

FIRST AMENDMENT TO LEASE AGREEMENT

This First Amendment to Lease Agreement is entered into this 1st day of February, 2011, by and between the City of Key West hereinafter ("LANDLORD") and Island Tranquility, Inc. (hereinafter "TENANT").

WITNESSETH

WHEREAS, LANDLORD and TENANT entered into a Lease Agreement on the 7th day of August, 2007, (the "Lease Agreement"), pertaining to the premises located at 700 Block of Eisenhower Dive in the Key West, Florida

WHEREAS, the LANDLORD and TENANT now desire to amend their Lease Agreement which is attached hereto as Exhibit "A",

NOW, THEREFORE, in mutual consideration of the benefits conferred upon the parties by the terms of this Amendment, LANDLORD and TENANT agree as follows:

- 1. The reference to "7360 net usable square feet" in paragraph 1.4 of the Lease Agreement, pertaining to Demised Premises, is deleted and replaced with "3393" net usable square feet."**
2. The document attached to the Lease Agreement and referred to as "Exhibit A" in paragraph 1.4 and paragraph 2 of the Lease Agreement is hereby deleted in its entirety and replaced with "Exhibit A-1", which is attached hereto and incorporated by reference.
3. The document attached to the Lease Agreement and referred to as "Exhibit B" in paragraph 1.6, paragraph 4.4(a), and paragraph 4.4(c), of the Lease Agreement is hereby deleted in its entirety and replaced with "Exhibit B-1", which is attached hereto and incorporated by reference.
4. Except as modified herein, the Lease Agreement as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have made this First Amendment to Lease Agreement on the date first written above.

City of Key West

ATTEST:

Cheryl Smith, City clerk

By: _____
Craig Cates, Mayor

Island Tranquility, Inc.

Matthew Hughes
Witness

Frank Bervaldi
Frank Bervaldi, President

Cynthia Ware
Witness

The foregoing First Amendment to Lease Agreement was acknowledged before me this 1st day of FEBRUARY, 2011, by FRANK BERVALDI, who is personally known to me, or who [] produced _____ as identification.

Matthew Hughes
Notary Public

STATE OF FLORIDA
COUNTY OF MONROE
My commission expires: 01/29/12

Print name: MATTHEW HUGHES

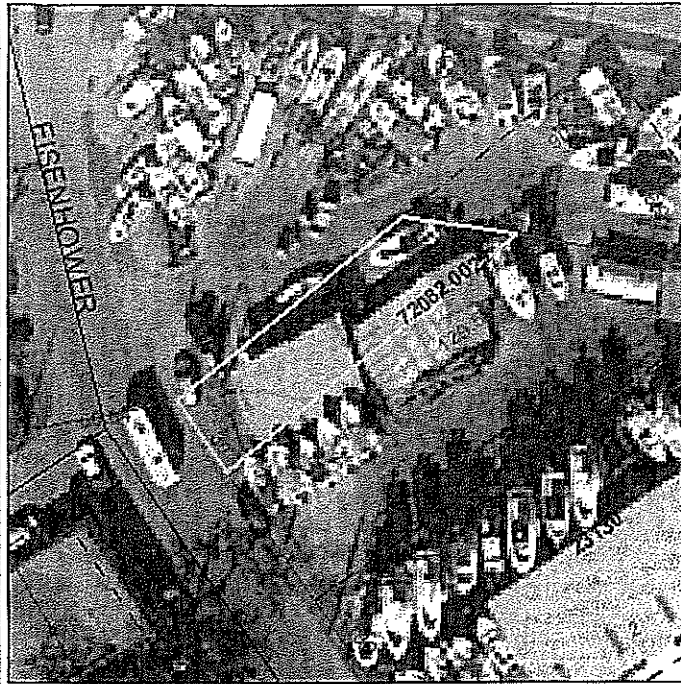
NOTARY PUBLIC-STATE OF FLORIDA
Matthew Hughes
Commission # DD753156
Expires: JAN. 29, 2012
BONDED THRU ATLANTIC BONDING CO., INC.

Exhibit "A"
Lease Agreement

Exhibit "A-1"

Updated Parcel

3393 Net Usable Square Feet



Land Details

| Land Use Code | Frontage | Depth | Land Area |
|-----------------------|----------|-------|-------------|
| 100D - COMMERCIAL DRY | 0 | 0 | 3,393.00 SF |

Exhibit A-1

Exhibit "B-1"

Amended Rent Schedule

CITY OF KEY WEST

EXHIBIT "B-1"

Tenant: Island Tranquility, Inc.
 Location: 711 Eisenhower Drive
 Contact: Frank Bervaldi

| YEAR # | Period Beginning | Base Rent monthly 5% Increase | Base Rent Annual 5% Increase | Sales Tax Monthly | Total Rent With Tax Monthly | TOTAL RENT ANNUAL |
|--------|------------------|----------------------------------|---------------------------------|----------------------|--------------------------------|----------------------|
| 1 | February 1, 2011 | \$762.39 | \$9,148.68 | \$57.18 | \$819.57 | \$9,834.83 |
| 2 | December 1, 2012 | \$800.51 | \$9,606.11 | \$60.04 | \$860.55 | \$10,326.57 |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Tenant pays Taxes and Insurance expenses directly.

GUARANTY

This Guaranty is made this 18th day of FEB, 2011 in accordance with the Lease Agreement (hereinafter Agreement) dated December 2, 2008 by and between the City of Key West (hereinafter City) and Island Tranquility, Inc. (hereinafter Tenant) and Frank V Bervaldi (hereinafter Guarantor) for the Demised Premises (hereinafter Premises) located in the 700 block of Eisenhower Drive, Key West, Florida.

In consideration of granting the use of the Premises to Tenant, and other good and valuable consideration, Guarantor does hereby covenant and agree that:

(a) The Guarantor does hereby absolutely, unconditionally and irrevocably guarantee to the City the full and complete performance of all of Tenant's covenants and obligations under the Agreement and full payment by Tenant of all rentals, additional charges and other charges and amounts required to be paid hereunder during the entire term. Guarantor's obligations hereunder shall be primary and not secondary and are independent of the obligations of the Tenant.

(b) A separate action or actions may be brought and prosecuted against Guarantor, whether or not action is brought against Tenant or whether Tenant shall be joined in any such action or actions. At the City's option, the Guarantor may be joined in any action or proceeding commenced by the City against Tenant in connection with and based upon any covenants and obligations under the Agreement, and the Guarantor hereby waives any demand by City and/or prior action by City of any nature whatsoever against Tenant.

(c) The Guarantor consents to forbearance, indulgences and extensions of time on the part of the City being afforded to Tenant, the waiver from time to time by City of any right or remedy on its part as against Tenant. The Guarantor hereby agrees that no act or omission on the part of the City shall affect or modify the obligation and liability of the Guarantor hereunder.

(d) This Guaranty shall remain and continue in full force and effect, notwithstanding (i) any alteration of the Agreement by parties thereto, whether prior or subsequent to the execution hereof, (ii) any renewal, extension, modification or amendment of the Agreement, (iii) any subletting of the Demised Premises or assignment of Tenant's interest in the Agreement.

(e) The Guarantor's obligations hereunder shall remain fully binding although City may have waived one or more defaults by Tenant, extended the time of performance by Tenant, released, returned, or misapplied other collateral given later as additional security (including other guarantees) and released Tenant from the performance of its obligations under the Agreement.

(f) In the event any action or proceeding be brought by City to enforce this Guaranty, or City appears in any action or proceeding in any way connected with or growing out of this Guaranty, then and in any such event, the Guarantor shall pay to City reasonable

attorney's fees, but only if City is the prevailing party. The Guarantor in any suit brought under this Guaranty does hereby submit to the jurisdiction of the courts of the State of Florida and to the venue in the circuit court of Monroe County, Florida.

(g) This Guaranty shall remain in full force and effect notwithstanding the institution by or against Tenant or bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, or in the disaffirmance of the Agreement an any such proceedings or otherwise.

(h) This Guaranty shall be applicable to and binding upon the heirs, representatives, successors and assigns of City, Tenant and the Guarantor.

IN WITNESS WHEREOF, the Guarantor has caused the foregoing Guaranty to be executed on this 1st day of FEB 2011.

Witness:

Guarantor:

By: Matthew Hughes
Name: MATTHEW HUGHES
Date: 02/01/11

By: Frank V. Bervaldi
Name: Frank V. Bervaldi
Date: 2/1/11

State of Florida }
County of Monroe }

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, FRANK V. BERVALDI, to me personally known or who provided _____ as photo identification, and who executed the foregoing instrument and he/she acknowledged before me that he/she executed the same individually and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this 1ST day of FEBRUARY, 2011

Matthew Hughes
Notary Public, State of Florida

My Commission Expires: 01/29/12

NOTARY PUBLIC-STATE OF FLORIDA
Matthew Hughes
Commission #DD753156
Expires: JAN. 29, 2012
BONDED THRU ATLANTIC BONDING CO., INC.