

May 5, 2011

Ocean 4660, LLC
Attn: Hanna Karcho-Polselli, Managing Member
7557 West Sandlake Road
Orlando, Florida 32819

Re: **AGREEMENT DATED JUNE 9, 2010 (AS AMENDED ON SEPTEMBER 3, 2010, THE "FORBEARANCE AGREEMENT") AMONG COMERICA BANK ("BANK"), OCEAN 4660, LLC ("BORROWER"), HANNA KARCHO-POLSELLI AND REMO POLSELLI (IDENTIFIED COLLECTIVELY AS "GUARANTORS")**

Dear Ms. Karcho-Polselli:

All capitalized terms not defined in this second amendment to the Forbearance Agreement (the "Second Amendment") shall have the meanings set forth in the Forbearance Agreement (which constitutes a Loan Document) or the other Loan Documents.

As of April 29, 2011, the Liabilities include, but are not limited to, the following:

<u>Loans (note amount and date)</u>	<u>Principal</u>	<u>Interest</u>	<u>Late Fees</u>
Ocean 4660 Installment Loan (\$10,850,000; 1/3/08, as amended)	\$10,118,195.70	\$187,287.99	\$998.31
Ocean 4660 Draw-To Loan (\$1,000,000; 1/3/08, as amended)	\$933,449.13	\$16,335.36	\$0

These amounts are exclusive of interest accruing after April 29, 2011, letter of credit reimbursement obligations, swap obligations in the aggregate amount of \$101,844.60, amounts owed to reimburse Bank for the protective advance made by Bank in the amount of \$612,731.93 for 2009 and 2010 real property taxes, amounts expended by Bank for forced placed insurance in the amount of \$28,632.80 through March 31, 2011, and costs and expenses (including, but not limited to, reasonable inside and outside counsel fees). The above amounts also do not include Bank's separate loans to H.K. Hotel Management, LLC and Hanna Karcho-Polselli, which loans are not the subject of this Second Amendment.

Borrower is in default under the Forbearance Agreement and other Loan Documents. Without limitation, Borrower failed to pay by September 15, 2010 the 2008 and 2009 real property taxes with respect to that portion of the parking lot that is subject to the ground lease. Borrower also failed to deliver by September 30, 2010 an executed Nondisturbance and Attornment Agreement (Prime Landlord) and a Landlord's consent as required under the Forbearance Agreement. Other defaults may exist as well.

Bank's forbearance under the Forbearance Agreement expired on October 15, 2010. Bank's continued forbearance since that date has been from day to day in Bank's sole discretion.

Borrower and Guarantors have requested that Bank continue to forbear.

Subject to timely, written acceptance by Borrower and Guarantors of the following conditions, Bank is willing to continue to forbear until October 31, 2011 (the "Expiration Date"), subject to earlier termination as provided below, from further action to collect the Liabilities:

1. Borrower and Guarantors acknowledge the Liabilities as set out in the Loan Documents, the amount of the Liabilities as stated above and the existence of the defaults. Borrower and Guarantors acknowledge and agree that Bank's demand for repayment of the Liabilities was timely and proper.
2. Future administration of the Liabilities and the financing arrangements among Bank, Borrower and Guarantors shall continue to be governed by the covenants, terms and conditions of the Loan Documents, which are ratified and confirmed and incorporated by this reference (for clarity, this includes, without limitation, a ratification and confirmation of all guaranties of the Liabilities by Guarantors), except to the extent that the Loan Documents have been superseded, amended, modified or supplemented by this Second Amendment or are inconsistent with this Second Amendment, then this Second Amendment shall govern.
3. Borrower and Guarantors acknowledge Bank is under no obligation to advance funds or extend credit to Borrower under the Loan Documents, or otherwise.
4. Concurrently with execution of this Second Amendment, Borrower shall pay to Bank the sum of \$233,254.46, which shall be applied to pay the accrued interest and late fees on the loans through April 29, 2011 and to reimburse Bank for the forced placed insurance through March 31, 2011.
5. By no later than May 16, 2011, Borrower shall pay to Bank the sum of \$79,079.76, which shall be applied to reimburse Bank for a portion of the protective advance for the 2009 and 2010 real property taxes.
6. By no later than July 31, 2011, Borrower shall pay to Bank the sum of \$78,229.44, which shall be applied to reimburse Bank for a portion of the protective advance for the 2009 and 2010 real property taxes.
7. Except as otherwise set forth in paragraphs 4-6 above or in paragraphs 23 and 24 below, all principal, interest and swap payments shall otherwise be deferred until expiration or earlier termination of Bank's forbearance.
8. Within 10 days after the end of each month, Borrower shall provide to Bank a financial statement as of the end of such month in form satisfactory to Bank.

9. Interest on the Liabilities shall continue to accrue at the non-default rates specified in the Loan Documents. Upon the occurrence of a default under the terms of this Second Amendment or any further defaults under the Loan Documents, or upon the expiration or earlier termination of Bank's forbearance under this Amendment, then the principal outstanding on the Ocean 4660 Installment Loan and Ocean 4660 Draw-To Loan shall accrue interest at the rate otherwise provided in this paragraph plus three percent (3%).
10. Commencing August 1, 2011, Borrower shall maintain current and not permit to become more than ten days delinquent all utility bills, taxes (including sales taxes, payroll taxes and any other taxes, except for real and personal property taxes) and other operating expenses with respect to the property located at 4660 N. Ocean Drive, Lauderdale by the Sea, Florida (the "Hotel"); if Borrower's cash receipts are insufficient to pay such items, Guarantors shall fund any shortfall. In the event of a default, Bank may terminate forbearance and exercise its remedies.
11. Borrower shall not pay any management fee or other compensation to Guarantors or to any company affiliated with, owned or controlled, directly or indirectly, by Borrower or any Guarantor.
12. Borrower shall permit Bank or its consultant to verify the status of all taxes (including but not limited to sales taxes and payroll taxes) and shall authorize the relevant taxing authorities to communicate directly with Bank.
13. By no later than May 31, 2011, Borrower shall cause to be discharged (a) the Broward County Tourist Development Tax Warrant Lien in the original amount of \$8,777.16 recorded 4/14/09, (b) the claim of lien recorded by the Town of Lauderdale by the Sea on 11/15/10 for \$2,740 for Fire Response Services; (c) the Default Final Judgment recorded on 12/29/10 by Waste Management, Inc. of Florida d/b/a Southern Sanitation Service in the amount of \$4,184.25. By no later than July 31, 2011, Borrower shall cause to be discharged all liens, notices of pendency, lis pendens or any other documents recorded in the real property records against the Hotel (or with respect to any liquor licenses owned by Borrower) by Oceanside Lauderdale, Inc., Kenneth A. Frank, Angela DiPilato or any other party related to any of the foregoing. In addition, Borrowers shall not permit any new liens or encumbrances to be recorded against the Hotel on or after March 3, 2011. If there is a default, Bank may immediately commence foreclosure of its mortgage on the Hotel and neither Borrower nor any Guarantor will contest the foreclosure proceedings. In the event of foreclosure, Bank will request that the court set the foreclosure sale date no sooner than December 1, 2011.
14. Concurrently with execution of this Second Amendment, Borrower and/or Guarantors (as applicable) shall execute documents in form satisfactory to Bank to collaterally assign to Bank all liquor licenses used in operation of the Hotel.

15. Concurrently with execution of this Second Amendment, Borrower shall execute an affidavit in form acceptable to Bank sufficient to induce First American Title Insurance Company to delete the following items related to Howard Johnson as exceptions on Bank's title commitment: (i) Lease dated 6/11/73 between James Walker and Howard Johnson Company; (ii) Declaration of License Agreement dated 6/11/73 between Howard Johnson Company and James Walker; (iii) Declaration of License Agreement dated 7/1/74 between Howard Johnson Company and Willard G. Franks; (iv) Declaration of License Agreement dated 7/1/94 for Howard Johnson Restaurant; and (v) Howard Johnson Franchise Systems, Inc. Declaration of License Agreement dated 1/1/95.
16. Upon expiration or earlier termination of Bank's forbearance, then upon request by Bank (a "Deed in Lieu Request"), Borrower shall execute and deliver to Bank a deed in lieu of foreclosure (to Bank or its designee) with respect to the Hotel, together with an agreement providing for the voluntary surrender of all personal property located at the Hotel (excluding any personal property which is leased by Borrower), an agreement providing for the acceptance by Bank of all personal property located at the Hotel in partial satisfaction of the Liabilities, and such other related documentation as Bank may require. Such documents shall be in the form attached to this Second Amendment. Notwithstanding the foregoing, in the event of any default under this Second Amendment or the other Loan Documents, Bank may only make a Deed in Lieu Request if Bank has first provided to Borrower written notice of such default (which written notice shall be sent (i) via email to resortamerica@gmail.com and (ii) via either Federal Express or certified mail to Borrower at 55 E. Long Lake, Suite 204, Troy, Michigan 48085) and Borrower has failed to cure the default within 5 business days after the date that the notice is sent. For clarity, Bank may exercise any other remedies (other than making a Deed in Lieu Request) immediately following any default without any requirement for notice to Borrower or Guarantors or opportunity to cure. Concurrently with execution of this Second Amendment, Borrower shall provide Bank with copies of all leases of personal property with respect to the Hotel. Such leases are described on **Exhibit A**.
17. Upon expiration or earlier termination of Bank's forbearance, upon request by Bank, Borrower and Guarantors shall consent to the appointment of a receiver selected by Bank to operate the Hotel.
18. Provided that Borrower executes and delivers the deed and related documents referenced in paragraph 16 above (if and when so requested by Bank) and the consent to appointment of a receiver referenced in paragraph 17 above (if and when so requested by Bank) and further provided that neither Borrower nor any Guarantor (a) becomes the subject of a petition for relief under the Bankruptcy Code, an assignment for the benefit of creditors or a similar insolvency proceeding, (b) objects to, contests or appeals any action by Bank seeking appointment of a receiver over any of Bank's collateral or foreclosure of Bank's mortgage on the Hotel, or (c) files any action seeking to restrain or enjoin Bank from recording the deed or otherwise exercising its rights against the

collateral, then (x) if Bank elects to record the deed, upon recording of the deed and either completion of foreclosure with respect to the personal property or consummation of an acceptance of the personal property by Bank in partial satisfaction of the Liabilities, Bank will deliver to Borrower and Guarantors a covenant not to sue them for a money judgment with respect to the loans outstanding to Borrower in the form attached and (y) if Bank elects to commence foreclosure of its mortgage, upon the issuance of a certificate of title by the clerk of the court after completion of the foreclosure sale and expiration of the time period to appeal the sale, Bank agrees that it will not pursue a money judgment against Borrower or Guarantors with respect to the loans outstanding to Borrower.

19. By no later than May 31, 2011, Borrower shall cause to be executed and delivered to Bank a Nondisturbance and Attornment Agreement (Prime Landlord) and a Landlord's Consent, each in form satisfactory to Bank, with respect to the portion of the parking lot that is subject to the ground lease.
20. Concurrently with execution of this Second Amendment, all members of Borrower shall execute documents in the form attached pledging to Bank 100% of the equity interests in Borrower.
21. Concurrently with execution of this Second Amendment, and throughout the term of Bank's forbearance, Borrower shall list the Hotel for sale with a real estate broker acceptable to Bank and at a list price acceptable to Bank.
22. Concurrently with execution of this Second Amendment, Borrower shall execute documents in the form attached to cross-collateralize Bank's loans to Borrower with Bank's loans to Hanna Karcho-Polselli and H.K. Hotel Management, LLC. In the event of a sale of the Hotel by Borrower, Bank agrees that the release price for its mortgage on the Hotel shall be the greater of (a) the proceeds from the sale of the Hotel, net of real property taxes, broker's commission of not more than 6% and such other closing costs as may be approved by Bank in writing (but not to exceed the total of the amount outstanding with respect to the direct loans to and swap obligations of Borrower plus the amount outstanding with respect to the direct loans to Hanna Karcho-Polselli and H.K. Hotel Management, LLC) and (b) the amount outstanding with respect to the direct loans to and swap obligations of Borrower.
23. Provided the following conditions (the "Extension Conditions") are met, then the Expiration Date shall be automatically extended until November 30, 2012:
 - (a) there are no defaults under this Second Amendment, and no further defaults under the other Loan Documents;
 - (b) by October 30, 2011, Borrower shall reimburse Bank for any protective advances made by Bank for taxes or insurance;

- (c) by October 30, 2011, Borrower shall bring current all swap payments and accrued interest;
- (d) by October 30, 2011, Borrower shall have paid in full the 2011 real and personal property taxes;
- (e) by October 30, 2011, Borrower shall have procured insurance on the Hotel in form required under the Loan Documents, with premiums paid in full in advance through November 30, 2012; and
- (f) by October 30, 2011, Borrower shall have reduced the principal amount outstanding on the Ocean 4660 Installment Loan and the Ocean 4660 Draw-To Loan by an aggregate amount of at least \$1,000,000 from the amounts outstanding as of the date of this Second Amendment.

The Expiration Date shall automatically be extended until November 30, 2012 upon satisfaction of the Extension Conditions.

- 24. If the Extension Conditions set forth in paragraph 23 above are met and the Expiration Date is extended until November 30, 2012, then commencing on the first day of the month following the calendar month in which the Extension Conditions are satisfied, (a) Borrower shall pay into escrow with Bank on the first day of each month 1/12th of the estimated amount of the real property taxes for 2012 (as determined by Bank) and (b) Borrower shall pay to Bank on the first day of each month all accrued interest on the loans, plus a principal installment based upon a 20 year amortization schedule.
- 25. Borrower shall not enter into any new leases or subleases (and shall not modify or amend any existing leases or subleases) with respect to any portion of the Hotel without the express written consent of Bank.
- 26. Concurrently with execution of this Second Amendment, with respect to the Hotel, Borrower shall (a) execute an updated Notice to Borrower of Property in Special Flood Hazard Area in the form attached, and (b) provide to Bank (if not already in Bank's possession) either (i) a copy of the flood insurance application, together with proof of payment of the premium, or (ii) a copy of the declarations page of the flood insurance policy.
- 27. Borrower and Guarantors acknowledge and agree the Loan Documents presently provide for and they shall reimburse for any and all reasonable costs and expenses of Bank, including, but not limited to, all inside and outside counsel fees of Bank whether in relation to drafting, negotiating or enforcement or defense of the Loan Documents or this Second Amendment, including any preference or disgorgement actions as defined in this Second Amendment and all of Bank's audit fees, incurred by Bank in connection with the Liabilities, Bank's administration of the Liabilities and/or any efforts of Bank to collect

- or satisfy all or any part of the Liabilities. Borrower and Guarantors shall immediately reimburse Bank for all of Bank's costs and expenses upon Bank's incurrence thereof or upon demand.
28. Loan payments, interest on the Liabilities, loan administration expenses, including, but not limited to, all inside and outside counsel fees of Bank and Bank's appraisal fees and audit fees, may be charged directly to any of Borrower's accounts maintained with Bank.
29. Except for the accounts detailed on **Exhibit B** ("Bank of America Accounts"), Borrower will maintain all commercial accounts with Bank. By no later than May 16, 2011, Borrower shall pledge to Bank a first priority security interest on the Bank of America Accounts, in form and substance acceptable to Bank.
30. In addition to all reporting currently required by the Loan Documents, Borrower shall provide Bank:
- (a) by no later than May 16, 2011, an updated, executed certified personal financial statement (current as of no earlier than March 31, 2011) for Remo Polselli in form satisfactory to Bank;
 - (b) within fifteen (15) days of filing, copies of the filed 2010 federal income tax returns (with all schedules) for Borrower and Guarantors (Bank has received the 2008 and 2009 federal income tax returns for Borrower and Guarantors);
 - (c) any other reporting reasonably requested by Bank.
31. Borrower and Guarantors acknowledge and agree the Loan Documents presently provide and they shall permit Bank to conduct such fair market value appraisals, inspections, surveys and/or testing, whether for environmental contamination or otherwise, that Bank deems necessary, on any and all real and personal property upon which Bank may possess a mortgage or security interest securing the Liabilities, and the cost of such appraisals, inspections, surveys and testing are part of the costs and expenses for which the Borrower and Guarantors must reimburse Bank.
32. Borrower and Guarantors agree to execute any and all additional or supplemental documentation, and provide such further assistance and assurances as Bank may require, in Bank's sole and absolute discretion, to give full effect of the terms, conditions and intentions of this Second Amendment.
33. Notwithstanding anything to the contrary herein, Bank reserves the right, in its sole discretion, to determine the application of the proceeds of all unusual or extraordinary items (including, by way of example, insurance proceeds or sale proceeds, other than collection of accounts for inventory sold in the ordinary course of business) to the various obligations of Borrower to Bank.

34. To the extent any payment received by Bank is deemed a preference, fraudulent transfer or otherwise subject to disgorgement under applicable law, including bankruptcy or insolvency law, which requires the Bank to disgorge such payment then, such payment will be deemed to have never occurred and the Liabilities will be adjusted accordingly.
35. This Second Amendment shall be governed and controlled in all respects by the laws of the State of Michigan, without reference to its conflict of law provisions, including interpretation, enforceability, validity and construction.
36. Bank expressly reserves the right to exercise any or all rights and remedies provided under the Loan Documents and applicable law except as modified herein. Bank's failure to exercise immediately such rights and remedies shall not be construed as a waiver or modification of those rights or an offer of forbearance.
37. This Second Amendment will inure to the benefit of Bank and all its past, present and future parents, subsidiaries, affiliates, predecessors and successor corporations and all of their subsidiaries and affiliates.
38. Bank anticipates that discussions addressing the Liabilities may take place in the future. During the course of such discussions, Bank, Borrower and Guarantors may touch upon and possibly reach a preliminary understanding on one or more issues prior to concluding negotiations. Notwithstanding this fact and absent an express written waiver, neither Bank, Borrower nor any Guarantor will be bound by an agreement on any individual issues unless and until an agreement is reduced to writing and signed by the applicable parties.
39. As of the date of this Second Amendment, there are no other offers outstanding from Bank to Borrower and Guarantors. Any prior offer by Bank, whether oral or written is hereby rescinded in full. There are no oral agreements between Bank and Borrower and Guarantors; any agreements concerning the Liabilities are expressed only in the existing Loan Documents. The duties and obligations of Borrower and Guarantors and Bank shall be only as set forth in the Loan Documents and this Second Amendment, when executed by all parties.
40. Borrower and Guarantors acknowledge that they have reviewed (or have had the opportunity to review) this Second Amendment with counsel of their choice and have executed this Second Amendment of their own free will and accord and without duress or coercion of any kind by Bank or any other person or entity.
41. **BORROWER, GUARANTORS AND BANK ACKNOWLEDGE AND AGREE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR**

MUTUAL BENEFIT WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS SECOND AMENDMENT, THE LOAN DOCUMENTS OR THE LIABILITIES.

42. **DEFAULTS HAVE OCCURRED UNDER THE LOAN DOCUMENTS. BORROWER AND GUARANTORS, TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, WAIVE ALL NOTICES THAT BANK MIGHT BE REQUIRED TO GIVE BUT FOR THIS WAIVER, INCLUDING ANY NOTICES OTHERWISE REQUIRED UNDER SECTION 6 OF ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE AS ENACTED IN THE STATE OF MICHIGAN OR THE RELEVANT STATE CONCERNING THE APPLICABLE COLLATERAL (AND UNDER ANY SIMILAR RIGHTS TO NOTICE GRANTED IN ANY ENACTMENT OF REVISED ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE). FURTHERMORE, BORROWER AND GUARANTORS WAIVE (A) THE RIGHT TO NOTIFICATION OF DISPOSITION OF THE COLLATERAL UNDER § 9-611 OF THE UNIFORM COMMERCIAL CODE, (B) THE RIGHT TO REQUIRE DISPOSITION OF THE COLLATERAL UNDER § 9-620(E) OF THE UNIFORM COMMERCIAL CODE, AND (C) ALL RIGHTS TO REDEEM ANY OF THE COLLATERAL UNDER § 9-623 OF THE UNIFORM COMMERCIAL CODE.**
43. **BORROWER AND GUARANTORS, IN EVERY CAPACITY, INCLUDING, BUT NOT LIMITED TO, AS SHAREHOLDERS, PARTNERS, OFFICERS, DIRECTORS, INVESTORS AND/OR CREDITORS OF BORROWER AND/OR GUARANTORS, OR ANY ONE OR MORE OF THEM, HEREBY WAIVE, DISCHARGE AND FOREVER RELEASE BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS, FROM AND OF ANY AND ALL CLAIMS, CAUSES OF ACTION, DEFENSES, COUNTERCLAIMS OR OFFSETS AND/OR ALLEGATIONS BORROWER AND/OR GUARANTORS MAY HAVE OR MAY HAVE MADE OR WHICH ARE BASED ON FACTS OR CIRCUMSTANCES ARISING AT ANY TIME UP THROUGH AND INCLUDING THE DATE OF THIS SECOND AMENDMENT, WHETHER KNOWN OR UNKNOWN, AGAINST ANY OR ALL OF BANK, BANK'S EMPLOYEES, OFFICERS, DIRECTORS, ATTORNEYS, STOCKHOLDERS, AFFILIATES AND SUCCESSORS AND ASSIGNS.**
44. **This Second Amendment may be executed in counterparts and delivered by facsimile and the counterparts and/or facsimiles, when properly executed and delivered by the signing deadline, will constitute a fully executed complete agreement.**
45. **Borrower and Guarantors shall properly execute this Second Amendment and deliver same by facsimile so that it is received by the undersigned by no later than 5:00 p.m. on**

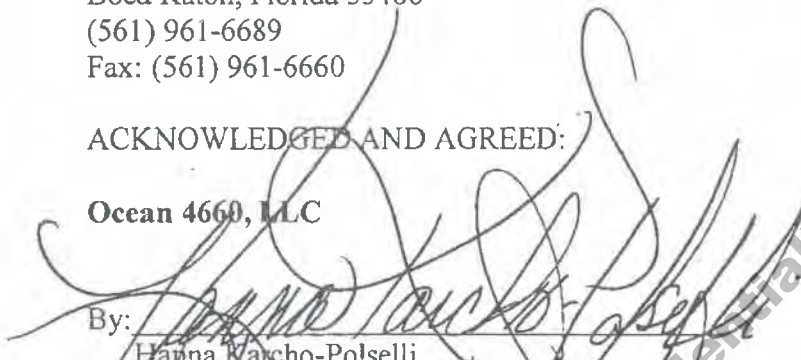
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Very truly yours,

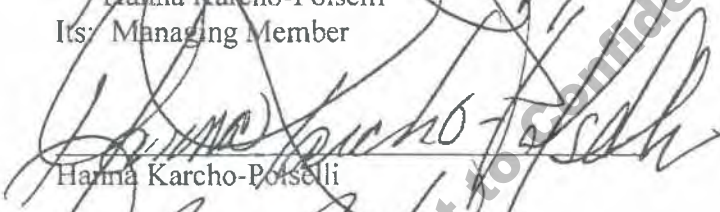
Alan S. Blankstein
Vice President
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(561) 961-6689
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ACKNOWLEDGED AND AGREED:

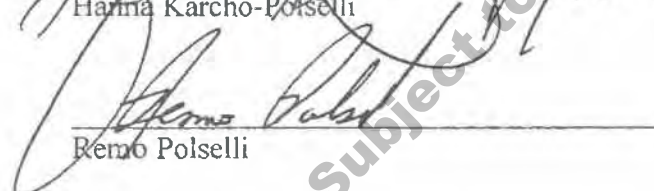
Ocean 4660, LLC

By: 
Hanna Karcho-Polselli
Its: Managing Member

Date: May 9, 2011


Hanna Karcho-Polselli

Date: May 9, 2011


Remo Polselli

Date: May 9, 2011

**WAITING FOR EXHIBIT INFORMATION
FROM BORROWER**

June 3, 2011

Subject to Confidentiality Agreement

Exhibit A
Leases of Personal Property

Subject to Confidentiality Agreement

**WAITING FOR EXHIBIT INFORMATION
FROM BORROWER**

June 3, 2011

Subject to Confidentiality Agreement

Exhibit B
Bank of America Accounts

Subject to Confidentiality Agreement