AGREEMENT

THIS AGREEMENT made between **PERDIDO BEACH SERVICES, INC.**, hereinafter **"PBS"** and **SANDY KEY CONDOMINIUMS, PERDIDO KEY, FLORIDA** (for convenience only, hereinafter referred to as **"CLIENT"**), for the following uses and purposes.

WHEREAS, PBS is in the business of providing beach services, including the rental of lounges, chairs, rafts, etc., and is willing to provide such services to Client and its guests;

WHEREAS, Client desires to have PBS provide beach services for customers and guests of Client; and

WHEREAS, Client has agreed to grant PBS the exclusive beach service concession on the premises owned or controlled by Client in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Grant and Description of Premises.** Client grants to PBS and PBS accepts from Client the exclusive privilege of maintaining a beach service concession (providing the services described in paragraph 7 of this Agreement) on the property owned or controlled by the Client, including the common area and adjacent beach, which are commonly considered to be part of Sandy Key Condominiums, Pensacola, Florida, hereinafter referred to as the **"Concession Premises"**.

2. **Conditions of Premises.** PBS shall accept the Concession Premises in its present existing condition and Client shall not be required to make any alterations thereto.

3. **Concession Fee.** PBS shall pay to Client a concession commission/fee equal to fifteen (15%) percent during the period beginning on Memorial Day week-end and ending on Labor Day (hereinafter the **"Commission Period"**) for rentals by PBS of beach chairs, cushions, lounges and umbrellas (such items hereinafter collectively described as **"Commission Items"**) at the Concession Premises. Commissions will be paid no later than 20 days after the month ending the commission period. The parties acknowledge and agree that PBS may rent other recreational equipment, such as rafts, wind surfers, boogie boards, kayaks and other non-motorized water sports equipment that no commission or fee shall be paid to Client with respect to such rentals.

4. Rents. "Rents" as used in this Agreement shall be net rents received by PBS. Rents for purpose of this Agreement shall not include sales tax charged to customers.

5. Accounting. PBS shall maintain such bookkeeping and accounting records as shall permit Client accurately to compute rents for Commission Items, and such records shall be made available to Client during the normal hours of business of PBS. PBS shall also make available a daily report of rents for Commission Items which Client, at its option, may photocopy.

6. Use of Premises. The Concession Premises shall be used to conduct a beach service business. PBS shall not use the premises for any other purpose without obtaining the prior written consent of Client.

7. Services to be provided by PBS. PBS shall provide the following services on the Concession Premises:

(a) Rental of beach equipment including umbrellas, lounges, chairs, rafts, cushions, Boogie Boards, etc. (Such equipment to be provided by and properly maintained by PBS).

(b) Set up beach rental equipment in a neat and orderly fashion by a uniformed beach attendant.

(c) To inspect Client's entire beach area at least once each day and remove all trash, garbage, flotsam and excess seaweed from the Client's beach area. Provided, however, PBS obligation to remove trash, garbage, excess seaweed and flotsam from Client's beach area shall be limited to the removal of such materials as can be accomplished (with rake and shovel) by a single attendant assigned to the Client's beach area considering such attendant's other responsibilities, Obligations and duties under this agreement.

(d) Fostering and maintaining good public relations with customers and guests of the Client.

(e) Providing other incidental services, including providing information concerning beach activities, water conditions, local attractions and entertainment facilities,
etc.

(f) PBS will not use any motorized vehicle on the beach except in the event of an emergency or to remove or to place equipment or to remove excessive seaweed when necessary and reasonable and requested. Charges for the removal, when requested, of excessive

seaweed by tractor will be at the generally prevailing rates for such work in the area.

8. Rates and Charges. The maximum rates and charges for rentals to be available at the Concession Premises shall be provided by PBS.

9. Hours of Operation. During the Concession Period, PBS shall operate the Concession Premises seven (7) days a week from 8:30 a.m. to 5:00 p.m. Before Memorial Day and after Labor Day, PBS may establish hours of operation, if any, which it determines appropriate.

10. Employees of PBS. PBS shall at all times employ only persons of good moral character. PBS shall be responsible for paying all employees of PBS and for paying and withholding taxes as appropriate.

11. Term. The terms of this Agreement shall be for a period of one (1) year and shall commence on January 1, 2014, and end on December 31, 2014, both dates being inclusive. The terms of the Agreement is subject to the renewal provision of Paragraph 12.

12. Automatic Extension of Term. At the end of the original term of this Agreement, and at the end of any extension pursuant to this Paragraph, this Agreement shall be automatically renewed and extended for additional terms of one year each. Provided, however, this Agreement shall not automatically renew or extend if either party delivers written notice by certified mail of non-renewal to the other party at any time between November 1 and December 31 of the calendar year immediately preceding the expiration of the initial term or renewal term, as the case may be. Notice of non-renewal may be given without cause.

13. Signs, Advertising, Name. PBS may enter into advertising relative to the services provided pursuant to the Agreement so long as such advertising is consistent with Client's management practices and the quality of Client's facilities.

14. Licenses and Permits. PBS shall obtain and pay for all permits or license that may be required for the operation of its beach service business.

15. Compliance with State and Local Laws. PBS shall comply with all applicable state and local laws governing the operation of the beach services business at the Concession Premises.

16. Liability Insurance. Throughout the term of this Agreement, PBS shall maintain liability insurance for bodily injury, death and property damage occasioned by reason of the operation conducted by PBS on the Concession

Premises with minimum combined liability limits of One Million and No/100 ($1,000,000.00) Dollars for bodily injury/property damage. Copies of the above described insurance policies shall be furnished to Client upon request.

17. Termination. Either party may terminate this contract for cause in the event the other party breaches a material provision of the Agreement. In the event of such breach, the non-breaching party shall give the breaching party written notice by certified mail, specifying the particulars of the unsatisfactory performance or action constituting a breach of this Agreement. If the breaching party fails or refuses to remedy such unsatisfactory performance within thirty (30) days after receipt by it of such notice, this Agreement shall be terminated. Provided, however, seven (7) days shall be substituted for thirty (30) days in the preceding sentence in the case of a failure to pay the party's obligations as described in Paragraph 3 of this Agreement.

18. Applicable Law. This Agreement shall be deemed to be made and construed in accordance with the laws of the State of FLORIDA.

IN WITNESS THEREOF, the parties have executed this Agreement on the dates shown below, effective March 1, 2014.

Client:
SANDY KEY CONDOMINIUMS

By: _____

Its President of the Board

PBS:
PERDIDO BEACH SERVICES, INC.

By: _____

Its Owner / Operator

ADDENDUM

This Addendum Beach Service Agreement is an addendum to the agreement between Sandy Key Condominium and Perdido Beach Service is dated February 27, 2014 and shall become effective March 1, 2014.

The parties, for good consideration, hereby agree as follows:

1. In order to meet the customer's needs, it was necessary in 2014, to have 60 double lounges available for rent from Memorial Weekend through the second week in August, as well as, on Labor Day weekend. PBS requests we be able to meet the requirements of our mutual customers during these particular times with up to 60 double lounges as needed.
2. Limitation of the number of beach chairs on Sandy Key is 60 lounges. This is to prevent overcrowding and "double stacking".
3. PBS accepts Sandy Key's policy of renting beach chairs on the Sandy Key property only to Sandy Key owners/guest.
4. Establishment of rules concerning where beach tents can be placed.
5. PBS agrees to monitor trespassing and "squatting" by non Sandy Key owners/guest.
6. PBS shall pay to Client a minimum of $8,000 or 15% commission, which ever is greater, calculated from Friday Memorial Weekend through Monday Labor Day. An exception to this guarantee would be the negative effects of a named storm on our beach property or any of the three (3) Sandy Key buildings not in operation.

Dated February 27, 2014

Client: Sandy Key

By: _____

Its: President of the Board

PBS: Perdido Beach Services, Inc.

By: _____

Its: Owner / Operator

Beach Canopy/Tent Rules

Attention Sandy Key Guests:

We understand that beach canopies/tents have become popular among beachgoers. However, our Sandy Key beach is limited in space, and we have implemented the following rules regarding canopies which will be strictly enforced.

- All canopies must be placed BEHIND a line even with the BACK of the beach lounges. This includes the far east and west ends of the Sandy Key property where lounges may not be immediately present.
- Any canopy or frame left unattended for more than three days may be removed.
- No canopy may exceed 100 square feet in size (10' x 10').
- Canopies cannot be placed in "walkways" to the water established by the beach service between sections of the beach lounges.
- Use courtesy in setting up your canopy near neighbors so as not to block their view or obstruct their access to the water.
- Due to certain conditions, such as beach erosion, there may be times when canopies are not allowed at all.
- The beach service attendant on duty each day has the authority to enforce these rules.

Please be aware that Sandy Key's beach is a PRIVATE BEACH, and the lounges and canopies may only be used by Sandy Key owners and guests.