

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") sets forth the intentions and understandings among Diamondhead Country Club & Property Owners' Association, Inc. ("DHPOA"), the City of Diamondhead ("City"), and Purcell Co., Inc. ("Purcell") regarding the donation and conveyance of certain DHPOA-owned amenities and properties to the City, subject to the approvals and conditions described below.

RECITALS

WHEREAS, the Board of Directors of DHPOA ("Board") met in open session on October 20, 2025, and voted in favor of a motion to approve the donation and conveyance to the City of Diamondhead of the amenities and properties identified on **Exhibit A** attached hereto, subject to specific conditions;

WHEREAS, the Board further authorized and instructed DHPOA legal counsel and staff to take all necessary actions to prepare, in cooperation with the City's legal counsel and staff and with counsel and staff for Purcell, a proposed agreement for presentation to the DHPOA Board at an anticipated meeting during the first week of November 2025 for final approval;

WHEREAS, the City of Diamondhead is expected to consider and vote upon the acceptance of the donation and conveyance of the amenities and properties described on **Exhibit A** on November 4, 2025;

WHEREAS, Purcell holds a contractual right of first refusal with respect to the transfer of certain assets owned by DHPOA, and DHPOA acknowledges that no conveyance of the amenities or properties described on **Exhibit A** may occur until Purcell has been afforded the opportunity to review the proposed donation and either exercise or waive its right of first refusal; and

WHEREAS, the parties desire to memorialize their mutual understanding regarding the intended conveyance, the conditions attached thereto, and the cooperative process for finalizing and executing the necessary documentation.

NOW, THEREFORE, the Parties agree as follows:

That the DHPOA and the City express their mutual intent to proceed toward the donation and conveyance of the amenities and properties identified on **Exhibit A**, subject to the conditions set forth below, the preparation and approval of final conveyance documents, and the satisfaction of all conditions precedent, including Purcell's review and waiver of its right of first refusal.

That the donation and conveyance shall be subject to the following conditions, which shall be incorporated into the final conveyance documents:

- Parking at the conveyed amenities and properties shall remain available to the public.
- The amenities shall be used for the same or similar purposes as their current use in perpetuity.
- The amenities shall be maintained to at least the same standard as they are presently maintained.
- The City shall lease to DHPOA certain portions of the Public Works Maintenance Yard at a nominal charge as determined by the General Manager of the DHPOA and City Manager of the City within 30 days following the execution of this MOU.

That the donation and conveyance cannot take place until certain requirements have been completed. Specifically, the following are conditions precedent to the conveyance:

- Approval of the final conveyance documents by the DHPOA Board;

- Formal acceptance of the donation by vote of the City Council of the City of Diamondhead;
and
- Written confirmation by Purcell, through an authorized representative, that it has reviewed the proposed donation/conveyance and waives its right of first refusal with respect thereto.
- The City intends to engage legal counsel to conduct a title search of the properties and amenities to be conveyed prior to closing, and the City shall be responsible for all fees and costs associated with such title search and related title work.
- The City shall be responsible for all fees and costs associated with the preparation of all deeds and other conveyance-related instruments.
- The City shall have a period of due diligence for 30 days following the execution of this MOU, to which they may conduct title searches and any other investigations or reviews it deems necessary. The City shall be responsible for all fees and costs associated with such due diligence.
- The DHPOA hereby grants the City, its agents, employees, contractors, and all other persons authorized by the City, during their 30 day period of due diligence, permission to enter the properties described in Exhibit A to obtain and perform any such tests, studies, examinations as the City may deem necessary or advisable including, but not limited to, drainage, soils, hazardous waste, environmental, topographical, geological tests and studies and any such related engineering studies and tests as the City deems necessary with regard to the City's proposed use of the properties described in Exhibit A.
- The General Manager of the DHPOA and the City Manager for the City shall have 30 days following execution of this MOU to identify any and all stormwater drainage lots, as referenced in Exhibit A, that are intended to be donated and conveyed.

- The City shall indemnify and hold the DHPOA harmless from and against any liability, loss, damage, claim, cost or expense which results from any such entry by the City or its agents, employees, contractors, and all other persons authorized by it, or any of them upon the properties described in Exhibit A or performance of such tests, studies and examinations.

That the DHPOA, the City, and Purcell agree to cooperate in good faith through their respective counsel and staff to prepare the necessary agreements, deeds, or other conveyance-related instruments consistent with this MOU and in accordance with applicable law.

That prior to execution and recordation, all deeds and conveyance-related instruments prepared pursuant to this MOU shall be reviewed and approved by legal counsel for both DHPOA and the City.

That until the conveyance becomes effective, DHPOA shall maintain the amenities and properties described on Exhibit A in their current condition and shall not sell, lease, or otherwise transfer any interest in such properties to any third party other than the City, absent written consent of the parties.

That this MOU does not itself convey, or obligate any party to convey or accept, any real property or interest therein. The final conveyance shall occur only upon execution and delivery of mutually approved conveyance documents.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum of Understanding on the dates indicated below.

Nancy Sislow, President
Diamondhead Country Club
& Property Owners' Association, Inc.

Rick Goldstein, General Manager
Diamondhead Country Club
& Property Owners' Association, Inc.

Jon McCraw, Manager
City of Diamondhead

Artis E. James, Jr., President
Purcell Co., Inc.

WAIVER OF RIGHT OF FIRST OF REFUSAL

I, Artis E. James, Jr., President and authorized representative of Purcell Co., Inc., hereby acknowledge that I have received and reviewed the proposed donation and conveyance of the amenities and properties identified on **Exhibit A** to the City of Diamondhead. I, on behalf of Purcell Co., Inc., hereby expressly waive the right of first refusal with respect to such donation and conveyance and agree that the Diamondhead Country Club & Property Owners' Association and the City of Diamondhead may proceed with the conveyance in accordance with the terms of the Memorandum of Understanding executed above.

Artis E. James, Jr., President
Purcell Co., Inc.

EXHIBIT A

List of Amenities and Properties

- Athletic Fields at Noma Drive;
- Playgrounds and Fields at the East Recreation Area;
- Twin Lakes Recreation Area;
- Stormwater Drainage Lots as identified by DHPOA staff and the City;
- Community Center and Adjacent Parking;
- Public Works Maintenance Yard; and
- Airstrip and all related facilities and land.