MICHELLE R. MILLER, CLERK OF THE CIRCUIT COURT
SAINT LUCIE COUNTY
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RECORDING: $163.00

SECOND AMENDMENT TO AMENDED AND RESTATED AGREEMENT FOR DEVELOPMENT OF KING'S LANDING

THIS SECOND AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT FOR DEVELOPMENT OF KING'S LANDING (the "Agreement") is made and entered into as of this 13 day of August 2024, by and between AUDUBON DEVELOPMENT, INC., a Florida corporation ("Audubon"), whose mailing address is P.O. Box 981, Palm Beach, FL 33480, the CITY OF FORT PIERCE, a Florida municipal corporation (hereafter referred to as the "City of Fort Pierce"), whose mailing address is City Hall, 100 North U.S. 1, Fort Pierce, FL 34950 and the FORT PIERCE REDEVELOPMENT AGENCY, a community redevelopment agency established pursuant to Florida Statutes Chapter 163 (the "FPRA") (collectively, the City of Fort Pierce and the FPRA shall be referred to herein as the "City").

WITNESSETH:

WHEREAS, the City and Audubon entered into an agreement dated December 2, 2019 and recorded in Official Records Book 4353, Page 1200, as amended by that certain First Amendment to Agreement for Development of King's Landing, dated February 3, 2020 and recorded in Official Records Book 4382, Page 118, both of the Public Records of St. Lucie County Florida (collectively, the "Original Agreement for Development");

WHEREAS, the City and Audubon entered into an Amended and Restated Agreement for Development of King's Landing dated February 8, 2022, and recorded in Official Records Book 4775, Page 2707, of the Public Records of St. Lucie County (the "Amended and Restated Agreement");

WHEREAS, the Amended and Restated Agreement supersedes the Original Agreement for Development;

WHEREAS, Audubon and the City entered into a First Amendment to the Amended and Restated Agreement, dated November 21, 2022, and recorded in Official Records Book 4919, Page 632, of the Public Records of St. Lucie County (the "First Amendment"); extending certain development deadlines reflected in Section 9, and revising Section 13, related to Tax Increment Financing;

WHEREAS, Audubon and the City made claims of default against the other;

WHEREAS, a disagreement between Audubon and the City arose regarding whether the City is obligated to reimburse Audubon's alleged $1,100,000 in costs for Debris Removal pursuant to Paragraph 27 of the Amended and Restated Agreement ("Debris Removal Claim");

WHEREAS, Audubon entered into a "Joint Venture Salient Terms" Agreement with Harbert Realty Services, LLC on July 25, 2024;

WHEREAS, Audubon and Harbert Realty Services, LLC, intend to finalize their joint venture agreement and to form a joint venture entity pursuant to the "Joint Venture Salient Terms" Agreement;

WHEREAS, the City finds the addition of a Joint Venture Partner with Audubon to be a necessary requirement to proceed in contract with Audubon and wishes to proceed in contract with Audubon if Harbert Realty Services, LLC is a Joint Venture Partner with Audubon;

WHEREAS, Audubon and the City have agreed to amend the Amended and Restated Agreement for Development and the First Amendment by extending certain deadlines reflected in Paragraph 3 of the First Amendment, related to the Development Timeline.

NOW THEREFORE, the undersigned parties to this Agreement do hereby amend the Amended and Restated Agreement and the First Amendment as set forth herein:

1. **Recitals.** The recitals set forth above are incorporated herein by reference and made a part of this Agreement as if fully set forth herein verbatim.

2. **Effective Date.** This Agreement shall become effective immediately upon approval and execution by Audubon, the Fort Pierce City Commission and the FPRA Board, whichever is later.

3. **Development Timeline.** The First Amendment, in part, amended Paragraph 9 of the Amended and Restated Agreement for Development by delaying the Construction Schedule and all Development Deadlines, to accommodate Closing delays. The parties hereto agree that the dates set forth in the Construction Schedule and all Development Deadlines shall be further delayed and amended as follows:

   a. Phase 1. Audubon shall complete construction of Phase 1 no later than July 11, 2028.

   b. Phase 2. Audubon shall submit an application for building permit(s) or DPCR approval for construction of Phase 2 no later than February 24, 2027. Audubon shall Commence Construction of Phase 2 no later than May 19, 2027, and shall complete construction no later than May 29, 2029.

   c. Phase 3. Audubon shall submit an application for building permit(s) or DPCR approval for construction of Phase 3 no later than August 23, 2028. Audubon shall Commence Construction of Phase 3 no later than November 15, 2028, and shall complete construction no later than November 13, 2029.

   Audubon's Updated Construction Schedule is attached hereto as Exhibit "A." Audubon shall comply with all Start and Finish Dates for each Task Name within Exhibit "A." The failure of Audubon to comply with any Start or Finish Date for any Task Name within Exhibit "A" shall a constitute a material breach of the Agreement.

4. **Adjustments to Exhibit "F".** The dates in Exhibit "F" to the Amended and Restated Agreement shall adjust automatically to reflect the dates set forth in Paragraph 3 and Exhibit "A."

5. **Progress Updates.** Audubon shall provide monthly Written Progress Updates to the City Commission and FPRA. The Written Progress Updates shall include information regarding Marriott franchisee approval and design processes and/or King's Landing project construction timelines and progress. Additionally, Audubon shall make quarterly Progress Update Presentations before the City Commission or the FPRA.

6. **Documentation Production.** Audubon shall produce documentation to the City showing a Franchise Application has been submitted to Marriott International no later than January 29, 2025. Audubon shall produce documentation to the City showing the approval or denial of the Franchise Application by Marriott within five (5) business days of the decision.

7. **Removal of Buried Concrete.** Paragraph 27 of the Amended and Restated Agreement for Development is hereby deleted and replaced with the below Paragraph 27 to clarify the intent of the Parties:

   27. Removal of Buried Concrete. The FPRA set aside $170,000 in escrow for the removal of buried concrete and other debris located on the Property. After the Closing, but before the commencement of construction on the Property, Audubon shall excavate and remove the buried concrete and other debris located on the Property, using Audubon's contractors, as may be needed for the construction of the Project in accordance with the approved Site Plan (the "Debris Removal"). Upon completion of the foregoing Debris Removal to Audubon's reasonable satisfaction, Audubon will give written notice of completion to the City, together with copies of invoices confirming the cost of the Debris Removal. Upon receipt of such written notice, FPRA shall promptly reimburse Audubon for the cost of the Debris Removal in an amount up to, but not to exceed, $170,000.

8. **Debris Removal Payment.** Audubon hereby agrees the City has paid $170,000 to Audubon, the maximum required amount required under the Amended Paragraph 27. Audubon hereby agrees the City is in compliance with and has fully satisfied any and all obligations related to the Debris Removal.

9. **Waiver of Default Claims.** Audubon has made claims of default against the City, which the City denies. Audubon hereby expressly waives any and all claims related to its Debris Removal Claim against the City, including its claim for damages and compensation related to remediation of debris (concrete removal) and any misrepresentations related the development of the King's Landing site. Audubon additionally waives any and all claims relating to unclear title and any delays in the permit review or approval process that occurred prior to the execution of this Agreement.

10. **Joint Venture Partnership.** Pursuant to Paragraph 12 of the Amended and Restated Agreement for Development of King's Landing, the City hereby approves the Joint Venture Partnership between Audubon and Harbert Realty Services, LLC pursuant to their "Joint Venture Salient Terms" Agreement, attached hereto as Exhibit "B". If the "Joint Venture Salient Terms" Agreement between Audubon and Harbert Realty Services, LLC is breached or terminated, by either Audubon or Harbert Realty Services, LLC, prior to the finalization and formation of their joint venture agreement, such breach or termination shall be a material breach by Audubon under the Amended and Restated Agreement for Development of King's Landing. In the event of such breach or termination, the City may default Audubon pursuant to Paragraph 10 of the Amended and Restated Agreement for Development of King's Landing, and Audubon shall have thirty (30) days to present a cure to the City.

    The "Joint Venture Salient Terms" Agreement may be amended, prior to the formation and finalization of their joint venture agreement, upon approval by the City and FPRA.

    Audubon shall finalize its Joint Venture Partnership with Harbert Realty Services, LLC through the formation of a Delaware limited liability company within one hundred and eighty (180) days of the effective date of this Agreement. Failure to do so shall be a material breach by Audubon for which the City may default Audubon pursuant to Paragraph 10 of the Amended and Restated Agreement for Development of King's Landing, and Audubon shall have thirty (30) days to present a cure to the City.

11. **No Further Amendments.** Except as specifically modified and amended hereby, the Amended and Restated Agreement shall remain in full force and effect.

12. **Counterparts.** This Agreement may be executed in any number of identical counterparts each of which shall be deemed to be an original for all purposes but all of which shall constitute one and the same instrument, and a copy of such signature received through telefax or electronic transmission shall bind the party whose signature is so received as if such signature were an original. In making proof of this Agreement, it shall not be necessary to produce or account for more of such counterparts than are required to show that each party hereto executed at least one such counterpart.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

WITNESSES:

By: Lainey Francisco
Print Name: Lainey Francisco
Address: 505 S. Flagler Dr. Suite 1100, West Palm Beach, FL

By: Linda Cox
Print Name: Linda Cox
Address: 100 N US Hwy 1 Fort Pierce FL

"Audubon"

AUDUBON DEVELOPMENT, INC., a Florida corporation

By: ______
Print Name: Dale Matteson
Title: President & CEO

STATE OF FLORIDA
COUNTY OF St. Lucie

The foregoing instrument was acknowledged before me this 13 day of August, 2024, by Dale Matteson as President & CEO of AUDUBON DEVELOPMENT, INC., a Florida corporation. Said person did not take an oath and (check one) ☒ is personally known to me, □ produced a driver's license issued by a state of the United States within the last five (5) years as identification, to wit:

LINDA W. COX
Notary Public
State of Florida
Comm# HH167003
Expires 9/9/2025

Linda W. Cox
Notary Public, State of Florida
Print Name: ______
Commission #: ______
My Commission Expires: ______

(SIGNATURES CONTINUE ON FOLLOWING PAGES)

WITNESSES:

By: Linda W Cox
Print Name: Linda Cox
Address: 100 US Hwy 1 Fort Pierce FL

By: ______________________
Print Name: Latoya Ranson
Address: 100 N US Hwy 1 Fort Pierce FL

"City of Fort Pierce":

CITY OF FORT PIERCE, FLORIDA, a Florida municipal corporation

By: Linda Hudson
Linda Hudson, Mayor

APPROVED AS TO FORM
AND CORRECTNESS:

By: ______________________
Sara Hedges, City Attorney

STATE OF FLORIDA
COUNTY OF St. Lucie

The foregoing instrument was acknowledged before me this 13 day of August, 2024, by LINDA HUDSON, as MAYOR, of CITY OF FORT PIERCE, a municipal corporation. Said that person did not take an oath and (check one) ☒ is personally known to me, ☐ produced a driver's license issued by a state of the United States within the last five (5) years as identification, to wit:

LINDA W. COX
Notary Public
State of Florida
Comm# HH167003
Expires 9/9/2025

Linda W. Cox
Notary Public, State of Florida
Print Name: ______________________
Commission #: ______________________
My Commission Expires: ______________________

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

WITNESSES:

By: Linda W Cox
Print Name: Linda Cox
Address: ~~100 N US~~ Hwy 1 Fort Pierce FL

By: ______________________________
Print Name: Latoya Ransom
Address: 100 N US Hwy 1 Fort Pierce FL

"FPRA"

FORT PIERCE REDEVELOPMENT AGENCY, a community redevelopment Agency established pursuant to Florida Statutes Chapter 163

By: Linda Hudson
Linda Hudson, Chairwoman

APPROVED AS TO FORM
AND CORRECTNESS:

By: ______________________________
Sara Hedges, City Attorney

STATE OF FLORIDA
COUNTY OF St. Lucie

The foregoing instrument was acknowledged before this 13 day of August, 2024 by Linda Hudson as Chair of FORT PIERCE DEVELOPMENT AGENCY, a community redevelopment agency established pursuant to Florida Statues Chapter 163. Said person did not take an oath and (check one) ☒ is personally known to me, □ produced a driver's license issued by a state of the United States within the last five (5) years as identification to wit:

Linda W. Cox
Notary Public, State of Florida
Print Name: ______________________
Commission #: ______________________
My Commission Expires: ______________

FLORIDA NOTARY ASSOCIATION SINCE 1978
LINDA W. COX
Notary Public
State of Florida
Comm# HH167003
Expires 9/9/2025

EXHIBIT

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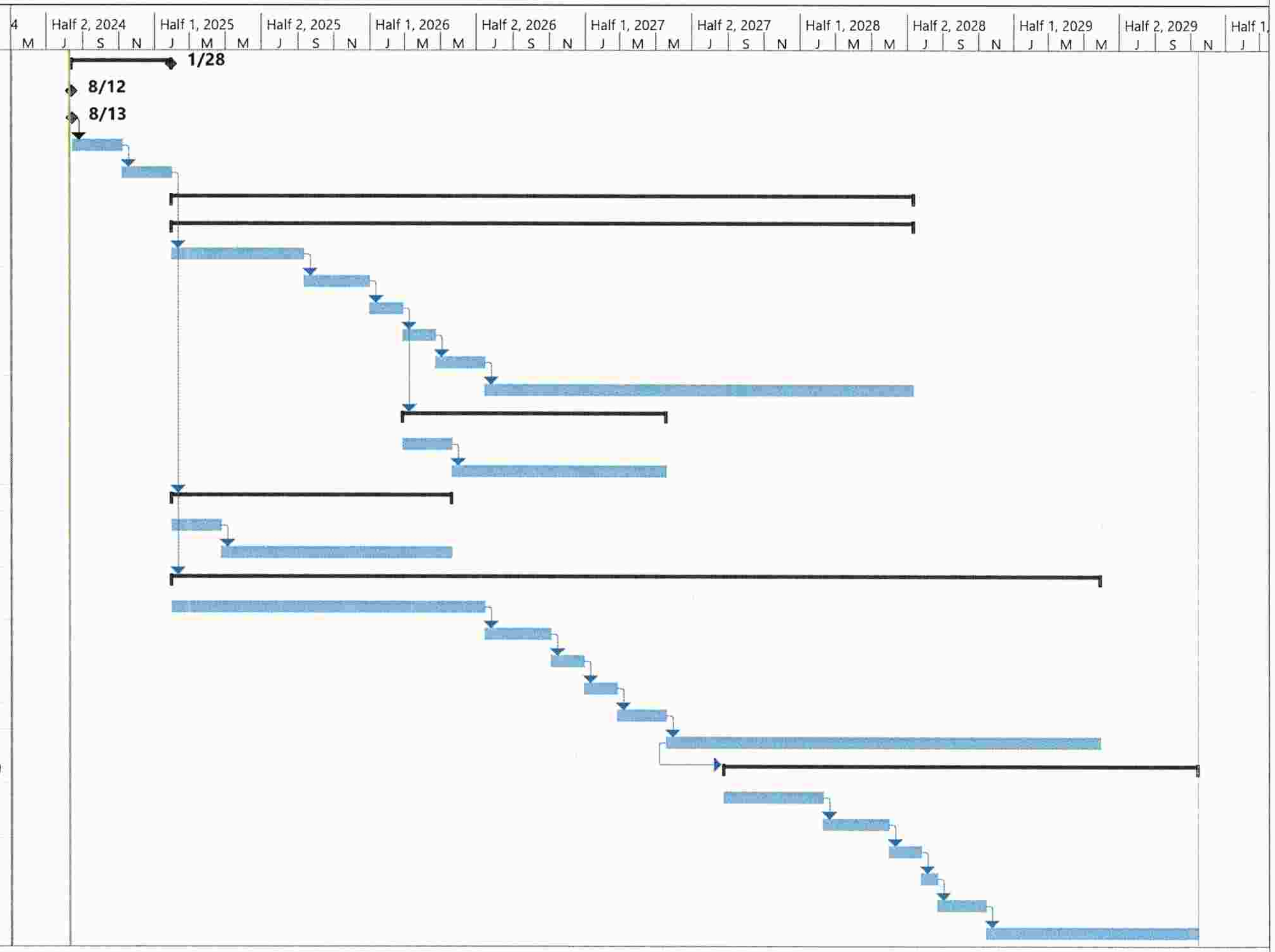
A

AUDUBON DEVELOPMENT

KING'S LANDING

ID		Task Mode	Task Name	Start	Finish
1			**City Meetings & Approvals**	**Mon 8/12/24**	**Tue 1/28/25**
2			FPRA Meeting	Mon 8/12/24	Mon 8/12/24
3			City Council Meeting	Tue 8/13/24	Tue 8/13/24
4			Due Diligence Time - 90 days	Wed 8/14/24	Tue 11/5/24
5			Finalize City Approvals - 90 days	Wed 11/6/24	Tue 1/28/25
6			**Phase I**	**Wed 1/29/25**	**Tue 7/11/28**
7			**Hotel Timeframes**	**Wed 1/29/25**	**Tue 7/11/28**
8			Design Time (8mths)	Wed 1/29/25	Tue 9/9/25
9			Site Work DPCR Approval (4mths)	Wed 9/10/25	Tue 12/30/25
10			Site Work Permitting (2mths)	Wed 12/31/25	Tue 2/24/26
11			Vertical DPCR Approval (2mths)	Wed 2/25/26	Tue 4/21/26
12			Vertical Permitting (3mths)	Wed 4/22/26	Tue 7/14/26
13			Construction Timeframe (2yrs)	Wed 7/15/26	Tue 7/11/28
14			**Infrastructure Timeframes**	**Wed 2/25/26**	**Tue 5/18/27**
15			Mobilize/Procurment (3mths)	Wed 2/25/26	Tue 5/19/26
16			Construction Timeframe (1yr)	Wed 5/20/26	Tue 5/18/27
17			**Villas' Timeframes**	**Wed 1/29/25**	**Tue 5/19/26**
18			Mobilize/Procurment (3mths)	Wed 1/29/25	Tue 4/22/25
19			Construction Timeframe (14mths)	Wed 4/23/25	Tue 5/19/26
20			**Phase II**	**Wed 1/29/25**	**Tue 5/29/29**
21			Design Documents (1.6yr)	Wed 1/29/25	Tue 7/14/26
22			Site Work DPCR Approval (4mths)	Wed 7/15/26	Tue 11/3/26
23			Site Work Permitting (2mths)	Wed 11/4/26	Tue 12/29/26
24			Vertical DPCR Approval (2mths)	Wed 12/30/26	Tue 2/23/27
25			Vertical Permitting (3mths)	Wed 2/24/27	Tue 5/18/27
26			Construction Timeframe (2yrs)	Wed 5/19/27	Tue 5/29/29
27			**Phase III**	**Wed 8/25/27**	**Tue 11/13/29**
28			Design Documents (6mths)	Wed 8/25/27	Tue 2/8/28
29			Site Work DPCR Approval (4mths)	Wed 2/9/28	Tue 5/30/28
30			Site Work Permitting (2mths)	Wed 5/31/28	Tue 7/25/28
31			Verical DPCR Approval (2mths)	Wed 7/26/28	Tue 8/22/28
32			Vertical Permitting (3mths)	Wed 8/23/28	Tue 11/14/28
33			Construction Timeframe (1yr)	Wed 11/15/28	Tue 11/13/29



EXHIBIT

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B

HARBERT
REALTY SERVICES

JOINT VENTURE SALIENT TERMS

TO: Dale Matteson – Audubon Development

FROM: Harbert Realty Services, LLC

SUBJECT: King's Landing Mixed-Use Development in Ft. Pierce, Florida

DATE: July 25, 2024

This agreement ("Agreement") is a summary of salient business terms of a company structure that Harbert Realty Services, LLC. ("HRS") proposes to develop a mixed-use project known as King's Landing in Ft. Pierce, Florida ('Project') with Audubon Development (AD). This Agreement will serve as a guide to facilitate associated operative agreements for a Joint Venture structure, including exclusive development rights, due diligence period, and approval period.

1. Joint Venture: To be formed single-asset Delaware limited liability company ("JV") for the development of the project.

2. Purpose: JV will develop and own a Class A, mixed-use project to be known as King's Landing (the "Project") as an investment property. The JV will finance, develop, construct, market, sell/lease residential and commercial spaces and manage the Project.

3. Property: AD owns an approximate 6.8811 acre property located on North 2nd Street in Ft. Pierce, Florida ("Property") and AD shall contribute the property into the JV at a value of $6,100,000 as per below:
   - $4,600,000 allocated to the Project's uses, excluding the Hotel
   - $1,500,000 allocated to the Hotel

4. Project: King's Landing, a Mixed-Use Development in Fort Pierce, FL
   - 106 Condominium Units
   - ±140-Room Tribute Portfolio by Marriott Hotel
   - ±50,000 SF of Retail and Restaurants
   - Land for Future Development
   - 170-Space Structured Parking and 129 Surface Parking Spaces

5. Members: AD and HRS, or their respective affiliates shall be the Members of the JV. The Members ownership percentages shall be memorialized in the JV agreement and are more specifically outlined below. The

JV will be a Delaware limited liability company with HRS and AD acting as the company's Co-Managing Members of the JV.

6. Due Diligence: Prior to the formation of the JV's, HRS shall have ninety (90) days to perform continued due diligence including further studies and discovery on: the updated City approved project development schedule (being reviewed for modification), the City Florida Job Growth Infrastructure Grant and Amendment One thereto, the residential condominiums, hotel, retail, and restaurant markets in Ft. Pierce and the Treasure coast of Florida, financial feasibility, confirmation of zoning, density, preliminary design cost, and state, county and local incentives. HRS acknowledges receipt of the survey, land appraisal, City approved initial site plan, as amended (being reviewed for modification), the City Florda Job Growth Infrastructure Grant and Amendment One thereto the Recorded Amended and Restated Agreement for Development of King's Landing, the First Amendment to Amended and Restated Agreement for Development of King's Landing, the initial AD project budget and proforma, and initial Hotel incentive package memorialized in the letter dated August 22, 2022 from St. Lucie EDC to Mainsail.

7. Exclusive, Approval Period: For a period of six (6) months, including the Due Diligence Period, HRS will have the exclusive right to execute the JV with AD for the development of the Property and AD will not show or discuss the property to other prospects, developers or potential purchasers or partners. Following the Due Diligence Period, HRS and AD will have a period of three (3) months to submit and receive any and all required site plan and schedule modifications from the City, the ("Approval Period").

8. Fees: The JV will compensate Members for their expertise and responsibilities per the JV Operating agreements. These fees will include but not be limited to the Development Fee, Financing/Guaranty Fee, Construction Management Fee, Brokerage and Management Fees. Proposed fees are outlined below and the payment of these fees and other fees will be memorialized in the JV agreement.

9. Capital Structure: All amounts are approximate. Total development cost per AD is estimated to be approximately as follows:

Condos, Retail & Restaurants, and Parking:

• Land Acquisition Costs:	$6,100,000
• Hard Construction Costs:	93,540,000
• Soft Costs:	15,313,600
• TI and FF&E:	1,100,000
• Financing Costs:	2,000,000
• Interest Reserve:	9,225,000
Total, excluding the Hotel:	$127,278,600

Hotel: $55,000,000

10. Debt/Equity/Structure: Condominiums, Retail/Office/Restaurant and Parking

Assumptions:
$127,000,000 Estimated Budget
$ 82,550,000 Leveraged Debt – 65%
$ 44,450,000 Cash, Land – 35%

HRS and AD will be co-general partners (GP) in the above uses, which excludes the Hotel. HRS and AD will serve as co-managing members and HRS will have a GP interest of 60%, and AD will have a GP interest of 40%.

HRS will invest up to $2,667,000 of the GP equity in the form of cash; HRS commits to raise an additional $36,738,500 investor limited partners (LP) funds; AD will invest $1,778,000 GP equity in the form of the land, and $2,822,000 LP equity in the form of land. AD has paid approximately $2,000,000 in qualified project expenses. AD will have the option of being reimbursed these expenses, or contributing this amount as additional LP funds. If the construction loan proceeds differ, the GP and LP cash contributions will be modified accordingly. All cost overruns will be funded pro rata based on percentage of ownership. Credits from city incentives or development credits will adjust the GP and LP cash contributions accordingly.

Decision making within the GP will be shared 60% to HRS and 40% to AD.

a. ***Fees*** - Fees will be memorialized in the JV agreement and are subject to Lender approval.

b. ***Marketing & Sales*** – 4% of the Residential Condominium sales. This fee shall be allocated to AD via its newly formed entity licensed and bonded for this Project.

c. ***Development Fee*** - 5% of total design, engineering and construction cost. This fee shall be allocated 85% to HRS, and 15% to AD.

d. ***Guaranty*** – HRS and AD will be loan guarantors and each be paid a Loan and Completion Guaranty Fee of 0.75% of applicable costs, to be defined in the JV agreement, at loan closing and an annual Debt Guarantee fee of .025% of the loan balance until guarantee is retired or not required.

e. ***Construction Management Fee***: 1% of the total construction contracts for the project to be paid to HRS for services to be rendered.

11. Debt/Equity Structure

Hotel

Please see separate signed MOU between Mainsail Lodging and Development and HRS attached.

12. Promote:

The mixed-use components of the Project will be a promote structured pro rata to equity until the equity achieves an 8.0% IRR, then GP distributions increase to 30% thereafter.

13. Management Responsibilities:

Subject to the members of the JV preparing and agreeing to a roles and responsibilities matrix to be defined in the Operative Agreements.

14. Transfer Provision:

No Member will have the right to transfer all or any portion of its interest in JV without the prior unanimous written consent of the Members, provided however Members will be permitted to transfer their interest to affiliated entities.

15. Admission of Additional Members: No additional Members may be admitted to the Company without the prior unanimous written consent of the Members.

16. Buy/Sell Provisions: The Operating Agreement of the Company will include mutually agreeable buy/sell provisions.

17. Confidentiality: Prior to the finalization of the JV, HRS and AD agree to keep any information learned about the Property during its due diligence confidential (such information is referred to as the Confidential Information"). HRS agrees: (i) to maintain the Confidential Information in strict confidence, using at least the same degree of care that it would use in safeguarding its own confidential and proprietary information of a comparable degree of sensitivity, but in no event less than a reasonable degree to care; (ii) to use the Confidential Information only for the purpose of evaluating the Property's suitability for HRS's due diligence and formation of the JV with AD; and (iii) to disclose the Confidential Information only to those of its officers, employees and professional advisors who have a need to know such Confidential Information in connection with the Purpose.

18. Operative Agreements:

a. *Operating Agreement*: The Members will enter into an Operating Agreement based on the foregoing terms and additional terms agreeable to both Members.

b. *Development Agreements*: JV will enter into a Development Agreement with Members.

c. *Management Agreements:* The Company will enter into a property management agreement with Members and for the operation of the day-to-day activities of the Project.

d. *Leasing Agreement:* The Company will enter into a leasing agreement with Members to market, and lease retail and restaurant tenants in the Project.

e. *Sales Agreement*: The Company will enter into a marketing and sales agreement with Members to market and sell the Residential Condominiums.

f. *Guaranty Agreement:* The company will enter into a guaranty agreement with HRS and AD to provide a guaranty on the construction loan.

This Agreement contains the salient business terms of the parties. Both parties agree to work exclusively with the other in good faith to negotiate and execute Operating and Development Agreements.

Audubon Development

By: ______________________

Name: DALE MATHESON

Its: PRESIDENT - CEO

Date: 7/25/24

Harbert Realty Services. LLC:

By: ______________________

Name: David R. Williams

Its: President and CEO

Date: July 25, 2024

Exhibit B-1

MAINSAIL LODGING · DEVELOPMENT

HARBERT REALTY SERVICES

MEMORANDUM OF UNDERSTANDING

TO: Bill Ware – Harbert Realty Services

FROM: Joe Collier - Mainsail Lodging and Development

SUBJECT: King's Landing Mixed-Use Development in Ft. Pierce, Florida

DATE: July 19, 2024

This Memorandum of Understanding ("MOU") is an initial summary of a company structure that Harbert Realty Services, LLC. ("HRS") with Mainsail Lodging & Development ("Mainsail") proposes to develop a hotel in Ft. Pierce, Florida ('Project'). This MOU will serve as a guide to facilitate associated operative agreements for a Joint Venture structure and an exclusive due diligence period.

1. Joint Venture:	To be formed, a single-asset limited liability company ("JV") for the project hotel.
2. Purpose:	JV will acquire land, develop, and own an upscale full-service hotel (the "Project") as an investment property. The JV will develop, finance, construct and operate the Project.
3. Property:	HRS controls an approximate 6.811-acres property located on North 2nd Street in Ft. Pierce, Florida ("Property") and Audubon Development (A.D.) shall contribute the property for the hotel into the JV at a value of $1,500,000 as a limited partnership contribution. This will be the imputed equity that is in the limited partnership.
4. The Project and Surrounding Development:	King's Landing, a Mixed-Use Development in Fort Pierce, FL • 106 Condominium Units • ±140-Room Tribute Portfolio by Marriott Hotel • ±50,000 SF of Retail and Restaurants • Excess land that could be sold or developed • 170-Space Structured Parking and 129 Surface Parking Spaces
5. Members:	HRS, and Mainsail, or their respective affiliates shall be the Members of the JV. The Members ownership percentages shall be memorialized in the JV agreement and are more specifically outlined below. The JV will be a limited liability company with HRS and Mainsail as the company's Co-Managing Members of the JV.
6. Due Diligence:	Prior to the formation of the JV, HRS and Mainsail shall have 60-days to perform due diligence including studies and discovery on:

the hotel, markets in Ft. Pierce and the Treasure coast of Florida, financial feasibility, zoning, density, preliminary design cost and state, county, and local incentives. The results of these studies will be presented to HRS to determine the need for additional or modified terms of the JV structure not outlined in the MOU. HRS and Mainsail acknowledge receipt of the survey, land appraisal, approved initial site plan (to be modified), and initial Hotel incentive package memorialized in the letter dated August 22, 2022, from St. Lucie EDC to Mainsail.

7. Exclusive/ No-Shop:

During the Due Diligence period, HRS and Mainsail will have the exclusive right to JV with each other for the development of the Property.

8. Fees:

The JV will compensate Members for their expertise and responsibilities per the JV Operating agreements. These fees will include but not be limited to the Development Fee, Financing/Guaranty Fee, Construction Management Fee, Brokerage and Management Fees. Proposed fees are outlined below and the payment of these fees and other fees will be memorialized in the JV agreement.

9. Capital Structure

All amounts are approximate. Total development cost estimated to be approximately as follows:

Hotel: $55,000,000

Hotel

Mainsail (80%), HRS (20%) will be Co-GPs in the Hotel.

Kings Landing Capital Stack - Hotel				
GP Equity		**%**	**Equity $**	**Contribution**
HRS		20%	$385,000	Cash
Mainsail		80%	$1,540,000	Cash
	Total GP	100%	$1,925,000	
LP Equity		**%**	**Equity $**	**Contribution**
A.D.			$1,500,000	Land
Limited Partners			$15,825,000	Raise
	Total LP		$15,825,000	
Total Equity		35%	$19,250,000	
Debt		65%	$35,750,000	
Total Project	100%		$55,000,000	

Assumptions:

$55,000,000 Estimated Budget
$35,750,000 Leveraged Debt – 65%
$19,250,000 Cash, Land – 35%

Mainsail and Harbert will invest up to $2,000,000 in the form of cash. Mainsail will raise (LP) equity in the amount of $15,750,000. If the construction loan proceeds and/or incentives/development credits are received, the GP and LP cash contributions will be adjusted accordingly. All cost overruns will be funded pro rata.

Decision making within the GP will be 80% Mainsail, 20% HRS.

a. ***Development Fee*** - 4% of design, engineering, and construction costs. This fee shall be paid to 20% to HRS and 80% to Mainsail.

b. ***Opening and Technical Fees*** - Mainsail to receive $150,000, plus reimbursable expenses that are pre-approved by the Parties. Fee to be paid $10,000 at execution of the Hotel Management Agreement and $7,000 for the following twenty (20) months.

c. ***FF& E/OS&E Sourcing*** -to be a cost of the work and performed by a third-party entity.

d. ***Hotel Management Fees*** - Mainsail to receive a base management fee equal to 4.0% of annual gross revenues. Incentive management fee to be negotiated during final terms of the agreement.

11. Promote: The Hotel component of the Project will be a promote structured pro rata to equity until the equity achieves an 8.0% IRR then GP distributions increase to 30% thereafter in agreed stack with limited partner.

12. Management Responsibilities: Members to prepare responsibilities matrix.

13. Transfer Provision: No Member will have the right to transfer all or any portion of its interest in JV without the prior unanimous written consent of the Members, provided however Members will be permitted to transfer their interest to affiliated entities.

14. Admission of Additional Members: No additional Members may be admitted to the Company without the prior unanimous written consent of the Members.

15. Buy/Sell Provisions: The Operating Agreement of the Company will include mutually agreeable buy/sell provisions.

16. Confidentiality:

Prior to the finalization of the JV, HRS and Mainsail agree to keep any information learned about the Property during its due diligence confidential (such information is referred to as the Confidential Information"). HRS and Mainsail agree: (i) to maintain the Confidential Information in strict confidence, using at least the same degree of care that it would use in safeguarding its own confidential and proprietary information of a comparable degree of sensitivity, but in no event less than a reasonable degree to care; (ii) to use the Confidential Information only for the purpose of evaluating the Property's suitability for HRS's and Mainsail's formation of the JV with AD; and (iii) to disclose the Confidential Information only to those of its officers, employees and professional advisors who have a need to know such Confidential Information in connection with the Purpose.

17. Operative Agreements:

a. *Operating Agreement*: The Members will enter into an Operating Agreement based on the foregoing terms and additional terms agreeable to both Members.

b. *Development Agreements*: JV will enter into Development Agreements with Members.

c. *Management Agreements:* The Company will enter into property management and hotel agreements with Members and for the operation of the day-to-day activities of the Project.

d. *Guaranty Agreement:* The company will enter into a guaranty agreement with HRS and Mainsail Lodging and Development to provide a guaranty on the construction loans.

This MOU contains the general understanding of the parties and is not a legally binding agreement. All legally binding obligations between the parties shall arise only upon the execution of Operating and Development Agreements except for Sections 5, 6 and 7 of the MOU, which shall be binding on both parties. Notwithstanding, both parties agree to work exclusively with the other in good faith to negotiate and execute Operating and Development Agreements.

Mainsail Lodging & Development:	Harbert Realty Services. LLC:
By: C.C.	By: Will E Ware
Name: J. C. Collier	Name: WILLIAM E WARE
Its: Presid	Its: VICE PRESIDENT - DEV.
Date: 7-19-24	Date: 7.19.24
Name: ______	
Its: ______	
Date: ______	