

STATE OF FLORIDA
COUNTY OF NASSAU

THIRD PARTY AGREEMENT REGARDING COMPLETION AND PERFORMANCE

FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid or delivered to the undersigned (hereinafter collectively referred to as the "Guarantor"), the receipt and sufficiency of which are hereby acknowledged by Guarantor, and for the purpose of compliance with the provisions of Section 12.1 and 12.2 of the Nassau County Ordinance Code (the "Code") enacted by Nassau County, Florida (the "County") and to induce the County to accept the plat of Settler's Ridge, as filed by Calico Development Company, a Florida corporation (the "Principal"), which will be to the direct interest and advantage of Guarantor, Guarantor does hereby unconditionally guarantee to County and its successors, successors-in-title and assigns the full and prompt payment and performance of any and all obligations of Principal to County under the terms of the Code relating to the Plat, as modified from time to time. Specifically, Guarantor does hereby agree that if the Principal fails (a) to complete in a good and workmanlike manner all roadway, drainage and water and sewer construction contemplated by the Plat (and the plans and specifications related thereto on file with the County) (hereinafter referred to as the "Improvements") within one (1) year of the date of filing the Plat with the County, or (b) to maintain the Improvements for the minimal period required by the Code, then the Guarantor shall cause at its expense all such Improvements to be completed and maintained, as the case may be, as required by the Code; Guarantor further agrees to pay all expenses (including reasonable attorneys' fees) paid or incurred by County in endeavoring to enforce the obligations of Principal guaranteed hereby, or any portion thereof, or to enforce this Guaranty.

Guarantor hereby waives and agrees not to assert or take advantage of (a) the defense of the statute of limitations in any action hereunder or for the performance of any obligation hereby guaranteed; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantor or any other person or entity, or the failure of County to file or enforce a claim against the Principal or any other person or entity; (c) any defense based on the failure of County to give notice of the existence, creation or incurring of any obligation or of any action or nonaction on the part of any other person whomsoever, in connection with any obligation hereby guaranteed; (d) any defense based upon an election of remedies by County which destroys or otherwise impairs any subrogation rights of Guarantor or the right of Guarantor to proceed against Principal for reimbursement, or both; (e) any defense based upon failure of County to commence an action against Principal; (f) any duty on the part of County to disclose to Guarantor any facts it may now or hereafter know regarding Principal; (g) notice of presentment and demand for performance of any of the obligations hereby guaranteed; (h) any and all other notices whatsoever to which Guarantor might otherwise be entitled; and (i) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

The liability of Guarantor under this Guaranty shall be direct and immediate and not conditional or contingent upon the pursuit of any remedies against Principal or any other

person. Guarantor waives any right to require that an action be brought against Principal or any other person.

In the event of a default by Principal, County shall provide written notice to Guarantor setting forth in specific detail the defaults(s) of Principal and, should such default continue uncured or unabated for a period of thirty (30) days after the giving of such notice (such event being hereinafter referred to as an "Event of Default"), then County shall have the right to enforce its rights, powers and remedies thereunder or hereunder or under any other instrument now or hereafter evidencing, securing or otherwise relating to the transactions, in any order, and all rights, powers and remedies available to County in such event shall be nonexclusive and cumulative of all other rights, powers and remedies provided thereunder or hereunder or by law or in equity. Until all of the obligations of Principal to County have been paid and performed in full, Guarantor shall have no right of subrogation to County against Principal, and Guarantor hereby waives any rights to enforce any remedy which County may have against Principal.

Guarantor hereby subordinates all claims that Guarantor may have against Principal to all claims which County has against Principal.

Guarantor warrants and represents to County that all financial statements heretofore delivered by him to Lender are true and correct in all respects as of the date hereof.

This Agreement may not be changed orally, and no obligation of Guarantor can be released or waived by County or any officer or agent of County, except by writing, signed by the party giving such notice, election or demand, and shall be delivered personally, or sent by registered or certified United States mail, postage prepaid, to the other party at the address set forth below, or at such other address within the continental United States of America as may have theretofore been designated in writing. The effective date of such notice shall be the date of personal service or the date on which the notice is deposited in the mail. For the purposes of this Guaranty:

The address of County is:

Nassau County, Florida
c/o Mr. Mike Mullin, County Attorney
191 Nassau Place
Yulee, Florida 32097

The address of Guarantor is:

2120 Corporate Square Boulevard, Suite 3
Jacksonville, Florida 32216

The provisions of this Guaranty shall be binding upon Guarantor and his successors, successors-in-title, heirs, legal representatives and assigns. This Agreement

shall in no event be impaired by any change which may arise by reason of the death of Principal or Guarantor, if individuals, or by reason of the dissolution of Principal or Guarantor, if Principal or Guarantor is a corporation or partnership.

Further, the Principal has arranged for an acquisition and development loan , a portion of which is earmarked to fund construction of the Improvements described hereinabove. The total funding allocated for completion of the Improvements is \$182,000.00 (the "Improvement Fund"). Accordingly, by acceptance hereof, the County acknowledges and agrees that Guarantor's total exposure hereunder shall not exceed, pursuant to provisions of the Code, one hundred fifteen percent (115%) of such sum, or \$209,300.00 in the aggregate, exclusive of costs of enforcement. Further, by execution hereinbelow, after an Event of Default until such default is cured both Principal and Guarantor hereby assign, transfer and set over all right, title and benefit they have to such Improvement Fund for completion of the Improvements under their Loan Documents with the Lender, including but not limited to the right to obtain funding for construction of the Improvements.

Specifically, the Loan Documents referred to herein (i) are that certain Promissory Note in the original principal amount of \$500,000.00 dated December 15, 2000 (the "Note"), in favor of Fidelity National Bank (hereinafter the "Lender"), (ii) that certain Mortgage and Security Agreement securing the Note, as such Mortgage is recorded in Official Records Book 966, beginning page 193 of the public records of Nassau County, Florida and (iii) that certain Construction Loan Agreement between Lender and Principal executed and delivered contemporaneously with the Note and such parties hereby authorize and direct Lender after an Event of Default by the Principal and Guarantor hereunder to fund directly any and all loan proceeds in the Improvement Fund to the County for completion of the Improvements, including, but not limited to any trustee, receiver or other party appointed by the County for completion of the Improvements.

BY ACCEPTANCE HEREOF, GUARANTOR AGREES THAT NEITHER GUARANTOR, NOR ANY ONE OR MORE OF THE UNDERSIGNED, OR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF ANY OF THE SAME (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS GUARANTY, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE OBLIGATIONS OF THE PRINCIPAL SECURED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES WITH LENDER, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. LENDER HAS IN NO WAY AGREED WITH OR REPRESENTED TO ANY

OF THE PARTIES THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty in Jacksonville, Duval County, Florida, under seal dated this 11 day of July, 2001.

Katherine S. Carpenter
Print Name: KATHERINE S. CARPENTER

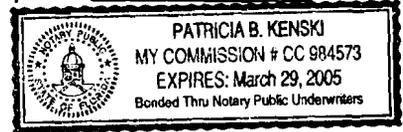
[Signature]
John A. Semanik

[Signature]
Print Name: E. J. CONDON
Witnesses

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me this 11 day of July, 2001, by John A. Semanik, who is personally known to me or has produced _____ as identification.

[Signature]
Print Name: _____
Notary Public, State of Florida at Large
Commission No.: _____
My Commission Expires: _____



CONSENT AND JOINDER

By execution hereof, the Principal referred to hereinabove joins, consents and agrees to the foregoing Agreement.

Katherine S. Carpenter
Print Name: KATHERINE S. CARPENTER

E.P. Condon
Print Name: E.P. CONDON
Witnesses

CALICO DEVELOPMENT COMPANY

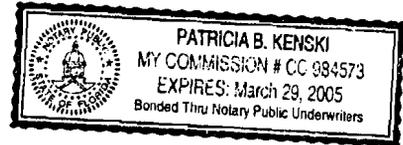
By: [Signature]
Its: President

"Principal"

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 11 day of July, 2001, by John A. Semanik, as President of Calico Development Company, a Florida corporation, on behalf of the corporation, who is personally known to me or has produced _____ as identification.

[Signature]
Print Name: _____
Notary Public, State of Florida at Large
Commission No.: _____
My Commission Expires: _____



CONSENT AND JOINDER

By execution hereof, Lender, described hereinabove, hereby acknowledges receipt of the notice and acknowledgment from Principal and Guarantor set forth hereinabove in favor of the County and Lender hereby binds itself to fund to the County such funds as may be required for completion of the Improvements pursuant to the Loan Documents; provided, however, that Lender shall have no obligation to fund to the County the lesser of (i) the amount in Improvement Fund or (ii) the amount unfunded for the Improvements under the Loan Documents. Further, Lender's obligation to fund completion of the Improvements hereunder is subject to all terms, conditions and provisions set forth in the Loan Documents and shall be funded by the Lender in its sole discretion, subject to the terms, conditions and interpretations of the Loan Documents as Lender shall so interpret.

Marie Tylicki
Print Name: MARIE TYLICKI

Deborah D. Barber
Print Name: DEBORAH D. BARBER
Witnesses

FIDELITY NATIONAL BANK

By: Michael W. Levitt
Michael W. Levitt
Its: vice-pres

"Lender"

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 12th day of July, 2001, by Michael W. Levitt, as Vice President of Fidelity National Bank, a national banking association, on behalf of the bank, who is personally known to me or has produced _____ as identification.

Deborah D. Barber
Print Name: _____
Notary Public, State of Florida at Large
Commission No.: _____
My Commission Expires: _____

