

Good Afternoon Anthony,

Avis and I enjoyed speaking with you last Friday and providing you with an update on our progress with the Lot #10 Mixed-Use Development. As we discussed with you, we met with the Lender – David Ingram, Nim Patel – Horizon Hospitality Management Inc., Stuart Cullen, Engineer – George F. Young, and Commissioner Charles Goston during the site visit last Saturday, August 27th.

The Lender was extremely pleased with the site and surrounding area, including Innovation Square and other developments in the downtown area. At the end of the site visit, the Lender indicated that we should be receiving a 'Commitment to Fund' letter with conditions.

Since the execution of our contract of October 1, 2015, we began efforts to secure financing commitments for our \$56 Million Mixed-Use Development. Because of those efforts, we initially obtained offers from two (2) prospective lenders (**See Exhibit A**). The offers did not meet our funding needs to develop a profitable venture, therefore, we continued our efforts to find both debt and equity funding that would ensure a viable and profitable development. After receiving term sheets from three (3) additional lenders over the next five (5) months, we were pleased with our last offer on July 22, 2016. Mr. Ingram informed us that we will receive a 'Commitment to Fund' seventy percent (70%) of the total project cost within the next two weeks. We have also obtained the requisite 'Equity Commitment' for the remaining thirty percent (30%) of the total project cost.

Because our remaining contractual requirements are contingent upon receiving a commitment of both debt and equity funds, we are requesting an extension of the following:

1. Section 4: c) **Full-Service Hotel Franchise Agreement:** On July 14, 2016, Horizon Hospitality Management Inc. began the franchise application process by filing the franchise disclosure with Hilton Worldwide (**See Exhibit B**). However, the franchise application could not be completed at that time because of the application fee requirement and the certification of formation of the new entity. The commitment of funds from the lender and the receipt of equity funds from the investor are required before any predevelopment cost, i.e., site plan preparation and application fees (**\$100,000.00**) are paid.

Because the Lender's 'Commitment to Fund' includes the approval of our equity partners, the new entity for our mixed use development will be established once a 'Commitment to Fund' is received.

2. Section 6 **Closing Date:** The commitment of funds from the lender and the receipt of equity funds from the investor are required before any predevelopment cost, i.e., land purchase. The Purchase of Land will occur no later than 30 days after the completion of Sections 8a and 8b.
3. Section 8.a. and Section 8.b.(l) **Due Diligence Period:** The commitment of funds from the lender and the receipt of equity funds from the investor are required before any predevelopment cost, i.e., due diligence fees for appraisal, survey, and environmental assessments. Although the lender has

begun its due diligence process, unlike traditional lenders, the due diligence process for survey, appraisal and environmental assessments are started and paid for once the 'Commitment to Fund' letter is received by the lender. Accordingly, this part of the due diligence process will be a condition included in the 'Commitment to Fund' letter. It is estimated that the due diligence process will require 60-90 days for completion.

4. Section 9.b. **Certificate of Occupancy:** Due to our funding date and extensions included in this request, it is estimated that our Certificate of Occupancy is March 6, 2019 (**See Timeline at Exhibit C**).

As shown in our revised timeline, the architectural design and approval process will occur concurrently with the application and due diligence processes.

Due to the proprietary nature of our debt and equity documents, we plan to visit with each commissioner and appropriate city staff for their review of our funding documents prior to the September 15th City Commission Meeting.

Please let us know if any additional information is needed prior to our requests to be placed on the September 15th City Commission Agenda.

Regards,
Nimish Patel, CEO
Horizon Hospitality Management Inc.
Rodney J. Long
Avis W. Butler

EXHIBIT A

SUMMARY OF FINANCING OFFERS - LENDERS' TERM SHEETS

HORIZON HOSPITALITY MANAGEMENT INC.
 EMBASSY SUITES DOWNTOWN DEVELOPMENT
 LENDERS' TERM SHEET SUMMARY

ESTIMATED PROJECT COSTS: \$56 MILLION

ISSUE DATE	LENDER	LTC / EQUITY	INTEREST RATE	COMMENTS
January 19, 2016	Lender A - Bank	60 / 40	4.25	Did not receive executed 'Amendment to Contract' with City during lender's 5-day acceptance period.
February 8, 2016	Lender A - Bank	50 / 50	4.50	Reissued offer, however, terms of offer changed. Not as attractive - equity requirement too high.
February 10, 2016	Lender B – Direct Private Lender	70 / 30	3.25	Issues with lender's escrow agency and its former officer. Lender would not agree to use any other escrow agency.
April 1, 2016	Lender C – Direct Private Lender	68 / 32	9.18	Interest rate too high
June 9, 2016	Lender D – Direct Private Lender	60 / 40	7.00	Lender's fees too high. Also, excluded other development fees that were agreed upon by the other lenders.
July 22, 2016	Lender E – Direct Private Lender	70 / 30	3.75	Site visit completed - Will Issue 'Commitment to Fund'.

EXHIBIT B

FRANCHISE DISCLOSURE RECEIPT

FRANCHISE APPLICATION CHECKLIST

RECEIPT**Hilton Franchise Holding LLC
EMBASSY SUITES**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hilton Franchise Holding LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Rhode Island requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Hilton Franchise Holding LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit I.

The franchisor is Hilton Franchise Holding LLC, located at 7930 Jones Branch Drive, Suite 1100, McLean, VA 22102. Its telephone number is 703-883-1000.

Issuance date: March 30, 2016

The franchise seller for this offering is Hilton Worldwide, Inc. and [name] _____, [title] _____, [address], _____, [telephone number] _____.

Hilton Franchise Holding LLC authorizes the respective state agencies identified on Exhibit I to receive service of process for it in the particular state.

I received a disclosure document dated March 30, 2016 that included the following Exhibits:

Exhibit A	List of Franchised Hotels as of December 31, 2015
Exhibit B	List of Franchised Hotels Terminated, Canceled, Not Renewed or with Changes in Controlling Interest during 2015
Exhibit C	Financial Statements and Guarantee of Performance
Exhibit D	Franchise Agreement and Addendum
Exhibit D-1	State Addenda to Franchise Agreement
Exhibit D-2	Development Incentive Promissory Note
Exhibit D-3	Eforea Spa Amendment
Exhibit E	Guaranty of Franchise Agreement
Exhibit F	Franchise Application
Exhibit G	Hilton Information Technology System (HITS) Agreement
Exhibit H-1	Manual Table of Contents – Brand Standards
Exhibit H-2	Manual Table of Contents – Eforea Spa Operating Standards
Exhibit I	State Administrators and Agents for Service of Process
Exhibit J	State Addenda to Disclosure Document
Exhibit K	Lender Comfort Letter Forms
Exhibit L	Receipt

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

_____ Gainesville FL _____
(Name of Entity)

By: _____ Nimish Patel _____
(Signature)

Printed Name: _____ Nimish Patel _____

Title: _____ CEO _____

Date: _____ 7/14/16 _____

If an individual:

_____ _____
(Signature)

_____ _____
(Printed Name)

Date: _____

CITY/STATE OF PROPOSED HOTEL(S): _____ Gainesville FL _____

PLEASE SIGN THIS RECEIPT IN DUPLICATE, RETAIN ONE FOR YOUR RECORDS, AND RETURN ONE SIGNED COPY (FRONT AND BACK) TO:

2016 U.S. (including DC and Territories) Franchise Application

Part 1: Application Checklist

The following items must be included for the Application to be complete. We reserve the right to request additional information as we consider appropriate:

- Disclosure Document Receipt **signed and dated** or **submitted electronically** by Applicant (see page 1), if applicable.
- Application Letter **signed and dated** by Applicant, with completed Application pages.
- Franchise Application Fee dated and/or received no earlier than the day after the **14th full calendar day** after the date the Applicant received the Disclosure Document. Example: If you receive the Disclosure Document on January 1st, then the **earliest** you may pay the Franchise Application Fee will be 15 days after that date, on January 16th.
- A certification of formation or similar document evidencing the Applicant Entity's status in the jurisdiction of formation.
- Complete Ownership Structure Form for Applicant and its underlying ownership entities.
- Complete Ownership Structure Form for fee title holder or lessor/sublessor of Hotel/Hotel Site if related to Applicant.
- Market or feasibility study, if available, or on request.
- Site Control Document and all amendments (e.g., recorded deed, recorded ground lease, recorded purchase option, binding letter of intent, binding purchase agreement) in the name of Applicant or its affiliate.
- Site Plan, Aerial and Location Map with site identified (consult your Developer for site plan requirements).
- List of hotels owned or managed by Applicant.

CONVERSION PROJECTS In addition to the above, include the following items:

- Conversion Indemnity Letter (if applicable)
- 3 Years' Hotel Operating Statistics (Summary Statement)

EXHIBIT C

PROJECT TIMELINE

Act ID	Description	Orig Dur	Early Start	Early Finish	2016												2017												2018												2019											
					JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Design/GMP Development																																																				
1011	Secure Project Financing	169d	08FEB16 *	30SEP16	Secure Project Financing																																															
1012	Establish Project Team Agreements	153d	01MAR16 *	30SEP16	Establish Project Team Agreements																																															
1015	Hilton Application & Approval Process	99d	15JUL16 *	30NOV16	Hilton Application & Approval Process																																															
1030	Design Kick-Off Milestone	0	03OCT16 *		Design Kick-Off Milestone																																															
1031	Programming & Conceptual Design Phase	30d	03OCT16	11NOV16	Programming & Conceptual Design Phase																																															
1032	Conceptual Budget Development & Approval	15d	14NOV16	02DEC16	Conceptual Budget Development & Approval																																															
1033	Hilton Review & Approve Conceptual Design	15d	14NOV16	02DEC16	Hilton Review & Approve Conceptual Design																																															
1040	Schematic Design Phase	50d	05DEC16	10FEB17	Schematic Design Phase																																															
1050	Develop/Review/Approve Schematic Budget	20d	13FEB17	10MAR17	Develop/Review/Approve Schematic Budget																																															
1051	Hilton Review & Approve Schematic Design	20d	13FEB17	10MAR17	Hilton Review & Approve Schematic Design																																															
1060	Design Development Phase	60d	13MAR17	02JUN17	Design Development Phase																																															
1070	Develop/Review/Approve DD Budget	15d	05JUN17	23JUN17	Develop/Review/Approve DD Budget																																															
1071	Hilton Review & Approve DD Design	15d	05JUN17	23JUN17	Hilton Review & Approve DD Design																																															
1080	Construction Document Design Phase	70d	26JUN17	02OCT17	Construction Document Design Phase																																															
1081	Hilton Review & Approve Final Design	20d	03OCT17	30OCT17	Hilton Review & Approve Final Design																																															
1082	Final GMP Development/Approval	20d	03OCT17	30OCT17	Final GMP Development/Approval																																															
1090	Issue Early Site & Foundation Package	0	08AUG17		Issue Early Site & Foundation Package																																															
1091	Early Works Package Pricing & Approval	20d	08AUG17	04SEP17	Early Works Package Pricing & Approval																																															
Permitting & Jurisdictional Approvals																																																				
1990	Site Due Diligence/Environmental	67d	03OCT16	03JAN17	Site Due Diligence/Environmental																																															
1995	Final Land Closing	0		03JAN17	Final Land Closing																																															
2000	City of Gainesville & GRU Initial Submission	0	04JAN17 *		City of Gainesville & GRU Initial Submission																																															
2010	City of Gainesville Initial Comments	20d	04JAN17	31JAN17	City of Gainesville Initial Comments																																															
2020	Meeting with Staff to Review Comments	0	01FEB17 *		Meeting with Staff to Review Comments																																															
2030	Adjust Plans for City Comments	20d	01FEB17	28FEB17	Adjust Plans for City Comments																																															
2040	Resubmit for Site Plan Approval	0	01MAR17 *		Resubmit for Site Plan Approval																																															
2050	City/GRU Final Review of Site Plans	55d	01MAR17	16MAY17	City/GRU Final Review of Site Plans																																															
2060	Meeting with Development Review Board	0	17MAY17 *		Meeting with Development Review Board																																															
2070	Submit Final S&S Plans for Final Approval	30d	17MAY17	27JUN17	Submit Final S&S Plans for Final Approval																																															
2080	Submit Letter Mod to SJWMD For Approval	30d	17MAY17	27JUN17	Submit Letter Mod to SJWMD For Approval																																															

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Finish date	05MAR19
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**Gainesville Lot #10 Hotel
Clancy & Theys / HKS Architects**

	Early bar
	Early start point
	Early finish point
	Progress bar
	Critical bar
	Summary bar
	Start milestone point
	Finish milestone point

Act ID	Description	Orig Dur	Early Start	Early Finish	2016												2017												2018												2019											
					JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2090	Milestone - All Site Permitting Finalized	0	28JUN17		◆ Milestone - All Site Permitting Finalized																																															
2095	Early Foundation Building Permit Review/Approval	20d	08AUG17	04SEP17	▲▼ Early Foundation Building Permit Review/Approval																																															
2100	Final Building Permit - Review & Approval	20d	03OCT17	30OCT17	▲▼ Final Building Permit - Review & Approval																																															
Building Construction																																																				
3001	Foundation Early Permit in Place	0	05SEP17		◆ Foundation Early Permit in Place																																															
3005	Mobilize/Start Construction Milestone	0	05SEP17		◆ Mobilize/Start Construction Milestone																																															
3010	Install Erosion Control Measures	5d	05SEP17	11SEP17	▲▼ Install Erosion Control Measures																																															
3020	Site Demolition/Clearing	5d	12SEP17	18SEP17	▲▼ Site Demolition/Clearing																																															
3030	Establish Building Pad	10d	19SEP17	02OCT17	▲▼ Establish Building Pad																																															
3040	Foundations	20d	03OCT17	30OCT17	▲▼ Foundations																																															
3050	Underground MEP RI	15d	31OCT17	20NOV17	▲▼ Underground MEP RI																																															
3060	FRP Slab on Grade	5d	21NOV17	27NOV17	▲▼ FRP Slab on Grade																																															
3070	Second Floor Elevated Slab	15d	28NOV17	18DEC17	▲▼ Second Floor Elevated Slab																																															
3080	Third Floor Elevated Slab	10d	19DEC17	03JAN18	▲▼ Third Floor Elevated Slab																																															
3090	Fourth Floor Elevated Slab	10d	04JAN18	17JAN18	▲▼ Fourth Floor Elevated Slab																																															
3100	Fifth Floor Elevated Slab	10d	18JAN18	31JAN18	▲▼ Fifth Floor Elevated Slab																																															
3110	Sixth Floor Elevated Slab	10d	01FEB18	14FEB18	▲▼ Sixth Floor Elevated Slab																																															
3120	Seventh Floor Elevated Slab	10d	15FEB18	28FEB18	▲▼ Seventh Floor Elevated Slab																																															
3130	Eighth Floor Elevated Slab	10d	01MAR18	14MAR18	▲▼ Eighth Floor Elevated Slab																																															
3140	Ninth Floor Elevated Slab	10d	15MAR18	28MAR18	▲▼ Ninth Floor Elevated Slab																																															
3150	Tenth Floor Elevated Slab	10d	29MAR18	11APR18	▲▼ Tenth Floor Elevated Slab																																															
3160	Eleventh Floor Elevated Slab	10d	12APR18	25APR18	▲▼ Eleventh Floor Elevated Slab																																															
3170	Roof Slab	10d	26APR18	09MAY18	▲▼ Roof Slab																																															
3180	Exterior Building Facade	140d	15FEB18	30AUG18	▲▼ Exterior Building Facade																																															
3190	Interior Framing & MEP Rough-Ins	140d	15FEB18	30AUG18	▲▼ Interior Framing & MEP Rough-Ins																																															
3210	Drywall Hang & Finish	120d	06JUL18	20DEC18	▲▼ Drywall Hang & Finish																																															
3220	Interior Finishes & MEP Trim-Out	126d	24AUG18	19FEB19	▲▼ Interior Finishes & MEP Trim-Out																																															
3225	FF&E Installation	40d	09JAN19	05MAR19	▲▼ FF&E Installation																																															
3240	Final Inspections	20d	06FEB19	05MAR19	▲▼ Final Inspections																																															
3250	Certificate of Occupancy	0	06MAR19		◆ Certificate of Occupancy																																															

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