 Application of Indebtedness Toward Purchase Price. Upon any such foreclosure sale, pursuant to judicial proceedings, the MORTGAGEE may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash for the costs and expenses of the sale, compensation and other charges, in paying the purchase price, apply to the purchase price any portion of or all sums due to the MORTGAGEE under the NOTE and this Mortgage, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

2.09 Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws. The MORTGAGOR agrees to the full extent permitted by law that in case of a default on its part hereunder, neither the MORTGAGOR nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the property hereby conveyed, to the final and absolute putting into possession thereof, immediately after such sale; of the purchasers thereat, and the MORTGAGOR, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully do so, the benefit of all such laws, and any and all right to have the assets comprised in the security intended to be created hereby marshaled upon any foreclosure of the lien hereof and agrees that the MORTGAGEE or any court having jurisdiction to foreclose such lien may sell the MORTGAGED PROPERTY as an entirety .

2.10 Receiver. If an Event of Default shall occur and be continuing, then upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the MORTGAGEE, the MORTGAGEE to the extent permitted by law and without regard to the value or occupancy of the security shall be entitled as a matter of right to the appointment of a receiver to enter upon and take possession of the MORTGAGED PROPERTY. The receiver shall collect all rents, revenues, issues, income, products and profits thereof, pending such proceedings and apply the same as the court may direct. The receiver shall have the rights and powers permitted under the laws of Florida and such other powers as the court may direct. The receiver shall have all rights and powers permitted under the laws of Florida and such other powers as the court making such appointment shall confer. The expenses, including receiver's fees, counsel fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of, to manage and operate, the MORTGAGED PROPERTY, to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrent therewith or independently thereof. MORTGAGEE shall be liable to account only for such rents, issues and profits actually received by MORTGAGEE, whether received pursuant to this Paragraph 2.10 or Paragraph 2.03 above. Notwithstanding the appointment of any receiver, trustee or other custodian, the MORTGAGEE shall be entitled as pledgee to the possession and control of any cash, or other instruments at the time held by, or payable or deliverable under the terms of this Mortgage to the MORTGAGEE.

2.11 Suits to Protect the MORTGAGED PROPERTY. The MORTGAGEE shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the MORTGAGED PROPERTY by any acts which may be unlawful or any violation of the Mortgage, (b) to preserve or protect its interest in the MORTGAGED PROPERTY, and (c) to restrain the

enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with, such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the MORTGAGEE.

2.12 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the MORTGAGOR, its creditors, or its property, the MORTGAGEE, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the MORTGAGEE allowed in such proceedings for the entire amount due and payable by the MORTGAGOR under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by the MORTGAGOR hereunder after such date.

2.13 Acceleration; Application of Monies by MORTGAGEE.

2.13.1 If default shall be made in the payment of any amount due under the Mortgage or the NOTE secured hereby, or if a non-monetary default remains uncured after proper notice has been provided to MORTGAGOR per the terms of this MORTGAGE or the NOTE, then, without demand, the MORTGAGOR will pay to the MORTGAGEE the entire amount due and payable under the NOTE. If MORTGAGOR shall fail to pay the same forthwith upon such demand, the MORTGAGEE shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs, which shall include the reasonable compensation, expenses and disbursements of the MORTGAGEE's agents and attorneys either before, after or during the pendency of any proceedings for the enforcement of this Mortgage including appellate proceedings. The right of the MORTGAGEE to recover such judgment shall not be affected by any taking, possession or foreclosure sale hereunder or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

2.13.2 In case of a foreclosure sale of any of the MORTGAGED PROPERTY and of the application of the proceeds of sale to the payment of the debt hereby secured, the MORTGAGEE shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon the NOTE, and the MORTGAGEE shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest.

2.13.3 The MORTGAGOR agrees, to the full extent that it may lawfully so agree, that no recovery of any such judgment by the MORTGAGEE and no attachment or levy of any execution upon any such judgment upon any of the MORTGAGED PROPERTY or upon any other property shall in any manner or to any extent affect the lien of this Mortgage upon the MORTGAGED PROPERTY or any part thereof or any lien, rights, powers or remedies of the MORTGAGEE hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before.

2.13.4 Any monies thus collected by the MORTGAGEE or received by the MORTGAGEE under this Paragraph 2.13 shall be applied as follows:

First, to the payment of the reasonable attorneys' fees and expenses incurred by MORTGAGEE, its agents and attorneys, including, but not limited to, taxes paid, insurance premiums paid, and any other costs, fees or expenses incurred by the MORTGAGEE.

Second, toward payment of the amounts due and unpaid upon the NOTE.

2.14 Delay or Omission No Waiver. No delay or omission of the MORTGAGEE or of any holder of the NOTE to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to the MORTGAGEE may be exercised from time to time and as often as may be deemed expedient by the MORTGAGEE.

2.15 No Waiver of One Default to Affect Another. No waiver of any default hereunder shall extend to or shall affect any subsequent or any other then existing default or shall impair any rights, powers or remedies consequent thereon. If the MORTGAGEE (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted herein or in the NOTE; (d) releases any part of the MORTGAGED PROPERTY from the NOTE or Mortgage; (e) consents to the filing of any map, plat or re plat thereof; (f) consents to the granting of any easement thereon, or (g) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under the NOTE, Mortgage or otherwise of the MORTGAGOR or any subsequent purchaser of the MORTGAGED PROPERTY or any part thereof, or any maker, co-maker, co-signer, endorser; nor shall any such act or omission preclude the MORTGAGEE from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or of any subsequent default nor, except as otherwise expressly provided in an instrument or instruments executed by the MORTGAGEE, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the MORTGAGED PROPERTY, the MORTGAGEE, without notice to any person or corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the MORTGAGED PROPERTY or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

2.16 Discontinuance of Proceedings -Position of Parties Restored. In case the MORTGAGEE shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the MORTGAGEE, then and in every such case, the MORTGAGOR and the MORTGAGEE shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the MORTGAGEE shall continue as if no such proceeding has been taken.

2.17 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the MORTGAGEE by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.18 Subrogation. The MORTGAGEE hereby is subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured by this Mortgage.

2.19 Abstract. The abstract of title covering the encumbered property, if any, shall belong to and remain in the possession of the MORTGAGEE during the lien of this Mortgage.

ARTICLE THREE

MISCELLANEOUS PROVISIONS

3.01 Successors. Assigns Included in Parties. Whenever in this Mortgage one of the parties hereto is named or referred to, the successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage by or on behalf of the MORTGAGOR or by or on behalf of MORTGAGEE, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the other.

3.02 Notice

3.02.1 MORTGAGOR. Any notice, demand or other instrument authorized by this Mortgage to be served on or given to the MORTGAGOR may be served on or given to the MORTGAGOR, at: 1421 First Street, Key West, Florida 33040, or at such other address as may have been furnished in writing to the MORTGAGEE by the MORTGAGOR.

3.02.2 MORTGAGEE. Any notice, including but not limited to any notice in accordance with Florida Statute 697.04 (NOTICE OF LIMITATION ON MORTGAGE FUTURE ADVANCE), demand or other instrument to be served on or given to the MORTGAGEE may be served on or given to the MORTGAGEE at its offices located at: 9401 Biscayne Boulevard, Department of Temporalities, Miami Shores, Florida 33138; or at such other address as may have been furnished in writing to the MORTGAGOR by the MORTGAGEE.

3.03. Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience of reference only, and are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

3.04 Invalid Provisions to Affect No Others. In case anyone or more of the covenants, agreements, terms or provisions contained in this Mortgage or in the NOTE shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the NOTE shall be in no way affected, prejudiced or disturbed thereby.

3.05 Modifications. It is understood and agreed that the MORTGAGEE may at any time, without notice to any person, grant to the MORTGAGOR any modification of any kind or nature whatsoever, or allow any change or changes, substitution or substitutions of any of the property described in this Mortgage or any other collateral which may be held by the MORTGAGOR, together with interest and any other sums which may be due and payable to the MORTGAGEE, and also without in any manner affecting or impairing the lien of this Mortgage upon the remainder of the MORTGAGED PROPERTY and other collateral which is not changed or substituted; and it is also understood and agreed that the MORTGAGEE may at any time, without notice to any person, release any portion of the property described in this Mortgage or any other collateral, or any portion of any other collateral which may be held as security for the payment of the indebtedness hereby secured, either with or without any consideration of such release or releases, without in any manner affecting the liability of the MORTGAGOR, all endorsers or guarantors, if any, and all other persons who are or shall be liable for the payment of said indebtedness, and without affecting, disturbing or impairing in any manner whatsoever

the validity and priority of the lien of this Mortgage for the full amount of the indebtedness remaining unpaid, together with all interest and advances which shall become payable, upon the entire remainder of the MORTGAGED PROPERTY which is unreleased, and without in any manner affecting or impairing to any extent whatsoever any and all other collateral security which may be held by the MORTGAGEE. It is distinctly understood and agreed by the MORTGAGOR and the MORTGAGEE that any release or releases may be made by the MORTGAGEE without the consent or approval of any other person or persons whomsoever.

3.06 Uniform Commercial Code. The parties agree that this Mortgage is a security agreement under the Uniform Commercial Code for the purpose of creating a lien on the personal property and fixtures described herein, if any.

3.07 No Transfer. It is understood and agreed by MORTGAGOR that as part of the inducement to MORTGAGEE to make the loan evidenced by the NOTE, MORTGAGEE has considered and relied on the credit worthiness and reliability of MORTGAGOR. MORTGAGOR covenants and agrees not to sell, convey, transfer, enter into any management agreement, or further encumber any interest in or any part of the MORTGAGED PROPERTY without the prior written consent of the MORTGAGEE, and any such sale, conveyance, transfer, or encumbrance made without MORTGAGEE's prior written consent shall constitute an Event of Default hereunder. A contract to deed or agreement for deed or assignment of beneficial interest in any land trust or (if applicable) the sale, assignment or transfer of a majority or controlling interest of the MORTGAGOR (or corporate member or managing member of MORTGAGOR) or if the MORTGAGOR is a general partnership, the transfer or hypothecation of any interest therein, to any other firm, partnership, corporation, individual or other entity, shall constitute a transfer pursuant to the provisions of this paragraph. If any person should obtain an interest in all or any part of the MORTGAGED PROPERTY, pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by MORTGAGOR and an Event of Default hereunder .

3.08 Future Advances. This Mortgage is given to secure not only the existing indebtedness of One Million Nine Hundred Twenty Thousand and No /100 Dollars (\$1,920,000.00) of MORTGAGOR to the MORTGAGEE evidenced by the NOTE secured hereby, but also such future advances if any, plus interest thereon, and any disbursements made by the MORTGAGEE for the payment of taxes, insurance or other liens on the property encumbered by this Mortgage, with interest on such disbursements, which advances shall be secured hereby to the same extent as if such future advances were made this date. The total amount of indebtedness secured hereby may increase or decrease from time to time. The provisions of this paragraph shall not be construed to imply any obligation on MORTGAGEE to make any future advances, it being the intention of the parties that any future advances shall be solely at the discretion and option of the MORTGAGEE. Any reference to "NOTE" in this Mortgage shall be construed to reference any future advances made pursuant to this paragraph.

3.09 Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage and that no waiver of any obligation hereunder or of the obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the instrument secured hereby.

3.10 Attorney's Fees and Expenses. Wherever provision is made herein for payment for reasonable attorney's or counsel's fees or expenses incurred by the MORTGAGEE, said provision shall include, but not be limited to, reasonable attorney's or counsel's fees or expenses incurred in any and all judicial, bankruptcy, reorganization, administrative, or other proceedings, including appellate

proceedings, whether such proceedings arise before or after entry of a final judgment, or whether or not litigation is instituted.

3.11 Maximum Rate of Interest. Nothing herein contained, nor in the NOTE secured hereby or any instrument or transaction related thereto, shall be construed or so operate as to require the MORTGAGOR, Maker or any person liable for the payment of the loan made pursuant to said NOTE, to pay interest in an amount or at a rate greater than the maximum allowed by law. Should any interest or other charges in the nature of the interest paid by the MORTGAGOR, Maker or any parties liable for the payment of the loan made pursuant to said NOTE result in the computation or earning of interest in excess of the maximum rate of interest allowed by applicable law, then any and all such excess shall be and the same is hereby waived by the holder hereof, and all such excess shall be automatically credited against and in reduction of the principal balance, and any portion of said excess which exceeds the principal balance shall be paid by the holder hereof to the MORTGAGOR, Maker or any parties liable for the payment of the loan made pursuant to said NOTE, it being the intent of the parties hereto that under no circumstances shall the MORTGAGOR, Maker or any parties liable for the payment of the loan hereunder, be required to pay interest in excess of the maximum rate allowed by law.

3.12 Florida Contract. This Mortgage is made by MORTGAGOR and accepted by MORTGAGEE in the State of Florida, with reference to the laws of such state, and shall be construed, interpreted, enforced and governed by and in accordance with such laws (excluding the principles thereof governing conflicts of law), and federal law, in the event (and only in the event) federal law preempts state law.

3.13 Default Rate. The Default Rate of interest shall be applicable subsequent to an Event of Default as defined in paragraph 2.01 and where provided for in this Mortgage. The Default Rate shall be as set forth in the NOTE.

3.14 No Liability of MORTGAGEE to MORTGAGOR. MORTGAGOR acknowledges and agrees that any examination of the LAND and the value thereof by MORTGAGEE or of the financial condition of MORTGAGOR by MORTGAGEE has been performed solely on behalf of MORTGAGEE, and MORTGAGOR agrees that MORTGAGEE shall not be liable to MORTGAGOR for any error, miscalculation or omission by MORTGAGEE in the preparation or evaluation of same. MORTGAGOR further acknowledges and agrees that MORTGAGEE shall have no duty to disclose to MORTGAGOR any information discovered by MORTGAGEE which would otherwise become available to MORTGAGOR through proper inquiry.

3.15 Delivery to Other Parties. MORTGAGOR acknowledges and agrees that this document may be shown or copied by MORTGAGEE and given to any party for any reason MORTGAGEE deems appropriate.

ARTICLE FOUR

ADDITIONAL PROVISIONS

4.01 If at any time the United States of America or the State of Florida shall require additional revenue stamps to be affixed to the NOTE or additional stamps to be affixed to this Mortgage, the MORTGAGOR will pay for the same with any interest or penalties imposed in connection therewith.

4.02 MORTGAGOR represents and warrants that it is not engaged in any litigation, proceedings or investigations, pending or threatened, which will result in any material adverse change in the business, property or financial condition of the MORTGAGOR, or which questions the validity of this Mortgage, the NOTE, or any other document or agreement given by MORTGAGOR as security for the obligation evidenced by the NOTE or which questions any action taken or to be taken pursuant to or in connection with this Mortgage, NOTE or any other document or agreement given by MORTGAGOR, to secure the obligation evidenced by the NOTE.

4.03 The warranties, covenants, conditions, representations and agreements contained in this Mortgage shall run with the LAND and bind the MORTGAGOR and its (their) heirs, executors, administrators, successors and assigns and shall be construed as including any subsequent owner or owners of the premises (where permitted by MORTGAGEE) and shall inure to the benefit of the MORTGAGEE, its successor and assigns, and all subsequent holders of this Mortgage.

4.04 The occurrence of a default in any lien or claim, whether superior or junior to the lien of this Mortgage or if any proceedings should be instituted against the property covered by this mortgage upon any other lien or claim, whether superior or junior to the lien of this mortgage, which proceedings are not dismissed within thirty (30) days of service on MORTGAGOR the MORTGAGEE may, at its option, immediately upon institution of such suit or during the pendency thereof, declare this mortgage and the indebtedness secured hereby due and payable forthwith and may, at its option, proceed to foreclose this mortgage. If there is any mortgage superior to this mortgage, then failure to pay said mortgage when due and in accordance with its terms or failure to abide by the terms of said mortgage shall be deemed a breach of this mortgage and the MORTGAGEE, at its option, may immediately or thereafter declare this mortgage and the indebtedness hereby secured due and payable.

4.05 Marshalling of Assets. The right is hereby reserved by the MORTGAGEE to look to any MORTGAGED PROPERTY securing this Mortgage or under any land or property secured by a mortgage acting as additional collateral for the debt evidenced hereby, without notice to, consent of, or the approval or agreement of other parties in interest, including junior lienors, and such dealings shall not impair in any manner the validity of or priority of this Mortgage on the MORTGAGED PROPERTY. MORTGAGOR, on its own behalf and on behalf of its successors and assigns, hereby expressly waive all rights to have or require a marshalling of assets by MORTGAGEE, or to require MORTGAGEE, upon a foreclosure, to resort first to the sale of any portion of any MORTGAGED PROPERTY, land or property which might have been owned or retained by MORTGAGOR before the commencement of a foreclosure and which may have been conveyed by MORTGAGOR, subject to this Mortgage. Nothing herein contained shall be construed as the MORTGAGEE having granted its consent to any conveyance of the MORTGAGED PROPERTY or any land or property, which may have been given as security for the indebtedness secured hereby.

ARTICLE FIVE

ENVIRONMENTAL MATTERS: NOTICE: INDEMNITY

MORTGAGOR expressly covenants, warrants and represents, to MORTGAGEE, to the best of MORTGAGOR's knowledge and belief, that: (a) the MORTGAGED PROPERTY is not now polluted and is not presently being polluted or in any way detrimentally affected by pollutants (including elevated radon levels) toxic materials, petroleum oil and/or waste oil, any "hazardous substance" (as that term is

defined in: (i) Section 101(14) of the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9601 (196); (ii) 40 CFR Part 302 and amendments thereto; and (iii) Section 311 of the Clean Water Act, 33 U.S.C. §1251, et. seq. or as listed in: (i) the United States Department of Transportation Hazardous Materials Table, 49 CFR 172.10; and (ii) Section 307 of the Clean Water Act (33 USC 1317) or any "hazardous waste" (as that term is defined in Chapter 403 (Part IV) of the Florida Statutes), and Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et. seq. and has not in the past been used and is not presently being used for the handling, storage, treatment, generation, transportation or disposal of pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste, including, but not limited to, solid, liquid, gaseous or thermal irritant or contaminant, such as smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed); (b) neither asbestos nor asbestos containing materials (which for the purposes hereof shall be deemed a toxic material) have been installed, used or disposed of on, or incorporated into, the MORTGAGED PROPERTY, (c) no underground storage tanks are located on the MORTGAGED PROPERTY or were located on the MORTGAGED PROPERTY and subsequently removed or filled; (d) the MORTGAGED PROPERTY and MORTGAGOR's operations at the MORTGAGED PROPERTY are in compliance with all applicable federal, state, county and local statutes, laws and regulations concerning or related to environmental protection and regulation, including, but not limited to, CERCLA, the Superfund Amendments and Re-authorization Act of 1986 ("SARA"), Public Law No.99-499, 100 Stat. 1613, Chapter 403 of the Florida Statutes and the Clean Water Act; (e) MORTGAGOR is not aware of any environmental condition, situation or incident on, at, or concerning the MORTGAGED PROPERTY or any adjacent property that may give rise to an action or to liability under any law, rule, ordinance or common law theory and that there are no pending actions thereunder against the MORTGAGOR and the MORTGAGOR has not received notice in any form of such action; and (f) the MORTGAGED PROPERTY is not contained on the "National Priority List" ("NPL ") maintained by the United States Environmental Protection Agency ("EPA") nor is the MORTGAGED PROPERTY contained on the EPA's "Comprehensive Environmental Response Compensation and Liability Information System" ("CERCLA") nor is the MORTGAGED PROPERTY, in whole or in any part, adjacent to any site contained on the NPL or CERCLA. MORTGAGOR hereby indemnifies MORTGAGEE against and agrees to protect, save and keep harmless MORTGAGEE (even after the payment in full of the Promissory Note and the satisfaction of this MORTGAGE) from any and all liabilities, obligations, charges, losses, damages, penalties, claims, actions, suits, judgments, injuries, costs, disbursements and expenses of any kind whatsoever, including, without limitation, all costs of removal or remedial actions and any other liabilities which may arise under CERCLA, SARA, or any other federal, state, county or local law, regulation or ordinance, title insurance costs and premiums, engineers, and professional fees, soil tests and chemical analysis, court costs, legal fees and expenses through all trial, appellate and administrative levels of whatsoever kind and nature imposed on, incurred by or asserted against MORTGAGEE, in any way relating to, arising out of or in connection with any such past, present or future use, handling, storage, transportation or disposal of pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste caused by MORTGAGOR. MORTGAGOR further warrants and represents that it will promptly notify MORTGAGEE in writing of any change in the nature or extent of any pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substances or any hazardous waste maintained on, in or under the MORTGAGED PROPERTY or used in connection therewith, and will transmit to MORTGAGEE copies of any citations, orders, notices or other material governmental or other communication received with respect thereto or other environmentally regulated substances affecting the MORTGAGED PROPERTY. MORTGAGEE, at MORTGAGEE's sole option, now and in the future, may obtain, at MORTGAGOR's expense (but not more than one time per year during the term of this

MORTGAGE), a report and/or audit from an environmental consultant of MORTGAGEE's choice stating whether the MORTGAGED PROPERTY, or any part thereof, has been or is being polluted with pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste or is being used for the use, handling, storage, treatment, generation, transportation or disposal of same. If any such report and/or audit indicates such past or present pollution, use, handling, storage, treatment, generation, transportation or disposal of pollutants, toxic materials, petroleum oil and/or waste oil, any hazardous substance or any hazardous waste, MORTGAGEE may require that all violations of law with respect thereto be corrected to the extent and manner required by the appropriate governmental agencies and/or that MORTGAGOR obtain all necessary environmental permits and approvals. A failure to correct any such violations of law and/or to obtain such necessary environmental permits and approvals within a reasonable time, to be determined by MORTGAGEE, after demand from MORTGAGEE, shall be a default hereunder. This paragraph shall survive the foreclosure of this MORTGAGE or the delivery by MORTGAGOR to MORTGAGEE of a deed in lieu of foreclosure.

Any violation of or failure to comply with the provisions of this ARTICLE FIVE by MORTGAGOR shall be an EVENT OF DEFAULT hereunder.

MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT MORTGAGOR OR ANY OTHER MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS MORTGAGE AND ANY DOCUMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL, OR WRITTEN), OR ACTIONS OF EITHER OR ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE ENTERING INTO THIS MORTGAGE.

IN WITNESS WHEREOF, the undersigned have executed this instrument the date and year first above written.

WITNESSES:

MORTGAGOR
Southernmost Cabana Resort, LLC, a Florida
limited liability company

Thomas D. Dato
Thomas D. Dato
(Name please print)
Hally Rancey
Hally R. Rancey
(Name please print)

By: Joseph D. Cleghorn, Jr.
Name: Joseph D. Cleghorn, Jr.
Title: Managing Member

State of Florida
County of Monroe

The foregoing instrument was acknowledged before me this 30 day of April, 2009 by Joseph D. Cleghorn as Managing Member of Southernmost Cabana Resort, LLC, a Florida limited liability company who are personally known or have produced driver's licenses as identification.

[Notary Seal]

Thomas J DiDato
Notary Public
Thomas DiDato
Printed Name

My Commission Expires: 10/28/2011

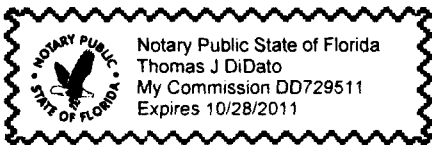


EXHIBIT "A"
Legal Description

Doc# 1742963
Bk# 2413 Pg# 1524

On the Island of Key West and being part of Tract 11 according to Wm. A. Whitehead's map of said Island, but better described as Part of Lot 1 of Square 1 in said Tract 11, according to C.W. Tift's map or plan of the Island of Key West delineated July, 1874, the lands hereby leased being more particularly described by metes and bounds as follows:

Beginning at a point on the Northeasterly side of Simonton Street, said point being 198.33 feet Southeasterly from the Easterly corner of the intersection of Division and Simonton Street, run thence in a Southeasterly direction along the Northeasterly side of Simonton street 168.33 feet, more or less to Virginia Street; thence at right angles in a Northeasterly direction along Virginia Street 248 feet; thence at right angles in a Northwesterly direction 168.33 feet, more or less; thence at right angles in a Southwesterly direction 248 feet to the point of beginning on Simonton Street.

And

Beginning at a point on the Northeasterly side of Simonton Street, said point being 183.33 feet Southeasterly from the Easterly corner of the intersection of Division and Simonton Streets, run thence in a Southeasterly direction along the Northeasterly side of Simonton Street 15 feet, thence at right angles in a Northeasterly direction 248 feet; thence at right angles in a Northwesterly direction 15 feet; thence at right angles in a Southwesterly direction 248 feet to the point of beginning on Simonton Street.

Less and Except:

A parcel of land on the Island of Key West, Monroe County, Florida and known on William A. Whitehead's Map of said Island, delineated in February A.D. 1829, as part of Tract 11 and designated on Charles W. Tift's Plan or Map of the Island of Key West delineated in July 1874 as Lot 2 in square 1 in Subdivision of Tract 11, known as Simonton's Addition to Key West and being more particularly described as follows: Commence at the intersection of the Southeasterly right-of-way line of Truman Avenue and the Northeasterly right-of-way line of Simonton Street; thence in a Southeasterly direction along said Northeasterly right-of-way line of Simonton Street 183.33 feet to the Point of Beginning; thence continue in a Southeasterly direction along the said Northeasterly right-of-way line of Simonton Street for 7.55 feet; thence at an angle of 90° 13' 57'' to the right and in a Westerly direction for 113.00 feet; thence at an angle of 89° 46' 03'' to the right and in a Northwesterly direction for 8.00 feet; thence at a right angle and in a Southwesterly direction for 113.00 feet to the said Northeasterly right-of-way line of Simonton Street and the Point of Beginning

PROMISSORY NOTE

US \$1,920,000.00

April 30, 2009

FOR VALUE RECEIVED, the undersigned, Southernmost Cabana Resort, LLC, a Florida limited liability company, (hereinafter referred to as "Borrower"), hereby promises to pay to the order of Archdiocese of Miami, Inc., a Florida not for profit corporation (hereinafter referred to as the "Holder"), at such address as Holder may designate to Borrower in writing from time to time, the amount of One Million Nine Hundred Twenty Thousand and No/100 Dollars (\$1,920,000.00), together with interest thereon at the per annum rate of five and one-half percent (5.5%) (the "Note").

Borrower shall pay monthly payments of interest only in the amount of Eight Thousand Eight Hundred and No/100 Dollars (\$8,800.00) for forty-eight (48) months commencing on the 30th day of May, 2009, and continuing on the same consecutive day of each month thereafter until April 30, 2013 (the "Maturity Date"). On the Maturity Date, this Note shall mature and all outstanding principal together with accrued and unpaid interest and any other amounts owing by Borrower to Holder shall be due and payable.

Borrower may prepay the principal amount outstanding in whole or in part at any time without penalty. All payments made on this Note shall be applied first to the payment of accrued interest and secondly upon the principal.

This Note shall be considered in default when any payment required to be made is not received on the date it is due, and shall remain in default until said payment shall have been made. While in default, this obligation shall bear interest at the rate of Eighteen Percent (18%) per annum. If Holder incurs attorneys' fees or costs to enforce the terms of this Note, whether or not a suit is brought to enforce this Note, the Holder shall be entitled to collect the costs of collection, including but not limited to, reasonable attorneys' fees and costs, including appellate fees.

Borrower hereby waives presentment, demand for payment, protest, notice of protest, notice of non-payment and notice of dishonor of this Note and any other notices whatsoever. The failure by the Holder to exercise any of its rights under this Note shall not constitute a waiver thereof under any circumstances.

Nothing herein shall be construed or shall operate so as to require Borrower or any person liable for payment or repayment hereunder to pay interest in an amount or at a rate greater than the maximum rate permitted, from time to time, under applicable law in the State of Florida.

This Note shall be governed by and construed according to the laws of the State of Florida. Borrower consents to the exclusive jurisdiction of the courts of the State of Florida and the federal courts located in Florida in any and all actions and proceedings.

As used herein, the terms "Borrower" and "Holder" shall be deemed to include their respective heirs, successors, legal representatives and assigns, as the context may permit or require, whether by voluntary action of the parties or involuntary by operation of law.

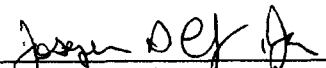
This Note may not be amended or modified, nor shall any waiver of any provision hereof be effective, except by an instrument in writing executed by Borrower and Holder.

This Note is secured by that certain Mortgage and Security Agreement of even date herewith given by Borrower in favor of Holder.

BORROWER HEREBY KNOWINGLY AND INTENTIONALLY WAIVES EVERY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER EXTENDING CREDIT TO BORROWER. FURTHER, BORROWER HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF HOLDER, NOR HOLDER'S COUNSEL, HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT HOLDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.

IN WITNESS WHEREOF, Borrower has executed this Note by its duly authorized representative as of this 30th day of April, 2009.

Southernmost Cabana Resort, LLC,
a Florida limited liability company

By: 
Name: Joseph D. Cleghorn Jr.
Title: Managing Member