PROPERTY EXCHANGE AGREEMENT

THIS Property Exchange Agreement (hereinafter the "Agreement") is made by and between the following parties: The **City of Port Orange**, a chartered Florida municipal corporation, mailing address: 1000 City Center Circle, Port Orange, Florida 32129, hereinafter referred to as "**City**"; **Community Redevelopment Agency for Port Orange Town Center**, mailing address: c/o City of Port Orange, 1000 City Center Circle, Port Orange, Florida 32129, hereinafter referred to as "**CRA**" (collectively "Port Orange"); and **Halifax River Partners, LLC**, a Florida limited liability company, mailing address: 1800 North US Hwy 1, Ormond Beach, Florida 32174, hereinafter referred to as "**HRP**", collectively the "Parties". The Effective Date of this Agreement shall not precede July 31, 2016 as required by Section 163.380, Florida Statutes and as otherwise provided herein.

1. Exchange. The Parties hereto are owners of the properties described below and desire to exchange such property interests in the manner described herein. The general concept of the transaction is as follows:

a. Port Orange agrees to the following:

(i) To Escrow a special warranty deed to HRP conveying the fee simple interest to the Parcel numbered 1; and

b. In exchange therefore, HRP agrees to the following

: (i) To deposit with the Escrow Agent the estimated documentary stamp tax and recording costs for the deed; and

(i) To provide the city a payment and performance bond to legally guarantee and to construct such improvements to the Public Trail and Park described as Tract A on the proposed Riverwalk at Port Orange Replat and as legally described in **Exhibit "A"** attached hereto, (including but not limited to walkways, stormwater, landscaping, park benches, lighting, underground electric service, utilities and trash receptacles, as Port Orange and HRP shall mutually agree to in writing in the Riverwalk Amended and Restated Master Development Agreement (MDA), for the marina, restaurant, condominiums and riverboat and as adopted by Ordinance No. 2016- 15 and dated September 13, 2016.

c. The Parties agree that the exchange shall be contingent on an escrow agreement and escrow closing on the real property interests. The Escrow Agreement shall be in the form attached hereto as **Exhibit "B".** The delivery for recording of the deed to

HRP shall be contingent upon HRP's completion of the construction of the Public Trail and Park together with all other public improvements described in Phase I of the MDA including the improved and relocated parking for the riverboat restaurant.

d. The Escrow Agreement shall be closed on or before September 30, 2016 unless otherwise terminated pursuant to the terms of this Agreement or the Escrow Agreement. The City Manager shall be authorized to act on behalf of Port Orange to authorize the final language of the Escrow Agreement, in accordance with the requirements Chapter 286, Florida Statutes.

2. Standards for Real Estate Transactions. This Agreement shall incorporate and be subject to a portion of the terms and Standards for Real Estate Transactions set forth on the form contract approved by The Florida Bar and The Florida Association of Realtors, Inc., attached hereto as **Exhibit "C."** In the event of a conflict between the terms of this Agreement and the terms contained in Exhibit "C", the terms of this Agreement shall control.

3. The Property Interests. . Port Orange pursuant to RFP #12-2 and this Agreement intend to exchange real property for construction improvements (hereinafter the "Property Interests") as more particularly set forth hereinafter.

4. Port Orange properties. The CRA warrants that it is the owner of the below-described parcels of real Property with its appurtenances, located in the County of Volusia, State of Florida and that no lands are adjacent to the Halifax River mean high water.

a. Parcel Number 1, Tax ID number 630311020030, with street address of 3571 Ridgewood Avenue, Port Orange, Florida 32129.

5. "As Is for Maintenance, Where Is". All Parties hereto acknowledge and agree that the exchanged Property Interests are exchanged on an "As Is Maintenance, Where Is" basis and that each Party which is to receive the Property Interest to a Property described herein has inspected or will have inspected such Properties and is relying entirely on its own investigations and its inspections in proceeding with the transactions contemplated hereunder. Without limiting the foregoing, all Parties hereto expressly confirm, acknowledge and agree that at escrow closing and upon delivery of the deed, they will accept the Property Interests in its then present state, condition and location, and that the conveying Party has made no representations, warranties, terms, conditions, understandings or collateral agreements, express or implied by statute or otherwise with respect to the Property Interests except as expressly set forth herein. Each Party shall have full and complete access to the Properties which it will acquire hereunder for any inspections that such Party deems desirable regarding the Properties, but must make such inspections in a manner which does not unreasonably disturb tenants.

6. Inspections. Prior to the Escrow Closing, the Parties shall have an opportunity for an "Inspection Period"; the Inspection Period for HRP is defined to be the period commencing on the effective date of this Agreement through September 10, 2016; the Inspection Period for Port Orange is defined to be the period commencing on the effective date of this Agreement through 30th day subsequent to the delivery of the constructed improvements to the City. HRP and Port Orange, their employees, third party consultants, construction inspectors, lenders, engineers, accountants and attorneys (collectively, the "Parties' Representatives") shall be entitled to conduct a "Basic Property Inspection" of the Property, which will include the right to: (i) enter upon the Property and improvements, at reasonable times and on reasonable notice to the owner and tenant thereof, to perform inspections and tests of the Property and the improvements, (ii) make investigations with regard to environmental conditions of the Property and the improvements and compliance with all applicable laws, ordinances, rules and regulations, (iii) review the leases affecting the Property, and (iv) make any other inspections of the Property it deems appropriate, including any determination of applicable ordinances, land use provisions, city code requirements or any other restriction pertaining to the Properties. If HRP determines in its sole and conclusive opinion that the results of any inspection, test, examination or review do not meet its criteria, in its sole discretion, for the acquisition, financing or operation of the Properties in the manner contemplated by Transferee, then HRP may terminate this Agreement by written notice to other Parties (the "Termination Notice"), given not later than September 10, 2016 (the "Approval Date"), whereupon this Agreement shall terminate, any Deposit shall be returned, and all Parties shall be relieved of further liabilities or obligations hereunder. If any Party fails to timely deliver a Termination Notice to the other Parties prior to the Approval Date, such Party shall be automatically deemed to have forever waived its right to terminate this Agreement based upon the Inspections and the Properties shall be deemed acceptable to the Party. The documented prior condition of the septic system and other environmental assessments shall be provided to HRP for Parcel 1 and shall not constitute hazardous material or a hazardous environmental condition for purposes of this contract.

7. Title Evidence and Closing Costs. Port Orange shall obtain, at its expense, an owner's title insurance commitment to insure HRP for the exchange value of $_____, against loss or damage by reason of defect that has occurred since Port Orange obtained title in the above-described premises. Such policy shall be delivered to Transferee at the time of closing. On or before September 5, 2016, Port Orange shall cause to be delivered to and receipted by HRP's legal representative, on behalf of HRP, during the Inspection Period a title insurance commitment in accordance with Standard A, together with copies of all items noted in Schedule B - Section 1, as prepared for execution and with copies of all items noted in Schedule B - Section 2, as evidenced in the public records or otherwise. For purposes of this Agreement the exceptions listed in Proposed Schedule B - Section 2, as shown on **Exhibit "D"** attached hereto, shall not constitute defects in the title of Port Orange. Port Orange reserves the right to select the title insurance company issuing the commitments for Property sold by Port Orange.

8. Taxes and Assessments. HRP agrees to pay the prorated ad valorem taxes at the time of the escrow closing, if any, and all other taxes and assessments, if any, that subsequently become due on Parcel 1 after closing in escrow.

9. Risk of Loss. Risk of loss or damage to the premises by fire or other casualty between the date of this Agreement and closing shall be and is assumed by existing property owner.

10. Closing. Closing will take place in escrow. _____, Esquire, a Florida licensed attorney who does not represent a Party, shall serve as Escrow Agent. The Escrow closing shall take place on or before September 30, 2016, unless otherwise extended by mutual written agreement of the Parties. In the event HRP is unable to obtain approval of the Amended and Restated Master Development Agreement by September 13, 2016 this Property Exchange Agreement shall be of no further force or effect. The escrow closing shall not be extended except by written mutual agreement of the Parties. At the escrow closing, each Party will provide the other Party with the closing documents required to transfer all Property Interests as set forth in this Agreement and pursuant to the terms and conditions of the Escrow Closing Agreement executed simultaneous herewith. In the event that the Parties are unable to agree upon

11. Closing Costs. HRP shall pay the Escrow Agent's fees, the closing costs and documentary stamp tax for Parcel 1 transferred hereunder. Costs of environmental audits, surveys and other inspections shall be paid by the HRP.

12. Fees. All Parties hereto warrant that no broker's commission is to be paid by any Party for the exchange of any of the properties interests. All Parties acknowledge that Port Orange shall not be responsible for the payment of a brokerage fee for the transfer of Parcel 1 in the event that HRP utilized the services of a Florida Real Estate Broker. Each Party hereto shall be responsible for any appraisal report prepared at its request, and shall be responsible for fees incurred for independent review of this proposal by attorneys, engineers, or any other professionals, if any.

13. Environmental Audit. As set forth in the Inspection Period, any Party shall have the right to conduct an environmental audit of the Properties which such Party shall acquire hereunder, which audit shall be certified to the Party obtaining such audit. In the event the environmental audit detects the presence of any hazardous materials not previously known or disclosed by the Transferor on the Property, the Party to which such Property is to be conveyed, at its sole option, may elect to terminate this Agreement and neither Party shall have any further obligations under this Agreement. For purposes of this Agreement, "hazardous materials" shall mean any hazardous or toxic substance, material or waste of any kind or any other substance which is regulated by any federal, state or local environmental laws, statutes, ordinances, rules, regulations, restrictions or orders relating to liability or standards of conduct. Port Orange has disclosed environmental assessments of the prior conditions as set forth in paragraph 6.

14. Intended Use of the Subject Property. The Parties acknowledge that HRP intends to utilize the subject real Property for the following uses: high rise residential condominiums and associated infrastructure. The Port Orange intends to utilize the Public Trail and Park as a public pedestrian and recreational park and open space.

15. Hold Harmless and Indemnification. When performing inspections HRP shall hold harmless, indemnify and defend Port Orange, its members, officials, officers and employees against any claim, action, loss, damage injury, liability, cost and expense of whatsoever kind or nature (including, but not by way of limitation, attorneys' fees and court costs) arising out of or incidental to the entry upon the Properties and the performance of the inspections provided for herein, except as caused by negligence of Port Orange, their members, officials, officers or employees.

16. Notices. All notices provided for in this Agreement shall be sent or delivered by registered or certified mail to the Parties, return receipt requested, with a copy forwarded to their respective attorneys, at the addresses set forth below or at such other addresses as the Parties shall designate to each other in writing and by e-mail at the addresses provided for herein:

City:	City of Port Orange 1000 City Center Circle Port Orange, Florida 32129 Attention: City Manager JJohansson@port-orange.org
Copy to:	Margaret T. Roberts City Attorney 1000 City Center Circle Port Orange, Florida 32129 mroberts@port-orange.org
Copy to:	Other Parties: Halifax River Partners, LLC 1800 North US Hwy 1 Ormond Beach, Florida 32174 ja@microflexinc.com

Copy to: Smith, Stout, Bigman & Brock, P.A.
Attn: Jeff Brock, Esq.
444 Seabreeze Blvd. Suite 900
Daytona Beach, Florida 32118
jbrock@daytonalaw.com

Any notice of demand so given, delivered or made by hand delivery, United States mail and/or e-mail shall be deemed so given, delivered or made on the day posted (as evidenced by receipt) addressed as above provided, with postage thereon fully prepaid and/or e-mail confirmation of delivery. The Parties hereto may from time to time notify the other Parties of changes with respect to whom and where notices should be sent by sending notification of such changes pursuant to this Paragraph.

17. Approval of Agreement. On or before September 13, 2016, this Agreement is contingent on approval by the Port Orange City Council and the Community Redevelopment Agency for Port Orange Town Center in accordance with the requirements of general law.

18. Effective Date. The Effective Date of this Agreement shall be the date of approval by the Port Orange City Council and the Community Redevelopment Agency for Port Orange Town Center; such approval shall be evidenced by the signing by all Parties to this Agreement.

19. Captions. The captions for each paragraph of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement, or the intent of any provision thereof.

20. Attorney's Fees; Costs. In any litigation, including breach, enforcement or interpretation arising out of this Agreement, the prevailing Party in such litigation shall be entitled to recover from the non-prevailing Party reasonable attorney's fees, costs and expenses relating to the conduct of such litigation, up to and including trial and related appeals and post judgment collection proceedings.

21. Execution of Documents. Each Party hereto covenants and agrees that it will at any time and from time to time do such reasonable acts and execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such reasonable documents in order to carry out fully and effectuate the transaction herein contemplated.

22. Amendments and Waivers. This Agreement may not be amended, modified, altered, or changed in any respect whatsoever, except by a further agreement in writing duly executed by the Parties hereto. No failure by any Party hereto to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy upon a breach thereof shall constitute a waiver of any such breach or of such or any other

covenant, agreement, term or condition. Any Party hereto, by notice, may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Party hereto. No waiver shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

23. Assignability. The Parties may assign this Contract, without the written consent of the City and the CRA.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The electronic transmittal of an executed copy of this Agreement shall be deemed valid as if an original signature was delivered.

[THE REMAINDER OF THIS PAGE INTERNATIONALLY LEFT BLANK]

This Agreement for Exchange of Real Property is executed by the Parties as of the respective dates shown below.

WITNESSES:

CITY OF PORT ORANGE
A Chartered Florida Municipal Corporation

_____ By:_____
Allen Green, Mayor

_____
Printed Name

_____ Attest:_____
Robin L. Fenwick, CMC, City Clerk

_____
Printed Name

Date: _____

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing Agreement for Exchange of Real Property was sworn to and acknowledged before me this _____ day of _____, 2016, by Allen Green, the Mayor, respectively, for the City of Port Orange, a chartered Florida municipal corporation who (*Notary, please check as applicable)*: [_] took an oath or [_] did not take an oath; and who are personally known to me.

_____
Notary Public, State of Florida at Large
Printed Name, Commission Seal and Term Expiration Date

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing Agreement for Exchange of Real Property was sworn to and acknowledged before me this _____ day of _____, 2016, by Robin L. Fenwick, the City Clerk, respectively, for the City of Port Orange, a chartered Florida municipal corporation who (*Notary, please check as applicable)*: [_] took an oath or [_] did not take an oath; and who are personally known to me.

_____
Notary Public, State of Florida at Large
Printed Name, Commission Seal and Term Expiration Date

WITNESSES:

Community Redevelopment Agency For Port Orange Town Center:

_____
Printed Name:

_____

By:_____
Allen Green, Chairman

_____
Printed Name:

_____
Witnesses as to Both

Date: _____

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing Agreement for Exchange of Real Property was acknowledged before me this _____ day of _____, 2016, by Allen Green, Chairman of the Community Redevelopment Agency for Port Orange Town Center, who (*Notary, please check as applicable)*: [_] took an oath or [_] did not take an oath; and who is personally known to me or who produced _____ as identification.

_____
Notary Public, State of Florida at Large
Printed Name, Commission Seal and Expiration

WITNESSES:

HALIFAX RIVER PARTNERS, LLC
a Florida Limited Liability Company

_____
Printed Name:
_____

By:_____
Josif Atanasoski, Manager

_____
Printed Name:
_____

Date: _____

STATE OF FLORIDA
COUNTY OF VOLUSIA

The foregoing Agreement for Exchange of Real Property was acknowledged before me this _____ day of _____, 2016, by Josif Atanasoski, Manager of Halifax River Partners, LLC, a Florida limited liability company, who (*Notary, please check as applicable)*: [_] took an oath or [_] did not take an oath; and who is personally known to me or who produced _____ as identification.

_____
Notary Public, State of Florida at Large
Printed Name, Commission Seal and Expiration

EXHIBIT "A"

LEGAL DESCRIPTION for location of Public Trail and Park Improvements

EXHIBIT “B”

Form Escrow Agreement

Final Approval by City Manager

EXHIBIT “C”

Standards for Real Estate Transactions set forth on the form contract approved by The Florida Bar and The Florida Association of Realtors, Inc.

Exhibit “D”

(Insert Permitted Exceptions to Title)