

1 Introduced by Council Members Carlucci and Boylan:  
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3

4 **ORDINANCE 2023-**

5 AN ORDINANCE MAKING CERTAIN FINDINGS AND  
6 APPROPRIATING \$22,000,000 TO PROVIDE THE INITIAL  
7 FUNDING FOR A CITY PARTICIPATION LOAN TO LAURA  
8 TRIO, LLC ("DEVELOPER") IN CONNECTION WITH THE  
9 LAURA STREET TRIO PROJECT, TO PROVIDE THE  
10 INITIAL FUNDING FOR THE REPLENISHMENT GUARANTY  
11 FOR DEVELOPER'S CONSTRUCTION LOAN, IN ACCORDANCE  
12 WITH AND AS FURTHER DETAILED IN THE  
13 REDEVELOPMENT AGREEMENT AUTHORIZED HEREBY;  
14 APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE  
15 OFFICER OF THE DOWNTOWN INVESTMENT AUTHORITY  
16 ("DIA"), OR HER DESIGNEE, AND THE MAYOR, OR HER  
17 DESIGNEE, TO EXECUTE, AS APPLICABLE: (1) A  
18 REDEVELOPMENT AGREEMENT ("REDEVELOPMENT  
19 AGREEMENT") AMONG THE CITY OF JACKSONVILLE  
20 ("CITY"), THE DIA AND THE DEVELOPER, TO SUPPORT  
21 THE RENOVATION AND REHABILITATION BY DEVELOPER  
22 OF THE BUILDINGS KNOWN GENERALLY AS THE FLORIDA  
23 NATIONAL BANK BUILDING, BISBEE BUILDING, AND  
24 FLORIDA LIFE INSURANCE BUILDING, LOCATED  
25 GENERALLY AT THE CORNER OF LAURA AND FORSYTH  
26 STREETS, AND THE CONSTRUCTION OF TWO NEW ELEVEN  
27 STORY BUILDINGS, WHICH WILL HAVE A MINIMUM OF  
28 140 HOTEL ROOMS AND A MINIMUM OF 165 MULTI-  
29 FAMILY UNITS (AS FURTHER DETAILED IN THE  
30 REDEVELOPMENT AGREEMENT, COLLECTIVELY, THE  
31 "PROJECT"); (2) A REPLENISHMENT GUARANTY BETWEEN

1 THE CITY AND CAPITAL ONE PUBLIC FUNDING, LLC  
2 ("GUARANTY") FOR THE CITY TO SERVE AS THE  
3 GUARANTOR OF DEVELOPER'S CONSTRUCTION LOAN FOR  
4 THE PROJECT; AND (3) RELATED LOAN DOCUMENTS FOR  
5 THE CITY PARTICIPATION LOAN AND FORGIVABLE LOAN;  
6 WAIVING CONFLICTING PROVISIONS OF CHAPTER 500  
7 (COMMUNITY DEVELOPMENT - POLICIES AND  
8 PROCEDURES), *ORDINANCE CODE*, TO ALLOW CITY  
9 COUNCIL TO APPROVE THE LEGISLATION AND AUTHORIZE  
10 THE REDEVELOPMENT AGREEMENT, GUARANTY AND  
11 RELATED LOAN DOCUMENTS; WAIVING PROVISIONS OF  
12 SECTION 55.108 (2), (4), (8), (9), AND (14)  
13 (POWERS AND DUTIES), CHAPTER 55 (DOWNTOWN  
14 INVESTMENT AUTHORITY), *ORDINANCE CODE*, TO ALLOW  
15 CITY COUNCIL TO EXERCISE THOSE POWERS FOR THE  
16 REDEVELOPMENT AGREEMENT AND RELATED AGREEMENTS  
17 REFERENCED THEREIN AND FUNCTIONS OF THIS  
18 ORDINANCE; WAIVING SECTION 106.331(A)  
19 (INDEBTEDNESS IN EXCESS OF OR CONTRARY TO  
20 APPROPRIATIONS PROHIBITED) SUBPART C.  
21 (INDEBTEDNESS, LIABILITY OR EXPENDITURE IN  
22 EXCESS OF OR CONTRARY TO APPROPRIATIONS) PART 3  
23 (APPROPRIATIONS) CHAPTER 106 (BUDGET AND  
24 ACCOUNTING CODE), TO AUTHORIZE FUTURE  
25 EXPENDITURES BY THE CITY PURSUANT TO THE  
26 GUARANTY FOR WHICH NO CURRENT APPROPRIATION HAS  
27 BEEN MADE, AND WAIVING THE REQUIREMENT TO  
28 SPECIFY A TOTAL MAXIMUM MONETARY INDEBTEDNESS  
29 UNDER THE REDEVELOPMENT AGREEMENT; WAIVING  
30 REQUIREMENTS OF THE DIA BUSINESS INVESTMENT &  
31 DEVELOPMENT PLAN INCLUSIVE OF THE COMMUNITY

1 REDEVELOPMENT AREA PLAN, TO AUTHORIZE THE  
2 REDEVELOPMENT AGREEMENT AND RELATED DOCUMENTS;  
3 AUTHORIZING THREE DOWNTOWN PRESERVATION AND  
4 REVITALIZATION PROGRAM ("DPRP") LOANS, IN AN  
5 AGGREGATE AMOUNT NOT TO EXCEED \$16,010,300, TO  
6 THE DEVELOPER IN CONNECTION WITH THE HISTORIC  
7 ELEMENT OF THE HOTEL COMPONENT, TO BE  
8 APPROPRIATED BY SUBSEQUENT LEGISLATION;  
9 AUTHORIZING THREE DOWNTOWN PRESERVATION AND  
10 REVITALIZATION PROGRAM ("DPRP") LOANS, IN AN  
11 AGGREGATE AMOUNT NOT TO EXCEED \$6,024,300, TO  
12 THE DEVELOPER IN CONNECTION WITH THE HISTORIC  
13 ELEMENT OF THE MULTIFAMILY COMPONENT, TO BE  
14 APPROPRIATED BY SUBSEQUENT LEGISLATION;  
15 AUTHORIZING A SEVENTY-FIVE PERCENT, TWENTY YEAR  
16 TARGETED HOTEL RECAPTURE ENHANCED VALUE GRANT IN  
17 THE MAXIMUM AMOUNT NOT TO EXCEED \$5,670,400  
18 ("TARGETED HOTEL REV GRANT"); AUTHORIZING A  
19 SEVENTY-FIVE PERCENT, TWENTY YEAR MULTI-FAMILY  
20 HOUSING RECAPTURE ENHANCED VALUE GRANT IN THE  
21 MAXIMUM AMOUNT NOT TO EXCEED \$8,853,600 ("MULTI-  
22 FAMILY HOUSING REV GRANT"); AUTHORIZING A CITY  
23 PARTICIPATION LOAN IN THE INITIAL PRINCIPAL  
24 AMOUNT OF \$22,000,000 FOR A MAXIMUM 25 YEAR  
25 TERM; AUTHORIZING A \$2,000,000 FORGIVABLE LOAN  
26 TO THE DEVELOPER, AS PREVIOUSLY AUTHORIZED AND  
27 APPROPRIATED BY ORDINANCE 2021-453-E, IN  
28 ACCORDANCE WITH THE TERMS OF THE REDEVELOPMENT  
29 AGREEMENT AUTHORIZED HEREBY; DESIGNATING THE DIA  
30 AS CONTRACT MONITOR FOR THE AGREEMENT; PROVIDING  
31 FOR OVERSIGHT OF THE PROJECT BY THE DIA;

1           AUTHORIZING THE EXECUTION OF ALL DOCUMENTS  
2           RELATING TO THE ABOVE AGREEMENT AND  
3           TRANSACTIONS, AND AUTHORIZING TECHNICAL CHANGES  
4           TO THE DOCUMENTS; WAIVING THAT PORTION OF THE  
5           PUBLIC INVESTMENT POLICY ADOPTED BY ORDINANCE  
6           2016-382-E, AS AMENDED, TO AUTHORIZE THE  
7           FORGIVABLE LOAN AND CITY PARTICIPATION LOAN THAT  
8           ARE NOT CURRENTLY AUTHORIZED BY THE INVESTMENT  
9           POLICY; WAIVING THE DPRP GUIDELINES ADOPTED BY  
10          ORDINANCE 2020-527-E; WAIVING SECTION  
11          91.113(A) (SETTLEMENT AND/OR COMPROMISE OF FINES  
12          AND LIENS IMPOSED BY THE MUNICIPAL CODE  
13          ENFORCEMENT BOARD OR SPECIAL MAGISTRATE),  
14          ORDINANCE CODE, TO WAIVE THE CITY'S POLICY  
15          REGARDING SETTLEMENT OF FINES AND LIENS IMPOSED  
16          BY THE MUNICIPAL CODE ENFORCEMENT BOARD OR  
17          SPECIAL MAGISTRATE; REQUESTING ONE-CYCLE  
18          EMERGENCY PASSAGE; PROVIDING AN EFFECTIVE DATE.

19  
20          **WHEREAS**, pursuant to Chapter 55, Part 3 (Downtown Preservation  
21 and Revitalization Program), *Ordinance Code*, the City of Jacksonville  
22 ("City") established the Downtown Preservation and Revitalization  
23 Program for purposes of fostering the preservation and revitalization  
24 of certain historic and qualified non-historic, buildings located in  
25 Downtown Jacksonville; and

26          **WHEREAS**, Laura Trio, LLC (the "Developer") owns certain real  
27 property, inclusive of the former Florida National Bank Building  
28 located at 51 W. Forsyth Street, the Bisbee Building, located at 47  
29 W. Forsyth Street, and the Florida Life Insurance Building, located  
30 at 117 N. Laura Street (collectively, the "Trio Buildings"), on which  
31 Developer intends to cause the renovation and rehabilitation of the

1 buildings, as further detailed in the Agreement; and

2       **WHEREAS**, the Developer is seeking to: (i) secure Downtown  
3 Preservation and Revitalization Program loans consisting of a  
4 Historic Preservation Restoration and Rehabilitation Forgivable Loan,  
5 a Code Compliance Renovations Forgivable Loan, and a Deferred  
6 Principal Loan on the historical elements of each of the Hotel  
7 Component, in an aggregate amount not to exceed \$16,010,300, and the  
8 Multifamily Component, in an aggregate amount not to exceed \$6,024,300  
9 (each, a "DPRP Loan") for exterior rehabilitation and restoration,  
10 interior rehabilitation and restoration, and Code required  
11 improvements for the Trio Buildings in support of the Project; and  
12 (ii) secure a seventy-five percent, 20 year Targeted Hotel REV Grant  
13 in the maximum amount of \$5,670,400, and a seventy-five percent Multi-  
14 family Housing REV Grant in the maximum amount of \$8,853,600; (iii)  
15 secure a City Participation Loan in the initial amount of \$22,000,000  
16 ("Participation Loan"), with future advance authorized thereunder for  
17 any funds drawn under the Replenishment Guaranty; and (iv) a  
18 Forgivable Loan in the amount of \$2,000,000 ("Forgivable Loan"); and

19       **WHEREAS**, the Replenishment Guaranty requires the City to fund a  
20 reserve account held by Developer's lender in an annual amount equal  
21 to one year of principal and interest payments of the construction  
22 loan and thereafter for the City to replenish such amounts on an  
23 annual basis for the duration of the 25 year loan term, to the extent  
24 Developer's lender draws against the Replenishment Guaranty; and

25       **WHEREAS**, the City Participation Loan shall be secured by a first  
26 priority mortgage among Developer, Capital One Public Funding, LLC  
27 and the City shall provide that in the event the amounts drawn under  
28 the Replenishment Guaranty exceed \$22,000,000, the City may elect to  
29 take title to portions of the Project Parcel subject to the mortgage  
30 of the City Participation Loan without limiting the City's obligation  
31 under the Replenishment Guaranty; and

1           **WHEREAS**, the City Participation Loan shall provide that upon  
2 substantial completion of the Project the City will receive twelve  
3 percent (12%) of Net Cash Flows (as defined in the Redevelopment  
4 Agreement) from the Project for the term of the Participation Loan,  
5 and 5% of net proceeds from the sale or refinancing of the Project;  
6 and

7           **WHEREAS**, the scope of the Project will include redevelopment of:  
8 the Florida National Bank Building to provide approximately 11,090  
9 square feet of private dining/wine cellar space, restaurant space and  
10 restaurant operating space; the Bisbee Building to provide  
11 approximately 48,411 square feet total, inclusive of ground level  
12 retail space, conference center space, approximately 8 floors of  
13 hotel space, and the Florida Life Insurance Building to provide  
14 approximately 23,613 square feet total, inclusive of media space,  
15 lobby/business center space, fitness/media center space, and  
16 additional hotel rooms, and new construction multi-family estimated  
17 at 161,977 square feet, with an estimated 149 units, all as further  
18 described in the Agreement; and

19           **WHEREAS**, the Project will also include improvements related to  
20 restoring the properties to historic standards, preserving and  
21 maintaining the integrity of the structures, and meeting certain code  
22 compliance requirements to make the properties more accessible and  
23 functional; and

24           **WHEREAS**, historic preservation, revitalization, and the reuse  
25 of Jacksonville's historic buildings and structures are important to  
26 the City's overall social and economic welfare; and

27           **WHEREAS**, City Council has considered the Developer's requests  
28 and has determined that the Forgivable Loan, Participation Loan, DPRP  
29 Loans and REV Grants will enable the Developer to restore and  
30 rehabilitate the historic structures and construct the Project as  
31 described in the Agreement; and

1           **WHEREAS**, on June 22, 2023, the DIA Board approved Resolution  
2 2023-06-02 (the "Resolution") deferring approval of any incentives  
3 until such time as City Council can review all City funding  
4 components, said Resolution being attached hereto as **Exhibit 1**; and

5           **WHEREAS**, it has been determined to be in the interest of the  
6 City to enter into the Agreement and approve of and adopt the matters  
7 set forth in this Ordinance; now, therefore,

8           **BE IT ORDAINED** by the Council of the City of Jacksonville:

9           **Section 1. Findings.** It is hereby ascertained, determined,  
10 found and declared as follows:

11           (a) The recitals set forth herein are true and correct.

12           (b) The Project will greatly enhance the City and otherwise  
13 promote and further the municipal purposes of the City.

14           (c) The City's assistance for the Project will enable and  
15 facilitate the Project, the Project will enhance and increase the  
16 City's tax base and revenues, and the Project will improve the quality  
17 of life necessary to encourage and attract business expansion in the  
18 City.

19           (d) Enhancement of the City's tax base and revenues are matters  
20 of State and City concern.

21           (e) The Developer is qualified to carry out the Project.

22           (f) The Project serves a paramount public purpose and the  
23 authorizations provided by this Ordinance are for public uses and  
24 purposes for which the City may use its powers as a municipality and  
25 as a political subdivision of the State of Florida and may expend  
26 public funds, and the necessity in the public interest for the  
27 provisions herein enacted is hereby declared as a matter of  
28 legislative determination.

29           (g) This Ordinance is adopted pursuant to the provisions of  
30 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's  
31 Charter, and other applicable provisions of law.

1           **Section 2.           Appropriation.** For the 2023-2024 fiscal year,  
2 within the City's budget, there are hereby appropriated the indicated  
3 sum(s) from the account(s) listed in subsection (a) to the account(s)  
4 listed in subsection (b):

5 (The account information is attached hereto as **Exhibit 2** and  
6 incorporated herein by this reference)

7           (a) Appropriated from:

8                   See **Exhibit 2**                   \$22,000,000

9           (b) Appropriated to:

10                   See **Exhibit 2**                   \$22,000,000

11           (c) **Explanation of Appropriation:**

12           Appropriating \$22,000,000.00 from General Fund-GSD Fund Balance  
13 to fund a \$22,000,000 Participation Loan for the Laura Street Trio  
14 project in accordance with the Redevelopment Agreement.

15           **Section 3.           Purpose.** The purpose of the appropriation in  
16 Section 2 is to provide \$22,000,000 in funding to provide a  
17 \$22,000,000 Participation Loan to the Developer in accordance with  
18 the Redevelopment Agreement.

19           **Section 4.           Redevelopment Agreement, Replenishment Guaranty**  
20 **and related Loan Documents Approved and Execution Authorized.** There  
21 is hereby approved, and the Chief Executive Officer of the DIA, or  
22 her designee, is hereby authorized to execute and deliver the  
23 Redevelopment Agreement, Replenishment Agreement and related loan  
24 documents for the Participation Loan and Forgivable Loan  
25 (collectively, the "Agreement") substantially in the form placed **On**  
26 **File** with the Office of Legislative Services, and enter into the loan  
27 documents for the Forgivable Loan (with such "technical" changes as  
28 herein authorized), for the purposes described in the Agreement. It  
29 shall be a precondition to the City/DIA entering into the Agreement  
30 that the prior redevelopment agreement with the Developer is  
31 terminated in full without liability to the City or DIA.



1           The Agreement and loan documents may include such additions,  
2 deletions and changes as may be reasonable, necessary and incidental  
3 for carrying out the purposes thereof, as may be acceptable to the  
4 Chief Executive Officer of the DIA, or her designee, with such  
5 inclusion and acceptance being evidenced by execution of the Agreement  
6 and loan documents by the Chief Executive Officer of the DIA, or her  
7 designee. No modification to the Agreement and loan documents may  
8 increase the financial obligations or the liability of the City or  
9 DIA and any such modification shall be technical only and shall be  
10 subject to appropriate legal review and approval of the General  
11 Counsel, or his or her designee, and all other appropriate action  
12 required by law. "Technical" is herein defined as including, but not  
13 limited to, changes in legal descriptions and surveys, descriptions  
14 of infrastructure improvements and/or any road project, ingress and  
15 egress, easements and rights of way, performance schedule extensions  
16 of up to (6) six months in the discretion of the CEO of the DIA,  
17 design standards, access and site plan, which have no financial  
18 impact.

19           **Section 5.           Waiving Conflicting Provisions of Chapter 500**

20           **(Community Redevelopment - Policies and Procedures), Ordinance Code.**

21           The conflicting provisions of Chapter 500 (Community Redevelopment -  
22 Policies and Procedures), *Ordinance Code*, are hereby waived as to the  
23 requirement that policies and procedures that were delegated to the  
24 DIA by City Council are being approved by City Council in this  
25 legislation. A waiver of the conflicting provisions of Chapter 500,  
26 *Ordinance Code*, is needed for City Council to approve the legislation  
27 and authorize the Agreement and related documents.

28           **Section 6.           Waiving Provisions of Section 55.108 (2), (4),**  
29 **(8), (9), (10), (14), and (20) (Powers and Duties), Chapter 55**  
30 **(Downtown Investment Authority), Ordinance Code.** The provisions of  
31 Section 55.108 (2), (4), (8), (9), and (14) (Powers and Duties),

1 Chapter 55 (Downtown Investment Authority), *Ordinance Code*, are  
2 hereby waived as to the requirement that DIA Board have the delegated  
3 powers from City Council. A waiver of the provisions of Section 55.108  
4 (2), (4), (8), (9), and (14), Chapter 55, *Ordinance Code*, is needed  
5 because City Council is exercising those powers for the agreements  
6 and functions of this Ordinance.

7 **Section 7. Waiving Provisions of Section 106.331 and**  
8 **subparagraph (a) thereof (Indebtedness in Excess of or Contrary to**  
9 **Appropriations prohibited) Subpart C (Indebtedness, Liability or**  
10 **Expenditure in excess of or contrary to Appropriations) Part 3**  
11 **(Appropriations) Chapter 106 (Budget and Accounting Code), *Ordinance***  
12 ***Code*.** The provisions of Section 106.331(a) are hereby waived to  
13 authorize the contingent liabilities under the Replenishment Guaranty  
14 without a current appropriation therefor, and also the requirement  
15 requires all contracts incurring any liability must specify a total  
16 maximum monetary indebtedness. The waiver is needed to authorize the  
17 City to enter into the Replenishment Guaranty without a contingency  
18 therein that future financial obligations under the Replenishment  
19 Guaranty are not subject to a future appropriation by City Council.

20 **Section 8. Waiving Conflicting Provisions of the DIA**  
21 **Business Investment and Development Plan.** The DIA Business Investment  
22 and Development Plan previously authorized by Ordinance 2022-372-E  
23 is hereby waived to authorize the incentives as set forth in the  
24 Redevelopment Agreement. The waiver is required in part due to: the  
25 project having an ROI of less than one on a REV Grant supported  
26 project; failure to satisfy the tiers analysis required to offer any  
27 incentive above a REV Grant and the DPRP loans; insufficient minimum  
28 developer total contribution of Total Development Cost; and exceeding  
29 the 40% cap on maximum City/DIA combined funding as to the historic  
30 Hospitality Component.

31 **Section 9. Payment of Hotel Component DPRP Loans to**

1 **Developer.** The Hotel Component DPRP Loans are hereby authorized, and,  
2 subject to subsequent appropriation by the City Council for the  
3 Project, the City is authorized to disburse the DPRP Loans to the  
4 Developer in an aggregate amount not to exceed \$16,010,300, pursuant  
5 to and as set forth in the Agreement.

6 The Hotel Component DPRP Loans are comprised of a Historic  
7 Preservation Restoration and Rehabilitation Forgivable Loan ("HPRR")  
8 in the not-to-exceed amount of \$7,461,900, a Code Compliance  
9 Renovations Forgivable Loan ("CCR") in the not-to-exceed amount of  
10 \$5,346,300, with said HPRR and CCR Loans forgiven at a rate of 20%  
11 per year (with claw back provisions provided in the Agreement), and  
12 a DPRP Deferred Principal Loan in the not-to-exceed amount of  
13 \$3,202,100 which requires interest payments annually with principal  
14 to be repaid at maturity (10 years from the date of funding).

15 **Section 10. Payment of Multi-family Component DPRP Loans to**  
16 **Developer.** The Multi-family Component DPRP Loans are hereby  
17 authorized, and, subject to subsequent appropriation by the City  
18 Council for the Project, the City is authorized to disburse the Multi-  
19 family Component DPRP Loans to the Developer in an aggregate amount  
20 not to exceed \$6,024,300, pursuant to and as set forth in the  
21 Agreement.

22 The Multi-family Component DPRP Loans are comprised of a  
23 Historic Preservation Restoration and Rehabilitation Forgivable Loan  
24 ("HPRR") in the not-to-exceed amount of \$2,840,000, a Code Compliance  
25 Renovations Forgivable Loan ("CCR") in the not-to-exceed amount of  
26 \$1,979,000, with said HPRR and CCR Loans forgiven at a rate of 20%  
27 per year (with claw back provisions provided in the Agreement), and  
28 a DPRP Deferred Principal Loan in the not-to-exceed amount of  
29 \$1,204,900 which requires interest payments annually with principal  
30 to be repaid at maturity (10 years from the date of funding).

31 **Section 11. Payment of the Targeted Hotel Recapture Enhanced**

1 **Value (REV) Grant.**

2 (a) The REV Grant shall not be deemed to constitute a debt,  
3 liability, or obligation of the City or of the State of Florida or  
4 any political subdivision thereof within the meaning of any  
5 constitutional or statutory limitation, or a pledge of the faith and  
6 credit or taxing power of the City or of the State of Florida or any  
7 constitutional or any political subdivision thereof but shall be  
8 payable solely from the funds provided therefor as provided in this  
9 Section. The Agreement shall contain a statement of the effect that  
10 the City shall not be obligated to pay any installment of its  
11 financial assistance to the Company except from the non-ad valorem  
12 revenues or other legally available funds provided for that purpose,  
13 that neither the faith and credit nor the taxing power of the City  
14 or of the State of Florida or any political subdivision thereof is  
15 pledged to the payment of any portion of such financial assistance,  
16 and that the Company, or any person, firm or entity claiming by,  
17 through or under the Company, or any other person whomsoever, shall  
18 never have any right, directly or indirectly, to compel the exercise  
19 of the ad valorem taxing power of the City or of the State of Florida  
20 or any political subdivision thereof for the payment of any portion  
21 of such financial assistance.

22 (b) The Mayor, or his designee, is hereby authorized to and  
23 shall disburse the annual installments of the REV Grant as provided  
24 in this Section in accordance with this Ordinance and the Agreement.

25 **Section 12. Payment of the Multifamily Housing Recapture**  
26 **Enhanced Value (REV) Grant.**

27 (a) The REV Grant shall not be deemed to constitute a debt,  
28 liability, or obligation of the City or of the State of Florida or  
29 any political subdivision thereof within the meaning of any  
30 constitutional or statutory limitation, or a pledge of the faith and  
31 credit or taxing power of the City or of the State of Florida or any

1 constitutional or any political subdivision thereof but shall be  
2 payable solely from the funds provided therefor as provided in this  
3 Section. The Agreement shall contain a statement of the effect that  
4 the City shall not be obligated to pay any installment of its  
5 financial assistance to the Company except from the non-ad valorem  
6 revenues or other legally available funds provided for that purpose,  
7 that neither the faith and credit nor the taxing power of the City  
8 or of the State of Florida or any political subdivision thereof is  
9 pledged to the payment of any portion of such financial assistance,  
10 and that the Company, or any person, firm or entity claiming by,  
11 through or under the Company, or any other person whomsoever, shall  
12 never have any right, directly or indirectly, to compel the exercise  
13 of the ad valorem taxing power of the City or of the State of Florida  
14 or any political subdivision thereof for the payment of any portion  
15 of such financial assistance.

16 (b) The Mayor, or his designee, is hereby authorized to and  
17 shall disburse the annual installments of the REV Grant as provided  
18 in this Section in accordance with this Ordinance and the Agreement.

19 **Section 13. Authorizing a \$22,000,000 City Participation**  
20 **Loan to the Developer.** The City Participation Loan is hereby  
21 authorized, and the City is authorized to disburse the Participation  
22 Loan to the Developer as set forth in the Redevelopment Agreement and  
23 Replenishment Guaranty, pursuant to and as set forth in the  
24 Redevelopment Agreement.

25 **Section 14. Authorizing a \$2,000,000 Forgivable Loan to the**  
26 **Developer.** The Forgivable Loan is hereby authorized, and the City  
27 is authorized to disburse the Forgivable Loan to the Developer in the  
28 not to exceed amount of \$2,000,000, pursuant to and as set forth in  
29 the Redevelopment Agreement.

30 **Section 15. Designation of Authorized Official and DIA as**  
31 **Contract Monitor.** The Chief Executive Officer of the DIA is

1 designated as the authorized official of the City for the purpose of  
2 executing and delivering the Agreement and is further designated as  
3 the authorized official of the City for the purpose of executing any  
4 additional contracts and documents and furnishing such information,  
5 data and documents for the Agreement and related documents as may be  
6 required and otherwise to act as the authorized official of the City  
7 in connection with the Agreement, and take or cause to be taken such  
8 action as may be necessary to enable the City to implement the  
9 Agreement according to its terms. The DIA is hereby further required  
10 to administer and monitor the Agreement and to handle the City's  
11 responsibilities thereunder, including the City's responsibilities  
12 under such Agreement working with and supported by all relevant City  
13 departments.

14 **Section 16. Oversight Department.** The Downtown Investment  
15 Authority shall oversee the Project described herein.

16 **Section 17. Further Authorizations.** The Chief Executive  
17 Officer of the DIA, or her designee, is hereby authorized to execute  
18 the Agreement and otherwise take all necessary action in connection  
19 therewith and herewith. The Chief Executive Officer of the DIA is  
20 further authorized to negotiate and execute all necessary changes and  
21 amendments to the Agreement and any other contracts and documents to  
22 effectuate the purposes of this Ordinance, without further Council  
23 action, provided such changes and amendments to the Agreement are  
24 limited to amendments that are technical in nature (as described in  
25 Section 2 hereof), and further provided that all such amendments  
26 shall be subject to appropriate legal review and approval by the  
27 General Counsel, or his or her designee, and take all other  
28 appropriate official action required by law.

29 **Section 18. Waiver of Public Investment Policy.** The Public  
30 Investment Policy adopted by City Council Ordinance 2016-382-E, as  
31 amended, is waived to authorize an \$8,500,000 Forgivable Loan and a

1 \$13,500,000 Completion Grant not currently contemplated by the  
2 policy.

3 **Section 19. Waiver of DPRP Guidelines.** The DPRP guidelines  
4 adopted by the City Council Ordinance 2020-527-E, are waived to:  
5 allow a developer equity threshold below 10%; subordinate the position  
6 of the DPRP loans; provide private capital to the project at less  
7 than the required percentage; and authorize public investment in  
8 greater than authorized amounts.

9 **Section 20. Waiver of Chapter 91 (Municipal Code Enforcement  
10 Board), Section 91.113(a) (Settlement and/or compromise of fines and  
11 liens imposed by the Municipal Code Enforcement Board or Special  
12 Magistrate), Ordinance Code.** The standards and policies referenced  
13 in Section 91.113(a), *Ordinance Code*, regarding the City's policy of  
14 settlement of fines and liens imposed by the Municipal Code  
15 Enforcement Board or Special Magistrate are hereby waived to authorize  
16 a \$10,000 upfront payment, if not previously paid, and to authorize  
17 a sixty (60) month term (rather than twenty-four months) to bring the  
18 Project parcel into compliance.

19 **Section 21. Requesting One-Cycle Emergency Passage Pursuant  
20 to Council Rule 4.901 Emergency.** One-cycle emergency passage of this  
21 legislation is requested. The nature of the emergency is that the  
22 Developer may lose favorable loan rates that make the project feasible  
23 in the absence of emergency passage.

24 **Section 22. Effective Date.** This Ordinance shall become  
25 effective upon signature by the Mayor or upon becoming effective  
26 without the Mayor's signature.

27  
28  
29 Form Approved:  
30  
31

1 Office of General Counsel  
2 Legislation Prepared By: John Sawyer  
3 GC-#1587834-V2-Leg\_\_2023\_-\_Laura\_Trio\_RDA.Docx



1 THE CITY AND CAPITAL ONE PUBLIC FUNDING, LLC  
2 ("GUARANTY") FOR THE CITY TO SERVE AS THE  
3 GUARANTOR OF DEVELOPER'S CONSTRUCTION LOAN FOR  
4 THE PROJECT; AND (3) RELATED LOAN DOCUMENTS FOR  
5 THE CITY PARTICIPATION LOAN AND FORGIVABLE LOAN;  
6 WAIVING CONFLICTING PROVISIONS OF CHAPTER 500  
7 (COMMUNITY DEVELOPMENT - POLICIES AND  
8 PROCEDURES), *ORDINANCE CODE*, TO ALLOW CITY  
9 COUNCIL TO APPROVE THE LEGISLATION AND AUTHORIZE  
10 THE REDEVELOPMENT AGREEMENT, GUARANTY AND  
11 RELATED LOAN DOCUMENTS; WAIVING PROVISIONS OF  
12 SECTION 55.108 (2), (4), (8), (9), AND (14)  
13 (POWERS AND DUTIES), CHAPTER 55 (DOWNTOWN  
14 INVESTMENT AUTHORITY), *ORDINANCE CODE*, TO ALLOW  
15 CITY COUNCIL TO EXERCISE THOSE POWERS FOR THE  
16 REDEVELOPMENT AGREEMENT AND RELATED AGREEMENTS  
17 REFERENCED THEREIN AND FUNCTIONS OF THIS  
18 ORDINANCE; WAIVING SECTION 106.331(A)  
19 (INDEBTEDNESS IN EXCESS OF OR CONTRARY TO  
20 APPROPRIATIONS PROHIBITED) SUBPART C.  
21 (INDEBTEDNESS, LIABILITY OR EXPENDITURE IN  
22 EXCESS OF OR CONTRARY TO APPROPRIATIONS) PART 3  
23 (APPROPRIATIONS) CHAPTER 106 (BUDGET AND  
24 ACCOUNTING CODE), TO AUTHORIZE FUTURE  
25 EXPENDITURES BY THE CITY PURSUANT TO THE  
26 GUARANTY FOR WHICH NO CURRENT APPROPRIATION HAS  
27 BEEN MADE, AND WAIVING THE REQUIREMENT TO  
28 SPECIFY A TOTAL MAXIMUM MONETARY INDEBTEDNESS  
29 UNDER THE REDEVELOPMENT AGREEMENT; WAIVING  
30 REQUIREMENTS OF THE DIA BUSINESS INVESTMENT &  
31 DEVELOPMENT PLAN INCLUSIVE OF THE COMMUNITY

1 REDEVELOPMENT AREA PLAN, TO AUTHORIZE THE  
2 REDEVELOPMENT AGREEMENT AND RELATED DOCUMENTS;  
3 AUTHORIZING THREE DOWNTOWN PRESERVATION AND  
4 REVITALIZATION PROGRAM ("DPRP") LOANS, IN AN  
5 AGGREGATE AMOUNT NOT TO EXCEED \$16,010,300, TO  
6 THE DEVELOPER IN CONNECTION WITH THE HISTORIC  
7 ELEMENT OF THE HOTEL COMPONENT, TO BE  
8 APPROPRIATED BY SUBSEQUENT LEGISLATION;  
9 AUTHORIZING THREE DOWNTOWN PRESERVATION AND  
10 REVITALIZATION PROGRAM ("DPRP") LOANS, IN AN  
11 AGGREGATE AMOUNT NOT TO EXCEED \$6,024,300, TO  
12 THE DEVELOPER IN CONNECTION WITH THE HISTORIC  
13 ELEMENT OF THE MULTIFAMILY COMPONENT, TO BE  
14 APPROPRIATED BY SUBSEQUENT LEGISLATION;  
15 AUTHORIZING A SEVENTY-FIVE PERCENT, TWENTY YEAR  
16 TARGETED HOTEL RECAPTURE ENHANCED VALUE GRANT IN  
17 THE MAXIMUM AMOUNT NOT TO EXCEED \$5,670,400  
18 ("TARGETED HOTEL REV GRANT"); AUTHORIZING A  
19 SEVENTY-FIVE PERCENT, TWENTY YEAR MULTI-FAMILY  
20 HOUSING RECAPTURE ENHANCED VALUE GRANT IN THE  
21 MAXIMUM AMOUNT NOT TO EXCEED \$8,853,600 ("MULTI-  
22 FAMILY HOUSING REV GRANT"); AUTHORIZING A CITY  
23 PARTICIPATION LOAN IN THE INITIAL PRINCIPAL  
24 AMOUNT OF \$22,000,000 FOR A MAXIMUM 25 YEAR  
25 TERM; AUTHORIZING A \$2,000,000 FORGIVABLE LOAN  
26 TO THE DEVELOPER, AS PREVIOUSLY AUTHORIZED AND  
27 APPROPRIATED BY ORDINANCE 2021-453-E, IN  
28 ACCORDANCE WITH THE TERMS OF THE REDEVELOPMENT  
29 AGREEMENT AUTHORIZED HEREBY; DESIGNATING THE DIA  
30 AS CONTRACT MONITOR FOR THE AGREEMENT; PROVIDING  
31 FOR OVERSIGHT OF THE PROJECT BY THE DIA;

1           AUTHORIZING THE EXECUTION OF ALL DOCUMENTS  
2           RELATING TO THE ABOVE AGREEMENT AND  
3           TRANSACTIONS, AND AUTHORIZING TECHNICAL CHANGES  
4           TO THE DOCUMENTS; WAIVING THAT PORTION OF THE  
5           PUBLIC INVESTMENT POLICY ADOPTED BY ORDINANCE  
6           2016-382-E, AS AMENDED, TO AUTHORIZE THE  
7           FORGIVABLE LOAN AND CITY PARTICIPATION LOAN THAT  
8           ARE NOT CURRENTLY AUTHORIZED BY THE INVESTMENT  
9           POLICY; WAIVING THE DPRP GUIDELINES ADOPTED BY  
10          ORDINANCE 2020-527-E; WAIVING SECTION  
11          91.113(A) (SETTLEMENT AND/OR COMPROMISE OF FINES  
12          AND LIENS IMPOSED BY THE MUNICIPAL CODE  
13          ENFORCEMENT BOARD OR SPECIAL MAGISTRATE),  
14          ORDINANCE CODE, TO WAIVE THE CITY'S POLICY  
15          REGARDING SETTLEMENT OF FINES AND LIENS IMPOSED  
16          BY THE MUNICIPAL CODE ENFORCEMENT BOARD OR  
17          SPECIAL MAGISTRATE; REQUESTING ONE-CYCLE  
18          EMERGENCY PASSAGE; PROVIDING AN EFFECTIVE DATE.

19  
20          **WHEREAS**, pursuant to Chapter 55, Part 3 (Downtown Preservation  
21          and Revitalization Program), *Ordinance Code*, the City of Jacksonville  
22          ("City") established the Downtown Preservation and Revitalization  
23          Program for purposes of fostering the preservation and revitalization  
24          of certain historic and qualified non-historic, buildings located in  
25          Downtown Jacksonville; and

26          **WHEREAS**, Laura Trio, LLC (the "Developer") owns certain real  
27          property, inclusive of the former Florida National Bank Building  
28          located at 51 W. Forsyth Street, the Bisbee Building, located at 47  
29          W. Forsyth Street, and the Florida Life Insurance Building, located  
30          at 117 N. Laura Street (collectively, the "Trio Buildings"), on which  
31          Developer intends to cause the renovation and rehabilitation of the

1 buildings, as further detailed in the Agreement; and

2       **WHEREAS**, the Developer is seeking to: (i) secure Downtown  
3 Preservation and Revitalization Program loans consisting of a  
4 Historic Preservation Restoration and Rehabilitation Forgivable Loan,  
5 a Code Compliance Renovations Forgivable Loan, and a Deferred  
6 Principal Loan on the historical elements of each of the Hotel  
7 Component, in an aggregate amount not to exceed \$16,010,300, and the  
8 Multifamily Component, in an aggregate amount not to exceed \$6,024,300  
9 (each, a "DPRP Loan") for exterior rehabilitation and restoration,  
10 interior rehabilitation and restoration, and Code required  
11 improvements for the Trio Buildings in support of the Project; and  
12 (ii) secure a seventy-five percent, 20 year Targeted Hotel REV Grant  
13 in the maximum amount of \$5,670,400, and a seventy-five percent Multi-  
14 family Housing REV Grant in the maximum amount of \$8,853,600; (iii)  
15 secure a City Participation Loan in the initial amount of \$22,000,000  
16 ("Participation Loan"), with future advance authorized thereunder for  
17 any funds drawn under the Replenishment Guaranty; and (iv) a  
18 Forgivable Loan in the amount of \$2,000,000 ("Forgivable Loan"); and

19       **WHEREAS**, the Replenishment Guaranty requires the City to fund a  
20 reserve account held by Developer's lender in an annual amount equal  
21 to one year of principal and interest payments of the construction  
22 loan and thereafter for the City to replenish such amounts on an  
23 annual basis for the duration of the 25 year loan term, to the extent  
24 Developer's lender draws against the Replenishment Guaranty; and

25       **WHEREAS**, the City Participation Loan shall be secured by a first  
26 priority mortgage among Developer, Capital One Public Funding, LLC  
27 and the City shall provide that in the event the amounts drawn under  
28 the Replenishment Guaranty exceed \$22,000,000, the City may elect to  
29 take title to portions of the Project Parcel subject to the mortgage  
30 of the City Participation Loan without limiting the City's obligation  
31 under the Replenishment Guaranty; and

1           **WHEREAS**, the City Participation Loan shall provide that upon  
2 substantial completion of the Project the City will receive twelve  
3 percent (12%) of Net Cash Flows (as defined in the Redevelopment  
4 Agreement) from the Project for the term of the Participation Loan,  
5 and 5% of net proceeds from the sale or refinancing of the Project;  
6 and

7           **WHEREAS**, the scope of the Project will include redevelopment of:  
8 the Florida National Bank Building to provide approximately 11,090  
9 square feet of private dining/wine cellar space, restaurant space and  
10 restaurant operating space; the Bisbee Building to provide  
11 approximately 48,411 square feet total, inclusive of ground level  
12 retail space, conference center space, approximately 8 floors of  
13 hotel space, and the Florida Life Insurance Building to provide  
14 approximately 23,613 square feet total, inclusive of media space,  
15 lobby/business center space, fitness/media center space, and  
16 additional hotel rooms, and new construction multi-family estimated  
17 at 161,977 square feet, with an estimated 149 units, all as further  
18 described in the Agreement; and

19           **WHEREAS**, the Project will also include improvements related to  
20 restoring the properties to historic standards, preserving and  
21 maintaining the integrity of the structures, and meeting certain code  
22 compliance requirements to make the properties more accessible and  
23 functional; and

24           **WHEREAS**, historic preservation, revitalization, and the reuse  
25 of Jacksonville's historic buildings and structures are important to  
26 the City's overall social and economic welfare; and

27           **WHEREAS**, City Council has considered the Developer's requests  
28 and has determined that the Forgivable Loan, Participation Loan, DPRP  
29 Loans and REV Grants will enable the Developer to restore and  
30 rehabilitate the historic structures and construct the Project as  
31 described in the Agreement; and

1           **WHEREAS**, on June 22, 2023, the DIA Board approved Resolution  
2 2023-06-02 (the "Resolution") deferring approval of any incentives  
3 until such time as City Council can review all City funding  
4 components, said Resolution being attached hereto as **Exhibit 1**; and

5           **WHEREAS**, it has been determined to be in the interest of the  
6 City to enter into the Agreement and approve of and adopt the matters  
7 set forth in this Ordinance; now, therefore,

8           **BE IT ORDAINED** by the Council of the City of Jacksonville:

9           **Section 1. Findings.** It is hereby ascertained, determined,  
10 found and declared as follows:

11           (a) The recitals set forth herein are true and correct.

12           (b) The Project will greatly enhance the City and otherwise  
13 promote and further the municipal purposes of the City.

14           (c) The City's assistance for the Project will enable and  
15 facilitate the Project, the Project will enhance and increase the  
16 City's tax base and revenues, and the Project will improve the quality  
17 of life necessary to encourage and attract business expansion in the  
18 City.

19           (d) Enhancement of the City's tax base and revenues are matters  
20 of State and City concern.

21           (e) The Developer is qualified to carry out the Project.

22           (f) The Project serves a paramount public purpose and the  
23 authorizations provided by this Ordinance are for public uses and  
24 purposes for which the City may use its powers as a municipality and  
25 as a political subdivision of the State of Florida and may expend  
26 public funds, and the necessity in the public interest for the  
27 provisions herein enacted is hereby declared as a matter of  
28 legislative determination.

29           (g) This Ordinance is adopted pursuant to the provisions of  
30 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's  
31 Charter, and other applicable provisions of law.

1           **Section 2.           Appropriation.** For the 2023-2024 fiscal year,  
2 within the City's budget, there are hereby appropriated the indicated  
3 sum(s) from the account(s) listed in subsection (a) to the account(s)  
4 listed in subsection (b):

5 (The account information is attached hereto as **Exhibit 2** and  
6 incorporated herein by this reference)

7           (a) Appropriated from:

8                 See **Exhibit 2**                 \$22,000,000

9           (b) Appropriated to:

10                See **Exhibit 2**                \$22,000,000

11           (c) **Explanation of Appropriation:**

12           Appropriating \$22,000,000.00 from General Fund-GSD Fund Balance  
13 to fund a \$22,000,000 Participation Loan for the Laura Street Trio  
14 project in accordance with the Redevelopment Agreement.

15           **Section 3.           Purpose.** The purpose of the appropriation in  
16 Section 2 is to provide \$22,000,000 in funding to provide a  
17 \$22,000,000 Participation Loan to the Developer in accordance with  
18 the Redevelopment Agreement.

19           **Section 4.           Redevelopment Agreement, Replenishment Guaranty**  
20 **and related Loan Documents Approved and Execution Authorized.** There  
21 is hereby approved, and the Chief Executive Officer of the DIA, or  
22 her designee, is hereby authorized to execute and deliver the  
23 Redevelopment Agreement, Replenishment Agreement and related loan  
24 documents for the Participation Loan and Forgivable Loan  
25 (collectively, the "Agreement") substantially in the form placed **On**  
26 **File** with the Office of Legislative Services, and enter into the loan  
27 documents for the Forgivable Loan (with such "technical" changes as  
28 herein authorized), for the purposes described in the Agreement. It  
29 shall be a precondition to the City/DIA entering into the Agreement  
30 that the prior redevelopment agreement with the Developer is  
31 terminated in full without liability to the City or DIA.

1 The Agreement and loan documents may include such additions,  
2 deletions and changes as may be reasonable, necessary and incidental  
3 for carrying out the purposes thereof, as may be acceptable to the  
4 Chief Executive Officer of the DIA, or her designee, with such  
5 inclusion and acceptance being evidenced by execution of the Agreement  
6 and loan documents by the Chief Executive Officer of the DIA, or her  
7 designee. No modification to the Agreement and loan documents may  
8 increase the financial obligations or the liability of the City or  
9 DIA and any such modification shall be technical only and shall be  
10 subject to appropriate legal review and approval of the General  
11 Counsel, or his or her designee, and all other appropriate action  
12 required by law. "Technical" is herein defined as including, but not  
13 limited to, changes in legal descriptions and surveys, descriptions  
14 of infrastructure improvements and/or any road project, ingress and  
15 egress, easements and rights of way, performance schedule extensions  
16 of up to (6) six months in the discretion of the CEO of the DIA,  
17 design standards, access and site plan, which have no financial  
18 impact.

19 **Section 5. Waiving Conflicting Provisions of Chapter 500**

20 **(Community Redevelopment - Policies and Procedures), Ordinance Code.**

21 The conflicting provisions of Chapter 500 (Community Redevelopment -  
22 Policies and Procedures), *Ordinance Code*, are hereby waived as to the  
23 requirement that policies and procedures that were delegated to the  
24 DIA by City Council are being approved by City Council in this  
25 legislation. A waiver of the conflicting provisions of Chapter 500,  
26 *Ordinance Code*, is needed for City Council to approve the legislation  
27 and authorize the Agreement and related documents.

28 **Section 6. Waiving Provisions of Section 55.108 (2), (4),**

29 **(8), (9), (10), (14), and (20) (Powers and Duties), Chapter 55**

30 **(Downtown Investment Authority), Ordinance Code.** The provisions of

31 Section 55.108 (2), (4), (8), (9), and (14) (Powers and Duties),



1 Chapter 55 (Downtown Investment Authority), *Ordinance Code*, are  
2 hereby waived as to the requirement that DIA Board have the delegated  
3 powers from City Council. A waiver of the provisions of Section 55.108  
4 (2), (4), (8), (9), and (14), Chapter 55, *Ordinance Code*, is needed  
5 because City Council is exercising those powers for the agreements  
6 and functions of this Ordinance.

7 **Section 7. Waiving Provisions of Section 106.331 and**  
8 **subparagraph (a) thereof (Indebtedness in Excess of or Contrary to**  
9 **Appropriations prohibited) Subpart C (Indebtedness, Liability or**  
10 **Expenditure in excess of or contrary to Appropriations) Part 3**  
11 **(Appropriations) Chapter 106 (Budget and Accounting Code), *Ordinance***  
12 ***Code*.** The provisions of Section 106.331(a) are hereby waived to  
13 authorize the contingent liabilities under the Replenishment Guaranty  
14 without a current appropriation therefor, and also the requirement  
15 requires all contracts incurring any liability must specify a total  
16 maximum monetary indebtedness. The waiver is needed to authorize the  
17 City to enter into the Replenishment Guaranty without a contingency  
18 therein that future financial obligations under the Replenishment  
19 Guaranty are not subject to a future appropriation by City Council.

20 **Section 8. Waiving Conflicting Provisions of the DIA**  
21 **Business Investment and Development Plan.** The DIA Business Investment  
22 and Development Plan previously authorized by Ordinance 2022-372-E  
23 is hereby waived to authorize the incentives as set forth in the  
24 Redevelopment Agreement. The waiver is required in part due to: the  
25 project having an ROI of less than one on a REV Grant supported  
26 project; failure to satisfy the tiers analysis required to offer any  
27 incentive above a REV Grant and the DPRP loans; insufficient minimum  
28 developer total contribution of Total Development Cost; and exceeding  
29 the 40% cap on maximum City/DIA combined funding as to the historic  
30 Hospitality Component.

31 **Section 9. Payment of Hotel Component DPRP Loans to**

1 **Developer.** The Hotel Component DPRP Loans are hereby authorized, and,  
2 subject to subsequent appropriation by the City Council for the  
3 Project, the City is authorized to disburse the DPRP Loans to the  
4 Developer in an aggregate amount not to exceed \$16,010,300, pursuant  
5 to and as set forth in the Agreement.

6 The Hotel Component DPRP Loans are comprised of a Historic  
7 Preservation Restoration and Rehabilitation Forgivable Loan ("HPRR")  
8 in the not-to-exceed amount of \$7,461,900, a Code Compliance  
9 Renovations Forgivable Loan ("CCR") in the not-to-exceed amount of  
10 \$5,346,300, with said HPRR and CCR Loans forgiven at a rate of 20%  
11 per year (with claw back provisions provided in the Agreement), and  
12 a DPRP Deferred Principal Loan in the not-to-exceed amount of  
13 \$3,202,100 which requires interest payments annually with principal  
14 to be repaid at maturity (10 years from the date of funding).

15 **Section 10. Payment of Multi-family Component DPRP Loans to**  
16 **Developer.** The Multi-family Component DPRP Loans are hereby  
17 authorized, and, subject to subsequent appropriation by the City  
18 Council for the Project, the City is authorized to disburse the Multi-  
19 family Component DPRP Loans to the Developer in an aggregate amount  
20 not to exceed \$6,024,300, pursuant to and as set forth in the  
21 Agreement.

22 The Multi-family Component DPRP Loans are comprised of a  
23 Historic Preservation Restoration and Rehabilitation Forgivable Loan  
24 ("HPRR") in the not-to-exceed amount of \$2,840,000, a Code Compliance  
25 Renovations Forgivable Loan ("CCR") in the not-to-exceed amount of  
26 \$1,979,000, with said HPRR and CCR Loans forgiven at a rate of 20%  
27 per year (with claw back provisions provided in the Agreement), and  
28 a DPRP Deferred Principal Loan in the not-to-exceed amount of  
29 \$1,204,900 which requires interest payments annually with principal  
30 to be repaid at maturity (10 years from the date of funding).

31 **Section 11. Payment of the Targeted Hotel Recapture Enhanced**

1 **Value (REV) Grant.**

2 (a) The REV Grant shall not be deemed to constitute a debt,  
3 liability, or obligation of the City or of the State of Florida or  
4 any political subdivision thereof within the meaning of any  
5 constitutional or statutory limitation, or a pledge of the faith and  
6 credit or taxing power of the City or of the State of Florida or any  
7 constitutional or any political subdivision thereof but shall be  
8 payable solely from the funds provided therefor as provided in this  
9 Section. The Agreement shall contain a statement of the effect that  
10 the City shall not be obligated to pay any installment of its  
11 financial assistance to the Company except from the non-ad valorem  
12 revenues or other legally available funds provided for that purpose,  
13 that neither the faith and credit nor the taxing power of the City  
14 or of the State of Florida or any political subdivision thereof is  
15 pledged to the payment of any portion of such financial assistance,  
16 and that the Company, or any person, firm or entity claiming by,  
17 through or under the Company, or any other person whomsoever, shall  
18 never have any right, directly or indirectly, to compel the exercise  
19 of the ad valorem taxing power of the City or of the State of Florida  
20 or any political subdivision thereof for the payment of any portion  
21 of such financial assistance.

22 (b) The Mayor, or his designee, is hereby authorized to and  
23 shall disburse the annual installments of the REV Grant as provided  
24 in this Section in accordance with this Ordinance and the Agreement.

25 **Section 12. Payment of the Multifamily Housing Recapture**  
26 **Enhanced Value (REV) Grant.**

27 (a) The REV Grant shall not be deemed to constitute a debt,  
28 liability, or obligation of the City or of the State of Florida or  
29 any political subdivision thereof within the meaning of any  
30 constitutional or statutory limitation, or a pledge of the faith and  
31 credit or taxing power of the City or of the State of Florida or any

1 constitutional or any political subdivision thereof but shall be  
2 payable solely from the funds provided therefor as provided in this  
3 Section. The Agreement shall contain a statement of the effect that  
4 the City shall not be obligated to pay any installment of its  
5 financial assistance to the Company except from the non-ad valorem  
6 revenues or other legally available funds provided for that purpose,  
7 that neither the faith and credit nor the taxing power of the City  
8 or of the State of Florida or any political subdivision thereof is  
9 pledged to the payment of any portion of such financial assistance,  
10 and that the Company, or any person, firm or entity claiming by,  
11 through or under the Company, or any other person whomsoever, shall  
12 never have any right, directly or indirectly, to compel the exercise  
13 of the ad valorem taxing power of the City or of the State of Florida  
14 or any political subdivision thereof for the payment of any portion  
15 of such financial assistance.

16 (b) The Mayor, or his designee, is hereby authorized to and  
17 shall disburse the annual installments of the REV Grant as provided  
18 in this Section in accordance with this Ordinance and the Agreement.

19 **Section 13. Authorizing a \$22,000,000 City Participation**  
20 **Loan to the Developer.** The City Participation Loan is hereby  
21 authorized, and the City is authorized to disburse the Participation  
22 Loan to the Developer as set forth in the Redevelopment Agreement and  
23 Replenishment Guaranty, pursuant to and as set forth in the  
24 Redevelopment Agreement.

25 **Section 14. Authorizing a \$2,000,000 Forgivable Loan to the**  
26 **Developer.** The Forgivable Loan is hereby authorized, and the City  
27 is authorized to disburse the Forgivable Loan to the Developer in the  
28 not to exceed amount of \$2,000,000, pursuant to and as set forth in  
29 the Redevelopment Agreement.

30 **Section 15. Designation of Authorized Official and DIA as**  
31 **Contract Monitor.** The Chief Executive Officer of the DIA is

1 designated as the authorized official of the City for the purpose of  
2 executing and delivering the Agreement and is further designated as  
3 the authorized official of the City for the purpose of executing any  
4 additional contracts and documents and furnishing such information,  
5 data and documents for the Agreement and related documents as may be  
6 required and otherwise to act as the authorized official of the City  
7 in connection with the Agreement, and take or cause to be taken such  
8 action as may be necessary to enable the City to implement the  
9 Agreement according to its terms. The DIA is hereby further required  
10 to administer and monitor the Agreement and to handle the City's  
11 responsibilities thereunder, including the City's responsibilities  
12 under such Agreement working with and supported by all relevant City  
13 departments.

14 **Section 16. Oversight Department.** The Downtown Investment  
15 Authority shall oversee the Project described herein.

16 **Section 17. Further Authorizations.** The Chief Executive  
17 Officer of the DIA, or her designee, is hereby authorized to execute  
18 the Agreement and otherwise take all necessary action in connection  
19 therewith and herewith. The Chief Executive Officer of the DIA is  
20 further authorized to negotiate and execute all necessary changes and  
21 amendments to the Agreement and any other contracts and documents to  
22 effectuate the purposes of this Ordinance, without further Council  
23 action, provided such changes and amendments to the Agreement are  
24 limited to amendments that are technical in nature (as described in  
25 Section 2 hereof), and further provided that all such amendments  
26 shall be subject to appropriate legal review and approval by the  
27 General Counsel, or his or her designee, and take all other  
28 appropriate official action required by law.

29 **Section 18. Waiver of Public Investment Policy.** The Public  
30 Investment Policy adopted by City Council Ordinance 2016-382-E, as  
31 amended, is waived to authorize an \$8,500,000 Forgivable Loan and a

1 \$13,500,000 Completion Grant not currently contemplated by the  
2 policy.

3 **Section 19. Waiver of DPRP Guidelines.** The DPRP guidelines  
4 adopted by the City Council Ordinance 2020-527-E, are waived to:  
5 allow a developer equity threshold below 10%; subordinate the position  
6 of the DPRP loans; provide private capital to the project at less  
7 than the required percentage; and authorize public investment in  
8 greater than authorized amounts.

9 **Section 20. Waiver of Chapter 91 (Municipal Code Enforcement  
10 Board), Section 91.113(a) (Settlement and/or compromise of fines and  
11 liens imposed by the Municipal Code Enforcement Board or Special  
12 Magistrate), Ordinance Code.** The standards and policies referenced  
13 in Section 91.113(a), *Ordinance Code*, regarding the City's policy of  
14 settlement of fines and liens imposed by the Municipal Code  
15 Enforcement Board or Special Magistrate are hereby waived to authorize  
16 a \$10,000 upfront payment, if not previously paid, and to authorize  
17 a sixty (60) month term (rather than twenty-four months) to bring the  
18 Project parcel into compliance.

19 **Section 21. Requesting One-Cycle Emergency Passage Pursuant  
20 to Council Rule 4.901 Emergency.** One-cycle emergency passage of this  
21 legislation is requested. The nature of the emergency is that the  
22 Developer may lose favorable loan rates that make the project feasible  
23 in the absence of emergency passage.

24 **Section 22. Effective Date.** This Ordinance shall become  
25 effective upon signature by the Mayor or upon becoming effective  
26 without the Mayor's signature.

1 Form Approved as to Form Only:

2

3

A handwritten signature in blue ink, appearing to read "John Sawyer", is written over a horizontal line.

4 Office of General Counsel

5 Legislation Prepared By: John Sawyer

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**RESOLUTION 2023-06-02**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) REGARDING A TERM SHEET FOR TWO DOWNTOWN PRESERVATION AND REVITALIZATION PROGRAM PACKAGES AND TWO REV GRANTS FOR THE THREE BUILDINGS COLLECTIVELY REFERRED TO AS THE “LAURA TRIO” AND INDIVIDUALLY KNOWN AS THE FLORIDA NATIONAL BANK BUILDING, THE BISBEE BUILDING AND THE FLORIDA LIFE INSURANCE BUILDING, AND ASSOCIATED NEW CONSTRUCTION MULTIFAMILY AND HOTEL; ; FINDING THAT THE PLAN OF DEVELOPMENT IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN (“BID PLAN”) AND THE NORTH BANK DOWNTOWN REDEVELOPMENT AREA PLAN (“CRA PLAN”) ALTHOUGH THE TOTAL CITY INCENTIVE REQUEST NECESSARY TO FACILITATE THE PROJECT IS NOT COSISTENT WITH THE BID PLAN; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE CONTRACTS AND DOCUMENTS AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** Laura Trio, LLC, is the owner of three (3) historic buildings collectively referred to as the “Laura Trio” a/k/a “Laura Street Trio” and individually known as the Florida National Bank Building, the Bisbee Building and the Florida Life Insurance Building”; and

**WHEREAS,** Laura Trio, LLC , through its affiliates Laura Trio Hospitality, LLC and The Residences at Laura Trio, LLC proposes to renovate and restore these historic landmarks for repurposing as a mixed-use hotel and multifamily development respectively; and

**WHEREAS,** the historic element of each use and the new construction element of each use qualify for different incentive programs and accordingly have been evaluated independently; and

**WHEREAS,** Laura Trio LLC requested and received a previous Downtown Preservation and Revitalization Program incentive award pursuant to Resolution 2021-03-01 and Ordinance 2021-453 as memorialized in a Redevelopment Agreement dated December 13, 2021, between DIA and Laura Trio LLC, which agreement will be terminated simultaneously with approval of the agreement contemplated herein; and

**WHEREAS,** per section 55.301, Jacksonville Code of Ordinances, the Downtown Preservation and Revitalization Program (“DPRP”), this program is intended “to foster the preservation and revitalization of unoccupied, underutilized, and/or deteriorating historic, and qualified non-historic, buildings located in downtown Jacksonville...”; and



**WHEREAS**, the DIA is authorized by section 55.302, Jacksonville Code of Ordinances, to develop and administer the DPRP pursuant to Chapter 55, Part 3, Jacksonville Code of Ordinances; and

**WHEREAS**, the “Laura Trio” is located within the DIA boundaries; and

**WHEREAS**, the new construction multifamily and new construction boutique hotel proposed by Developer as interconnected developments to the historic renovation projects qualify for Recaptured Enhanced Value grants pursuant to the adopted DIA BID plan; and

**WHEREAS**, the DIA finds that the total financial incentive request of the DIA and City does not fall within the programs or criteria authorized by the approved BID Plan and as a result the contribution of capital substantially falls short of the DPRP program guidelines for the ratio of City contribution to Developer capital therefore rendering the project ineligible for DPRP without a waiver; and

**WHEREAS**, two City Council Members have expressed the desire to legislatively authorize the requested incentives and have requested that DIA review and evaluate the project and financial information provided to otherwise determine its consistency with other program guidelines and other terms of the BID Plan; and

**WHEREAS**, the DIA finds that the development project is in furtherance of Redevelopment Goals and Strategic Objectives as adopted as part of the North Bank Downtown and Southside Community Redevelopment Area Plans, specifically:

***Redevelopment Goal No. 2 | Increase rental and owner-occupied housing Downtown targeting diverse populations identified as seeking a more urban lifestyle.***

*Strategic Objectives*

- *Actively pursue a minimum of 8,140 built and occupied multi-family dwelling units by 2030; and strive to induce construction of 425 multifamily dwelling units per year, on average.*
- *Improve the breadth and diversity of housing options across Downtown Jacksonville to provide all types and varied price ranges of rental and owner-occupied opportunities, including mixed-income and mixed-use structures.*
- *Facilitate the restoration and rehabilitation of Downtown Jacksonville’s historic building stock for multifamily and attached dwelling units.*
- *Ensure that no residential incentives, mobility credits or other incentives are provided to any residential development exempt from ad valorem taxes*

***Redevelopment Goal No. 3 | Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown.***

*Strategic Objectives*

- *Facilitate adaptive reuse of vacant and underutilized storefronts for retail, food and beverage and entertainment establishments.*

- *Encourage growth of outdoor dining and entertainment options, most specifically within designated food and beverage districts and on the waterfront.*
- *Increase the number of retail, food and beverage, and entertainment establishments that are open for business weekends and other times outside of weekday business hours.*
- *Pursue the addition of one or more new neighborhood restaurant/entertainment venues in each District by 2025 and a second by 2030.*
- *Facilitate the restoration and rehabilitation of Downtown Jacksonville's historic building stock for use by retail/beverage/entertainment establishments.*
- *Contribute to resiliency, flexibility, and responsiveness to change in utilization of Downtown Jacksonville commercial retail space through innovation and creativity in policies and permitting, and by incentivizing the repurposing of unoccupied storefront space, where appropriate.*

***Redevelopment Goal No. 4 | Increase the vibrancy of Downtown for residents and visitors through arts, culture, history, sports, theater, events, parks, and attractions.***

*Strategic Objectives*

- *Increase awareness of Downtown Jacksonville's history and its historic structures. Provide resources that engage and educate the public on the historical and cultural stories of Jacksonville and its people.*
- *Increase number of daily visits to Downtown Jacksonville.*
- *Increase the occupancy rate and ADR of Downtown Jacksonville hotels and broaden the diversity of hospitality offerings for leisure travelers, groups, and business travelers*

***Redevelopment Goal No. 6 | Improve the walkability/bike-ability of Downtown and pedestrian and bicycle connectivity between Downtown and adjacent neighborhoods and the St. Johns River.***

*Strategic Objectives*

- *Create a compact and walkable Downtown Jacksonville through requiring a mixture of uses in each district so that housing, activities, retail, and other businesses are within useful walking distance, requiring buildings to have active facades at street level through a mixture of restaurants (including cafes with outdoor seating), retail, and services, and by requiring direct doorways and access to the street. Minimize blank walls and surface parking.*

**NOW THEREFORE, BE IT RESOLVED**, by the Downtown Investment Authority:

**Section 1.** The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2.** The DIA finds that the requested approval of total City incentives exceeds what can be awarded consistent with the BID Plan. Further, even with a waiver of the DPRP equity requirement, any approvals given by DIA for funding under the DPRP and REV programs would be insufficient to fund the proposed development project to completion without the approval of additional funding requested by Developer from City Council. As such, DIA is

deferring approval of all City funding components to City Council so that it can make a comprehensive evaluation and act upon the entirety of City incentives.

**Section 3.** The DIA forwards to City Council the Term Sheet attached hereto as Exhibit 'A' regarding the Downtown Preservation and Revitalization Program Loans for the two historic project components and the two REV grants for the new construction components (and which among other things will include termination of the previously approved incentive package and RDA for the subject property), if Council Members wish to pursue legislation authorizing the incentives contemplated by the request.


**Section 4.** The DIA has determined that the proposed development project, (as opposed to the incentive request) is consistent with the BID plan and the CRA Plan for the Northbank .

**Section 5.** The Chief Executive Officer is hereby authorized to assist Council Members who wish to file legislation with negotiation and finalization of a new Redevelopment Agreement and associated documents and the preparation of legislation, and upon City Council approval, to execute the contracts and documents and otherwise take all necessary action in connection therewith to effectuate the purposes of this Resolution.

**Section 6.** The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

  
Carol Worsham, Chairman  
Date

VOTE: In Favor: 5 Opposed: 1 Abstained: 0

**Exhibit A:  
TERM SHEET  
THE LAURA STREET TRIO  
SOUTHEAST DEVELOPMENT GROUP, LLC**

**I. Developer/ Applicant / Borrower:**

- Laura Trio Hospitality, LLC as to the Hospitality Component
- The Residences at Laura Trio, LLC as to the Multifamily Component
  - Laura Trio, LLC: sole member and manager of each entity
    - SouthEast Holdings, LP: sole member and manager of Laura Trio, LLC
    - SouthEast Holdings I, Inc.: sole general partner of SouthEast Holdings, LP
    - Stephen L. Atkins: 100% stockholder of SouthEast Holdings I, Inc.

**II. Total Development Costs (estimate):** \$175,097,700

**III. Overall Project Scope:** The Project comprises the redevelopment of three historic properties in City Center, Downtown Jacksonville known as the Laura Street Trio, and construction of two new buildings adjoining the historic properties. The projects will be undertaken as two separate, but related, components. Both the Hospitality Component and the Multifamily Component are identified further by a historic rehabilitation element and a new construction element found within each component.

The parcels being developed include RE#s 073676-0000, 073687-0000, and 073688-0000. To facilitate funding on the REV grants proposed and to measure certain requirements found herein, the parcels require modification to provide a stand-alone parcel each for the Hospitality Component–Historic Element (“HH”), the Hospitality Component–New Construction Element (“HNC”), the Multifamily Component–Historic Element (“MH”), and the Multifamily Component–New Construction Element (“MNC”). Reconfiguration of the existing parcels to accommodate this structure is a condition of the Term Sheet in order to process Requests for Payment and to determine tax payments for each component and element as described above.

For the purposes of this term sheet and further documentation, each component has been underwritten independently. However, the capitalization and incentive structures are interrelated, and this term sheet outlines terms and conditions for each component and each element either independently or jointly as appropriate.

**A. Hospitality Component** **Developer’s Project Cost - \$89,302,000**

**1. Hospitality Component-Historic Element (“HH”)**

**a) Historic Florida National Bank Building (1902) - 51 W. Forsyth Street**

a/k/a Marble Bank Building: One story plus a basement, approximately 14,180 square feet total. Plans call for redevelopment with an estimated 4,067 square foot private dining/wine cellar space in the basement (3,700 square feet minimum) along with estimated 3,023 square feet of “back of house” space. The first floor would provide approximately 7,090 square foot restaurant service space (6,400 square foot minimum)

**b) Historic Bisbee Building (1909/1910) - 47 W. Forsyth Street**

Ten stories plus basement, approximately 50,539 square feet total. To be redeveloped with “back of house” operations in the estimated 4,639 square foot basement, and an approximately 4,590 square foot lobby on the first floor (4,200 square foot minimum (open to the public)). Floors two through ten provide six to seven hotel rooms per floor (projected 62 rooms total, 56 minimum).

**Percent of COJ Investment to:**

**Developer HH project cost** \$22,036,700/\$46,002,000 = 47.9%  
**Total HH Development Cost (as underwritten)** \$22,036,700/\$35,841,200 = 61.5%

**DPRP Terms:** The DPRP Incentive outlined below applies to both historic buildings combined for hotel use as if they were one property following the plans for their redevelopment and operation.

**Downtown Preservation and Revitalization Program (“HH DPRP”):** Not more than \$16,010,300 (through the City of Jacksonville Downtown Investment Authority), as follows:

	<b>Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)</b>	<b>Code Compliance Forgivable Loan (CCR)</b>	<b>DPRP Deferred Principal Loan</b>	<b>TOTAL</b>
Fl Nat'l Bank	\$2,376,700	\$1,067,700	\$ 861,100	\$ 4,305,500
Bisbee	\$5,085,200	\$4,278,600	\$2,341,000	\$11,704,800
<b>TOTAL</b>	<b>\$7,461,900</b>	<b>\$5,346,300</b>	<b>\$3,202,100</b>	<b>\$16,010,300</b>

Maximum loan amounts above will be documented on a combined basis as though the historic properties were one building. Additional details are shown here for reference.

At this level of funding and structure, the incentives proposed require funding through the City of Jacksonville General Fund and are subject to further approvals by the Jacksonville City Council.

To be eligible for funding, all work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and, further, for verification upon completion and request for funding under terms defined in the Redevelopment Agreement.

**Loans:** Developer is seeking gap funding through the Jacksonville City Council in the form of a Completion Grant which has been included in the COJ Investment figures above, but such amount is not presented for approval by the DIA Board. The expected additional amount applied to the Hospitality Component-Historic Element is \$6,026,400. This gap funding request does not qualify under any current DIA program.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking

rights is to be negotiated independently and will not impact project economics as presented in this Term Sheet.

**Total HH Construction Budget:** The construction budget for the Hospitality Component-Historic Element provided and reviewed by the DIA totals \$30,332,600 (the “HH Total Construction Budget”), which includes construction costs to be incurred in each of the funding categories (each, a “HH Funding Category”) and in the minimum amounts (each a “HH Funding Category Minimum”) set forth in the table below:

<b>Funding Category</b>	<b>Hospitality Minimums</b>
Exterior	\$ 5,288,600
Int Restoration	\$ 174,800
Int Rehab	\$ 10,418,200
Code Compliance	\$ 7,973,600
Other	\$ 5,617,900
N/A	\$ 859,500
	<b>\$ 30,332,600</b>

*NOTE: The category “N/A” is not required to be met as a Funding Category Minimum for reimbursement of other categories under the DPRP. For further clarity, there will be no reimbursement for expenditures in the N/A category.*

**Minimum Sources and Uses:** To be eligible for maximum funding under the HH DPRP Loan(s), Borrower must provide evidence and documentation sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

- a) Equity capital contribution of at least \$3,500,000 for the Hospitality Component (the “Hospitality Component Required Equity”) and includes the Historic Element and New Construction Element combined, which shall exclude any amounts for the land/site brought into the development, predevelopment costs expended, tax credit equity, or mezzanine debt.
- b) The minimum Hospitality Component-Historic Element Total Development Cost (“HH Total Development Cost”) is \$35,841,200 on a combined basis. HH Total Development Cost excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for inclusion in this calculation shall be \$963,000, and not more than \$418,400 of Predevelopment Costs shall be eligible for inclusion.
- c) Minimum Hospitality-Historic Element Eligible Construction Costs (“HH Eligible Construction Costs”) incurred of \$29,473,100 calculated as the HH Construction Budget less costs classified as “N/A,” and
- d) HH Eligible Construction Costs incurred of at least the HH Funding Category Minimum with respect to each respective HH Funding Category.

Notwithstanding the foregoing,

- a) The HH Total Development Cost minimum of \$35,841,200 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the HH DPRP.
- b) The HH Eligible Construction Cost minimum of \$29,473,100 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the DPRP.
- c) Any HH Funding Category Minimum may be reduced by a maximum of ten percent (10%) on a stand-alone basis, as determined by the DIA in its sole and absolute discretion; provided that, in such event, there shall be a pro rata reduction in any or each of the related HH DPRP Loans, as required. Eligibility for funding under any HH Funding Category shall be eliminated if the corresponding HH Funding Category Minimum is reduced by more than ten percent (10%).
- d) Applicant/Borrower may not reallocate more than 25% of the cost and related funding proposed for any line item in the construction budget provided with the application to a different line item without prior approval from the DIA. In addition, the elimination of a line item from the construction budget shall eliminate any funding associated with that line item and such funds may not be reallocated to any other line item.

The DIA shall have the authority, without further action by City Council, to approve reduced HH DPRP Loan amounts provided the HH Total Development Costs incurred are not less than \$32,257,080 including HH Eligible Construction Costs incurred of not less than \$26,525,790.

The proposed DPRP funding for the Hospitality Component - Historic Element requires waiver of DPRP Plan G

- a) Minimum Developer Total Contribution (38.5% of Total Development Cost versus 60% minimum)
- b) Maximum COJ Combined Funding (61.4% of Total Development Cost versus 40% maximum)

2. **Hospitality Component-New Construction Element ("HNC")**

Forsyth Street Addition/Hospitality-New Construction Element– Expected to provide an estimated 58,096 square feet of additional hotel space on eleven floors plus basement. The approximate 896 square foot basement is for “back of house” operations, whereas the first floor provides an estimated 5,200 square feet of conference space (4,700 square foot minimum). Floors two through nine provide nine hotel rooms per floor (81 total, 74 minimum) and the eleventh floor provides an estimated 5,200 square foot rooftop food and beverage amenity (4,700 square foot minimum) that shall be open to the public.

**Percent of COJ investment to:**

<b>Developer HNC project cost</b>	$\$11,644,000/\$43,300,000 = 26.9\%$
<b>HNC Minimum Private Capital (as underwritten)</b>	$\$11,644,000/\$39,089,600 = 29.8\%$

**DIA Funding:** Not more than \$5,670,400 (through the City of Jacksonville Downtown Investment Authority, Northbank CRA Trust Fund), as follows:

**Targeted Hotel REV Grant (“Hotel REV Grant”):** Developer is eligible for a Targeted Hotel REV Grant for 75% of the ad valorem tax increment generated by the HNC project for a period of 20 years. The total Hotel REV Grant indebtedness will not exceed \$5,670,400 and will be paid annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected (“HNC Annual Project Revenues”), subject to other terms and conditions as found herein.

**Loans:** Developer is seeking gap funding through the Jacksonville City Council in the form of a Completion Grant which has been included in the COJ Investment figures above, but such amount is not presented for approval by the DIA Board. The expected additional amount applied to the HNC Element is \$5,973,600. This gap funding request does not qualify under any current DIA program.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights is to be negotiated independently and will not impact project economics as presented in this Term Sheet.

**Minimum Capital Contribution:** The HNC Minimum Private Capital contribution through completion to remain eligible for the Targeted Hotel REV Grant is \$39,089,600. The HNC Minimum Private Capital excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for this calculation shall be \$259,098 (2023 Property Appraiser valuation), and not more than \$414,650 of Predevelopment Costs shall be eligible for inclusion. Any HNC Minimum Private Capital contribution below this amount will require a pro rata reduction in the REV Grant, and a reduction of the HNC Minimum Private Capital of greater than 10% will result in a forfeiture of the REV Grant in its entirety.

**Hospitality Component-Historic Element**

DIA Downtown Preservation and Revitalization Program	\$16,010,300	
Completion Grant (COJ City Council)	<u>\$ 6,026,400</u>	
		\$22,036,700

**Hospitality Component-New Construction Element**

DIA Targeted Hotel REV Grant (“Hotel REV Grant”)	\$ 5,670,400	
Completion Grant (COJ City Council)	<u>\$ 5,973,600</u>	
		<u>\$11,644,000</u>

**TOTAL HOTEL COMPONENT INCENTIVES PROPOSED:** \$33,680,700

**B. Multifamily Component** \$85,795,700 TDC

**1. Multifamily Component-Historic Element “MH”**

**a) Historic Florida Life Insurance Building (1912) - 117 N. Laura Street**



Eleven stories plus a basement, estimated 23,613 square feet total. To be redeveloped with approximately 2,086 square feet of mechanical space in the basement, an entrance and approximately 1,095 square foot lobby on the ground floor, and ten floors providing two apartments of approximately 882 square feet per unit on each floor (20 units total, 18 minimum).

**Percent of COJ Investment to:**

**Developer project cost** \$6,024,300/\$16,504,800 = 36.5%  
**MH underwritten project cost** \$6,024,300/\$14,799,300 = 40.7%

**Downtown Preservation and Revitalization Program (“MH DPRP”):** Not more than \$6,024,300 (through the City of Jacksonville Downtown Investment Authority), as follows:

	Historic Preservation, Restoration, and Rehabilitation Forgivable Loan (HPRR)	Code Compliance Forgivable Loan (CCR)	DPRP Deferred Principal Loan	TOTAL
Fl Life Ins	\$2,840,000	\$1,979,400	\$ 1,204,900	\$ 6,024,300

At this level of funding and structure, the incentives proposed require funding through the City of Jacksonville General Fund and are subject to further approvals by the Jacksonville City Council.

To be eligible for funding, all work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and, further, for verification upon completion and request for funding under terms defined in the Redevelopment Agreement.

**Loans:** Developer is seeking gap funding through the Jacksonville City Council in the form of a Completion Grant which has been included in the COJ Investment figures above, but such amount is not presented for approval by the DIA Board. No portion of this additional funding has been allocated to the Multifamily Component-Historic Element.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights is to be negotiated independently and will not impact project economics as presented in this Term Sheet.

**Total Construction Budget:** The construction budget for the Multifamily Component-Historic Element provided and reviewed by the DIA totals \$13,212,100 (the “MH Construction Budget”), which includes Construction Costs to be incurred in each of the funding categories (each, a “MH Funding Category”) and in the minimum amounts (each a “MH Funding Category Minimum”) set forth in the table below:

Funding Category	Multifamily Minimums
Exterior	\$ 2,299,000
Int Restoration	\$ -
Int Rehab	\$ 5,146,600
Code Compliance	\$ 3,392,200
Other	\$ 1,911,100
N/A	\$ 463,200
	<b>\$ 13,212,100</b>

*NOTE: The category "N/A" is not required to be met as a Funding Category Minimum for reimbursement of other categories under the DPRP. For further clarity, there will be no reimbursement for expenditures in the N/A category.*

**Minimum Expenditures:** To be eligible for maximum funding under the MH DPRP Loan(s), Borrower must provide evidence and documentation sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

- a) Equity capital contribution of at least \$11,500,000 (the "Required Equity") for the Multifamily Component (Historic Element and New Construction Element combined), which shall exclude any amounts for the land/site brought into the development, predevelopment costs expended, tax credit equity, or mezzanine debt.
- b) The minimum Multifamily Component-Historic Element Total Development Cost ("MH Total Development Cost") is \$14,799,300. MH Total Development Cost excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for inclusion in this calculation shall be \$247,200, and not more than \$598,600 of Predevelopment Costs shall be eligible for inclusion.
- c) Minimum MH Eligible Construction Costs ("MH Eligible Construction Costs") incurred of \$12,748,900 calculated as the MH Construction Budget less costs classified as "N/A," and
- d) MH Eligible Construction Costs incurred of at least the MH Funding Category Minimum with respect to each respective MH Funding Category. To be eligible for the maximum amount of the MH DPRP Loan, the Borrower must provide evidence and documentation prior to the applicable MH DPRP Loan closing sufficient to demonstrate to the DIA, in its sole but reasonable discretion, the following:

Notwithstanding the foregoing,

- a) The MH Total Development Cost minimum of \$14,799,300 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower's eligibility for funding under the MH DPRP.

- b) The MH Eligible Construction Costs minimum of \$12,748,900 may be reduced by a maximum of ten percent (10%) overall, as determined by the DIA in its sole and absolute discretion, without affecting the Borrower’s eligibility for funding under the MH DPRP.
- c) Any MH Funding Category Minimum may be reduced by a maximum of ten percent (10%) on a stand-alone basis, as determined by the DIA in its sole and absolute discretion; provided that, in such event, there shall be a pro rata reduction in any or each of the related MH DPRP Loans, as required. Eligibility for funding under any MH Funding Category shall be eliminated if the corresponding MH Funding Category Minimum is reduced by more than ten percent (10%).
- d) Applicant/Borrower may not reallocate more than 25% of the cost and related funding proposed for any line item in the construction budget provided with the application to a different line item without prior approval from the DIA. In addition, the elimination of a line item from the construction budget shall eliminate any funding associated with that line item and such funds may not be reallocated to any other line item.

The DIA shall have the authority, without further action by City Council, to approve reduced MH DPRP Loan amounts provided the MH Total Development Costs incurred are not less than \$13,319,370 including MH Eligible Construction Costs incurred of not less than \$11,470,010.

2. **Multifamily Component-New Construction Element (“MNC”)**

Laura St. Addition/Multifamily Component-New Construction Element – Eleven stories plus a basement, estimated 161,877 square feet total. First floor to provide approximately 6,550 square feet (5,900 square foot minimum) in leasable retail space, and approximately 6,300 square feet of amenity and back-of-house space. Floors two through ten provide an estimated 14,972 square feet and fifteen apartment units per floor, whereas floor eleven is estimated at 13,639 square feet and is proposed to provide 14 multifamily units. In total, 149 units are proposed for the new multifamily construction component (140 is the established minimum).

**Percent of COJ investment to:**

<b>Developer MNC project cost</b>	$\$23,853,600/\$69,290,500 = 34.4\%$
<b>MNC Minimum Private Capital (as underwritten)</b>	$\$23,853,600/\$63,490,200 = 37.6\%$

**DIA Funding:** Not more than \$8,853,600 (through the City of Jacksonville Downtown Investment Authority, Northbank CRA Trust Fund), as follows:

**Multifamily Housing REV Grant (“MF REV Grant”):** Developer is eligible for a Multifamily Housing REV Grant for 75% of the ad valorem tax increment generated by the MNC project for a period of not more than 20 years. The total MF REV Grant indebtedness will not exceed \$8,853,600 and will be paid annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected (“MF Annual Project Revenues”), subject to other terms and conditions as found herein.

**Loans:** Developer is seeking gap funding through the Jacksonville City Council in the form of a Completion Grant which has been included in the COJ investment figures above, but such amount is not presented for approval by the DIA Board. The expected additional amount

included in Multifamily Component-New Construction Element is \$15,000,000. This gap funding request does not qualify under any current DIA program.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights is to be negotiated independently and will not impact project economics as presented in this Term Sheet.

**Minimum Capital Contribution:** The MNC Minimum Private Capital contribution through completion to remain eligible for the MF REV Grant is \$63,490,200. The MNC Minimum Capital excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for this calculation shall be \$529,110 (2023 Property Appraiser valuation), and not more than \$586,200 of Predevelopment Costs shall be eligible for inclusion. Any MNC Minimum Capital contribution below this amount will require a pro rata reduction in the REV Grant, and a reduction of the MNC Minimum Private Capital of greater than 10% will result in a forfeiture of the REV Grant in its entirety.

**Multifamily Component-Historic Rehabilitation Element**

DIA Downtown Preservation and Revitalization Program	\$ 6,024,300	
Completion Grant (COJ City Council)	<u>\$ 0</u>	
		\$ 6,024,300

**Multifamily Component-New Construction Element**

DIA Targeted Hotel REV Grant (“Hotel REV Grant”)	\$ 8,853,600	
Completion Grant (COJ City Council)	<u>\$ 15,000,000</u>	
		<u>\$23,853,600</u>

**TOTAL MULTIFAMILY COMPONENT INCENTIVES PROPOSED:** **\$29,877,900**

**TOTAL DIA and CITY OF JACKSONVILLE FUNDING:**

Funding through the Downtown Investment Authority and the City of Jacksonville of not more than \$63,558,600 as follows:

Figure 1. - Incentive Table Summary:

Laura Trio Adaptive Reuse Program DIA and City of Jacksonville Incentives			
	Hospitality Component	Multifamily Component	TOTALS
Recaptured Enhanced Value (REV) Grant	\$ 5,670,400	\$ 8,853,600	\$ 14,524,000
Downtown Preservation & Revitalization Program (DPRP)			
HPRR	\$ 7,461,900	\$ 2,840,000	\$ 10,301,900
CCR	\$ 5,346,300	\$ 1,979,400	\$ 7,325,700
DPRP Deferred Principal Loan	\$ 3,202,100	\$ 1,204,900	\$ 4,407,000
	\$ 16,010,300	\$ 6,024,300	\$ 22,034,600
DIA PROGRAM TOTALS	\$ 21,680,700	\$ 14,877,900	\$ 36,558,600
COJ Completion Grant Request	\$ 12,000,000	\$ 15,000,000	\$ 27,000,000
TOTALS	\$ 33,680,700	\$ 29,877,900	\$ 63,558,600

**Termination of Existing Redevelopment Agreement dated December 13, 2021 as authorized by Ordinance 2021-453:** A termination of the existing RDA will be executed by Developer upon City Council approval of the terms contemplated herein and will be a condition to entry into a new RDA.

**Performance Schedule:**

- A) Execution of Redevelopment Agreement(s) within thirty (30) days of City Council Approval and Bill Effective Date
- B) Apply for and receive DDRB Final Approval within the ninety (90) days of City Council Approval and Bill Effective Date.
- C) Within one hundred twenty (120) days of the Effective Date of the Redevelopment Agreement(s), demonstrate to the satisfaction of DIA staff that Developer has raised the necessary amount of equity and debt needed to fully perform on each element and component of the project to completion. Satisfactory evidence shall require binding commitment letter(s) for construction loans and permanent take-out loans to be funded upon completion and stabilization of each element and component of the project, and actual cash or assets held in a fund, restricted account, or similar mechanism for the exclusive purpose of capitalizing each element and component of the project for equity. The necessary amounts of debt and equity as to each component shall be no less than the amount reflected in Developer’s application for incentives, together with any increases as may be required by Developer’s lenders or sufficient to cover increased costs, if any, identified by Developer for the satisfactory completion of the project.
- D) Application for Building Permit as required to commence construction of each element of both components is to be submitted to the COJ Building Inspection Division within sixty (60) days following final approval from DDRB.
- E) Commencement of Construction within ninety (90) days following receipt of Building Permit(s) from the COJ Building Inspection Division to break ground and commence construction on each element of both components of the Project. Commencement of Construction means:
  - 1) As reasonably can be considered necessary so that physical construction of the eligible Project (or any applicable phase thereof) may begin and proceed to completion without foreseeable interruption:
    - a) Completion of all pre-construction engineering and design,
    - b) All necessary licenses, permits, and governmental approvals,
    - c) Engagement of general contractor(s),
    - d) Essential equipment and supplies on site; and,
  - 2) Financial commitments and resources to complete the construction of the project have been finalized; and,

- 3) Evidence of having “broken ground” and begun physical, material renovation and construction of such improvements on an ongoing basis without any Impermissible Delays.
- F) Substantial Completion: Within thirty-six (36) months following Commencement of Construction as defined above.

The DIA CEO will have the authority to extend this Performance Schedule, in the CEO’s discretion, for up to six (6) months for good cause shown by the Borrower / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

**Additional Commitments:**

- A) Developer commits to develop and deliver within the Hospitality Component:
1. A minimum of 130 hotel rooms.
  2. A minimum of 11,600 square feet of Retail/restaurant/lounge space open to the general public which may include outdoor/rooftop space open to the general public, but excludes lobby, office, conference room, hotel back of house, and mechanical space.
  3. The Hospitality Component shall have the Marriott Autograph flag (or equivalent as may be approved by the DIA in its sole discretion) so long as any funding from the City of Jacksonville remains outstanding.
- B) Developer commits to develop and deliver within the Multifamily Component:
- a. A minimum of 158 multifamily dwelling units.
  - b. A minimum of 6,550 square feet of space available to be leased exclusively to Retail tenants, but excludes lobby, office, conference room, multifamily back of house, or mechanical space.
- C) “Retail” for these purposes is identified as: 1) businesses that sell products on a transactional basis to end consumers; 2) food and beverage establishments; or 3) providers of services targeted towards the general public (other than health care, legal, or financial advisory). Businesses operating exclusively or primarily on a membership or appointment basis and not welcoming walk-in customers, or providing goods and services targeted principally to other businesses, shall not generally meet this definition, unless approved on a case-by-case basis.
- D) Recommendation as to the eligibility of the approved scope of work on the each historic element by the Historic Preservation Section of the COJ Planning and Development Department shall be required prior to DIA Board approval of any program funding. Such recommendation by the Planning and Development Department may be conditional on further review and approvals by the State Historic Preservation Office (“SHPO”) and/or the National Park Service (“NPS”).
- E) Upon completion and request for funding, all work on the Properties must be inspected by the Historic Preservation Section of the Planning and Development Department or designee for compliance with the approved application prior to funding under any DPRP loan component.
- F) Funding may be requested and approved subject to the terms above on the DPRP loans approved for a historic element of either component that has received a final certificate of occupancy so long as the redevelopment progress on the other historic buildings are 75% complete, at minimum, and proceeding without interruption.
- G) Funding under the DPRP will be secured by a stand-alone, subordinate lien position on each component behind any senior secured, third-party lender providing construction, mini-perm, or permanent financing.

- H) Each DPRP Forgivable Loan or Deferred Principal Loan within each component will be cross-collateralized, and cross-defaulted with one another.
- I) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on related loans or other financial awards from the City of Jacksonville on the same component.
- J) As Developer will be utilizing a combination of HPRR Forgivable Loans, and CCR Forgivable Loans, the maturity of each of these Forgivable Loan will be five (5) years. Principal outstanding under each note will be forgiven at the rate of 20% annually, on the anniversary date of each such funding, so long as each Forgivable Loan is not in default per DPRP Guidelines or the loan agreements.
- K) Standard claw back provisions will apply such that:
  - a) In the event the Borrower sells, leases, or otherwise transfers any Historic property during the first five (5) years after the disbursement of the Forgivable Loan, the following shall be due and payable at closing of the Sale:
    - i. 100% if the Sale occurs within 12 months after disbursement of the Forgivable Loan;
    - ii. 80% if the Sale occurs after 12 months but within 24 months of disbursement of the Forgivable Loan;
    - iii. 60% if the Sale occurs after 24 months but within 36 months of disbursement of the Forgivable Loan;
    - iv. 40% if the Sale occurs after 36 months but within 48 months of disbursement of the Forgivable Loan; or
    - v. 20% if the Sale occurs after 48 months but within 60 months of disbursement of the Forgivable Loan.
  - b) In the event Borrower or any lessee or assignee of the Borrower uses the Project or the Historic Property or Properties for any use not contemplated by this Agreement at any time within five years following the disbursement of the Forgivable Loan, the full amount of the Grant, together with all accrued but unpaid interest thereon, shall immediately become due and payable to the City by the Borrower.
- L) Funding in the amount of the DPRP Deferred Principal Loan component will have a stated maturity date of ten years from the Funding Date. The loan balance is due in full upon maturity, sale, or refinancing of the property prior to maturity subject to terms of the disposition and value of the property at the time of such event.
- M) The DPRP Deferred Principal Loan component requires an annual interest payment equal to the total principal outstanding multiplied by the prevailing yield on the Ten-Year Treasury Note at the time of funding.
- N) Partial Principal reductions on the DPRP Deferred Principal Loan may be made after the fifth anniversary with no prepayment penalty; however, a minimum of 50% of the initial loan balance must remain outstanding through the loan maturity date unless the Property or Properties are sold or refinanced during that period, subject to DIA approval.
- O) DIA reserves the right to approve any sale, disposition of collateral property, substitution of equity, substitution of collateral, or refinance of senior debt during the DPRP Compliance Period and such approval shall not be unreasonably withheld.
- P) All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the DPRP loan period.

- Q) Any liens filed against any of the historic or new construction elements of either component must be resolved to the satisfaction of the DIA within 30 days of notice from DIA to the Developer.
- R) Payment defaults, bankruptcy filings, or other material defaults during the DPRP loan period will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time, plus a 20% penalty of any amounts amortized or prepaid prior to that date.

There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).



City of Jacksonville, Florida  
Request for Budget Transfer Form

Department or Area Responsible for Contract / Compliance / Oversight: Downtown Investment Authority Council District(s): 7

Reversion of Funds: (if applicable) \_\_\_\_\_ Fund / Center / Account / Project \* / Activity / Interfund / Future: N/A  
Fiscal Yr(s) of carry over (all-years funds do not require a carryover): \_\_\_\_\_

Section of Code Being Waived (if applicable): \_\_\_\_\_ CIP (yes or no): No

Justification for Waiver: \_\_\_\_\_

Justification for / Description of Transfer: \_\_\_\_\_

Appropriate \$22,000,000 from General Fund Operating Reserves to fund the developer's debt service reserve for the Laura Street Trio redevelopment project.

Net Amount Appropriated and/or Transferred: \$22,000,000.00

\* This element of the account string is titled project but it houses both projects and grants.

**CITY COUNCIL**

Requesting Council Member: CM Carlucci CM's District: AL Group 4

Requesting Council Member: \_\_\_\_\_ CM's District: \_\_\_\_\_

Prepared By: \_\_\_\_\_ Ordinance: \_\_\_\_\_

**OFFICE OF THE MAYOR**

BUDGET ORDINANCE  TRANSFER DIRECTIVE

TD / BT Number: \_\_\_\_\_

Date Rec'd.	Date Fwd.	Approved	Disapproved

Date of Action By Mayor: \_\_\_\_\_ Approved: \_\_\_\_\_

Division Chief: \_\_\_\_\_ Date Initiated: \_\_\_\_\_

Prepared By: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Initiated / Requested By (if other than Department): \_\_\_\_\_

**Budget Transfer Line Item Detail**

\* This element of the account string is titled project but it houses both projects and grants.

**TRANSFER FROM:** (Revenue line items in this area are being appropriated and expense line items are being de-appropriated.)

Rev Exp	Fund Title	Activity / Grant / Project Title	Line Item / Account Title	Amount	Fund	Center	Account	Accounting Codes			
								Project *	Activity	Interfund	Future
Rev	General Fund Operating	JXSF Citywide - Other General Government Services	Transfer from Fund Balance	\$22,000,000.00	00111	191009	389010	000000	00000526	000000	00000000
Total:				\$22,000,000.00							

**TRANSFER TO:** (Revenue line items in this area are being de-appropriated and expense line items are being appropriated.)

Rev Exp	Fund Title	Activity / Grant / Project Title	Line Item / Subobject Title	Amount	Fund	Center	Account	Accounting Codes			
								Project *	Activity	Interfund	Future
Exp	General Fund Operating	Laura Street Trio Project	Subsidies & Contributions To Private Org	\$22,000,000.00	00111	135101	582001	005718	00000000	000000	00000000
Total:				\$22,000,000.00							

**Redevelopment Agreement**

**Among**

**The City of Jacksonville,**

**The Downtown Investment Authority**

**and**

**Laura Trio, LLC**

## REDEVELOPMENT AGREEMENT

This **REDEVELOPMENT AGREEMENT** (this “Agreement”) is made this \_\_\_ day of \_\_\_\_\_, 2023 (the “Effective Date”), between the **CITY OF JACKSONVILLE**, a municipal corporation and political subdivision of the State of Florida (“City”) **DOWNTOWN INVESTMENT AUTHORITY**, a community redevelopment agency on behalf of the City of Jacksonville (the “DIA”) and **LAURA TRIO, LLC**, a Delaware limited liability company (the “Developer”).

### Article 1. PRELIMINARY STATEMENTS

#### 1.1 **The Project.**

The Developer currently owns three (3) historic buildings generally known as the Laura St. Trio and individually known as the Florida National Bank Building, located at 51 W. Forsyth Street, the Bisbee Building, located at 47 W. Forsyth Street, and the Florida Life Insurance Building, located at 117 N. Laura Street, all in Jacksonville, Florida (collectively, the “Historic Buildings”). Further, the Developer owns two vacant parcels of land along W. Adams Street adjacent to the Historic Buildings, having R.E. numbers of 073676-0000, 073687-0000 and 073688-0000 (collectively with the Historic Buildings, the “Project Parcel”). The Developer has proposed to make certain improvements to renovate and rehabilitate the Historic Buildings and to further construct two additional buildings comprised of two new, eleven-story buildings on the Project Parcel (as defined below, the “Improvements”) (together with the Developer’s obligations under this Agreement, the “Project”). The Project shall include a minimum of one hundred forty (140) hotel rooms, a minimum of one hundred and sixty-five (165) multi-family units (approximately 70% of which will be dedicated to market-rate units, and approximately 30% of which will be dedicated to attainable-workforce rate units (80% AMI), a minimum of fifteen thousand (15,000) square feet of restaurant, lounge and bar space open to the general public (which may include outdoor/rooftop space within the Project Parcel), a minimum of six thousand five hundred (6,500) square feet of retail space open to the general public, and approximately six thousand (6,000) square feet of flexible conference / event space. The Project is expected to represent an estimated Total Development Cost of One Hundred and Seventy-Five Million and Ninety-Seven Thousand and Seven Hundred No/100 Dollars (\$175,097,700.00) by or on behalf of the Developer.

#### 1.2 **Authority.**

The DIA Board has addressed this Agreement pursuant to DIA Resolution 2023-06-02 (the “Resolution”) and City Council has approved this Agreement pursuant to Ordinance 2023-\_\_\_-E (the “Ordinance”).

#### 1.3 **Coordination by DIA.**

The DIA hereby designates the Chief Executive Officer of the DIA (the “CEO”) to be the initial Project Coordinator who will, on behalf of the DIA, coordinate with the Developer and administer this Agreement according to the terms and conditions contained herein, and in the Exhibit(s) attached hereto and made a part hereof. The CEO may designate another representative

to serve as Project Coordinator and will provide notice thereof to Developer in accordance with the notice provisions hereof. It shall be the responsibility of the Developer to coordinate all Project related activities and all matters under this Agreement with the designated Project Coordinator, unless otherwise stated herein.

1.4 **Maximum Indebtedness.**

The maximum indebtedness of the DIA for all loans, fees, reimbursable items or other costs pursuant to this Agreement shall not exceed the sum of FOURTEEN MILLION FIVE HUNDRED TWENTY-FOUR THOUSAND AND NO/100 DOLLARS (\$14,524,000.00). The maximum indebtedness of the City for all loans, grants, fees, reimbursable items or other costs pursuant to this Agreement shall not exceed the sum of FORTY-SIX MILLION THIRTY-FOUR THOUSAND SIX HUNDRED AND NO/100 DOLLARS (\$46,034,600.00), with the exception of the City's obligations under the Replenishment Guaranty, which are uncapped.

1.5 **Availability of Funds.**

The City's and DIA's obligations under this Agreement are contingent and expressly conditioned upon available and lawfully appropriated funds to the Project and this Agreement.

**Article 2.**  
**DEFINITIONS**

As used in this Agreement, the following terms shall have the meaning set opposite each:

2.1 **Bisbee Building.**

That certain building located generally at 47 W. Forsyth Street, Jacksonville, Florida, to which the Bisbee Building Improvements will be made by Developer.

2.2 **Bisbee Building Improvements.**

The structural and exterior and interior historic and other improvements to the Bisbee Building described on **Exhibit B** attached hereto.

2.3 **CCR Loan.**

As to each of the Hotel Component – Historic, and Multi-family Component - Historic, a DPRP Loan consistent with the DPRP Guidelines, underwritten to provide funding support up to seventy-five percent (75%) of eligible costs associated with improving the mechanical systems, providing ADA compliance, environmental remediation, to address life safety issues, or other code related expenditures related to redevelopment of a Component of the Property as may be determined eligible by DIA. A CCR Loan does not have an interest payment requirement and the forgivable term for the principal amount is five (5) years when used in conjunction with a HPRR Loan, and otherwise is forgivable over ten (10) years when not used in conjunction with a HPRR Loan.

2.4 **CEO.**

The Chief Executive Officer of the DIA.

2.5 **City.**

The City of Jacksonville, Florida, a municipal corporation, and a political subdivision of the State of Florida.

2.6 **City Participation Loan.**

A loan from the City of in the initial principal amount of Twenty-Two Million Dollars (\$22,000,000.00) as set forth in Article 7 of this Agreement.

2.7 **COA.**

Certificate of Appropriateness issued by the JHPC or Historic Preservation Section.

2.8 **Commencement of Construction.**

The terms "Commence" or "Commenced" or "Commencing" Construction as used herein when referencing the Improvements or any portion thereof means the date when Developer submits documentation in form and substance acceptable to the DIA that it (i) has completed all pre-construction engineering and design; (ii) has obtained all federal, state or local permits and approvals as required for the Completion of the Improvements or otherwise as necessary for construction of the Improvements, (iii) has entered into binding contracts with the contractor(s) who will construct the Improvements; (iv) has obtained financial commitments and resources necessary for Completion of the Project, and (iii) has begun physical, material renovation and construction of the Improvements (e.g., environmental remediation, structural repairs, selective demolition activities, or such other evidence of commencement of construction as may be approved by the DIA in its reasonable discretion) on an ongoing basis.

2.9 **Component.**

The term "Component" means either of the Hotel Component - Historic or the Multi-family Component – Historic, and "Components" means both the Hotel Component – Historic and Multi-family Component - Historic.

2.10 **COPF.**

Capital One Public Funding, LLC, and its successors and assigns.

2.11 **Debt Service Reserve Fund.**

As defined in Section 7.1.

2.12 **DDRB.**

The City of Jacksonville's Downtown Development Review Board.

2.13 **Deferred Principal Loan.**

A DPRP Loan (as to either of the Hotel Component - Historic or Multi-family Component - Historic) consistent with the DPRP Guidelines which is required in cases where developer equity is less than twenty-five percent (25%) of Total Development Cost determined in underwriting the capital needs of the Project. A Deferred Principal Loan requires principal to be repaid at the earlier of the sale or refinance of the property, or at the tenth (10<sup>th</sup>) anniversary of funding under terms defined further herein. A Deferred Principal Loan also requires interest payments to be made annually at the rate of the Federal Reserve Ten-Year Treasury Note as of the date of closing multiplied by the average monthly balance outstanding in each year, or as otherwise may be approved under terms defined further herein.

2.14 **DIA Board.**

The community redevelopment area board, and the governing body of the DIA created by ordinance to manage Downtown economic development, as the same shall be from time to time constituted, charged with the duty of governing the DIA CRA and such other duties as set forth in Chapter 55, *Ordinance Code*.

2.15 **Direct Costs.**

The term "Direct Costs" shall mean the direct design, engineering, permitting, landscaping and construction costs incurred by Developer in connection with the construction of the Improvements or applicable portion thereof as applicable, including, without limitation, soft and hard costs associated with the design, engineering, permitting and construction testing, all pertaining only to the Improvements and as itemized in the budget for such Improvements and incurred after the Effective Date of this Agreement.

2.16 **DPRP Guidelines.**

The Downtown Preservation and Revitalization Program (the "DPRP") Guidelines as authorized by Ordinance 2020-527-E and incorporated herein by reference as if fully set forth herein.

2.17 **DPRP Loan.**

One or more loans authorized by this Agreement and funded as authorized by and pursuant to the DPRP Guidelines, which may include (as to each of the Hotel Component - Historic and Multi-family Component - Historic): (i) Historic Preservation Restoration and Rehabilitation Forgivable Loans (each, an "HPRR Loan"); (ii) Code Compliance Renovations Forgivable Loans (each, a "CCR Loan"); and (iii) a Downtown Preservation and Revitalization Program Deferred Principal Loan (each, a "Deferred Principal Loan") from the City to the Developer with respect to the Historic Buildings in accordance with the terms and conditions set forth in this Agreement and the DPRP Guidelines.

2.18 **DPRP Loan Request.**

An application by the Developer to the DIA requesting a DPRP Loan pursuant to the terms of this Agreement for the Hotel Component - Historic or Multi-family Component - Historic, specifying with particularity the scope of work proposed for the applicable Component, the estimated Total Development Costs for the applicable Component, and the requested DPRP Loan amount, and otherwise in form and substance consistent with this Agreement and the DPRP Guidelines.

2.19 **Florida Life Insurance Building.**

That certain building located generally at 117 N. Laura Street, Jacksonville, Florida, on which the Florida Life Insurance Building Improvements will be made by Developer.

2.20 **Florida Life Insurance Building Improvements.**

The structural and exterior and interior historic and other improvements to the Florida Life Insurance Building as further described on **Exhibit D** attached hereto.

2.21 **Florida National Bank Building.**

That certain building located generally at 51 W. Forsyth Street, Jacksonville, Florida, on which the Florida National Bank Building Improvements will be made by Developer.

2.22 **Florida National Bank Building Improvements.**

The structural and exterior and interior historic and other improvements to the Florida National Bank Building described on **Exhibit C** attached hereto.

2.23 **Forsyth St. Hotel Improvements.**

A new, eleven-story mixed-use hotel building as further described on **Exhibit J** attached hereto.

2.24 **Historic Buildings.**

Collectively, the Bisbee Building, the Florida Life Insurance Building, and the Florida National Bank Building that will be redeveloped with the Improvements in accordance with this Agreement.

2.25 **Historic Preservation Section.**

The Historic Preservation Section of the City of Jacksonville Planning and Development Department.



## 2.26 **Hotel Component - Historic.**

Those certain renovations and improvements to be made to the Florida National Bank Building and Bisbee Building as further described on **Exhibits B and C** attached hereto.

## 2.27 **HPRR Loan.**

As to either of the Hotel Component - Historic or Multi-family Component - Historic, a DPRP Loan that satisfies the DPRP Guidelines, underwritten to provide funding support up to:

- (a) seventy-five percent (75%) of eligible costs for the restoration or rehabilitation of the building exterior;
  - (b) seventy-five percent (75%) of eligible costs for the restoration of historic features on the building interior;
  - (c) thirty percent (30%) of eligible costs for the rehabilitation of the building interior;
- and
- (d) twenty percent (20%) of eligible costs for general requirements and overhead of the general contractor.

To be eligible for funding, all work must be reviewed and approved by the Planning and Development Department for consistency with the United States Secretary of Interior Standards and applicable design guidelines during application processing and for verification upon completion and request for funding under terms defined further herein.

## 2.28 **Impermissible Delay.**

The term “Impermissible Delay” means, subject to the provisions of Section 11.2, failure of Developer to proceed with reasonable diligence with the construction of the applicable Improvements within the timeframe for completion contemplated in this Agreement, or after commencement of the applicable Improvements, abandonment of or cessation of work on any portion of the Improvements at any time prior to the Completion of such improvements for a period of more than forty (40) consecutive business days, except in cases of force majeure as described in Section 11.2.

## 2.29 **Improvements.**

Collectively, the Bisbee Building Improvements, Florida Life Insurance Building Improvements, Florida National Bank Building Improvements, the Laura St. Multi-Family Improvements, and the Forsyth St. Hotel Improvements.

Furthermore, the Florida National Bank Building Improvements, the Bisbee Building Improvements and the Forsyth St. Hotel Improvements are sometimes referred to herein as the “**Hotel Improvements**” and the Florida Life Insurance Building Improvements and the Laura St. Multi-Family Addition are sometimes collectively referred to herein as the “**Multi-Family Improvements**”.

2.30 **JHPC.**

The City of Jacksonville Historic Preservation Commission.

2.31 **Laura St. Multi-Family Improvements.**

A new, eleven-story residential multi-family building with no fewer than 165 units as further described on **Exhibit E** attached hereto.

2.32 **Multi-family Component - Historic.**

Those certain improvements to be made to the Florida Life Insurance Building as further detailed on **Exhibit D** attached hereto.

2.33 **Net Cash Flow.**

“Net Cash Flow” with regard to the City Participation Loan shall mean the revenue/cash inflows less the eligible expenses as set forth on **Exhibit M.**

2.34 **Operating/Fixed Expenses.**

Operating/Fixed Expenses with regard to the City Participation Loan shall mean those expenses as set forth on **Exhibit L** attached hereto.

2.35 **Ordinance Code.**

The Ordinance Code of the City of Jacksonville.

2.36 **Project Parcel.**

Collectively, that certain real property and improvements thereon as described on **Exhibit A** attached hereto.

2.37 **Substantial Completion.**

“Substantially Completed”, “Substantial Completion” or “Completion” means that all permits have been finalized, a certificate of substantial completion has been issued by the contractor and verified by the architect of record, if any, and the Improvements are available for use in accordance with their intended purpose; and a temporary certificate of occupancy has been issued subject only to commercially reasonable punch list items, completion of tenant improvements and similar items.

2.38 **Total Development Costs.**

“Total Development Costs” or “TDC” is the cost of the Project Improvements defined as: the costs approved in underwriting for the acquisition of eligible buildings and associated land; the construction costs as negotiated with a qualified general contractor; and additional soft costs

typically eligible for capitalization in development activity of the type set forth in this Agreement. TDC may also include, as applicable, the market value of real property owned by Developer and utilized as part of the Project Parcel, taking into consideration any related debt, at the time of approval by the DIA Board, which related debt shall not have been increased since that time, and shall be exclusive of any developer fees or other costs. TDC specifically excludes any developer fees, operating reserves, and furniture, fixtures, and equipment unless required to comply with approved Permits, COAs, the Conditions, and any Historic Preservation Section interpretations.

**2.39 Verified Direct Costs.**

The term “Verified Direct Costs” means the Direct Costs actually incurred by Developer for work in place as part of the Improvements, as certified by Developer’s design professional and approved by the DIA in its reasonable discretion.

Other capitalized terms not defined in this Article shall have the meanings assigned to them elsewhere in this Agreement.

**Article 3.  
APPROVALS; PERFORMANCE SCHEDULES**

**3.1 Performance Schedule.**

The Developer and the DIA have jointly established the following dates for the performance of each party’s respective obligations with respect to the construction of the Improvements (herein called the “Performance Schedule”):

(a) The Developer shall execute simultaneously: (x) this Agreement within thirty (30) days of delivery of final contract to Developer following City Council approval and Ordinance effective date; and (y) the Agreement for Settlement of Fines Imposed by the Municipal Code Enforcement Board attached hereto as **Exhibit I** (“Agreement for Settlement of Fines”).

(b) The Developer has received conditional approval to commence construction on the amended Part 2 application from the National Park Service (“NPS”), a copy of which is attached hereto as **Exhibit K** (“NPS Approval Letter”).

(c) The Developer shall close on the Forgivable Loan (defined in Article 8 below) simultaneously with the COPF Loan (defined below) no sooner than thirty (30) days from the Effective Date of this Agreement.

(d) The Developer shall apply for final approval from DDRB within sixty (60) days of the Effective Date of this Agreement.

(e) Within one hundred thirty (120) days of the Effective Date hereof, Developer shall demonstrate through binding financial commitments and to the reasonable satisfaction of the DIA that it has raised the necessary amount of equity and debt needed to fully perform all obligations of Developer set forth herein.

(f) The Developer shall apply for a building permit from the City as necessary for the Commencement of vertical construction of the Improvements (“Building Permit”) within sixty (60) days following final approval for the Improvements from DDRB, but not later than April 30, 2024.

(g) The Developer shall Commence Construction of the Improvements within forty-five (45) days of the loan closing referenced above. Developer shall provide written notice to City within five (5) days of the actual Commencement of Construction date (the “Commencement Date”) and provide supporting documentation to that effect. The Developer shall have satisfied or otherwise have removed from the Project Parcel prior to the Commencement Date the Mortgage lien currently placed on the Project Parcel and recorded at Official Records Book 20430, Page 503, of the current public records of Duval County, Florida.

(h) The Improvements shall be Substantially Completed within thirty-six (36) months from the Commencement Date, in accordance with the terms and conditions of this Agreement (“Completion Date”).

The Developer hereby agrees to undertake and complete the Project in accordance with this Agreement and the Performance Schedule, and to comply with all of its obligations set forth herein. The CEO shall have the authority to extend the Performance Schedule for up to six (6) months for good cause shown by the Developer, in the CEO’s sole discretion. For purposes of clarity, the grant of a three (3) month extension to the Commencement of Construction date pursuant to this Section shall include a three (3) month extension to the Substantial Completion Date, which cumulatively shall be deemed one (1), three (3) month extension.

### 3.2 Approval of Agreement.

By the execution hereof, the parties certify as follows:

- (a) The Developer certifies that:
- (i) the execution and delivery hereof has been approved by all parties whose approval is required under the terms of the governing documents creating the particular Developer entity;
  - (ii) this Agreement does not violate any of the terms or conditions of such governing documents and the Agreement is binding upon the Developer and enforceable against it in accordance with its terms;
  - (iii) the person or persons executing this Agreement on behalf of the Developer are duly authorized and fully empowered to execute the same for and on behalf of the Developer;
  - (iv) the Developer and each entity composing the Developer is duly authorized to transact business in the State of Florida and has received all necessary permits and authorizations required by appropriate governmental agencies as a condition to doing business in the State of Florida; and

- (v) the Developer, its business operations, and each person or entity composing the Developer are in compliance with all federal, state, and local laws.
- (b) The City and DIA certify that the execution and delivery hereof is binding upon the City and DIA to the extent provided herein and enforceable against it in accordance with its terms.

#### **Article 4.**

### **DOWNTOWN HISTORIC PRESERVATION AND REVITALIZATION PROGRAM**

#### **4.1 Downtown Preservation and Revitalization Program Loans.**

Pursuant to Section 55.303, *Ordinance Code*, the DIA is authorized to award applicants DPRP Loans, subject to City Council approval. Developer has applied with the Historic Preservation Section of the Planning and Development Department (the “Historic Preservation Section”) and the DIA for DPRP Loans as set forth in this Agreement and has been approved for the DPRP Loans listed below subject to the conditions as set forth in this Agreement. The DPRP Loans are subject to the scope of work set forth in the COA and any conditions contained therein (the “COA Conditions” and together with any other conditions imposed by the DIA, DDRB and/or other City departments, the “Conditions”).

#### **4.2 Total Development Costs.**

In order to be eligible for the maximum amount of the applicable DPRP Loans, the Developer must provide evidence and documentation prior to the applicable DPRP Loan closing sufficient to demonstrate a minimum Total Development Cost in: (i) the Hotel Component - Historic of at least THIRTY-FIVE MILLION EIGHT HUNDRED FORTY-ONE THOUSAND TWO HUNDRED AND NO/100 DOLLARS (\$35,841,200.00) (the “Hotel Component - Historic Minimum Total Development Cost”); and (ii) the Multi-family Component - Historic of at least FOURTEEN MILLION SEVEN HUNDRED NINETY-NINE THOUSAND THREE HUNDRED AND NO/100 DOLLARS (\$14,799,300.00) (the “Multi-family Component - Historic Minimum Total Development Cost”), each as determined by the DIA in its reasonable discretion. In the event the applicable Minimum Total Development Costs for the applicable Component falls below the Minimum Total Development Cost threshold by ten percent (10%) or less, the maximum amount of the applicable DPRP Loans shall be reduced in accordance with the DPRP Guidelines. In the event the actual Total Development Cost of the applicable Component as determined by the DIA is more than twenty-five percent (25%) below the applicable Minimum Total Development Cost threshold, the Developer shall be ineligible for the applicable DPRP Loans. In the event the Total Development Cost of the applicable Component falls below the Minimum Total Development Cost threshold by more than ten percent (10%) but less than twenty-five percent (25%), DIA staff shall perform an underwriting analysis and present to the DIA Board a request for approval to reduce the DPRP Loans consistent with the DPRP Guidelines. The DIA Board shall have the authority, without further action by City Council, to approve reduced DRPR Loan amounts provided the reduction in Total Development Cost for the respective Component does not exceed twenty-five percent (25%). For purposes of clarity, general construction costs for the Historic Buildings, as a subset of Total Development Costs, shall generally be consistent with **Exhibit H** attached hereto as determined by the DIA in its reasonable discretion.

#### 4.3 **Construction of Improvements.**

After the Developer obtains all applicable approvals with respect to the applicable Component, the Developer shall construct the Components in accordance with the terms of this Agreement and applicable COA, the Conditions, and the scope of work as set forth herein for the Components. The Developer will pay all costs of the Project and Improvements. The Developer shall comply with all applicable requirements of this Agreement and the DPRP Guidelines.

#### 4.4 **Conditions to Disbursement of DPRP Loans.**

In addition to the conditions precedent set forth in Section 1.5, above, the DIA's obligation to disburse any portion of a DPRP Loans to the Developer with respect to the Improvements is conditioned upon the prior occurrence of each the following conditions precedent with respect to each Loan, and otherwise in accordance with the terms of this Agreement:

(a) The Historic Buildings must have been designated as a local historic landmark by the City Council of Jacksonville and must have received approval for Part 2 of the National Park Service Historic Designation;

(b) The Developer shall submit to the DIA a completed written disbursement request (the "Disbursement Request") with respect to the applicable Component, in accordance with the terms and conditions set forth in this Agreement, on the Disbursement Request Form attached hereto as **Exhibit G**. In the Disbursement Request, the Developer shall certify and describe in detail reasonably acceptable to the DIA (a) the cost of the labor that has been performed and the materials that have been incorporated into the applicable Component, and (b) the amount actually paid by the Developer for such labor and materials. The Developer shall attach to the Disbursement Request such invoices, receipts, cancelled checks (or evidence that payment has cleared the Developer's banking account), and other documents required by the DIA evidencing that the costs and expenses were actually incurred and paid for by the Developer and were expended on and pertain to the Project;

(c) All property taxes on the Project Parcel must be current and no municipal liens shall be outstanding;

(d) The Historic Buildings shall be in compliance with all applicable state and local laws, ordinances and regulations and the Developer must be utilizing the Historic Buildings in accordance with the DPRP Guidelines and this Agreement;

(e) No default with respect to the Developer's obligations under this Agreement or an event which, with the giving of notice or the passage of time, or both, would constitute a default with respect to Developer's obligations under this Agreement, has occurred or is continuing;

(f) The Developer shall furnish to the DIA with respect to the Historic Buildings, in accordance with the terms and conditions set forth in this Agreement, a certificate of occupancy or its equivalent and such other permits and/or certificates (including a certificate of substantial completion issued by the contractor and certified by the architect of record) as shall be

required to establish to the DIA's satisfaction that the applicable Component has been Substantially Completed in accordance with the terms of this Agreement and are not subject to any material violations or uncorrected conditions noted or filed in any City department, and Developer shall have fulfilled all of its obligations under the Agreement for Settlement of Fines.

(g) The Developer shall submit to the DIA a proper contractor's final affidavit and full and complete releases of liens from each contractor, subcontractor and supplier, and such other proof satisfactory to the DIA in its reasonable discretion, confirming that final payment has been made for all materials supplied and labor furnished in connection with the Project or that, in the event of a dispute in any amount owed, such amount is properly bonded off pursuant to Florida law so that it will not become a lien on the Project Parcel;

(h) Prior to submission of a Disbursement Request, the Developer shall provide evidence and documentation sufficient to demonstrate to the DIA, in its reasonable discretion, satisfaction of the Minimum Total Development Cost as to the applicable Component, as the same may be reduced consistent with Section 4.2 hereof;

(i) Prior to submission of a Disbursement Request, the Developer shall provide evidence and documentation sufficient to demonstrate to the DIA, in its reasonable discretion, satisfaction of the Minimum Developer Equity Contribution as to the applicable Component;

(j) The Developer shall provide a final as-built schedule of values for the Project, with itemized detail as to each of the Historic Buildings and remaining components of the Project, and such other additional information and documentation as reasonably requested by the DIA.

(k) The applicable Component and all Improvements shall have been Substantially Completed in all respects in accordance with the terms and conditions of this Agreement, as verified by a final inspection report satisfactory to the DIA, certifying that the applicable Component and all Improvements have been constructed in a good and workmanlike manner and are in satisfactory condition. In the event the DIA determines that there is a deficiency with the applicable Component the DIA reserves the right to require that an escrow be established in an amount satisfactory to the DIA to remedy such deficiency;

(l) The Developer must submit to a "post-work" inspection by the Historic Preservation Section or consultant to examine the Developer's compliance with previously approved Permits, the applicable COAs, the Conditions, and all Historic Preservation Section interpretations issued to the Developer. The Historic Preservation Section shall have completed this "post-work" inspection and be satisfied that the Developer has met the obligations of this Agreement in accordance with the following criteria, as applicable: (a) United States Department of Interior Standards for Historic Preservation; (b) United States Department of Interior Standards for Rehabilitation; (c) the applicable COA from the Jacksonville Historic Preservation Commission; and (e) the applicable scope of work for the applicable Component;

(m) The Developer shall take all action necessary to have any mechanic's and materialmen's liens, judgment liens or other liens or encumbrances filed against the Project Parcel (other than any consensual mortgage) released or transferred to bond within ten (10) days of the

date the Developer receives notice of the filing of such liens or encumbrances. If any such lien or encumbrance is filed, the DIA shall have received a copy of the recorded release. The DIA shall not be obligated to disburse any of the DPRP Loan funds to the Developer if, in the reasonable opinion of the DIA, any such disbursement or the Project or Project Parcel would be subject to a mechanic's or materialmen's lien or any other lien or encumbrance other than inchoate construction liens. The Developer shall be fully and solely responsible for compliance in all respects whatsoever with the applicable mechanic's and materialmen's lien laws;

(n) The Developer shall have provided to the DIA, in form and substance reasonably satisfactory to the DIA, any such other document, instrument, information, agreement or certificate the DIA may reasonably require related to the construction or completion of the applicable Component, and all Loan Documents shall have been executed and delivered by the Developer; and

(o) All other conditions and requirements under the DPRP Guidelines have been satisfied as determined by the DIA in its reasonable discretion.

#### **4.5 Loan Amount; Loan Program.**

The total of all DPRP Loans to be advanced under this Agreement shall not exceed a maximum aggregate amount as set forth in Section 1.4 hereof. No DPRP Loan may exceed the limits set forth in the DPRP Guidelines, including with respect to Total Development Costs (as defined in the DPRP Guidelines and Section 1.1 above). To be eligible for the maximum amount of DPRP Loans authorized under this Agreement, the Developer shall incur not less than the applicable Minimum Total Development Costs with respect to the applicable Component. The term "Eligible Expenses" shall mean those expenses that are (i) found within Total Development Costs as approved by the DIA, (ii) actually incurred by the Developer to construct the applicable Component meeting the standard criteria used by the DIA and the Historic Preservation Section in determining eligible improvements or otherwise eligible hereunder, and (iii) eligible for the applicable DPRP Loans pursuant to the terms and conditions of this Agreement, the DPRP Guidelines, the COA and the Conditions. All Eligible Expenses shall be determined by the Historic Preservation Section and the DIA in its reasonable discretion. Upon such a determination of Eligible Expenses for the Project, subject to the compliance with all of the conditions precedent in Section 1.5 and Section 4.4, above, including, without limitation, paid invoices matching the applicable scope of work, a contractor's affidavit, mechanics' lien releases and other evidence (including without limitation site inspections and other inspection reports) that may be required in the reasonable discretion of the City or DIA, the applicable DPRP Loans with respect to the Eligible Expenses incurred in the Project will be advanced, subject to adjustment as set forth in Section 4.2 hereof.

#### **4.6 DPRP Loan Terms; Loan Documents.**

The maturity date of each DPRP Loan advanced hereunder shall be as set forth elsewhere in this Agreement and as set forth in the applicable loan documents, in accordance with the DPRP Guidelines. For so long as there is no default under this Agreement or any Loan Document, each HPRR Loan and CCR Loan shall be forgiven at the rate of twenty percent (20%) per annum, in accordance with the DPRP Guidelines. These terms shall be more fully set forth in the promissory



notes to be executed and delivered by the Developer in connection with each DPRP Loan (the “Notes”) and the related loan documents. In addition to the Notes, the Developer shall also execute and deliver all other security agreements, documents, instruments, and certificates required by the DIA under this Agreement or in connection with any DPRP Loan (collectively with the Notes, the “Loan Documents” and each, a “Loan Document”).

**Multi-Family Component - Historic**

Loan component	Amount	Interest rate	Term	Repayment Schedule	Amortization
HPRR Loan	\$2,840,000	0.0%	5 years	None	20%/year
CCR Loan	\$1,979,400	0.0%	5 years	None	20%/year
DPRP Deferred Principal Loan	\$1,204,900	10-year Treasury note at time of closing*	10 years	Interest only; balloons at maturity	None - due at maturity

\*not to exceed rate on 10-year Treasury note at time of closing on construction financing.

DPRP Deferred Principal Loan referenced above shall be subject and subordinate to: the COPF Loan, City Participation Loan and the Forgivable Loan described in Section 8.1 herein.

**Hotel Component - Historic**

Loan component	Amount	Interest rate	Term	Repayment Schedule	Amortization
HPRR Loan	\$7,461,900	0.0%	5 years	None	20%/year
CCR Loan	\$5,346,300	0.0%	5 years	None	20%/year
DPRP Deferred Principal Loan	\$3,202,100	10-year Treasury note at time of closing*	10 years	Interest only; balloons at maturity	None - due at maturity

\*not to exceed rate on 10-year Treasury note at time of closing on construction financing.

DPRP Deferred Principal Loan referenced above shall be subject and subordinate to: the COPF Loan, City Participation Loan and the Forgivable Loan described in Section 8.1 herein.

**4.7 No Warranty by City or DIA.**

Nothing contained in this Agreement or any other document attached hereto or contemplated hereby shall constitute or create any duty on or warranty by City or the DIA regarding: (a) the accuracy or reasonableness of the Project budgets; (b) the feasibility or quality of the construction documents for the Project; (c) the proper application by the Developer of the DPRP Loans; (d) the quality or condition of the work; or (e) the competence or qualifications of any third party furnishing services, labor or materials in connection with the construction of the Project. The Developer acknowledges that it has not relied and will not rely upon any experience, awareness or expertise of the City or DIA, or any City or DIA inspector, regarding the aforesaid matters.

#### 4.8 **Further Disclaimer.**

The DPRP Loans shall not be deemed to constitute a debt, liability, or obligation of the City, DIA or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation, or a pledge of the faith and credit or taxing power of the City, DIA or of the State of Florida or any political subdivision thereof, but shall be payable solely from the funds provided therefor, respectively, in Article 4 of this Agreement. The DIA shall not be obligated to pay any DPRP Loan or any installment of the foregoing except from the non-ad valorem revenues or other legally available funds provided for that purpose, and neither the faith and credit nor the taxing power of the City, DIA or of the State of Florida or any political subdivision thereof is pledged to the payment of the DPRP Loans or any installment of the foregoing. The Developer, and any person, firm or entity claiming by, through or under the Developer, or any other person whomsoever, shall never have any right, directly or indirectly, to compel the exercise of the ad valorem taxing power of the City, DIA or of the State of Florida or any political subdivision thereof for the payment of the DPRP Loans or any installment of the foregoing.

### **Article 5 TARGETED HOTEL REV GRANT**

#### 5.1 **Recapture Enhanced Value Program; Amount.**

The DIA shall make a Targeted Hotel Recapture Enhanced Value grant (“Hotel REV Grant”) to the Developer, in a total amount not to exceed \$5,670,400.00, partially payable beginning in the first year following the Substantial Completion of the Improvement and its inclusion on the City tax rolls at full assessed value (the “Initial Year”) and ending on the earlier of: (i) 20 years thereafter, but not later than 2045 payable in 2046, or (ii) upon the expiration or earlier termination of the Northbank East CRA TIF (as applicable, the “Final Year”), all as more fully described below in this Article 5, unless the City agrees to assume the obligation to pay the Hotel REV Grant in accordance with this Agreement after expiration or termination of the Northbank East CRA TIF.

#### 5.2 **Payments of Hotel REV Grant.**

The Hotel REV Grant shall be paid by the DIA to the Developer by check, in annual installments determined in accordance with Section 5.3, due and payable on or before May 15 of each calendar year, commencing May 15 of the Initial Year and ending May 15 of the Final Year, or when the maximum amount of the Hotel REV Grant shall have been paid to the Developer, whichever occurs first. The DIA shall have no liability for any Hotel REV Grant in excess of the amount stated in Section 5.1 or after payment of the final installment due May 15 of the Final Year, and, except as expressly provided in this Agreement, the Hotel REV Grant payments as determined pursuant to Section 5.3 shall not be subject to reduction or repayment.

#### 5.3 **Determination of Annual Installments of Hotel REV Grant.**

The amount of each annual installment of the Hotel REV Grant shall be the sum which is equal to 75% of the “Annual Project Revenues” (as defined and determined in this Section 5.3)

actually received by the DIA during the twelve (12) month period ended April 1 preceding the due date of such annual installment. For the purposes of this Agreement, “Annual Project Revenues” means the amount of all municipal and county ad valorem taxes, exclusive of any amount from any debt service millage or Business Improvement District (“BID”) millage, actually paid by any taxpayer for that tax year (net of any discount pursuant to Section 197.162, Florida Statutes, or any successor provision, actually taken by the taxpayer) during such period with respect to all real property and tangible personal property comprising the Forsyth St. Hotel Improvements, less the amount of all municipal and county ad valorem taxes that would have been levied or imposed on the portions of the Project Parcel comprising the Forsyth St. Hotel Improvements, using the assessed value for the Base Year, which for the purpose of this Agreement shall be \$ \_\_\_\_\_ (to be inserted at time of execution) exclusive of any debt service millage. The foregoing references to ad valorem taxes shall be deemed to include any other municipal or county taxes, or other municipal or county fees or charges in the nature of or in lieu of taxes, that may hereafter be levied or imposed on the Developer with respect to real property or tangible personal property comprising the Forsyth St. Hotel Improvements, in lieu of or in substitution for the aforesaid taxes and which are levied or imposed for general municipal or county purposes or shall be available for the City’s general fund, but not including stormwater or garbage fees or assessments.

By April 1 of each calendar year, commencing April 1, Initial Year and ending April 1, Final Year, Developer shall give written notice to the DIA of the amount of county ad valorem taxes paid during the preceding twelve (12) month period ending April 1, quantified by real property and tangible personal property amounts. If, by April 1 of any year, the Developer has failed to give notice of taxes paid during the preceding twelve (12) month period, the Developer shall not be eligible for a Hotel REV Grant payment for that year. Provided, however, that if the Developer provides timely notice in future years, the Developer shall be eligible for a Hotel REV Grant payment based on the Annual Projected Revenues in such future year’s notice.

Except as provided below, within thirty (30) days of receipt of said notice, DIA shall provide Developer with a calculation as to the annual Hotel REV Grant. If the Developer does not give written notice to the DIA of its objection to the DIA’s calculation within thirty (30) days after its receipt thereof, the DIA’s calculation shall be considered acceptable. Except as provided below, the DIA shall make payment of the Hotel REV Grant by the later of May 15th of each calendar year or thirty (30) days after DIA’s receipt of notification by the Developer that it is in agreement with the DIA’s annual calculation. In the event of a disagreement as to the calculation, the DIA shall make payment of the amount not in dispute and the parties shall negotiate in good faith any disputed amount.

The foregoing dates for the DIA to provide the Hotel REV Grant calculation and make the Hotel REV Grant payment shall be extended if on either of such dates the Developer has a pending proceeding before the City Value Adjustment Board, Circuit Court, or otherwise that could change the amount of the Annual Project Revenues that Developer was obligated to pay for that tax year and upon which the Hotel REV Grant payment would be based. In that event, the date that the DIA is required to provide the Hotel REV Grant calculation to Developer shall be extended until 30 days after the date that Developer notifies the DIA that any such proceeding has been finally resolved (including any appeals) and any adjustment to the Annual Project Revenues for that tax year has been made and paid. Such notice shall include (i) a copy of any final order or final

judgment or other evidence of the resolution of such proceeding that sets forth any change to the assessed value of the Property upon which the Annual Project Revenues are based for that tax year, and (ii) the amount of the adjusted Annual Project Revenues paid by the Developer.

5.4 **Further disclaimer.**

The Hotel REV Grant shall not be deemed to constitute a debt, liability, or obligation of the City, DIA or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation, or a pledge of the faith and credit or taxing power of the City, DIA or of the State of Florida or any political subdivision thereof, but shall be payable solely from the funds provided therefor in this Article 5. The City and DIA shall not be obligated to pay the Hotel REV Grant or any installment thereof except from the non-ad valorem revenues or other legally available funds provided for that purpose, and neither the faith and credit nor the taxing power of the City, DIA or of the State of Florida or any political subdivision thereof is pledged to the payment of the Hotel REV Grant or any installment thereof. The Developer, or any person, firm or entity claiming by, through or under the Developer, or any other person whomsoever, shall never have any right, directly or indirectly, to compel the exercise of the ad valorem taxing power of the City, DIA or of the State of Florida or any political subdivision thereof for the payment of the Hotel REV Grant or any installment thereof.

**Article 6**  
**MULTI-FAMILY HOUSING REV GRANT**

6.1 **Recapture Enhanced Value Program; Amount.**

The DIA shall make a Multi-family Housing Recapture Enhanced Value grant (“Multi-family REV Grant”) to the Developer, in a total amount not to exceed \$8,853,600.00, partially payable beginning in the first year following the Substantial Completion of the Improvements and its inclusion on the City tax rolls at full assessed value (the “Initial Year”) and ending on the earlier of: (i) 20 years thereafter, but not later than 2045 payable in 2046, or (ii) upon the expiration or earlier termination of the Northbank East CRA TIF (as applicable, the “Final Year”), all as more fully described below in this Article 5, unless the City agrees to assume the obligation to pay the Multi-family REV Grant in accordance with this Agreement after expiration or termination of the Northbank East CRA TIF.

6.2 **Payments of Multi-family REV Grant.**

The Multi-family REV Grant shall be paid by the DIA to the Developer by check, in annual installments determined in accordance with Section 5.3, due and payable on or before May 15 of each calendar year, commencing May 15 of the Initial Year and ending May 15 of the Final Year, or when the maximum amount of the Multi-family REV Grant shall have been paid to the Developer, whichever occurs first. The DIA shall have no liability for any Multi-family REV Grant in excess of the amount stated in Section 5.1 or after payment of the final installment due May 15 of the Final Year, and, except as expressly provided in this Agreement, the Multi-family REV Grant payments as determined pursuant to Section 5.3 shall not be subject to reduction or repayment.

6.3 **Determination of Annual Installments of Multi-family REV Grant.**

The amount of each annual installment of the Multi-family REV Grant shall be the sum which is equal to 75% of the “Annual Project Revenues” (as defined and determined in this Section 5.3) actually received by the DIA during the twelve (12) month period ended April 1 preceding the due date of such annual installment. For the purposes of this Agreement, “Annual Project Revenues” means the amount of all municipal and county ad valorem taxes, exclusive of any amount from any debt service millage or Business Improvement District (“BID”) millage, actually paid by any taxpayer for that tax year (net of any discount pursuant to Section 197.162, Florida Statutes, or any successor provision, actually taken by the taxpayer) during such period with respect to all real property and tangible personal property comprising the Laura St. Multi-Family Improvements, less the amount of all municipal and county ad valorem taxes that would have been levied or imposed on the portions of the Project Parcel comprising the Laura St. Multi-Family Improvements, using the assessed value for the Base Year, which for the purpose of this Agreement shall be \$ \_\_\_\_\_ (to be inserted at time of execution) exclusive of any debt service millage. The foregoing references to ad valorem taxes shall be deemed to include any other municipal or county taxes, or other municipal or county fees or charges in the nature of or in lieu of taxes, that may hereafter be levied or imposed on the Developer with respect to real property or tangible personal property comprising the Multi-family Component - Historic, in lieu of or in substitution for the aforesaid taxes and which are levied or imposed for general municipal or county purposes or shall be available for the City’s general fund, but not including storm water or garbage fees or assessments.

By April 1 of each calendar year, commencing April 1, Initial Year and ending April 1, Final Year, Developer shall give written notice to the DIA of the amount of county ad valorem taxes paid during the preceding twelve (12) month period ending April 1, quantified by real property and tangible personal property amounts. If, by April 1 of any year, the Developer has failed to give notice of taxes paid during the preceding twelve (12) month period, the Developer shall not be eligible for a Multi-family REV Grant payment for that year. Provided, however, that if the Developer provides timely notice in future years, the Developer shall be eligible for a Multi-family REV Grant payment based on the Annual Projected Revenues in such future year’s notice.

Except as provided below, within thirty (30) days of receipt of said notice, DIA shall provide Developer with a calculation as to the annual Multi-family REV Grant. If the Developer does not give written notice to the DIA of its objection to the DIA’s calculation within thirty (30) days after its receipt thereof, the DIA’s calculation shall be considered acceptable. Except as provided below, the DIA shall make payment of the Multi-family REV Grant by the later of May 15th of each calendar year or thirty (30) days after DIA’s receipt of notification by the Developer that it is in agreement with the DIA’s annual calculation. In the event of a disagreement as to the calculation, the DIA shall make payment of the amount not in dispute and the parties shall negotiate in good faith any disputed amount.

The foregoing dates for the DIA to provide the Multi-family REV Grant calculation and make the Multi-family REV Grant payment shall be extended if on either of such dates the Developer has a pending proceeding before the City Value Adjustment Board, Circuit Court, or otherwise that could change the amount of the Annual Project Revenues that Developer was obligated to pay for that tax year and upon which the Multi-family REV Grant payment would be based. In that event, the date that the DIA is required to provide the Multi-family REV Grant calculation to Developer shall be extended until 30 days after the date that Developer notifies the

DIA that any such proceeding has been finally resolved (including any appeals) and any adjustment to the Annual Project Revenues for that tax year has been made and paid. Such notice shall include (i) a copy of any final order or final judgment or other evidence of the resolution of such proceeding that sets forth any change to the assessed value of the Property upon which the Annual Project Revenues are based for that tax year, and (ii) the amount of the adjusted Annual Project Revenues paid by the Developer.

6.4 **Further disclaimer.**

The Multi-family REV Grant shall not be deemed to constitute a debt, liability, or obligation of the City, DIA or of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory limitation, or a pledge of the faith and credit or taxing power of the City, DIA or of the State of Florida or any political subdivision thereof, but shall be payable solely from the funds provided therefor in this Article 5. The City and DIA shall not be obligated to pay the Multi-family REV Grant or any installment thereof except from the non-ad valorem revenues or other legally available funds provided for that purpose, and neither the faith and credit nor the taxing power of the City, DIA or of the State of Florida or any political subdivision thereof is pledged to the payment of the Multi-family REV Grant or any installment thereof. The Developer, or any person, firm or entity claiming by, through or under the Developer, or any other person whomsoever, shall never have any right, directly or indirectly, to compel the exercise of the ad valorem taxing power of the City, DIA or of the State of Florida or any political subdivision thereof for the payment of the Multi-family REV Grant or any installment thereof.

**Article 7**  
**CITY PARTICIPATION LOAN PROGRAM**

7.1 **City Participation Loan.** The City will loan be in an initial amount up to Twenty-two Million Dollars (\$22,000,000) (“**City Participation Loan**”) to the Developer expressly for the purpose of funding and re-funding: (1) any amount(s) required by Capital One Public Funding, LLC (and its successors and assigns, “**COPF**”) to fund a debt service reserve fund (as defined in the Replenishment Guaranty, the “**Debt Service Reserve Fund**”) required under the hereinafter defined COPF Loan or to be advanced under the unconditional “debt service reserve fund replenishment guaranty agreement” from the City (the “**Replenishment Guaranty**”) attached hereto as **Exhibit L**, including to fund and replenish the Reserve Fund Minimum Balance (as defined in the Replenishment Guaranty), until the COPF Loan is paid in full to secure and support the COPF Loan. In the event of any conflict between this Agreement and the Replenishment Guaranty, the terms and conditions of the Replenishment Guaranty shall control.

7.2 **City Participation Loan Structure.** The City Participation Loan will be structured in conformance to commercial real estate finance transactions involving such institutional lenders as life insurance companies, pension funds and money center banks and will contain certain terms

and conditions as further described below and otherwise satisfactory to the City in its reasonable discretion:

- Loan Amount: Initial principal amount of \$22,000,000
- Initial Advance: An amount equal to the Reserve Fund Minimum Balance (as defined in the Replenishment Guaranty) will be advanced to the Debt Service Reserve Fund at the closing of the COPF Loan. To the extent that the Reserve Fund Minimum Balance is reduced in accordance with the terms of the COPF Loan, the excess amounts shall be applied to the principal of the City Participation Loan and be subject to reborrowing.
- Future Advances: Additional amounts in excess of \$22,000,000 amount of the City Participation Loan to be advanced as amounts are advanced under the Replenishment Guaranty will be deemed to be future advances under the City Participation Loan mortgage with lien priority over any advances under the COPF Loan. The City Participation Loan shall be recourse to the Developer. The COPF Loan and the intercreditor and subordination agreement between COPF and the City will provide that COPF will make no future advances in excess of the \$145,000,000 principal amount of the COPF Loan without the City's prior written consent in its sole discretion.
- Loan Collateral: A perfected and insured first-priority mortgage and security interest in all land and improvements described as the Hotel and Multi-Family Improvements and a second lien and security interest in the net revenues from the Improvements. Developer will include 30% Workforce-rated units (80% of AMI) in the Multi-Family project for the entire term of the City Participation Loan, but in no event less than a thirty (30) year term following Substantial Completion of the Improvements.
- Loan Term: Up to twenty-five (25) years inclusive of an approximate twenty-four (24) month construction period followed by an approximate twenty-three (23) year permanent loan term. Said loan term will also cover the applicable Federal Historic Tax Credit Compliance Period. The City Participation Loan term will be co-terminus with the COPF Loan and provide for early pre-payment consistent with terms and conditions of the COPF Loan. All proceeds of the City Participation Loan and net revenues generated by the Hotel and Multi-Family Improvements shall be pledged to repay the COPF Loan. In the event the City Participation Loan matures and is paid in full or is pre-paid in full early and at the same time as the COPF Loan and no other amounts due and owing on the City Participation Loan remains outstanding or unpaid, then any City participation in

net cash flow as described herein will cease provided the City's obligation under the Replenishment Guaranty are then terminated.

Loan Use and Repayment:

City Participating Loan shall only be used for and applied to fund or replenish the Debt Service Reserve Fund.

In the event either the City Participation Loan matures or is pre-paid early, then the entire City Participation Loan Amount referenced above shall be repaid to City regardless of whether the full amount has been drawn down by Developer.

Base Interest Rate: Zero Coupon (0%) for the entire term.

Participation in Net Cash Flow and Residual:

City shall earn 12% of Available Project Net Cash Flow (“**Net Cash Flow**”) for up to a twenty-three (23) year period. If the COPF Loan is prepaid early then any City participation in Net Cash Flow as described herein will cease upon repayment of the City Participation Loan. City shall also receive five percent (5%) of net profits from either the sale or refinance of the Project.

Net Cash Flow: Net Cash Flow shall be defined as for any period, the amount by which Developer's Operating Revenues exceed the sum of:

- Total annual Operating/Fixed Expenses for the categories of expenses set forth on **Exhibit L** attached hereto, the amounts of which shall be subject to the City's reasonable approval and will be set forth in both the loan documents for the COPF Loan and the City Participation Loan.
- Total annual Debt Service paid during such period (exclusive of any amounts drawn by COPF under the Replenishment Guaranty, and excluding any debt subordinate to the City Participation Loan);
- Total Capital Expenditures and Tenant Improvement Costs, the amounts of which shall be subject to City's reasonable approval and will be set forth in both the loan documents for the COPF Loan and the City Participation Loan; and
- Any actual payments into escrows or reserves by Developer in accordance with the COPF Loan Documents.

To provide third party confirmation of “Net Cash Flow” and other compliance matters, Developer will engage a third party consultant with expertise in the accounting and management of Federal



Historic Tax Credit Programs (i.e. Novogradc & Company, Rubin-Brown, etc.) to also conduct customary accounting and reporting of project performance pertaining to “Net Cash Flow”. Developer will provide annual reporting of all income and expenses to City within ninety (90) days of the end of each calendar year for the life of the City Participation loan.

Standard Loan Documents:

The City and Developer acknowledge the City Participation Loan contemplated herein is conditioned upon loan documentation to be agreed upon between the Developer and City and City’s approval of the conditions required for funding the Replenishment Guaranty under the COPF Loan. The City Participation Loan shall be documented using loan documents reasonably negotiated between the parties which shall contain, among additional details, customary representations, warranties, assurances, covenants, a due on sale/further encumbrance clause, and protections commonly found in comparable participating loans in the current market, all of which shall be subject to the review and approval of the City. The City Participation Loan shall be cross defaulted to the COPF Loan. The loan documents shall include an intercreditor agreement and subordination agreement among the City, Developer and COPF providing which, in addition to industry standard provisions, will also provide that at such time as the amounts drawn and not repaid by Developer under the Replenishment Guaranty exceed \$22,000,000.00, then upon the written request of the City, Developer shall convey the entirety of the Project Parcel and all Improvements thereon lien free to the City. The Replenishment Guaranty shall continue in full force and effect upon and after such conveyance.

**7.3 COPF Loan Security Provisions.**

The COPF Loan will be for a term of twenty-five (25) years and secured by a perfected and insured by a senior-priority security interest in all net revenues generated by the Hotel and Multi-Family Improvements and related revenues. The City Participation Loan will require periodic reporting of revenues, expenses, and Net Cash Flow to the City. All net revenues generated by the Project and with respect to the City Participation Loan shall first be pledged to COPF Loan repayment and any other liens, encumbrances, assignments, transfers or dispositions of the Project or City Participation Loan shall be subject to COPF’s sole and absolute approval. Furthermore:

- (1) the COPF Loan shall be secured by the Debt Service Reserve Fund which will be funded at loan closing in the amount of the Reserve Fund Minimum Balance, but

shall at all times equal no less than twelve (12) months debt service on the COPF Loan (the “**COPF Reserve Fund Requirement**”).

(2) Pursuant to the Replenishment Guaranty, the City will covenant to replenish the Debt Service Reserve Fund in accordance with the terms thereof. Notwithstanding anything in this Agreement to the contrary, the City’s replenishment obligation under the Replenishment Guaranty is independent of the City Participation Loan and shall require no specific budgetary appropriation (other than as required with respect to Covenant Revenues generally) on the part of the City.

(3) The COPF Loan may be pre-paid without a premium commencing with the eleventh year of the COPF Loan term. The COPF Loan may be pre-paid with a premium prior to the end of the tenth year of the COPF Loan term. The City Participation Loan shall be coterminous with the COPF Loan and, accordingly, shall be satisfied in the event of a pre-payment of the COPF Loan.

## **Article 8. FORGIVABLE LOAN**

### **8.1 Forgivable Economic Development Loan; Terms and Conditions.**

To facilitate the financing and construction of the Improvements, the City shall make a Forgivable Economic Development Loan (“Forgivable Loan”) in the not to exceed amount of \$2,000,000 to the Developer. The Forgivable Loan proceeds shall be used by the Developer to satisfy document pre-development expenses. The City shall make the Forgivable Loan upon the following terms and conditions:

(a) **Conditions Precedent:** The Forgivable Loan will be disbursed at the financial closing of the COPF Loan, subject to the prior occurrence of the following:

(i) The Developer must promptly furnish the DIA evidence satisfactory to the DIA that the Developer owns the Project Parcel.

(ii) All property taxes on the Project and the Project Parcel must be current.

(iii) Additionally, Developer shall take all action necessary to have any construction liens, judgment liens or other liens or encumbrances filed against the Project Parcel, other than the first mortgage or other encumbrances acceptable to the DIA in its sole discretion, released or transferred to bond within ten (10) days of the date Developer receives notice of the filing of such liens or encumbrances. If any such lien or encumbrance is filed, the City shall not be required to make the disbursement of the Forgivable Loan until such lien or encumbrance is bonded over or removed and the City receives a copy of the recorded release. Developer shall be fully and solely responsible for compliance in all respects whatsoever with the applicable construction lien laws.

(iv) The DIA shall have received paid invoices documenting a minimum of \$2,000,000 of soft costs attendant to the Improvements.

(b) **Amount:** The principal amount of the Forgivable Loan is \$2,000,000

(c) **Use of Proceeds:** The proceeds of the Forgivable Loan shall be used by the Developer to pay pre-development expenses for the Improvements.

(d) **Interest Rate:** Interest shall accrue and be paid on the outstanding balance of the Forgivable Loan at 0% per annum. The loan documents shall provide that, from and after the occurrence of any event of an uncured default under the loan documents or this Agreement, the Forgivable Loan shall accrue interest at 10 percent (10%) per annum.

(e) **Priority:** The Forgivable Loan will be secured by a third priority mortgage in the amount of the Forgivable Loan subordinate only to the COPF Loan and the City Participation Loan.

(f) **Terms of Repayment:** The term of the Forgivable Loan is five (5) years. The interest rate is zero percent (0%) per annum. Provided there is no Event of Default hereunder or under the Loan Documents, there are no payments due during the Term of the Forgivable Loan. Principal plus any and all accrued interest will be due in full at maturity in the event the Forgivable Loan is not forgiven.

(g) **Collateral:** The Forgivable Loan shall be secured by a fully subordinated second mortgage (the "Mortgage") in favor of the City subordinate to the COPF Loan and the City Participation Loan, a promissory note, a security agreement and such other loan documents necessary or appropriate to secure the debt.

(h) **Draw:** The Draw will be disbursed lump sum to Developer at COPF Loan closing pursuant to the terms of this Agreement. The Forgivable Loan may be prepaid in full without penalty at any time.

## 8.2 **Loan Documents**

All documentation relating to the Forgivable Loan shall be prepared by counsel for the City and shall contain such commercial reasonable representations, warranties, covenants, conditions (e.g. a due on sale clause), events of default, rights, remedies and other terms in addition to those specifically set forth herein as the City deems reasonably necessary or appropriate in its reasonable discretion.

(b) The loan documents shall include such audited and unaudited financial reporting requirements for the Developer and/or the Project as the City may reasonably require.

8.3 **Additional Requirements.** In addition to the above, the following conditions must be met prior to the City's funding of the transactions contemplated herein:

(a) The Developer shall provide the City with any and all documents requested by the City at Developer's expense, which may include, without limitation, the following documents at or before closing on the Forgivable Loan:

- (i) Mortgage and Security Agreement;
- (ii) Promissory Note;
- (iii) Collateral Assignment of Rents and Leases;
- (iv) Collateral Assignment of Contracts, Licenses and Permits;
- (v) Borrower's Title and No Lien Affidavit;
- (vi) Environmental Affidavit;
- (vii) Borrower's Certificate;
- (viii) Anti-Coercion Statement;
- (ix) Agreement to Provide Insurance;
- (x) Title Commitment insuring City's mortgage, subject only to exceptions acceptable to the City in its sole discretion;
- (xi) Copies of any existing leases;
- (xii) Survey certified to City;
- (xiii) Copies of licenses, permits, operating contracts;
- (xiv) Evidence of insurance with City listed as additional insured and loss payee in form and content acceptable to the City;
- (xv) Opinion of Borrower's Counsel; and
- (xvii) Any other documents or reports reasonably requested by the City.

#### 8.4 **Fees and Costs.**

The Developer shall pay all of the City's fees, expenses and costs in connection with the documentation, closing, administration and collection of the Forgivable Loan, whether or not the transaction contemplated herein is consummated. Such costs include, without limitation, all attorneys' fees and costs, filing fees, title review, intangible tax, recording fees, title, site inspection, survey, letter of credit fees and documentary stamp taxes, if any, which are incurred in connection with this Agreement or the negotiation, documentation and/or closing of the transaction contemplated by this Agreement, whether or not such transaction is closed.

### 8.5 **Closing Conditions.**

Prior to making any disbursement under the Forgivable Loan, the City shall receive, at the Developer's expense, such additional items in form and substance satisfactory to the City and its counsel as deemed necessary or appropriate to effectuate the Closing. The loan documents governing the Forgivable Loan will include, without limitation, such environmental representations, warranties, indemnities and other provisions as the City may reasonably require.

### 8.6 **Prepayment; Forgivable Loan Forgiveness.**

Provided there is no then outstanding event of default by Developer under this Agreement or the City Participation Loan documents, or an event which, with the giving of notice or the passage of time, or both, would constitute an event of default with respect to Developer's obligations under this Agreement or the loan documents, has occurred and is continuing, the Forgivable Loan shall be forgiven in full at such time as the Developer has Commenced Construction of the Improvements in accordance with the terms and conditions of this Agreement.

### 8.7 **Termination.**

At the loan closing, the Developer shall certify to the City that none of the events listed below have occurred, and the City may, at its option, terminate the funding of the transaction contemplated hereunder by written notice to the Developer, at the address set forth in Section 14.4 of this Agreement, upon:

- (a) The commencement by or against the Developer or any affiliate of any bankruptcy, insolvency or similar proceedings.
- (b) The Developer's or any affiliate's assignment for the benefit of its, his or her creditors, or admission in writing of its, his or her inability to pay its, his or her debts as they become due.
- (c) If any statement or representation made by the Developer related to the Project in connection with or in support of the Forgivable Loan, shall prove untrue in any material respect.
- (d) Default by the Developer in the performance of any other material covenant, condition or agreement set forth in this Agreement.

Any termination shall not affect the City's rights to enforce the provisions of this Agreement regarding costs and expenses or indemnification. All such rights shall survive any such termination.

## **Article 9. PARKING**

### 9.1 **Parking Agreement**

The DIA, as Licensee, and VyStar Credit Union, as Licensor (“VyStar”), have entered into that certain Parking Garage License Agreement dated January 23, 2023 (the “Parking Agreement”), pursuant to which the DIA has the right to License up to two hundred fifty (250) parking stalls within the Parking Garage, as defined therein. DIA shall use good faith efforts to have the Parking Agreement assigned to Developer by no later than the Substantial Completion of any Component of the Project. Developer acknowledges and agrees the Parking Agreement may not be assigned without the consent of VyStar, which consent may be withheld in the sole discretion of VyStar.

**Article 10.**  
**THE DEVELOPMENT**

**10.1 Scope of Development.**

The Developer shall construct and develop or cause to be constructed and developed, in substantial compliance with the times set forth in the Performance Schedule, all Improvements which the Developer is obligated to construct and develop with respect to the Project under this Agreement. The Developer shall construct all Improvements in accordance with all applicable laws and building and permitting codes. Developer shall require Turner Corporation to provide a corporate guaranty for the full, complete and faithful performance for all construction contracts between Turner Construction Company and Developer for the construction of the Improvements.

**10.2 Cost of Development.**

Except as otherwise set forth in this Agreement, the Developer shall pay the cost of constructing and developing the Improvements at no cost to the DIA.

**10.3 Approval by Other Governmental Agencies.**

All of the parties’ respective rights and obligations under this Agreement are subject to and conditioned upon approval of the Project and all Project Documents by such other governmental agencies, whether state, local or federal, as have jurisdiction and may be required or entitled to approve them. Notwithstanding any provision of this Agreement to the contrary, the DIA does not guarantee approval of this Agreement or any aspect of the Project by any government authorities and agencies that are independent of the DIA.

**10.4 Authority of DIA to Monitor Compliance.**

During all periods of design and construction, the Project Coordinator or his or her designee shall have the authority to monitor compliance by the Developer with the provisions of this Agreement and the Project Documents. Insofar as practicable, the Project Coordinator shall coordinate such monitoring and supervising activity with those undertaken by the City so as to minimize duplicate activity. To that end, during the period of construction and with a minimum of twenty-four (24) hours’ prior written notice to the Developer, representatives of the City and Project Coordinator or his or her designee shall have the right of access to the Project Parcel and to every structure on the Project Parcel during normal construction hours.

### 10.5 **Timing of Completion.**

The Improvements shall be completed substantially in accordance with the terms of this Agreement and the Performance Schedule.

### 10.6 **Construction and Operation Management.**

Except as otherwise expressly provided herein, the Developer shall have discretion and control, free from interference, interruption or disturbance, in all matters relating to the management, development, redevelopment, construction and operation of the Project, provided that the same shall, in any event, conform to and comply with the terms and conditions of this Agreement, and all applicable state and local laws, ordinances and regulations (including without limitation, applicable zoning, subdivision, building and fire codes). The Developer's discretion, control and authority with respect thereto shall include, without limitation, the following matters:

- (a) the construction and design of the Project, subject to the express terms and conditions of this Agreement;
- (b) the selection, approval, hiring and discharge of engineers, architects, contractors, subcontractors, professionals and other third parties (collectively, the "Vendors") on such terms and conditions as the Developer deems appropriate;
- (c) the negotiation and execution of contracts, agreements, easements and other documents with third parties, in form and substance satisfactory to Developer; and
- (d) the preparation of such budgets, cost estimates, financial projections, statements, information, and reports as the Developer deems appropriate.

## **Article 11. JSEB PROGRAM**

### 11.1 **Jacksonville Small and Emerging Businesses (JSEB) Program.**

The Developer, in further recognition of and consideration for the public funds provided to assist the Developer pursuant to this Agreement, hereby acknowledges the importance of affording to small and emerging vendors and contractors the full and reasonable opportunity to provide materials and services. Therefore, the Developer hereby agrees as follows:

- (a) The Developer shall obtain from the City's Procurement Division the list of certified Jacksonville Small and Emerging Businesses ("JSEB"), and shall exercise good faith, in accordance with Sections 126.608 et seq., *Ordinance Code*, to enter into contracts with City certified JSEBs to provide materials or services in an aggregate amount of not less than twenty percent (20%) of the DIA's maximum potential contribution to the Project as requested from time to time with respect to the development activities or operations of the Project over the term of this Agreement; and
- (b) The Developer shall submit JSEB report(s) regarding the Developer's actual use of City certified JSEBs on the Project, (i) on the date of any request for DIA funds which are payable

prior to the Completion of Construction, (ii) upon Completion of Construction. The form of the report to be used for the purposes of this section is attached hereto as **Exhibit F** (the “**JSEB REPORTING FORM**”).

**Article 12.**  
**LOAN PERIOD; REPORTING; SITE VISITS**

12.1 **Taxes.**

All property, business, and income taxes must be maintained in current status (subject to extensions permitted pursuant to applicable law) throughout the term of this Agreement, and through all DPRP Loan periods.

12.2 **Reporting.**

On an annual basis, and prior to March 1 each year this Agreement is in effect, the Developer shall submit reports to the DIA regarding all activities affecting the implementation of this Agreement, including a narrative summary of progress on the Project. Developer shall also submit to the DIA its notice of ad valorem taxes paid with respect to the Project Parcel contemporaneously with such payment.

The Developer’s obligation to submit such reports shall continue until the Developer has complied with all of the terms of this Agreement concerning the construction and Substantial Completion of the Project and during the term of each outstanding DPRP Loan. Within thirty (30) days following the receipt of a request of the DIA, the Developer shall provide the DIA with additional information reasonably requested by the DIA.

12.3 **Site Visits.**

After Substantial Completion and for so long as City or DIA has any payment obligations to Developer pursuant to this Agreement, Developer shall permit representatives from the City and DIA and other designated City/DIA personnel, to monitor compliance by Developer with the provisions of this Agreement. Once per calendar year, with a minimum twenty-four (24) hours’ prior notice to Developer, the Project Coordinator, or his or her designee, shall have the right to tour non-public portions of the Project and access Developer’s relevant business records related to the Project and this Agreement, during normal business hours, provided, however, that Developer shall have the right to have a representative of Developer present during any such inspection. Public portions of the Project, such as restaurants and retail spaces open to the public, may be visited without notice during normal operating hours of the respective businesses.

12.4 **Transfer or Refinance During DPRP Loan Period.**

DIA reserves the right in its reasonable discretion to approve any sale or disposition of the Project Parcel and/or Historic Buildings by Developer during the DPRP Loan period. If DIA fails to respond to a written request (provided consistent with Section 11.4 below) for approval of a sale or disposition within twenty (20) business days, DIA shall be deemed to have waived such approval right. DIA further reserves the right to approve any refinance of the senior debt during



the DPRP Compliance Period, provided however that any refinance which does not increase the outstanding principal amount or interest rate shall be permitted without further DIA approval.

### **Article 13. DEFAULTS AND REMEDIES**

#### **13.1 General.**

A default shall consist of the breach of any covenant, agreement, representation, provision, or warranty contained in (i) this Agreement (including, but not limited to, any failure to meet the reporting requirements described herein), (ii) any documents executed by Developer in connection with this Agreement, (iii) any document provided to the DIA in connection with the underwriting and approval of to the Project, or (iv) any of the Loan Documents (collectively, the “Project Documents”). A default shall also exist if any event occurs or information becomes known which, in the reasonable judgment of the DIA, makes untrue, incorrect or misleading in any material respect any statement or information contained in any of the documents described in clauses (i) – (iv) above or causes such document to contain an untrue, incorrect or misleading statement of material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

If any such default or breach occurs under this Agreement, the DIA may refuse to advance any further funds under this Agreement, including pursuant to any DPRP Loan and additionally, may at any time or from time to time proceed to protect and enforce all rights available to the DIA under this Agreement by suit in equity, action at law or by any other appropriate proceeding whether for specific performance of any covenant or agreement contained in this Agreement, or damages, or other relief, or proceed to take any action authorized or permitted under applicable laws or regulations, including, but not limited to, terminating this Agreement. The DIA shall not act upon a default until it has given the Developer written notice of the default and fifteen (15) business days within which to cure the default; provided, however, that the DIA may withhold any and all funds, including pursuant to any DPRP Loan immediately upon the occurrence of a default and throughout any notice or cure period. However, if any default cannot reasonably be cured within the initial fifteen (15) business days, Developer’s time to cure the default shall be extended during such time that Developer is diligently pursuing such cure provided that such time period shall not exceed ninety (90) days, so long as Developer has commenced and is diligently proceeding to cure such default within the initial fifteen (15) business day period.

Notwithstanding the foregoing, Developer shall immediately and automatically be in default, and the DIA shall not be required to give Developer any notice or opportunity to cure such default (and thus the DIA shall immediately be entitled to act upon such default), upon the occurrence of any of the following:

(a) The entry of a decree or order by a court having jurisdiction in the premises adjudging the Developer a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Developer under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a receiver, liquidator, custodian, assignee, or sequestrator (or other similar official) of the Developer or of any substantial part of its property, or ordering the winding up or liquidation of its affairs,

and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days;

(b) The institution by Developer of proceedings to be adjudicated a bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under the United States Bankruptcy Code or any other similar applicable federal or state law, or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, custodian, assignee, trustee or sequestrator (or other similar official) of the Developer or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due;

(c) Payment defaults, or other defaults that trigger legal actions against the Applicant that endanger the lien position of the City, shall also be a default on the subject facilities provided that such defaults are not cured within ten (10) days;

(d) The collapse or demolition of any of the Historic Buildings, which shall also serve as an event of default under the Forgivable Loan documents and City Participation Loan;

(e) Any default by Developer under the Forgivable Loan or City Participation Loan; and

(f) Payment defaults, bankruptcy filings, or other material defaults during the DPRP Loan period (subject in each case to any grace periods or notice and cure periods provided in this Agreement or any Project Documents) will trigger the right for the City of Jacksonville to accelerate all amounts funded and outstanding under any or all programs at such time plus a twenty percent (20%) penalty of any amounts amortized or prepaid prior to that date.

### 13.2 **Specific Defaults.**

Additionally, for any of the specific events of default described in this Section 13.2 below, the parties agree that the City or DIA's damages recoverable from the Developer shall include, but not be limited to, the following:

(a) In the event reporting requirements are not met in the time period specified in this Agreement, and such failure is not cured within thirty (30) days of the date such report is required to be submitted, the DIA will be entitled to withhold all further advances for any DPRP Loan;

(b) In the event all property, business, and income taxes are not timely paid throughout the term of this Agreement, and through all DPRP Loan periods, the DIA will be entitled to withhold all further advances for any DPRP Loan and all amortization or forgiveness on any outstanding DPRP Loans will cease until all taxes are brought current;

(c) In the event the Developer restructures its ownership interest in the Developer entity (a "Change in Control"), sells, refinances the Project Parcel, or any portion thereof, in such a way as to remove any equity injected prior to closing, or otherwise transfers any

portion of the Historic Buildings, all or any portion of the Project Parcel or any majority interest in the Developer, or in the event of a Change in Control, which shall be deemed to have occurred when as a result of a transfer or series of transfers, (i) more than fifty percent (50%) of the control or the beneficial ownership of any voting interests or equity interests of Developer changes, or (ii) any direct or indirect sale, assignment, transfer, exchange or other disposition of all or any portion of a general partner's or managing member's interest in Developer, the substitution of a general partner or managing member, or the addition of a general partner or managing member, or (iii) all or substantially all of the assets of Developer are sold, assigned, transferred or conveyed (collectively, a "Sale") during the five (5) year period immediately following the date of disbursement of any DPRP Loan, the Developer shall pay to the DIA at closing of the Sale all or a portion, as applicable, of the total amount of funds disbursed under HPRR Loan and the CCR Loan with respect to the portion of the Project Parcel sold (collectively, the "Disbursed Funds") as follows:

(i) one hundred percent (100%) of the funds actually disbursed to Developer as part of a DPRP Loan in the one (1) year prior to the Sale;

(ii) eighty percent (80%) of the funds actually disbursed to Developer as part of a DPRP Loan between the date that is one (1) year prior to the Sale and the date that is two (2) years prior to the Sale;

(iii) sixty percent (60%) of the funds actually disbursed to Developer as part of a DPRP Loan between the date that is two (2) years prior to the Sale and the date that is three (3) years prior to the Sale;

(iv) forty percent (40%) of the funds actually disbursed to Developer as part of a DPRP Loan between the date that is three (3) years prior to the Sale and the date that is four (4) years prior to the Sale; and

(v) twenty percent (20%) of the funds actually disbursed to Developer as part of a DPRP Loan between the date that is four (4) years prior to the Sale and the date that is five (5) years prior to the Sale.

In addition, if such Sale involves only a portion of the Project Parcel, all DPRP Loans outstanding with respect to the remainder of the Project Parcel may, in DIA's discretion, become immediately due and payable and all amortization will cease on any outstanding DPRP Loans.

(d) if, upon Substantial Completion of the Forsyth St. Hotel Improvements in accordance with this Agreement, Developer fails to invest at least \$39,089,600 of private funding in the Forsyth St. Hotel Improvements, the Hotel REV Grant will be proportionately reduced. Private funding in the Forsyth St. Hotel Improvements excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for this calculation shall be \$259,098 (2023 Property

Appraiser valuation), and not more than \$414,650 of Predevelopment Costs shall be eligible for inclusion. If, upon Substantial Completion of the Forsyth St. Hotel Improvements in accordance with this Agreement, Developer fails to invest at least \$35,180,640 of private funding in the Forsyth St. Hotel Improvements, the Hotel REV Grant will be terminated and Developer will repay the DIA the entire amount of the Hotel REV Grant that has been previously paid to Developer, if any.

(e) if, upon Substantial Completion of the Laura St. Multi-Family Improvements in accordance with this Agreement, Developer fails to invest at least \$63,490,200 of private funding in the Laura St. Multi-Family Improvements, the Multi-family REV Grant will be proportionately reduced. Private funding in the Laura St. Multi-Family Improvements excludes developer fees paid or owed to Developer or any owner of the Project Parcel, existing debt repayment, costs allocated for funding under any other DIA program, holding costs, operating or interest reserves (although interest capitalized during the construction period is eligible for inclusion), tangible personal property, information technology, furniture, fixtures, equipment, marketing, third party costs for risk management, and loan fees. Land value for this calculation shall be \$529,110 (2023 Property Appraiser valuation), and not more than \$586,200 of Predevelopment Costs shall be eligible for inclusion. If, upon Substantial Completion of the Laura St. Multi-Family Improvements in accordance with this Agreement, Developer fails to invest at least \$57,141,180 of private funding in the Laura St. Multi-Family Improvements, the Multi-family REV Grant will be terminated and Developer will repay the DIA the entire amount of the Multi-family REV Grant that has been previously paid to Developer, if any.

(f) In the event the Developer or any lessee, transferee or assignee of the Developer uses the Project for any use not contemplated by this Agreement or the DPRP Guidelines at any time on or before the fifth (5<sup>th</sup>) anniversary of the last date of any disbursement of funds to the Developer, such use has not been approved by the DIA Board, and such use continues for thirty (30) days after written notice from DIA to Developer of such violation, the full amount of the funds actually disbursed to the Developer, together with all accrued but unpaid interest thereon, shall immediately become due and payable to the DIA by the Developer. However, if any unapproved use was not authorized or permitted by Developer or its agents and cannot reasonably be cured within the initial thirty (30) days, Developer's time to cure the default shall be extended during such time that Developer is diligently pursuing such cure, so long as Developer has commenced and is diligently proceeding to cure unapproved use within the initial thirty (30) day period;

(g) The maximum combined repayment due under this Section 13.2 shall not exceed the total amount of the Disbursed Funds actually paid to the Developer under this Agreement.

### 13.3 **Performance Schedule Default.**

Notwithstanding anything in this Agreement to the contrary, in the event that the Developer fails to Commence and Substantially Complete the Project in accordance with the Performance Schedule, the Developer shall be deemed to have forfeited and waived its right to, and the DIA shall not be obligated to pay, any further amounts under this Agreement or any DPRP Loan.

**Article 14.**  
**GENERAL PROVISIONS**

**14.1 Non-liability of DIA Officials.**

No member, official or employee of the DIA shall be personally liable to the Developer or to any person with whom the Developer shall have entered into any contract, or to any other person, in the event of any default or breach by the DIA, or for any amount which may become due to the Developer or any other Person under the terms of this Agreement.

**14.2 Force Majeure.**

No party to this Agreement shall be deemed in default hereunder where such a default is based on a delay in performance as a result of war, global or domestic pandemic, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualty, acts of God, acts of public enemy, epidemic, quarantine restrictions, freight embargo, shortage of labor or materials, interruption of utilities service, lack of transportation, severe weather and other acts or failures beyond the control or without the control of any party; provided, however, that the extension of time granted for any delay caused by any of the foregoing shall not exceed the actual period of such delay, and in no event shall any of the foregoing excuse any financial liability of a party.

In the event of any delay or nonperformance resulting from such causes, the party affected shall notify the other in writing within ten (10) calendar days after beginning to incur delays that are the result of a Force Majeure Event, but in no event later than thirty (30) days after the date of the Force Majeure Event. Such written notice shall describe the nature, cause, date of commencement, and the anticipated impact of such delay or nonperformance, shall indicate the extent, if any, to which it is anticipated that any delivery or completion dates will be thereby affected, and shall describe the actions taken to minimize the impact thereof.

**14.3 Offset.**

DIA shall have the right to offset any amount owed by Developer under or in connection with this Agreement against any payments owed by DIA under this Agreement. Such offsets shall be in addition to any other rights or remedies available under this Agreement and applicable law.

**14.4 Notices.**

All notices to be given hereunder shall be in writing and personally delivered or sent by registered or certified mail, return receipt requested, or delivered by an air courier service utilizing return receipts to the parties at the following addresses (or to such other or further addresses as the parties may designate by like notice similarly sent) and such notices shall be deemed given and received for all purposes under this Agreement three (3) business days after the date same are deposited in the United States mail if sent by registered or certified mail, or the date actually received if sent by personal delivery or air courier service, except that notice of a change in address shall be effective only upon receipt.

The DIA:

Downtown Investment Authority  
117 West Duval Street, Suite 310  
Jacksonville, Florida 32202  
Attn: Chief Executive Officer

With a copy to:

City of Jacksonville  
Office of the General Counsel  
City Hall-St. James Building  
117 West Duval Street, Suite 480  
Jacksonville, Florida 32202

The Developer:

Laura Trio, LLC  
P.O. Box 5160  
Jacksonville, Florida 32247  
Attn: Stephen L. Atkins

With a copy to:

Burr & Forman, LLP  
50 N. Laura Street, Suite 3000  
Jacksonville, Florida 32202  
Attn: Jason R. Gabriel, Esq.

14.5 **Time.**

Time is of the essence in the performance by any party of its obligations hereunder.

14.6 **Entire Agreement.**

This Agreement constitutes the entire understanding and agreement between the parties and supersedes all prior negotiations and agreements between them with respect to all or any of the matters contained herein.

14.7 **Amendment.**

This Agreement may be amended by the parties hereto only upon the execution of a written amendment or modification signed by the parties. Notwithstanding the foregoing, the Chief Executive Officer of the DIA is authorized on behalf of the DIA to approve, in his or her sole discretion, any “technical” changes to this Agreement. Such “technical” changes include without limitation non-material modifications to legal descriptions and surveys, ingress and egress,

easements and rights of way, and design standards, as long as such modifications do not involve any increased financial obligation or liability to the DIA.

#### 14.8 **Waivers.**

Except as otherwise provided herein, all waivers, amendments or modifications of this Agreement must be in writing and signed by all parties. Any failures or delays by any party in insisting upon strict performance of the provisions hereof or asserting any of its rights and remedies as to any default shall not constitute a waiver of any other default or of any such rights or remedies. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties hereto are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by any other party.

#### 14.9 **Indemnification.**

The Developer shall indemnify, hold harmless and defend the DIA from and against, without limitation, any loss, claim, suit, action, damage, injury, liability, fine, penalty, cost, and expense of whatsoever kind or nature (including without limitation court, investigation and defense costs and reasonable expert and attorneys' fees and costs) related to any suits and actions of any kind brought against the DIA or other damages or losses incurred or sustained, or claimed to have been incurred or sustained, by any person or persons arising out of or in connection with: (i) any breach of any representation or warranty of the Developer contained or provided in connection with this Agreement; (ii) any breach or violation of any covenant or other obligation or duty of the Developer under this Agreement or under applicable law; (iii) any negligent act, error or omission, recklessness or intentionally wrongful conduct on the part of the Developer or those under its control that causes injury (whether mental or corporeal) to persons (including death) or damage to property, whether arising out of or incidental to the Developer's performance under this Agreement or relating to the Project, except to the extent caused by the sole negligence of the DIA. Nothing contained in this paragraph shall be construed as a waiver, expansion or alteration of the DIA's sovereign immunity beyond the limitations stated in Section 768.28, Florida Statutes.

This indemnification shall survive the expiration or termination (for any reason) of this Agreement and remain in full force and effect. The scope and terms of the indemnity obligations herein described are separate and apart from, and shall not be limited by any insurance provided pursuant to this Agreement or otherwise. The term "DIA" as used in this Section 14.9 shall include all DIA's members, officers, officials, employees and agents.

#### 14.10 **Severability.**

The invalidity, illegality or unenforceability of any one or more of the provisions of this Agreement shall not affect any other provisions of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

#### 14.11 **Compliance with State and Other Laws.**

In the performance of this Agreement, the Developer must comply with any and all applicable federal, state and local laws, rules and regulations, as the same exist and may be

amended from time to time. Such laws, rules and regulations include, but are not limited to, Chapter 119, Florida Statutes (the Public Records Act) and Section 286.011, Florida Statutes (the Florida Sunshine Law). If any of the obligations of this Agreement are to be performed by a subcontractor, the provisions of this Section shall be incorporated into and become a part of the subcontract.

#### 14.12 **Non-Discrimination Provisions.**

In conformity with the requirements of Section 126.404, *Ordinance Code*, the Developer represents that it has adopted and will maintain a policy of non-discrimination against employees or applicants for employment on account of race, religion, sex, color, national origin, age or handicap, in all areas of employment relations, throughout the term of this Agreement. The Developer agrees that, on written request, it will permit reasonable access to its records of employment, employment advertisement, application forms and other pertinent data and records, by the Executive Director of the Human Rights Commission, or successor agency or commission, for the purpose of investigation to ascertain compliance with the nondiscrimination provisions of Chapter 126, Part 4 of the *Ordinance Code*, provided however, that the Developer shall not be required to produce for inspection records covering periods of time more than one (1) year prior to the day and year first above written. The Developer agrees that, if any of its obligations to be provided pursuant to this Agreement are to be performed by a subcontractor, the provisions of this Section 13.12 shall be incorporated into and become a part of the subcontract.

#### 14.13 **Contingent Fees Prohibited.**

In conformity with Section 126.306, *Ordinance Code*, the Developer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Developer, to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for the Developer, any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For the breach or violation of these provisions, the DIA shall have the right to terminate this Agreement without liability and, at its discretion, to deduct from the contract price, or otherwise recover, the full amount of such fee, commission, percentage, gift or consideration.

#### 14.14 **Ethics.**

The Developer represents that it has reviewed the provisions of the Jacksonville Ethics Code, as codified in Chapter 602, *Ordinance Code*, and the provisions of the Jacksonville Purchasing Code, as codified in Chapter 126, *Ordinance Code*.

#### 14.15 **Conflict of Interest.**

The parties will follow the provisions of Section 126.110, *Ordinance Code*, with respect to required disclosures by public officials who have or acquire a financial interest in a bid or contract with the DIA, to the extent the parties are aware of the same.



14.16 **Public Entity Crimes Notice.**

In conformity with the requirements of Section 126.104, *Ordinance Code*, and Section 287.133, Florida Statutes, the Parties agree as follows:

The parties are aware and understand that a person or affiliate who has been placed on the State of Florida Convicted Vendor List, following a conviction for a public entity crime, may not submit a bid on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity, in excess of Thirty-Five Thousand Dollars (\$35,000.00), for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor List.

14.17 **Survival.**

Any obligations and duties that by their nature extend beyond the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement and remain in effect. Without limiting the foregoing, all obligations for the payment of fees or other sums accruing up to the expiration or termination of this Agreement and all provisions relating to the DIA's right to conduct an audit shall survive the expiration or termination of this Agreement.

14.18 **Incorporation by Reference.**

All exhibits and other attachments to this Agreement that are referenced in this Agreement are by this reference made a part hereof and are incorporated herein.

14.19 **Order of Precedence.**

In the event of any conflict between or among the provisions of this Agreement and those of any exhibit attached hereto or of any amendment, the priority, in decreasing order of precedence shall be: 1) any fully executed amendment; 2) provisions in this Agreement; and 3) exhibits to this Agreement.

14.20 **Counterparts.**

This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument. Delivery of a counterpart by electronic means shall be valid for all purposes.

14.21 **Independent Contractor.**

In the performance of this Agreement, the Developer will be acting in the capacity of an independent contractor and not as an agent, employee, partner, joint venturer or association of the DIA. The Developer and its employees or agents shall be solely responsible for the means, method, technique, sequences and procedures utilized by the Developer in the performance of this Agreement.

#### 14.22 Retention of Records/Audit.

The Developer agrees:

(a) To establish and maintain books, records and documents (including electronic storage media) sufficient to reflect all income and expenditures of all funds provided by the DIA under this Agreement;

(b) To retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement for a period of six (6) years after completion of the date of final payment by the DIA under this Agreement, including auditable records pertaining to jobs filled by third-party employers. If an audit has been initiated and audit findings have not been resolved at the end of such six (6) year period, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement, at no additional cost to the DIA. Any audit of the Developer pursuant to the terms of this Section 14.22 shall not be performed by an auditing firm that is paid on a contingency basis;

(c) Upon demand, at no additional cost to the DIA, to facilitate the duplication and transfer of any records or documents pertinent to this Agreement during the required retention period;

(d) To assure that these records pertinent to this Agreement including any of the Developer's contracts and related records and documents, regardless of the form in which kept shall be subject at all reasonable times to inspection, review, copying, or audit by personnel duly authorized by the DIA, including but not limited to the City Council auditors;

(e) To ensure that all related party transactions are disclosed to the DIA;

(f) To include the aforementioned audit, inspections, investigations and record keeping requirements in all subcontracts and assignments of this Agreement;

(g) To permit persons duly authorized by the DIA, including but not limited to the City Council auditors, to inspect and copy any records, papers, documents, facilities, goods and services of the Developer which are relevant to this Agreement, and to interview any employees and subcontractor employees of the Developer to assure the DIA of the satisfactory performance of the terms and conditions of this Agreement. Following such review, the DIA will deliver to the Developer a written report of its findings and request for development by the Developer of a corrective action plan where appropriate. The Developer hereby agrees to timely correct all deficiencies identified in the corrective action plan;

(h) If the result of any audit by the City or DIA establishes that the amount of its Total Development Cost has been overstated by five percent (5%) or more, the entire expense of the audit shall be borne by the Developer;

(i) Additional monies due as a result of any audit or annual reconciliation shall be paid within thirty (30) days of date of the DIA's invoice; and

(j) Should any audit reveal that the Developer has overstated the amount of its Total Development Cost, and the Developer does not make restitution within thirty (30) days from the date of receipt of written notice from the DIA, then, in addition to any other remedies available to the DIA, the DIA may terminate this Agreement, solely at its option, by written notice to the Developer.

**14.23 Non-merger.**

None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with any deed conveying title to the Project Parcel.

**14.24 Exemption of DIA.**

Neither this Agreement nor the obligations imposed upon the DIA hereunder shall be or constitute an indebtedness of the DIA within the meaning of any constitutional, statutory or charter provisions requiring the DIA to levy ad valorem taxes nor a lien upon any properties of the DIA. Payment or disbursement by the DIA of any loan or grant amount hereunder is subject to the availability of lawfully appropriated funds. If funds are not available pursuant to a lawful appropriation thereof by the City Council and/or the DIA Board as applicable, this Agreement shall be void and the DIA shall have no further obligations hereunder.

**14.25 Parties to Agreement; Successors and Assigns.**

This is an agreement solely between the DIA and the Developer. The execution and delivery hereof shall not be deemed to confer any rights or privileges on any person not a party hereto. This Agreement shall be binding upon the Developer and the Developer's permitted successors and assigns, and shall inure to the benefit of the DIA and its successors and assigns. However, Developer shall not assign, transfer or encumber its rights or obligations hereunder or under any document executed in connection herewith including, without limitation, any and all Project Documents, without the prior written consent of the DIA, which consent may be withheld in the sole discretion of the DIA. Notwithstanding the foregoing, in the event any proposed assignee has both development experience, and maintains a net worth equivalent to or greater than that of Developer, consent to assignment shall not be unreasonably withheld.

**14.26 Venue; Applicable Law.**

The rights, obligations and remedies of the parties specified under this Agreement shall be interpreted and governed in all respects by the laws of the State of Florida. All legal actions arising out of or connected with this Agreement must be instituted in the Circuit Court of Duval County, Florida, or in the Federal District Court for the Middle District of Florida, Jacksonville Division. The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement. Each party shall be responsible for the payment of its own attorneys' fees and costs incurred in connection with the enforcement of the terms of this Agreement.

**14.27 Civil Rights.**

The Developer agrees to comply with all of the terms and requirements of the Civil Rights Act of 1964, as amended, and the Civil Rights Act of 1968, as amended, and the antidiscrimination

provisions of Chapter 126, Part 4, of the *Ordinance Code*, and further agrees that in its operation under this Agreement it will not discriminate against anyone on the basis of race, color, age, disability, sex or national origin.

14.28 **Further Assurances.**

Developer will, on request of the DIA,

(a) promptly correct any defect, error or omission herein or in any document executed in connection herewith or any other Project Document;

(b) execute, acknowledge, deliver, procure, record or file such further instruments and do such further acts deemed necessary by the DIA to carry out the purposes of the Project Documents; and

(c) provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts reasonably deemed necessary, desirable or proper by the DIA to carry out the purposes of the Project Documents and this Agreement.

14.29 **Construction.**

All parties acknowledge that they have had meaningful input into the terms and conditions contained in this Agreement. Developer further acknowledges that it has had ample time to review this Agreement and related documents with counsel of its choice. Any doubtful or ambiguous provisions contained herein shall not be construed against the party who drafted the Agreement. Captions and headings in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

14.30 **Further Authorizations.**

The parties acknowledge and agree that the Chief Executive Officer of the DIA is hereby authorized to execute any and all other contracts and documents and otherwise take all necessary action in connection with this Agreement and the Resolution.

14.31 **Estoppel Certificate.**

On twenty (20) days written request from the other party, either party shall execute and deliver to the other party an estoppel letter stating that this Agreement is: (i) unmodified and in full force and effect, or in full force and effect as modified, and stating the modification; (ii) the amount of DPRP Loans actually paid to Developer and the remaining portion of DPRP Loans for which Developer remains eligible; and (iii) that there are not, to that party's actual knowledge, any uncured defaults, or events which with the passage of time would become a default, on the part of the other party, or specifying existing defaults.

14.32 **Attorney's Fees.**

Each party shall be responsible for its own attorneys' fees and costs in connection with any legal action related to this Agreement.

14.33 **Termination.**

Notwithstanding anything contained to the contrary in this Agreement, following any termination of this Agreement by either party hereto pursuant to any right to terminate this Agreement contemplated hereunder, neither party shall owe any further obligation to the other party under this Agreement.

**IN WITNESS WHEREOF**, this Agreement is executed the day and year above written.

**ATTEST:**

**CITY OF JACKSONVILLE**

\_\_\_\_\_  
James R. McCain, Jr.  
Corporation Secretary

By: \_\_\_\_\_  
Donna Deegan  
Mayor

Form Approved:

\_\_\_\_\_  
Office of General Counsel

**DOWNTOWN INVESTMENT AUTHORITY**

By: \_\_\_\_\_  
Name Printed: Lori N. Boyer  
Its: Chief Executive Officer

WITNESS:

LAURA TRIO, LLC, a Delaware limited liability company

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Approved as to Form Only:

\_\_\_\_\_  
Office of the General Counsel

GC-#1575700-v9-Laura\_Trio\_LLC\_RDA\_-\_2023.docx  
51950783 v1  
50787301 v1

**Encumbrance and funding information for internal DIA use:**

**Account.....** \_\_\_\_\_

**Amount.....\$** \_\_\_\_\_

In accordance with Section 24.103(e), of the *Ordinance Code* of the City of Jacksonville, I do hereby certify that there is an unexpended, unencumbered and unimpounded balance in the appropriation sufficient to cover the foregoing agreement; *provided however*, this certification is not nor shall it be interpreted as an encumbrance of funding under this Contract. Actual encumbrance[s] shall be made by subsequent purchase order or check request[s], as specified in said Contract.

\_\_\_\_\_  
Director of Finance  
City Contract # \_\_\_\_\_

Contract Encumbrance Data Sheet follows immediately.

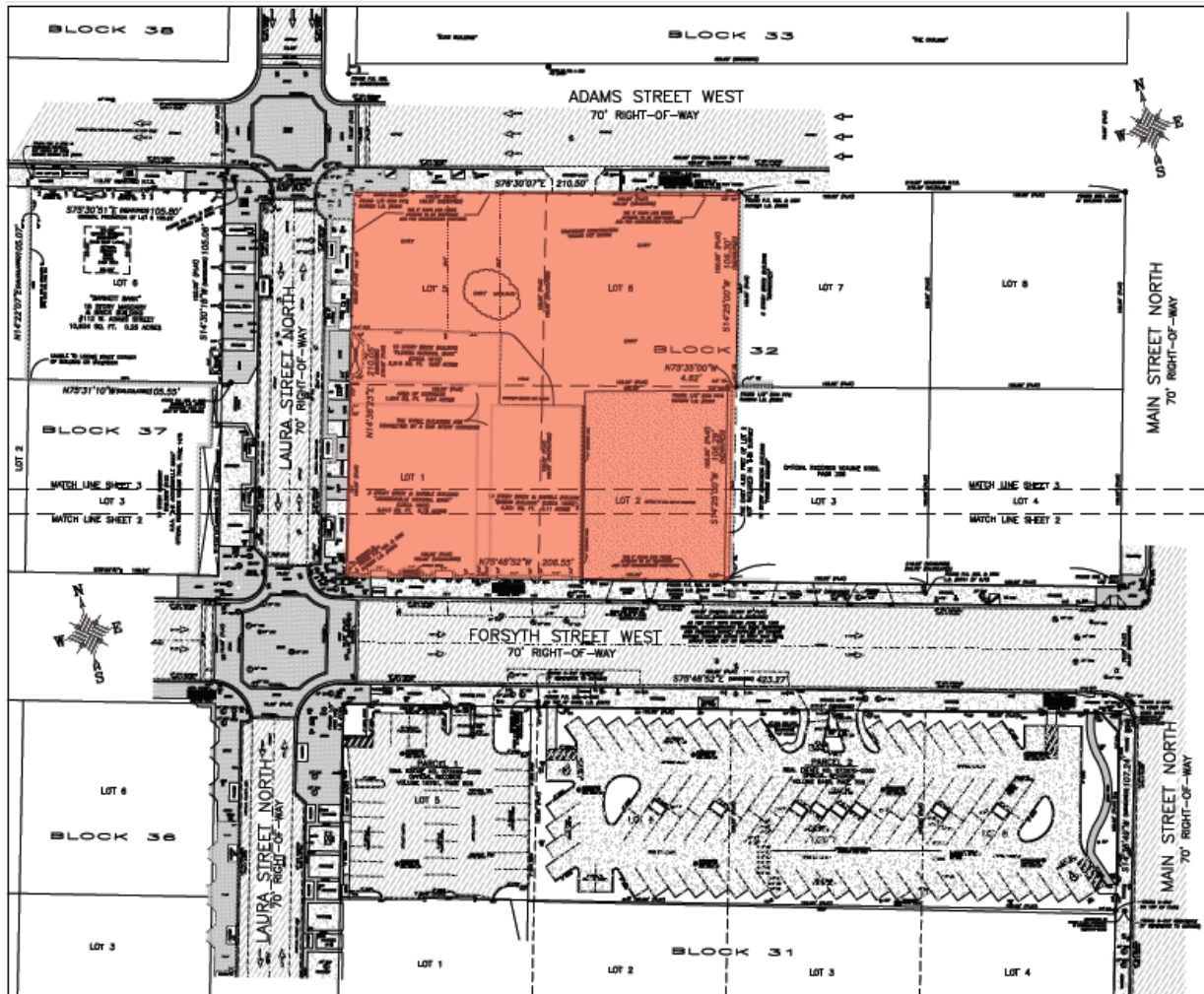
## LIST OF EXHIBITS

- Exhibit A – Project Parcel
- Exhibit B – Bisbee Building Improvements
- Exhibit C – Florida National Bank Building Improvements
- Exhibit D – Florida Life Insurance Building Improvements
- Exhibit E – Laura St. Multi-Family Improvements
- Exhibit F – JSEB Reporting Form
- Exhibit G – Request for Loan Disbursement Form
- Exhibit H – Historic Buildings General Construction Costs
- Exhibit I – Agreement for Settlement of Fines
- Exhibit J – Forsyth St. Hotel Improvements
- Exhibit K – NPS Approval Letter
- Exhibit L – Replenishment Guaranty
- Exhibit M – Net Cash Flow



## Exhibit A Project Parcel

That certain real property located generally at 51 W. Forsyth Street, 47 W. Forsyth Street, 117 N. Laura Street, having R.E. # 073676-0000, and those certain, adjacent parcels of unimproved real property having R.E. # 073687-0000 and 073688-0000, all as generally shown below.



SHEET 3 (BOUNDARY)

## Exhibit B

### Bisbee Building Improvements

(All square footages and room counts presented are approximate from plans provided)

Redevelopment of the existing, ten-story, plus basement, fifty thousand five hundred and thirty nine (50,539) square foot building located at 47 W. Forsyth Street in accordance with plans and approvals as provided by Historic Preservation Section of the City Planning and Development Department, Florida Division of Historical Resources, and the U.S. Department of the Interior, National Parks Service. Redevelopment of the historic property will adhere to design and functional elements as approved by the DDRB. To be redeveloped with "back of house" operations in the estimated 4,639 square foot basement, and an approximately 4,590 square foot lobby on the first floor (4,200 square foot minimum (open to the public)). Floors two through ten provide six to seven hotel rooms per floor (projected 62 rooms total, 56 minimum).

Redevelopment is to include mechanical operations in the basement, an approximately four thousand four hundred one (4,401) square foot hotel lobby and lounge on the ground floor, four thousand four hundred one (4,401) square feet providing six (6) hotel rooms on the second (2<sup>nd</sup>) floor, and eight (8) floors of four thousand four hundred one (4,401) square feet each to provide six (6) to seven (7) hotel rooms on each floor (for a minimum of fifty-six (56) and a projected approximate of sixty-two (62) rooms total), materially consistent with the outline as shown below:

Floor	Area	Description
Basement	4,590 SF	Mechanical
Floor 1	4,401 SF	Hotel Lobby & Lounge
Floor 2	4,401 SF	6 Typical Rooms
Floor 3	4,401 SF	6-7 Typical Rooms
Floor 4	4,401 SF	6-7 Typical Rooms
Floor 5	4,401 SF	6-7 Typical Rooms
Floor 6	4,401 SF	6-7 Typical Rooms
Floor 7	4,401 SF	6-7 Typical Rooms
Floor 8	4,401 SF	6-7 Typical Rooms
Floor 9	4,401 SF	6-7 Typical Rooms
Floor 10	4,401 SF	6-7 Typical Rooms
Totals	48,411 SF	62 Hotel Rooms (projected)

## Exhibit C

### Florida National Bank Building Improvements

(All square footages and room counts presented are approximate from plans provided)

Redevelopment of the existing two-story building plus basement located at 51 W. Forsyth Street with approximately fourteen thousand one hundred eighty (14,180) square feet total in accordance with plans and approvals as provided by Historic Preservation Section of the City Planning and Development Department, Florida Division of Historical Resources, and the U.S. Department of the Interior, National Parks Service. Redevelopment of the historic property will adhere to design and functional elements as approved by the DDRB.

Redevelopment to include an estimated four thousand and sixty-seven (4,067) square foot private dining/wine cellar space in the basement (3,700 square foot minimum), along with an estimated 3,023 square foot “back of house” space, and a seven thousand ninety (7,090) square foot restaurant on the first (1<sup>st</sup>) floor (minimum 6,400 square feet) with, materially consistent with the *approximated* outline as shown below:

Floor	Area	Description
Basement	4,000 SF	Private Dining/Wine Cellar
Floor 1	7,090 SF	Restaurant
Totals	11,090 SF	

## Exhibit D

### Florida Life Insurance Building Improvements

(All square footages and room counts presented are approximate from plans provided)

Redevelopment of the existing eleven-story building plus basement located at 117 N. Laura Street with approximately twenty-three thousand six hundred thirteen (23,613) square feet total in accordance with plans and approvals as provided by Historic Preservation Section of the City Planning and Development Department, Florida Division of Historical Resources, and the U.S. Department of the Interior, National Parks Service. Redevelopment of the historic property will adhere to design and functional elements as approved by the DDRB.

Redevelopment to include two thousand eighty-six (2,086) square feet of mechanical space in the basement, one thousand nine hundred fifty-seven (1,957) square foot multifamily lobby on the ground floor, and ten (10) floors of one thousand one hundred fifty-seven (1,957) square feet each to provide two (2) multifamily apartments on each floor (twenty (20) units total, eighteen (18) minimum), materially consistent with the outline as shown below:

Floor	Area	Description
Basement	2,086 SF	Mechanical Space
Floor 1	1,957 SF	2 Typical Apartment Units
Floor 2	1,957 SF	2 Typical Apartment Units
Floor 3	1,957 SF	2 Typical Apartment Units
Floor 4	1,957 SF	2 Typical Apartment Units
Floor 5	1,957 SF	2 Typical Apartment Units
Floor 6	1,957 SF	2 Typical Apartment Units
Floor 7	1,957 SF	2 Typical Apartment Units
Floor 8	1,957 SF	2 Typical Apartment Units
Floor 9	1,957 SF	2 Typical Apartment Units
Floor 10	1,957 SF	2 Typical Apartment Units
Floor 11	1,957 SF	2 Typical Apartment Units
<b>Totals</b>	<b>23,613 SF</b>	<b>20 Apartment Units</b>

## **Exhibit E**

### **Laura St. Multi-Family Improvements**

Eleven stories plus a basement, estimated 161,877 square feet total. First floor to provide approximately 6,550 square feet (5,900 square foot minimum) in leasable retail space, and approximately 6,300 square feet of amenity and back-of-house space. Floors two through ten provide an estimated 14,972 square feet and fifteen apartment units per floor, whereas floor eleven is estimated at 13,639 square feet and is proposed to provide 14 multifamily units. In total, 149 units are proposed for the new multifamily construction component (140 is the established minimum).

**Exhibit F**

**JSEB Reporting Form**

Business:

Goal: \$

Contact: \_\_\_\_\_

Date:

Date Contract Awarded	Contractor Name	Ethnicity (1)	Scope of Work (2)	Contract Amount	Amount Paid to Date	% of Work Completed to Date
		(1) AA – African American	(2) Examples: Masonry			
		HANA – Hispanic, Asian, Native American	Painting			
		WBE – Women	Site Clearing			
		C - Caucasian	Electrical			

**Exhibit G**

**REQUEST FOR LOAN DISBURSEMENT FORM**

Developer Name: \_\_\_\_\_ Phase Number: \_\_\_\_\_

Address: \_\_\_\_\_ Document Number: \_\_\_\_\_

\_\_\_\_\_ Date Submitted: \_\_\_\_\_

Phone: \_\_\_\_\_ Tax ID #: \_\_\_\_\_

Historic Building Name: \_\_\_\_\_

Historic Building Address: \_\_\_\_\_

**DEVELOPER PAYMENT REQUEST** Total documented Project Cost (for this Phase): \_\_\_\_\_

<u>Type of Eligible Expenditure</u>	<u>Amount of Eligible Expenses Submitted for this Phase</u>	<u>Eligible Percentage</u>	<u>Allowable Amount for this Phase</u>
Exterior Rehabilitation & Restoration _____		x <b>75%</b>	_____
Interior Restoration _____		x <b>75%</b>	_____
Interior Rehabilitation _____		x <b>30%</b>	_____
General Requirements & Overhead _____		x <b>20%</b>	_____
Code Compliance _____		x <b>75%</b>	_____

Total Amount Requested in this Phase: \_\_\_\_\_

- 1 Loan funds received to date (all Phases): \_\_\_\_\_
- 2 Loan funds previously requested but not yet received: \_\_\_\_\_

**Loan disbursements will be provided only after 100% completion of the Improvements for the applicable Project Phase. Once such Improvements are 100% complete, a final inspection by the Historic Preservation Section must be performed.**

Developer:

I hereby request an inspection to receive a final loan disbursement in the amount of \$\_\_\_\_\_. I certify that I have satisfactorily completed the necessary work to justify this request and that all bills incurred for labor used and materials furnished in making said repairs and improvements have been paid in full to this date.

Attached is a description of the work completed, the amount of payment requested by work item and such invoices, receipts, cancelled checks (or evidence that payment has cleared the Developer's banking account), and other documents required by the DIA evidencing that the costs and expenses were actually incurred and paid for by the Developer and were expended on and pertain to the work.

**Exhibit H**

Historic Buildings General Construction Costs

To be inserted at time of execution.



## Exhibit I

### Agreement for Settlement of Fines

Case No: 2012-57406 (MCEB # 120490)

Address: 51 W. Forsyth Street (Laura St. Trio Property)

### **AMENDED AND RESTATED AGREEMENT FOR SETTLEMENT OF FINES IMPOSED BY THE MUNICIPAL CODE ENFORCEMENT BOARD/SPECIAL MAGISTRATE**

**THIS AGREEMENT FOR SETTLEMENT OF FINES IMPOSED BY THE MUNICIPAL CODE ENFORCEMENT BOARD/SPECIAL MAGISTRATE** (“Agreement”) is made this \_\_\_ day of \_\_\_\_\_, 2023, by and between the **CITY OF JACKSONVILLE** (“City”), and **LAURA TRIO, LLC**, a Delaware limited liability company (“Owner”).

### RECITALS

A. Owner owns certain real property (the “Property”) which Property is subject to a fine imposed by the Special Magistrate/Board under the authority of Florida Statutes Chapter 162, and Chapter 91, *Ordinance Code*, for certain violations of Chapter 518, *Ordinance Code*, as more specifically described in the order imposing the fine, which order is recorded in the public records of Duval County, Florida, and the City and Owner previously entered into an agreement for settlement of fines imposed by the municipal code enforcement board/special magistrate, dated August 30, 2017 (the “Prior Agreement”).

B. On even date herewith, City and Owner have entered into a new redevelopment agreement governing the Improvements (the “Redevelopment Agreement”) and the parties hereto desire to amend and restate the Prior Agreement in its entirety to align the performance dates in the Prior Agreement with the performance schedule set forth in the Redevelopment Agreement.

C. Pursuant to Section 162.09(3), Florida Statutes, a fine imposed pursuant to Chapter 162, Florida Statutes shall continue to accrue until the violator comes into compliance or until judgment is rendered in a suit filed pursuant to that section, whichever occurs first.

D. Owner wishes to obtain a reduction or rescission of the fine in order to purchase the Property or obtain financing to make repairs to the Property in order to rehabilitate the Property and bring said Property into compliance with the standards set forth in Chapter 518, *Ordinance Code* (the “Property Safety Code”). Owner understands that pursuant to paragraph B above, the City is unable to release the fine until such time as the property is in compliance with the Property Safety Code.

E. In order to facilitate the process of achieving compliance, the Owner wishes to enter into this Agreement so that Owner will have a commitment from City as to the amount necessary for reduction or release of the fine once the Property is rehabilitated and brought into compliance.

**NOW THEREFORE**, for the mutual covenants granted herein and other good and valuable consideration which is hereby acknowledged, the parties agree to the following:

1. **Purpose of Agreement.** The purpose of this Agreement is to state the terms and conditions to be fulfilled by Owner and City for the reduction and/or rescission of the fine imposed against the property upon completion of all repairs necessary to bring the Property into compliance with the Property Safety Code. City acknowledges that Owner will substantially rely on the various agreements and commitments of City contained in this Agreement and will incur substantial expense in realization of the activities contemplated under the terms of this Agreement. Owner acknowledges that City will substantially rely upon its performance and will either release or reduce the fine in realization of this Agreement.

2. **Permitting of Improvements.** If required by the Municipal Code Compliance Division, within four (4) months of the execution of this Agreement, Owner shall provide to City a copy of the plans and specifications (“Plans and Specifications”) and any permits necessary to rehabilitate the property (as defined in the Redevelopment Agreement, the “Improvements”) in order to bring the Property into compliance with the Property Safety Code and any other applicable codes, including, but not limited to the Florida Building Code. If Owner does not receive the final permits referenced in this section within the time frames referenced in the Redevelopment Agreement, then City, through the Chief of the Municipal Code Compliance Division, may, in its sole discretion, provide its written agreement to extend the time period for Owner receiving these permits; otherwise, this Agreement shall be terminated.

3. **Completion of Improvements.**

(a) The Owner has received conditional approval to commence construction on the amended Part 2 application from the National Park Service (“NPS”), a copy of which is attached hereto as **Exhibit K** (“NPS Approval Letter”).

(b) The Owner shall close on the Forgivable Loan (defined in Article 8 below) simultaneously with the COPF Loan (defined below) no sooner than thirty (30) days from the Effective Date of this Agreement.

(c) The Owner shall apply for final approval from DDRB within sixty (60) days of the Effective Date of this Agreement.

(d) Within one hundred thirty (120) days of the Effective Date hereof, Owner shall demonstrate through binding financial commitments and to the reasonable satisfaction of the DIA that it has raised the necessary amount of equity and debt needed to fully perform all obligations of Owner set forth herein.

(e) The Owner shall apply for a building permit from the City as necessary for the Commencement of vertical construction of the Improvements (“**Building Permit**”) within sixty (60) days following final approval for the Improvements from DDRB, but not later than April 30, 2024.

(f) The Owner shall Commence Construction of the Improvements within forty-five (45) days of the loan closing referenced above. Owner shall provide written notice to

City within five (5) days of the actual Commencement of Construction date (the “Commencement Date”) and provide supporting documentation to that effect. The Owner shall have satisfied or otherwise have removed from the Project Parcel prior to the Commencement Date the Mortgage lien currently placed on the Project Parcel and recorded at Official Records Book 20430, Page 503, of the current public records of Duval County, Florida.

(g) The Improvements shall be Substantially Completed within thirty-six (36) months from the Commencement Date, in accordance with the terms and conditions of this Agreement (“Completion Date”).

The Improvements shall be deemed substantially complete when the Chief of the Municipal Code Compliance Division or his or her designee certifies to Owner and City that the construction of the Improvements has been substantially completed in accordance with Chapter 518, *Ordinance Code*, and any Plans and Specifications, and such date shall be deemed the “Compliance Date.” Owner shall notify City of the anticipated Completion Date at least thirty (30) days prior to such anticipated Completion Date.

4. **Settlement or Release of Fine(s)/Lien(s)**. After the Compliance Date, City hereby agrees that it shall execute a satisfaction or release of the Special Magistrate/Board order recorded against the Property in exchange for payment in the amount of \$10,000 (hereinafter, the “Settlement Amount”). At the time of execution of this Agreement, Owner shall deliver to City full payment of the Settlement Amount in either a cashier’s check or certified funds. No later than thirty (30) days after the Compliance Date, City shall deliver to Owner a release or satisfaction of the Municipal Code Enforcement Board order recorded against the Property. Owner acknowledges that if the Property is not brought into compliance by the Completion Date, all rights and obligations under this Agreement shall terminate. Owner acknowledges that the Settlement Amount is non-refundable.

5. **Conditions**. While the structure located on the Property is under rehabilitation it shall be kept safe and secured. The Property shall also be kept free of rubbish and excessive overgrowth of weeds and shrubbery.

6. **Assignment**. Owner may assign the rights and obligations under this Agreement to another person or entity that will serve substantially the same role as Owner. Such assignment by the Owner may only occur upon the written consent of City, not to be unreasonably withheld. Upon any assignment under this section, the assignor(s) shall be fully released from any and all liability under this Agreement.

7. **Default**. If, at any time during the term of this Agreement, it shall come to the attention of City that Owner is not performing its obligations under this Agreement, City may, at its option, proceed as follows:

a. Terminate this Agreement and proceed with action to abate the nuisance/unsafe conditions and impose a lien against the Property; or

b. Terminate this Agreement and refer the case to the Special Magistrate/Board which has the authority to impose fines of up to \$250.00 per day for each day the violation(s) continue (\$500.00 per day for repeat offenders).

8. **Miscellaneous.**

8.1 **Notices.** For purposes of this Agreement, all notices provided herein shall be sent certified mail, return receipt requested, by hand delivery, by overnight courier, or by facsimile machine with receipt confirmed, to the address referenced below:

If to the City: Chief, Municipal Code Compliance  
City of Jacksonville  
214 N Hogan Street, 1<sup>st</sup> Floor  
Jacksonville, Florida 32202

If to Owner: Laura Trio, LLC  
P.O. Box 5160  
Jacksonville, FL 32247  
Attn: Stephen L. Atkins

With a copy to: Burr Forman, LLP  
50 N. Laura Street, Suite #3000  
Jacksonville Florida 32202  
Attn: Jason Gabriel

8.2 **Agreement Format.** All words used herein in the singular form shall extend to and include the plural. All words used in the plural form shall extend to and include the singular. All words used in any gender shall extend to and include all genders.

8.3 **Execution of Agreement.** This Agreement may be simultaneously executed in two or more counterparts, each of which shall be deemed an original.

8.4 **Entire Agreement/Non-Waiver/Amendment.** This Agreement constitutes the complete agreement between the parties with respect to its subject matter and all antecedent or contemporaneous negotiations, undertakings, representations, warranties, inducements and obligations are merged into this Agreement and superseded by its delivery. No provision of this Agreement may be waived unless such waiver is set forth in writing signed by the party to be charged and this Agreement otherwise may be modified or amended only by a written instrument signed by Owner and City.

8.5 **Third Party Beneficiaries.** There are no third-party beneficiaries to this Agreement.

8.6 **Force Majeure.** Neither party shall be liable for its failure to perform hereunder if its performance is rendered impossible by any act, event or condition beyond its reasonable control which by the exercise of due diligence it shall be unable to overcome. Such acts, events or conditions shall include, but not be limited to, the following:

- (a) strike, work stoppage or slowdown;
- (b) acts of God (except normal weather conditions for the Jacksonville, Florida area), hurricane, tornado, lightning or earthquake;

- (c) acts of war, civil insurrection or terrorism;
- (d) fire or flood not caused by the party unable to perform; or
- (e) any unforeseeable causes, as determined in the sole discretion of the Chief, Municipal Code Compliance Division.
- (f) Any authorized event of Force Majeure under that certain Redevelopment Agreement executed on even date herewith among the City, Downtown Investment Authority, Owner, and Barnett Tower, LLC shall constitute an event of force majeure under this Agreement.

8.7 **Severability**. If any part of this Agreement is finally found by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue to be enforceable.

**[Remainder of page left blank intentionally; signatures on following page.]**

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the date set forth above.

**ATTEST:**

**“CITY”**

**CITY OF JACKSONVILLE**, a municipal corporation and a political subdivision of the State of Florida

\_\_\_\_\_  
James R. McCain, Jr.  
Corporation Secretary

By: \_\_\_\_\_  
Donna Deegan, Mayor

**“OWNER”**

**LAURA TRIO, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**STATE OF FLORIDA  
COUNTY OF DUVAL**

The foregoing instrument was acknowledged before me by means of \_\_ physical presence or \_\_ online notarization, this \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_ the \_\_\_\_\_ of Laura Trio, LLC, a Delaware limited liability company, on behalf of the Company. He/She (*check one*)  is personally known to me or  has produced a valid driver’s license as identification.

\_\_\_\_\_  
Notary Public, State of Florida  
Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_  
My Commission Number is: \_\_\_\_\_

Form Approved:

\_\_\_\_\_  
Office of the General Counsel

## **Exhibit J**

### **Forsyth St. Hotel Improvements**

(All square footages and room counts presented are approximate from plans provided)

New construction to develop a mixed-use retail and hotel property with eleven (11) occupied stories plus basement. The approximate 896 square foot basement is for "back of house" operations, whereas the first floor provides an estimated 5,200 square feet of conference space (4,700 square foot minimum). Floors two through nine provide nine hotel rooms per floor (81 total, 74 minimum) and the eleventh floor provides an estimated 5,200 square foot rooftop food and beverage amenity (4,700 square foot minimum) that shall be open to the public.

**Exhibit K**

**NPS Approval Letter**



**RECEIVED**  
APR 13 2021  
NATIONAL PARK SERVICE  
TAX INCENTIVE PROGRAM



**HISTORIC PRESERVATION CERTIFICATION APPLICATION  
PART 2 - DESCRIPTION OF REHABILITATION**

Instructions: This page must bear the Applicant's original signature and must be dated. The National Park Service certification decision is based on the descriptions in this application form. In the event of any discrepancy between the application form and other, supplementary material submitted with it (such as architectural plans, drawings and specifications), the application form takes precedence. A copy of this form will be provided to the Internal Revenue Service.

NPS Project Number  
43010

**1. Historic Property Name** Laura Trio (Florida National Bank Complex)

Street 47, 51 W. Forsyth St., 117 N. Laura St.

City Jacksonville County Duval State FL Zip 32203-3603

Name of Historic District or National Register property Downtown Jacksonville Historic District

- Listed individually in the National Register of Historic Places; date of listing \_\_\_\_\_
- Located in a Registered Historic District; name of district Downtown Jacksonville Historic District
- Part 1 - Evaluation of Significance submitted? Date submitted 1/15/2021 Date of certification 3/10/2021

**2. Project Data** (for phased projects, data entered in this section must be totals for entire project)

Date of building 1902, 1909/1910, 1912 Estimated total rehabilitation costs (QRE) \$57,700,000

Number of buildings in project 3 Floor area before / after rehabilitation 95,750 / 158,420 sq ft

Start date (estimated) 06/15/2018 Use(s) before / after rehabilitation Vacant / Hotel

Completion date (estimated) 06/15/2023 Number of housing units before / after rehabilitation 0 / 0

Application includes phase(s) 2 of 2 phases Number of low-moderate income housing units before / after rehabilitation 0 / 0

Intend to elect IRS 60-month phased rehabilitation

**3. Project Contact** (if different from applicant)

Name David B. Schneider Company Schneider Historic Preservation, LLC

Street 411 E. 6th Street City Anniston State AL

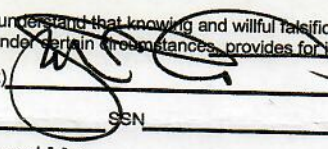
Zip 36207 Telephone (256) 310-6320 Email Address dbschneider@bellsouth.net

**4. Applicant**

I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable]:

- I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or
- if I am not the fee simple owner of the above described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011).

For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.

Name Stephen L. Atkins Signature (Sign in ink)  Date 04.01.21

Applicant Entity Laura Trio, LLC SSN \_\_\_\_\_ or TIN 45-5160533

Street 51 W. Forsyth Street City Jacksonville State FL Zip 32202

Telephone (904) 933-1879 Email Address satkins@southeastgroup.com

Applicant, SSN, or TIN has changed since previously submitted application.

**NPS Official Use Only**

- The National Park Service has reviewed the Historic Preservation Certification Application - Part 2 for the above-named property and has determined that:
- the rehabilitation described herein is consistent with the historic character of the property and, where applicable, with the district in which it is located and that the project meets the Secretary of the Interior's Standards for Rehabilitation. This letter is a preliminary determination only, since a formal certification of rehabilitation can be issued only to the owner of a "certified historic structure" after rehabilitation work is complete.
  - the rehabilitation or proposed rehabilitation will meet the Secretary of the Interior's Standards for Rehabilitation if the attached conditions are met.
  - the rehabilitation described herein is not consistent with the historic character of the property or the district in which it is located and that the project does not meet the Secretary of the Interior's Standards for Rehabilitation.

Date 5/27/2021

Antonio Aguilar  
National Park Service Authorized Signature (Sign in ink)

NPS conditions or comments attached



**HISTORIC PRESERVATION CERTIFICATION APPLICATION  
NATIONAL PARK SERVICE  
CONDITIONS**

Historic Property Name Laura Trio (Florida National Bank Complex) Project Number 43010

Property Address, City, State 47, 51 W. Forsyth Street, 117 North Laura Street, Jacksonville, FL

**The rehabilitation of this property as described in the Historic Preservation Certification Application will meet the Secretary of the Interior's Standards for Rehabilitation provided that the following condition(s) is/are met:**

1. New storefronts must be compatible with the historic character of the building. Shop drawings of the storefronts, skylight, and proposed new window replacements should be submitted for review and approval prior to installation of these features.
2. The existing north entrance corridor of the Florida Life Building, along with the remaining historic features and finishes such as the elevator door surrounds, decorative plaster ceiling and wall finishes, and mosaic floor finishes must be retained. If these features are deteriorated beyond repair, that condition must be thoroughly documented. If any of the existing historic features or finishes are deteriorated beyond repair, they must be replaced in kind or with a compatible substitute material. Photographs of the corridor and the retained historic features must be submitted with the Part 3- Request for certification of Completed work.
3. The northwest corner of the Bisbee Building must remain visible above the roof of the Florida National Bank Building. The new construction must not project past the existing wall connecting the rear of the Florida Life Building and the Bisbee Building.
4. This approval does not extend to future phases of the project, tenant work, final interior finishes, MEP details, signage, and other work, details of which have not been submitted for review and approval to the State Historic Preservation Office and this office. Federal regulations governing this program require evaluation of the entire project. This approval may be superseded if it is found that the overall rehabilitation does not meet the Secretary's Standards.

Revised drawing addressing the above conditions should be submitted for review and approval to ensure the project's conformance with the Standards. This office will review the additional documentation as soon as it is made available.

Photographs documenting that the conditions have been met must be submitted with the Request for Certification of Completed Work.

Any substantive change in the work as described in the application should be brought to the attention of the State Historic Preservation Office and the National Park Service in writing, using the Amendment/Advisory Determination form, prior to execution to ensure that the proposed project continues to meet the Standards.

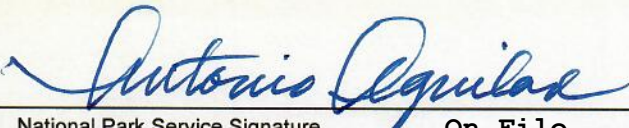
Date

State Historic Preservation Office Signature

**The National Park Service has determined that this project will meet the Secretary of the Interior Standards for Rehabilitation if the condition(s) listed above are met.**

5/27/2021

Date

  
National Park Service Signature

On File

**Exhibit L**  
**Replenishment Guaranty**

## REPLENISHMENT GUARANTY

This REPLENISHMENT GUARANTY (this “*Guaranty*”) is executed as of \_\_\_\_\_, 2023 (the “*Effective Date*”), by CITY OF JACKSONVILLE, FLORIDA, a \_\_\_\_\_ of the State of Florida (the “*Guarantor*” or “*City*”), for the benefit of CAPITAL ONE PUBLIC FUNDING, LLC, a New York limited liability company, (together with its successors and/or assigns, “*Lender*”).

### WITNESSETH:

A. Pursuant to \_\_\_\_\_ (as the same may be amended, modified, supplemented, replaced or otherwise modified from time to time, “*COPF Loan Agreement*”), \_\_\_\_\_ (together with its successors and/or assigns, the “*Borrower*”) has become indebted, and may from time to time be further indebted, to Lender with respect to \_\_\_\_\_ (together with all renewals, modifications, increases and extensions thereof, the “*COPF Loan*”). Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the COPF Loan Agreement.

B. As a condition to the Lender extending credit to the Borrower in the form of the COPF Loan, the Lender requires that until the COPF Loan is paid in full (x) a separate account (# \_\_\_\_\_) be established and maintained at all times at Capital One, N.A. in the name of the Lender, owned by and for the sole benefit of Lender (as such account may be modified or transferred with the prior written consent of the Lender in its sole and absolute discretion, the “*Debt Service Reserve Fund*”) and (y) the Guarantor unconditionally guarantee that the Debt Service Reserve Fund shall be funded at all times in an amount at least equal to the Reserve Fund Minimum Balance (as more specifically defined below, the “*Guaranteed Obligations*”).

C. Lender is not willing to make the COPF Loan or otherwise extend credit to Borrower unless the City unconditionally guarantees the payment and performance to Lender of the Guaranteed Obligations until the payment in full of the COPF Loan.

D. Pursuant to [Chapter 92-341, Laws of Florida, Special Acts of 1992, as amended and supplemented (the Charter of the City), Chapters 125 and 166, Florida Statutes, as amended, Article VIII, Section 2, Constitution of the State of Florida, and other applicable provisions of law (hereinafter collectively referred to as the “*Act*”) and Ordinance No. 2006-888-E of the City as supplemented and amended by Ordinance 2012-620-E, enacted on November 13, 2012 and \_\_\_\_\_ (and as further supplemented and amended in accordance with the terms thereof and hereof, the “*Special Revenue Bond Ordinance*”), the City has authorized the execution, delivery and performance of this Guaranty and the Guaranteed Obligations as “*Additional Bonds*” under the Special Revenue Bond Ordinance.

NOW, THEREFORE, as an inducement to Lender to make the COPF Loan to Borrower and to extend such additional credit as Lender may from time to time agree to extend under the Loan Documents or relating to the Special Revenue Bond Ordinance and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, Guarantor does hereby agree as follows:

## DEFINITIONS

In addition to the terms defined in the recitals and elsewhere in this Guaranty, the Special Revenue Bond Ordinance and the COPF Loan Agreement, the following terms shall have the following meanings:

“*Act*” has the meaning set forth in subparagraph E of the Recitals.

“*Additional Bonds*” means additional obligations issued in compliance with the terms, conditions and limitations contained in the Special Revenue Bond Ordinance which are payable on a parity with, and rank equally in all other respects with the Bonds originally issued thereunder, including, without limitation, Commercial Paper Obligations.

“*Bonds Outstanding*” has the meaning set forth in the Special Revenue Bond Ordinance as in effect as of the Effective Date.

“*Borrower*” has the meaning set forth in subparagraph A of the Recitals.

“*COPF Loan*” has the meaning set forth in subparagraph A of the Recitals.

“*COPF Loan Agreement*” has the meaning set forth in subparagraph A of the Recitals.

“*Covenant Revenues*” means those revenues of the City that are deposited to the credit of the City’s General Fund derived from any source whatsoever that are legally available for the payment of the obligations of the City under the Special Revenue Bond Ordinance (including, without limitation, this Guaranty), inclusive of operating transfers from other funds into the General Fund, but exclusive of revenues derived from ad valorem taxation. Pursuant to the Special Revenue Bond Ordinance, it shall be assumed for purposes of calculating Covenant Revenues and Self Sufficient Debt that amounts required to be transferred from the City’s General Fund to community redevelopment trust funds pursuant to Section 163.387 of the Florida Statutes or for other purposes for which tax increment revenues are pledged or committed, will come from revenues derived from ad valorem taxation and not Covenant Revenues.

“*Covenant Revenues Debt*” means Debt issued or incurred by or on behalf of the Guarantor and payable from or secured by a Lien on Covenant Revenues on a parity the payment of the obligations of the Guarantor under this Guaranty, including but not limited to Existing Covenant Revenues Debt.

“*Debt*” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under capital leases, (e) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, (f) all guarantees by such Person of Debt of other Persons and (g) all obligations of such Person under any swap agreement or similar instruments.

*“Debt Service Reserve Fund”* has the meaning set forth in subparagraph B of the Recitals.

*“Governmental Approval”* means an authorization, consent, approval, license, or exemption of, registration or filing with, or report to any Governmental Authority.

*“Governmental Authority”* means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervisory Practices or any successor or similar authority to any of the foregoing).

*“Guaranteed Obligations”* has the meaning set forth in Section 1.1(b) hereof.

*“Laws”* means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

*“Lien”* means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

*“Loan Documents”* has the meaning set forth in the COPF Loan Agreement.

*“Material Adverse Effect”* means a material adverse effect on (a) the business, Property, liabilities (actual and contingent), operations or condition (financial or otherwise), results of operations, or prospects of the Guarantor, (b) the ability of the Guarantor to perform its obligations under this Guaranty, the Special Revenue Bond Ordinance and/or any other Related Documents to which it is a party, or (c) the legality, validity, binding effect or enforceability of this Guaranty, the Special Revenue Bond Ordinance and/or any of the Related Documents or the rights or remedies of the Lender under this Guaranty, the Special Revenue Bond Ordinance and/or any of the Related Documents.

*“Maximum Annual Debt Service”* has the meaning set forth in the Special Revenue Bond Ordinance as in effect as of the Effective Date.

“*Non-Self Sufficient Debt*” means any indebtedness of the City for the payment of borrowed money other than Self Sufficient Debt.

“*Outstanding Special Revenue Bonds*” means \_\_\_\_\_.

“*Property*” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed, and whether tangible or intangible, whether now owned or hereafter acquired.

“*Reserve Fund Minimum Balance*” has the meaning set forth in Section 1.1(b) hereof.

“*Self-Sufficient Debt*” means any indebtedness of the City for borrowed money that is either (a) secured by or payable exclusively from a source of revenues other than Covenant Revenues, or (b) primarily payable from revenues of the type described in clause (a) above and secondarily from Covenant Revenues if the Covenant Revenues have not been used (or, as provided below, deemed to have been used) to pay any portion of such indebtedness for the three Fiscal Years preceding the date of determination and if the City projects that the Covenant Revenues will not be so used during the next two Fiscal Years; and either (c) that is secured by a revenue source that has been in effect for at least three Fiscal Years and that would have provided coverage of at least 125% of the average annual debt service on such obligations secured by such revenue source in each of the three preceding Fiscal Years or, (d) if the revenue source has not been in existence for at least three Fiscal Years, that is secured by a revenue source that would have provided coverage of at least 150% of the average annual debt service on such obligations secured by such revenue source in at least the last full Fiscal Year preceding the issuance of such obligations and that is projected to provide at least 150% debt service coverage (based on revenue and debt service projections by the City) in each of the three ensuing Fiscal Years; and (e) in any such case, in the three preceding Fiscal Years, no debt service on which has been paid (or, as provided below, deemed to have been paid) from Covenant Revenues. For purposes of calculating the coverage requirements described in this definition, the historical and projected receipts of a particular revenue source shall be adjusted retroactively to the initial date of the calculation period to reflect changes in rates, levies or impositions enacted prior to the date of calculation. For purposes of this definition, Covenant Revenues will be deemed to have been used to pay debt service on any debt if Covenant Revenues have been transferred in the relevant period, other than pursuant to a Capital Transfer, to a fund or account used to pay debt service on such debt.

“*Special Revenue Bond Ordinance*” has the meaning set forth in subparagraph E of the Recitals.

## ARTICLE I

### NATURE AND SCOPE OF GUARANTY

*Section 1.1. Guaranty of Obligation.* (a) The Guarantor hereby absolutely, irrevocably and unconditionally guarantees to Lender and its respective successors and assigns the prompt payment and performance of the Guaranteed Obligations (as defined below) as and when the same

shall be due and payable, whether by lapse of time, by redemption, acceleration of maturity or otherwise, which payment of Guaranteed Obligations shall be from the City's Covenant Revenues and other legally available revenues of the City budgeted and appropriated as described herein. The Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor.

(b) As used herein, the term "*Guaranteed Obligations*" means the obligation of the City to maintain at all times in the Debt Service Reserve Fund until the COPF Loan is paid in full, an amount at least equal to twelve (12) months of debt service (i.e. principal and interest) on the COPF Loan, which for the avoidance of doubt, shall equal, on each date of determination, all principal and interest due and payable on the COPF Loan during the immediately succeeding twelve (12) months (the "*Reserve Fund Minimum Balance*") which obligation shall be payable from the City's Covenant Revenues and other legally available revenues of the City budgeted and appropriated in the manner and to the extent provided in the Special Revenue Bond Ordinance. The Lender has the right to draw from the Debt Service Reserve Fund for any unpaid debt service on the COPF Loan that is due and owing and unpaid delinquent obligations or liabilities of any kind or nature relating to the COPF Loan, including, without limitation, payment of obligations owed to the Lender under the COPF Loan Agreement. Regardless of whether the Borrower has any obligation to cure any deficiency of the Reserve Fund Minimum Balance, the Lender may make written demand on the Guarantor hereunder, and the Guarantor hereby agrees to deposit cash in an amount sufficient to cure such deficiency within ten (10) days of receiving written demand by the Lender hereunder. Failure by the Guarantor to cure such deficiency as set forth in this paragraph shall constitute an event of default under this Guaranty and an "Event of Default" under the **Special Revenue Bond Ordinance** and an Event of Default under the COPF Loan Agreement and the Lender may pursue any remedies available to it hereunder, under the Special Revenue Bond Ordinance and the other Loan Documents or at law or equity.

*Section 1.2. Nature of Guaranty.* This Guaranty is an irrevocable, absolute, continuing guaranty of prompt payment and performance and not a guaranty of collection. The obligations of the Guarantor under this Guaranty shall be unlimited in amount and primary, irrevocable, direct and immediate and not conditional or contingent upon pursuit by Lender of any remedies it may have against the Borrower under the COPF Loan Agreement, the COPF Loan or the other Loan Documents or any remedies it might have against any other Person. This Guaranty may not be revoked by the Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by the Guarantor or its successors. The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of the Guarantor to the Lender with respect to the Guaranteed Obligations. This Guaranty may be enforced by the Lender and any of the Lender's successors or assigns and shall not be discharged by the assignment or negotiation of all or part of the COPF Loan Agreement, the COPF Loan or the other Loan Documents.

*Section 1.3. Guaranteed Obligations Not Reduced by Offset.* The Guaranteed Obligations and the liabilities and obligations of the Guarantor to the Lender hereunder shall not be reduced, discharged or released because or by reason of any existing or future offset, claim or defense of Borrower or any other Person (including without limitation, the Guarantor) against the Lender or against payment of the Guaranteed Obligations, whether such offset, claim or defense arises in



connection with the Guaranteed Obligations, the COPF Loan, the COPF Loan Agreement, the Loan Documents (or the transactions creating the Guaranteed Obligations, the COPF Loan, the COPF Loan Agreement, the Loan Documents) or otherwise. The Lender's rights under this Guaranty shall be in addition to all rights of the Lender under the COPF Loan, the COPF Loan Agreement, the Loan Documents. **FURTHER, PAYMENTS MADE BY THE GUARANTOR UNDER THIS GUARANTY SHALL NOT REDUCE IN ANY RESPECT OF THE BORROWER'S OBLIGATIONS AND LIABILITIES UNDER THE COPF LOAN, THE COPF LOAN AGREEMENT, THE LOAN DOCUMENTS EXCEPT WITH RESPECT TO, AND TO THE EXTENT OF, THE BORROWER'S OBLIGATION AND LIABILITY FOR THE PAYMENT MADE BY THE GUARANTOR.**

*Section 1.4. Payment By the Guarantor.* If at any time while the COPF Loan remains outstanding or unpaid, the amount in the Debt Service Reserve Fund falls below the Reserve Fund Minimum Balance, the Guarantor shall, within ten (10) days of receiving written demand by the Lender hereunder and without presentment, protest, notice of protest, notice of non-payment, notice of intention to accelerate the maturity, notice of acceleration of the maturity or any other notice whatsoever, all such notices being hereby waived by the Guarantor, pay in lawful money of the United States of America by wire transfer in immediately available funds from the City's Covenant Revenues and other legally available revenues of the City budgeted and appropriated, into the Debt Service Reserve Fund an amount sufficient to increase funds then held in the Debt Service Reserve Fund to at least equal the Reserve Fund Minimum Balance. Such demand(s) may be made at any time coincident with or after the time for payment of all or part of the Guaranteed Obligations and may be made from time to time with respect to the same or different items of Guaranteed Obligations. Such demand shall be deemed made, given and received in accordance with the notice provisions hereof.

*Section 1.5. No Duty To Pursue Others.* Notwithstanding anything in the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance or the other Loan Documents to the contrary, it shall not be necessary for the Lender (and the Guarantor hereby waives any rights which the Guarantor may have to require the Lender), in order to enforce the obligations of the Guarantor hereunder, first to (i) institute suit or exhaust its remedies against the Borrower or others liable for the Guaranteed Obligations or any other Person, (ii) enforce the Lender's rights or exhaust any remedies available to the Lender against any collateral which shall ever have been given to secure the Borrower's obligations with respect to or under the COPF Loan, the COPF Loan Agreement or the other Loan Documents, (iii) enforce the Lender's rights against any other guarantors of the Guaranteed Obligations, (iv) join the Borrower or any others liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty or (v) resort to any other means of obtaining payment of the Guaranteed Obligations, including, any of the foregoing which may be available to the Lender by virtue of applicable law. The Lender shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

*Section 1.6. Waivers.* The Guarantor agrees to the provisions of the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance and the other Loan Documents and hereby waives notice of (i) any deposits to or withdrawals from the Debt Service Reserve Fund, (ii) acceptance of this Guaranty, (iii) any amendment, waiver, conversion, adjustment, novation or extension of the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, the other Loan Documents, any documents or agreements evidencing, securing or relating to any

of the Guaranteed Obligations and/or the obligations hereby guaranteed or any other document related to any of the foregoing (collectively, the “*Related Documents*”), (iv) the execution and delivery by the Borrower and the Lender of any other loan or credit agreement or other instrument or of the Borrower’s execution and delivery of any promissory note or other document or instrument arising under or with respect to the COPF Loan, the COPF Loan Agreement, or any other Loan Document, (v) the occurrence of (A) any breach by the Borrower of any of the terms or conditions of the COPF Loan, the COPF Loan Agreement, any other Loan Document or any other Related Document, or (B) an Event of Default under this Guaranty, the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, any other Loan Document or any other Related Document, (vi) the Lender’s transfer, encumbrance or disposition of all or part of the Debt Service Reserve Fund or the COPF Loan, the COPF Loan Agreement, or any other Loan Document, or any part thereof, (vii) the sale or foreclosure (or the posting or advertising for the sale or foreclosure) of any collateral for the Guaranteed Obligations, (viii) protest, proof of non-payment or default by the Borrower, or (ix) any other action at any time taken or omitted by the Lender and, generally, all demands and notices of every kind in connection with this Guaranty (excluding notices expressly required by this Guaranty), the COPF Loan, the COPF Loan Agreement, any other Loan Document, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and/or the obligations hereby guaranteed or any other Related Documents.

*Section 1.7. Payment of Expenses.* In the event that the Guarantor shall breach or fail to timely perform any provisions of this Guaranty, the Guarantor shall, within ten (10) days of written demand by the Lender, pay the Lender all out of pocket costs and expenses (including court costs and reasonably out of pocket fees and expenses attorneys’ fees) incurred by the Lender in the enforcement hereof or the preservation of the Lender’s rights hereunder, together with interest thereon from the date that is ten days after such demand at a rate of 7.75% per annum from the date requested by the Lender until the date of payment to the Lender. The covenants contained in this Section shall survive the payment and performance of the Guaranteed Obligations and the COPF Loan, the COPF Loan Agreement, or any other Loan Document.

*Section 1.8. Effect of Bankruptcy.* In the event that pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law or any judgment, order or decision thereunder, (a) the Lender must rescind or restore any payment or any part thereof received by the Lender in satisfaction of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to the Guarantor by the Lender shall be without effect and this Guaranty shall remain (or shall be reinstated to be) in full force and effect, and (b) notwithstanding any other provision of this Guaranty, (i) all amounts hereunder shall become immediately due and payable and (ii) the Guarantor hereby waives all demands and notices of every kind. It is the intention of the Borrower and the Guarantor that the Guarantor’s obligations hereunder shall not be discharged except by the Guarantor’s performance of such obligations and then only to the extent of such performance.

*Section 1.9. Waivers of Subrogation, Reimbursement and Contribution.* Notwithstanding anything to the contrary contained in this Guaranty, the Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating the

Guarantor to the rights of the Lender), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Borrower or any other party liable for the payment of any or all of the Guaranteed Obligations for any payment made by the Guarantor under or in connection with this Guaranty or otherwise until all obligations on the COPF Loan, under the COPF Loan Agreement, this Guaranty and the other Loan Documents (the “*Obligations*”) have been fully satisfied and indefeasibly paid in full to the Lender, as applicable, without any obligation by the Lender to rescind, restore or disgorge any payment of any such Obligations.

*Section 1.10. General Waivers.* The Guarantor hereby irrevocably and unconditionally agrees to the waivers and releases set forth below for the benefit of the Lender, with each such waiver and release being in addition to and without limitation of the other waivers and releases contained herein:

(a) *Waiver of Suretyship Defenses.* The Guarantor further agrees that nothing contained herein shall prevent Lender from suing on any Obligation or from exercising any rights available under any of the COPF Loan, the COPF Loan Agreement, this Guaranty, any other Loan Documents or any other Related Documents and that the exercise of any of such rights shall not constitute a legal or equitable discharge of the Guarantor. Without limiting the generality of the foregoing, the Guarantor hereby expressly waives any and all rights, benefits and defenses that a surety or guarantor may have under law or at equity.

(b) *Waiver of Setoff and Counterclaim.* The Guarantor waives all rights to interpose any setoffs or counterclaims (other than compulsory counterclaims) of any nature in any action or proceeding instituted by the Lender with respect to this Guaranty, the Covenant Revenues or any collateral securing the COPF Loan, the COPF Loan Agreement, any Loan Documents or Related Documents (“*Collateral*”), or any matter arising therefrom or relating thereto and the posting of any bond which may otherwise be required.

(c) *Notice Waivers.* The Guarantor waives, to the fullest extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and all other notices or demands of any kind (including notice of the acceptance by Lender of this Guaranty, notice of the existence, creation, non-payment, or non-performance of any or all Obligations), excepting only notices specifically provided for in this Guaranty.

(d) *Waiver of Any Obligation of Lender to Inform Guarantor.* The Guarantor waives any right to require the Lender to provide to the Guarantor any information concerning (a) any performance or non-performance of the Obligations, (b) the ability or inability of Borrower to perform the Obligations, or (c) any other matter, regardless of what information the Lender may have from time to time.

(e) *Waiver of Other Rights and Claims.* (i) The Guarantor waives any and all present and future rights (i) to participate in the rights and remedies of the Lender against the Borrower or any other Person liable for any Obligation or Guaranteed Obligation, (ii) to require marshaling of assets or to require realization on the Covenant Revenues or any

Collateral or any portion thereof, or in any particular order, priority or timing and (iii) to designate the portion of the Obligations that are to be satisfied as a result of a partial payment thereof, whether by Guarantor pursuant to this Guaranty or otherwise by any third party. The Guarantor waives any defense to enforcement of the Guaranteed Obligations or any Liens and encumbrances granted by the Guarantor based on acts and omissions of the Lender to the extent such acts or omissions are not the result of the Lender's gross negligence or willful misconduct. The Guarantor waives any and all provisions of law and equitable principles that conflict with this Guaranty.

## ARTICLE II

### EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS

The Guarantor hereby consents and agrees to each of the following and agrees that the Guarantor's obligations under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected by any of the following and waives any common law, equitable, statutory or other rights (including, without limitation, rights to notice) which the Guarantor might otherwise have as a result of or in connection with any of the following:

*Section 2.1. Modifications.* Any renewal, extension, increase, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents or any other document, instrument, contract or understanding between or among the Borrower, the Lender or any other parties pertaining to the Guaranteed Obligations or any failure of the Lender to notify the Guarantor of any such action. In furtherance and not in limitation of the foregoing, the Guarantor authorizes the Lender, without giving notice to the Guarantor or obtaining the Guarantor's consent and without affecting the liability of the Guarantor, from time to time to: (i) change the terms or conditions of the Obligations or the COPF Loan, (ii) otherwise modify or amend the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or any of the other Related Documents, including, without limitation, making changes in the terms of repayment of the Obligations or modifying, extending or renewing payment dates; releasing or subordinating security in whole or in part; changing the interest rate; or advancing additional funds in its discretion for purposes related to the purposes specified in the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents; or (iii) assign this Guaranty in whole or in part in accordance with the assignment of all or any portion of the Obligations by Lender. The Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor.

*Section 2.2. Adjustment.* Any adjustment, indulgence, forbearance or compromise that might be granted or given by the Lender to the Borrower or the Guarantor.

*Section 2.3. Condition of the Borrower or the Guarantor.* The insolvency, bankruptcy, arrangement, adjustment, composition, liquidation, disability, dissolution or lack of power of the

Borrower, the Guarantor or any other Person at any time liable for the payment of all or part of the Guaranteed Obligations; or any dissolution of the Borrower or the Guarantor or any sale, lease or transfer of any or all of the assets of the Borrower or the Guarantor or any changes in the direct or indirect shareholders, partners or members, as applicable, of the Borrower or the Guarantor; or any reorganization of the Borrower or the Guarantor.

*Section 2.4. Invalidity of Guaranteed Obligations or Obligations.* The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations or the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents or any document or agreement executed in connection with the Guaranteed Obligations or the Obligations for any reason whatsoever, including, without limitation, the fact that (i) the Guaranteed Obligations or the Obligations or any part thereof exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Obligations or the Obligations or any part thereof is ultra vires, (iii) the officers or representatives executing the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents or otherwise creating the Guaranteed Obligations or the Obligations acted in excess of their authority, (iv) the Guaranteed Obligations or the Obligations violate applicable usury laws, (v) the Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations or the Obligations wholly or partially uncollectible from the Borrower, (vi) the creation, performance or repayment of the Guaranteed Obligations or the Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations or the Obligations or executed in connection with the Guaranteed Obligations or the Obligations or given to secure the repayment of the Guaranteed Obligations or the Obligations) is illegal, uncollectible or unenforceable, or (vii) the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents have been forged or otherwise are irregular or not genuine or authentic, it being agreed that the Guarantor shall remain liable under this Guaranty regardless of whether the Borrower or any other Person be found not liable on the Guaranteed Obligations or Obligations or any part thereof for any reason.

*Section 2.5. Release of Obligors.* Any full or partial release of the liability of the Borrower for the Guaranteed Obligations or the Obligations or any part thereof, or of any co-guarantors, or of any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Guaranteed Obligations or the Obligations, or any part thereof, it being recognized, acknowledged and agreed by the Guarantor that the Guarantor may be required to pay the Guaranteed Obligations in full without assistance or support from any other Person, and the Guarantor has not been induced to enter into this Guaranty on the basis of a contemplation, belief, understanding or agreement that other Persons (including the Borrower) will be liable to pay or perform the Guaranteed Obligations or that the Lender will look to other Persons (including the Borrower) to pay or perform the Guaranteed Obligations.

*Section 2.6. Other Collateral.* The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Guaranteed Obligations or the Obligations.

*Section 2.7. Release of Collateral.* Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including, without limitation, negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations or the Obligations.

*Section 2.8. Care and Diligence.* The failure of the Lender or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of any collateral, property or security, including, but not limited to, any neglect, delay, omission, failure or refusal of the Lender (i) to take or prosecute any action for the collection of any of the Guaranteed Obligations or the Obligations, or (ii) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (iii) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations or the Obligations.

*Section 2.9. Unenforceability.* The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations or the Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by the Guarantor that the Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectability or value of any of the collateral for the Guaranteed Obligations or the Obligations.

*Section 2.10. Offset.* Any existing or future right of offset, claim or defense of Borrower against the Lender, or any other Person (including, without limitation, the Guarantor), or against payment of the Guaranteed Obligations or the Obligations, whether such right of offset, claim or defense arises in connection with the Guaranteed Obligations or the Obligations (or the transactions creating the Guaranteed Obligations or the Obligations) or otherwise.

*Section 2.11. Merger.* The reorganization, merger or consolidation of the Borrower or the Guarantor into or with any other Person.

*Section 2.12. Preference.* Any payment by the Borrower to the Lender is held to constitute a preference under the Bankruptcy Code or for any reason the Lender is required to refund such payment or pay such amount to Borrower or to any other Person.

*Section 2.13. Other Actions Taken or Omitted.* Any other action taken or omitted to be taken with respect to the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents, the Guaranteed Obligations or the Obligations or the security and collateral therefor, including, but not limited to Lender's exercise of remedies under the COPF Loan and security documents, including without limitation, the filing of suit against the Borrower seeking repayment of the COPF Loan, foreclosure of the collateral, and/or any other remedy in connection with the enforcement of the COPF Loan or the realization of the Collateral, whether or not such action or omission prejudices the Guarantor or increases the likelihood that the Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof, it being the unambiguous and unequivocal intention of Guarantor

that Guarantor shall be obligated to pay the Guaranteed Obligations when due, notwithstanding any occurrence, circumstance, event, action or omission whatsoever, whether contemplated or un contemplated, and whether or not otherwise or particularly described herein, which obligation shall be deemed satisfied only upon the full and final payment and satisfaction of the Guaranteed Obligations.

*Section 2.14. Independent Obligations.* The obligations of the Guarantor under this Guaranty are independent of Borrower's obligations under the COPF Loan, the COPF Loan Agreement, other Loan Documents or the other Related Documents and a separate action or actions may be brought and prosecuted against the Guarantor to enforce this Guaranty, irrespective of whether an action is brought against Borrower or whether the Borrower is joined in any such action or more successive and/or concurrent actions may be brought hereon against the Guarantor either in the same action, if any, brought against Borrower or in separate actions, as often as the Lender, in their sole discretion, may deem advisable. To the extent it may lawfully do so, the Guarantor, on behalf of itself and on behalf of each Person claiming by, through or under the Guarantor, hereby irrevocably and unconditionally waives any right to object to the Lender bringing simultaneous actions to (i) recover the Guaranteed Obligations against the Borrower under the COPF Loan, the COPF Loan Agreement, other Loan Documents or the other Related Documents, at law or in equity, or (ii) recover any amounts due under this Guaranty or under the Special Revenue Bond Ordinance.

*Section 2.15. Survival.* This Guaranty shall survive the exercise of remedies following an Event of Default under the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents, including, but not limited to a foreclosure of the Collateral, and shall remain in full force and effect until all Obligations and other sums due under the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents and the other Related Documents have been fully satisfied and indefeasibly paid in full to the Lender, as applicable, and the Guaranteed Obligations accruing through the date of such repayment have been fully performed and satisfied by the Guarantor.

### ARTICLE III

#### REPRESENTATIONS AND WARRANTIES

To induce the Lender to enter into the COPF Loan Agreement and other Loan Documents and to extend credit in the form of the COPF Loan for the benefit of the Borrower, the Guarantor represents and warrants to the Lender as follows:

*Section 3.1. Benefit.* The Guarantor \_\_\_\_\_, or will receive, direct or indirect benefit from the making of this Guaranty with respect to the Guaranteed Obligations.

*Section 3.2. Existence and Power.* The Guarantor is a \_\_\_\_\_ duly organized, validly existing and in good standing under the laws of the State of Florida (the "State") and has the power and authority to own its properties

and to carry on its businesses as now being conducted and as currently contemplated to be conducted hereafter and is duly qualified to do business in each jurisdiction in which the character of the properties owned or leased by it or in which the transactions of any material portion of its business (as now conducted and as currently contemplated to be conducted) makes such qualification necessary.

*Section 3.3. Due Authorization.* (a) The Guarantor has the corporate power, and has taken all necessary corporate action to authorize this and the Related Documents to which it is a party, and to execute, deliver and perform its obligations under this Guaranty and each of the other Related Documents to which it is a party in accordance with their respective terms. The Guarantor has approved the form of the Related Documents to which it is not a party.

(b) The Guarantor is duly authorized and licensed to own its Property and to operate its business under the laws, rulings, regulations and ordinances of all Governmental Authorities having the jurisdiction to license or regulate such Property or business activity and the departments, agencies and political subdivisions thereof, and the Guarantor has obtained all requisite approvals of all such governing bodies required to be obtained for such purposes. All Governmental Approvals necessary for the Guarantor to enter into this Guaranty and the other Related Documents and to perform the transactions contemplated hereby and thereby and to conduct its business activities and own its property have been obtained and remain in full force and effect and are subject to no further administrative or judicial review. No other Governmental Approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by the Guarantor of this Guaranty or the due execution, delivery or performance by the Guarantor of the Related Documents.

*Section 3.4. Valid and Binding Obligations.* This Guaranty has been duly executed and delivered by one or more duly authorized officers of the Guarantor, and each of the Related Documents to which the Guarantor is a party, when executed and delivered by the Guarantor will be, a legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms, except as such enforceability may be limited by (a) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally, and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

*Section 3.5. Noncontravention; Compliance with Law.* (a) The execution, delivery and performance of this Guaranty and each of the other Related Documents in accordance with their respective terms do not and will not (i) contravene the Act or the Special Revenue Bond Ordinance, (ii) require any consent or approval of any creditor of the Guarantor, (iii) violate any Laws, (iv) conflict with, result in a breach of or constitute a default under any contract to which the Guarantor is a party or by which it or any of its Property may be bound or (v) result in or require the creation or imposition of any Lien upon or with respect to any Property now owned or hereafter acquired by the Guarantor except such Liens, if any, expressly created by any Related Document.

(b) The Guarantor is in compliance with all Laws, except for such noncompliance that, singly or in the aggregate, has not caused or is not reasonably expected to cause a Material Adverse Effect.



*Section 3.6. Pending Litigation and Other Proceedings.* There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the Guarantor or any arbitration in which service of process has been completed against the Guarantor or, to the knowledge of the Guarantor, any other action, suit or proceeding pending or threatened in any court, any other governmental authority with jurisdiction over the Guarantor or any arbitrator, in either case against the Guarantor or any of its properties or revenues, or any of the Related Documents to which it is a party, which if determined adversely to the Guarantor would adversely affect the rights, security, interests or remedies of the Lender hereunder, under the Special Revenue Bond Ordinance or under any of the other Related Documents or which is reasonably likely to result in a Material Adverse Effect, except any action, suit or proceeding which has been brought prior to the Effective Date as to which the Guarantor has certified in writing to the Lender that such action, suit or proceeding is without substantial merit. There is no action, suit, proceeding, nor to the Guarantor's knowledge, investigation pending or threatened against the Guarantor in any court or by or before any other Governmental Authority which, if adversely determined, would be reasonably likely to materially and adversely affect the condition (financial or otherwise) or business of the Guarantor (including the ability of the Guarantor to carry out the obligations contemplated by this Guaranty). There is no material fact presently known to the Guarantor which has not been disclosed to the Lender which materially and adversely affects, nor as far as the Guarantor can foresee, would be reasonably likely to materially and adversely affect, the property, the business, operations or condition (financial or otherwise) of Borrower or the Guarantor.

*Section 3.7. No Defaults.* No default by the Guarantor has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Covenant Revenues Debt. No bankruptcy, insolvency or other similar proceedings pertaining to the Guarantor or any agency or instrumentality of the Guarantor are pending or presently contemplated. No "default" or "event of default" under, and as defined in, the Special Revenue Bond Ordinance or any other Related Documents has occurred and is continuing. The Guarantor is not presently in default under any material agreement to which it is a party which could reasonably be expected to have a Material Adverse Effect. The Guarantor is not in violation of the Act or any authorizing legislation applicable to the Guarantor or any material term of any bond indenture or agreement to which it is a party or by which any of its Property is bound which could reasonably be expected to result in a Material Adverse Effect.

*Section 3.8. Incorporation by Reference.* The representations and warranties of the Guarantor contained in the Special Revenue Bond Ordinance or any other Related Document to which the Guarantor is a party, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Guaranty as if each and every such representation and warranty and definition were set forth herein in its entirety, and the representations and warranties made by the Guarantor in such Sections are hereby made for the benefit of the Lender. No amendment to or waiver of such representations and warranties or definitions made pursuant to the Special Revenue Bond Ordinance or the relevant Related Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Lender.

*Section 3.9. Security and Source of Payment.* The Guarantor represents and warrants that this Guaranty and the Guaranteed Obligations constitute “Additional Bonds” under the Special Revenue Bond Ordinance. The Special Revenue Bond Ordinance creates, for the benefit of the Lender and the holders of the Guaranteed Obligations, the legally valid, binding and irrevocable Lien on and pledge of Covenant Revenues or any other revenues of the City that are actually budgeted and appropriated therefor and deposited in the funds and accounts established under the Special Revenue Bond Ordinance. There is no lien on Covenant Revenues other than the lien created by the Special Revenue Bond Ordinance. The Special Revenue Bond Ordinance does not permit the issuance or incurrence of any Debt secured by Covenant Revenues to rank senior to the Guaranteed Obligations. The payment of the Guaranteed Obligations ranks on a parity with the payment of the principal and purchase price of and interest on all Covenant Revenues Debt and is not subordinate to any payment secured by a lien on the Covenant Revenues or any other revenues of the City that are actually budgeted and appropriated therefor and deposited in the funds and accounts established under the Special Revenue Bond Ordinance or any other claim, and is prior as against all other Persons having claims of any kind in tort, contract or otherwise, whether or not such Persons have notice of such lien. No filing, registration, recording or publication of the Indenture or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the Lien created thereby on the Covenant Revenues to secure the Guaranteed Obligations.

*Section 3.10. No Immunity.* The Guarantor is not entitled to claim immunity on the grounds of sovereignty or other similar grounds (including, without limitation, governmental immunity) with respect to itself or its Covenant Revenues (irrespective of their use or intended use) from (i) any action, suit or other proceeding arising under or relating to this Guaranty, the Special Revenue Bond Ordinance or any other Related Document, (ii) relief by way of injunction, order for specific performance or writ of mandamus or for recovery of property or (iii) execution or enforcement of any judgment to which it or its Covenant Revenues might otherwise be made subject in any action, suit or proceedings relating to this Guaranty, the Special Revenue Bond Ordinance or any other Related Document, and no such immunity (whether or not claimed) may be attributed to the Guarantor or its Covenant Revenues.

*Section 3.11. No Public Vote or Referendum.* There is no public vote or referendum pending, proposed or concluded, the results of which could reasonably be expected to result in a Material Adverse Effect.

*Section 3.12. Familiarity and Reliance.* The Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment of the Obligations and the Guaranteed Obligations; however, the Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty.

*Section 3.13. No Representation By Lender.* Neither the Lender nor any other Person has made any representation, warranty or statement to the Guarantor in order to induce the Guarantor to execute this Guaranty.

*Section 3.14. Guarantor's Financial Condition.* As of the date hereof, and after giving effect to this Guaranty and the contingent obligations evidenced hereby, the Guarantor (a) is and will be solvent, (b) has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and (c) has and will have property and assets sufficient to satisfy and repay its obligations and liabilities, including the Guaranteed Obligations. All financial data delivered to the Lender relating to the Guarantor, including, without limitation those certain financial statements of the Guarantor delivered to the Lender in connection with the execution of the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents, (i) in all material respects, are true, complete and correct, (ii) accurately represent the financial condition of the Guarantor as of the date of such reports and financial statements, and (iii) to the extent prepared or audited by an independent certified public accounting firm, have been prepared in accordance with GAAP throughout the periods covered, except as disclosed therein. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of the Guarantor from that set forth in said financial statements.

*Section 3.15. Terms of COPF Loan.* [GUARANTOR ACKNOWLEDGES AND REPS THAT IS UNDERSTANDS THE TERMS OF COPF LOAN, INCLUDING CONVERSION STRUCTURE.]

*Section 3.16. Survival.* All representations and warranties made by the Guarantor herein shall survive the execution hereof.

## ARTICLE IV

### SUBORDINATION OF CERTAIN INDEBTEDNESS

*Section 4.1. Subordination of All Guarantor Claims.* As used herein, the term "Guarantor Claims" shall mean all debts and liabilities of the Borrower to the Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, and whether the obligations of the Borrower thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be, created, or the manner in which they have been, or may hereafter be, acquired by the Guarantor. The Guarantor Claims shall include, without limitation, all rights and claims of the Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of the Guarantor's payment of all or a portion of the Guaranteed Obligations. So long as any portion of the Obligations or the Guaranteed Obligations remain outstanding and the Guarantor is in breach or default with respect to any Guaranteed Obligations or any provision in this Guaranty, the Guarantor shall not receive or collect, directly or indirectly, from the Borrower or any other Person any amount upon the Guarantor Claims.

*Section 4.2. Claims in Bankruptcy.* In the event of any receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceeding involving the Guarantor as a debtor, the Lender shall have the right to prove the Lender's claim in any such

proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends, distributions and payments which would otherwise be payable upon Guarantor Claims. The Guarantor hereby assigns such dividends, distributions and payments to the Lender.

*Section 4.3. Payments Held in Trust.* Notwithstanding anything to the contrary contained in this Guaranty, in the event that the Guarantor should receive any funds, payments, claims and/or distributions which are prohibited by this Guaranty, the Guarantor agrees to hold in trust for the Lender an amount equal to the amount of all funds, payments, claims and/or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims and/or distributions so received except to pay such funds, payments, claims and/or distributions promptly to the Lender, and the Guarantor covenants promptly to pay the same to the Lender.

*Section 4.4. Liens Subordinate.* The Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances upon the Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Obligations and the Guaranteed Obligations, regardless of whether such encumbrances in favor of the Guarantor or the Lender presently exist or are hereafter created or attach. Without the prior written consent of the Lender, the Guarantor shall not (i) exercise or enforce any creditor's rights it may have against the Borrower, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including, without limitation, the commencement of, or the joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgages, deeds of trust, security interests, collateral rights, judgments or other encumbrances on the assets of Borrower held by the Guarantor. The foregoing shall in no manner vitiate or amend, nor be deemed to vitiate or amend, any prohibition in the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents against the Borrower granting liens or security interests in any of its assets to any Person other than the Lender.

## ARTICLE V

### COVENANTS

*Section 5.1. Definitions.* As used in this Article 5, the following terms shall have the respective meanings set forth below:

"GAAP" shall mean generally accepted accounting principles, consistently applied.

*Section 5.2. Covenant Revenues.* (a) The Guarantor shall not, at any time while a default in the payment of the Guaranteed Obligations has occurred and is continuing, issue any additional Debt payable from or secured by Covenant Revenues without the prior written consent of the Lender. The Guaranteed Obligations, the Outstanding Special Revenue Bonds and other Bonds Outstanding under the Special Revenue Bond Ordinance from time to time shall be payable from

the Covenant Revenues and other legally available revenues actually budgeted and appropriated and deposited into the funds and accounts created and established pursuant to and in the manner provided in the Special Revenue Bond Ordinance. The City hereby covenants, to the extent permitted by and in accordance with applicable law and budgetary processes, to prepare, approve and appropriate in its Annual Budget for each Fiscal Year, by amendment if necessary, and to deposit to the credit of the Revenue Account established pursuant to the Special Revenue Bond Ordinance, Covenant Revenues in an amount which together with other legally available funds budgeted and appropriated for such purpose are equal to the Reserve Fund Minimum Balance plus the Debt Service Requirement with respect to all Bonds Outstanding under the Special Revenue Bond Ordinance for the applicable Fiscal Year, plus an amount sufficient to satisfy all other payment obligations of the Guarantor under this Guaranty and the City under the Special Revenue Bond Ordinance for the applicable Fiscal Year, including, without limitation, the obligations of the City to fund and cure deficiencies in any subaccounts in the Reserve Account created under the Special Revenue Bond Ordinance. Such covenant and agreement on the part of the City to budget and appropriate sufficient amounts of Covenant Revenues shall be cumulative, and shall continue until such Covenant Revenues in amounts, together with any other legally available funds budgeted and appropriated for such purposes, sufficient to make all required payments under the Special Revenue Bond Ordinance as and when due, including any delinquent payments, shall have been budgeted, appropriated and actually paid into the appropriate funds and accounts created under the Special Revenue Bond Ordinance.

(b) The Guarantor covenants and agrees that Borrower has no claim to nor any reversionary interest in the Debt Service Reserve Fund or any funds therein.

(c) The Guarantor covenants and agrees that the City shall not issue any Non-Self Sufficient Debt (including Additional Bonds) unless there shall be filed with the Guarantor and the Lender a certificate by the Chief Financial Officer of the City that as of the sale date of such additional Non-Self Sufficient Debt, the total amount of Covenant Revenues based on the most recent Fiscal Year for which audited financial statements are available, plus any applicable Supplemental Revenues, will be equal to or greater than 2.00 times the Maximum Annual Debt Service with respect to (i) all Non-Self Sufficient Debt then outstanding and (ii) the Non-Self Sufficient Debt proposed to be issued.

(d) The Guarantor covenants and agrees that the City shall not issue any obligations payable from the amounts deposited in the funds and accounts created under the Special Revenue Bond Ordinance, or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Guaranteed Obligations or any Bonds issued pursuant to the Special Revenue Bond Ordinance upon such funds and accounts, except under the conditions and in the manner described in the Special Revenue Bond Ordinance as in effect on the Effective Date.

(e) The covenants and agreements of the Guarantor contained in the Special Revenue Bond Ordinance relating to Covenant Revenues, the calculation thereof, issuance of any Debt or the issuance of Debt payable from or secured by Covenant Revenues, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Guaranty as if each and every such covenant and agreement and definition were set forth herein in its entirety,

and the covenants and agreements made by the Guarantor in such Sections are hereby made for the benefit of the Lender. No amendment to or waiver of such covenants and agreements or definitions made pursuant to the Special Revenue Bond Ordinance or incorporated by reference shall be effective to amend such covenants and agreements and definitions as incorporated by reference herein without the prior written consent of the Lender.

*Section 5.3. Financial Statements.* At the request of the Lender, the Guarantor will provide its audited financial statements to the Lender, as soon as available, only in the event that such information is not otherwise available on the Municipal Securities Rulemaking Board's (the "MSRB") Electronic Municipal Market Access System ("EMMA"). At the request of the Lender, the Guarantor will provide unaudited financial statements to the Lender, as soon as available if the audited financial statements of the Guarantor are not available within 12 months of the close of the Guarantor's fiscal year and the Guarantor shall certify that any unaudited financial information provided to the Lender is accurate to the best of its knowledge.

*Section 5.4. Additional Covenants.*

(a) *Existence; Compliance with Legal Requirements.* The Guarantor shall maintain its existence as a \_\_\_\_\_ pursuant to [Chapter 92-341, Laws of Florida, Special Acts of 1992, as amended and supplemented (the Charter of the City),] and the laws of the State and (b) shall not encumber Covenant Revenues except as permitted by the Special Revenue Bond Ordinance. The Guarantor shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence and all rights, licenses, permits, franchises and all applicable governmental authorizations necessary for the conduct of its affairs and to generate Covenant Revenues and comply with all legal requirements applicable to it and its assets.

(b) *Litigation.* The Guarantor shall give prompt notice to Lender of any litigation or governmental proceedings pending or threatened against the Guarantor which would reasonably be likely to adversely affect the Guarantor's condition (financial or otherwise) or business (including the Guarantor's ability to perform its obligations hereunder or under the Special Revenue Bond Ordinance or the other Related Documents to which it is a party).

(c) *Patriot Act.* The Guarantor will comply with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction over the Guarantor, including those relating to money laundering and terrorism.

(d) *Further Assurances.* The Guarantor shall, at the Guarantor's sole cost and expense:

(i) cure any defects in the execution and delivery of this Guaranty and execute and deliver, or cause to be executed and delivered, to the Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to correct any omissions in this Guaranty, as the Lender may reasonably require; and

(ii) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of this Guaranty, as Lender may reasonably require from time to time.

(e) *Terms of COPF Loan.* [GUARANTOR ACKNOWLEDGES AND AGREES TO TERMS OF COPF LOAN, INCLUDING CONVERSION STRUCTURE.]

## ARTICLE VI

### MISCELLANEOUS

*Section 6.1. Waiver.* (a) No failure to exercise, and no delay in exercising, on the part of the Lender, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of the Lender hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Guaranty, nor any consent to any departure therefrom, shall be effective unless in writing and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

(b) To the maximum extent permitted by law, the Guarantor hereby irrevocably waives any and all defenses (including any defense based on lack of standing) that the Guarantor may now or hereafter have to the enforcement of this Guaranty based on (i) the Lender not being the holder or assignee of, or not having physical possession of, any evidence of the Obligations, (ii) any gap in the chain of assignments of the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents, and/or (iii) any such documents having been lost.

*Section 6.2. Notices.* All notices and other communications required or permitted under this Guaranty must be in writing; mailed by U.S. registered or certified mail, return receipt requested, postage prepaid; sent by a nationally recognized private courier service; or transmitted by email (*provided* that a copy of such notice or other communication is also delivered by another permitted means of delivery; and *provided further*, that if such notice or other communication is not sent by email by 5:00 p.m. New York time, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient), delivered or addressed:

**To the Lender:**

Capital One Public Funding, LLC  
1307 Walt Whitman Road, 3rd Floor

Melville, New York 11747  
Attention: Jonathan A. Lewis, President and Catherine M. DeLuca, VP  
Telephone: (631) 531-2824 and (631) 531-2802  
Fax: (866) 722-4390  
E-mail: Jonathan.Lewis@capitalone.com and [catherine.deluca@capitalone.com](mailto:catherine.deluca@capitalone.com)

**To the Guarantor:**

City of Jacksonville, Florida

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Any party may change its address by giving written notice to the other party in accordance with this Section 6.2.

*Section 6.3. Governing Law; Jurisdiction; Service of Process.* This Guaranty and any claim, controversy or dispute arising under or related to this Guaranty, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties will be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to any conflicts of law principles, except to the extent preempted by federal laws. The Guarantor and all persons and entities in any manner obligated to the Lender under the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents consent to the jurisdiction of any federal or state court within the State of Florida having proper venue and also consent to service of process by any means authorized by Florida or federal law.

*Section 6.4. Invalid Provisions.* If any provision of this Guaranty is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Guaranty, such provision shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Guaranty, unless such continued effectiveness of this Guaranty, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

*Section 6.5. Amendments.* This Guaranty may be amended only by an instrument in writing executed by the Lender and the Guarantor.

*Section 6.6. Parties Bound; Assignment.* This Guaranty shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs and legal representatives. The Lender shall have the right to assign or transfer its rights under this



Guaranty in connection with any assignment of the Obligations or its rights under any of the Related Documents. Any assignee or transferee of the Lender with regards to the COPF Loan, the COPF Loan Agreement or any other Loan Document shall be entitled to all the benefits afforded to the Lender under this Guaranty. The Guarantor shall not have the right to assign or transfer its rights or obligations under this Guaranty without the prior written consent of the Lender in its sole and absolute discretion, and any attempted assignment without such consent shall be null and void.

*Section 6.7. Headings.* Section headings are for convenience of reference only and shall in no way affect the interpretation of this Guaranty.

*Section 6.8. Recitals.* The recitals and introductory paragraphs hereof are a part hereof, form a basis for this Guaranty and shall be considered prima facie evidence of the facts and documents referred to therein.

*Section 6.9. Counterparts.* To facilitate execution, this Guaranty may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Guaranty to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

*Section 6.10. Rights and Remedies.* If Guarantor becomes liable for any indebtedness owing by the Borrower to the Lender, by endorsement or otherwise, other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby and the rights of the Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against the Guarantor. The exercise by the Lender of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

*Section 6.11. Entirety.* THIS GUARANTY EMBODIES THE FINAL, ENTIRE AGREEMENT OF THE GUARANTOR AND THE LENDER WITH RESPECT TO THE GUARANTOR'S GUARANTY OF THE GUARANTEED OBLIGATIONS AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS GUARANTY IS INTENDED BY THE GUARANTOR AND THE LENDER AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE GUARANTY, AND NO COURSE OF DEALING BETWEEN GUARANTOR AND LENDER, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS GUARANTY. THERE ARE NO ORAL AGREEMENTS BETWEEN THE GUARANTOR AND THE LENDER.

*Section 6.12. Waiver of Right To Trial By Jury.* (a) THE GUARANTOR, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (A) SUBMITS TO PERSONAL JURISDICTION IN THE STATE OF FLORIDA OVER ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THIS GUARANTY, (B) AGREES THAT ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF FLORIDA AND (C) SUBMITS TO THE JURISDICTION OF SUCH COURTS (BUT NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE LENDER TO BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM). THE GUARANTOR FURTHER CONSENTS AND AGREES TO SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER LEGAL PROCESS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY REGISTERED OR CERTIFIED U.S. MAIL, POSTAGE PREPAID, TO THE GUARANTOR AT THE ADDRESS FOR NOTICES DESCRIBED IN SECTION 6.2 HEREOF, AND CONSENTS AND AGREES THAT SUCH SERVICE SHALL CONSTITUTE IN EVERY RESPECT VALID AND EFFECTIVE SERVICE (BUT NOTHING HEREIN SHALL AFFECT THE VALIDITY OR EFFECTIVENESS OF PROCESS SERVED IN ANY OTHER MANNER PERMITTED BY LAW).

(b) THE GUARANTOR AND THE LENDER, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH AND FOREVER FOREGO THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THIS GUARANTY OR ANY CONDUCT, ACT OR OMISSION OF THE LENDER OR THE GUARANTOR OR ANY OF THEIR DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR GUARANTOR, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

*Section 6.13. Cooperation.* The Guarantor acknowledges that the Lender and its successors and assigns may (i) sell, assign or transfer this Guaranty, the Obligations, the COPF Loan, the COPF Loan Agreement, other Loan Documents and the other Related Documents to one or more investors as a whole loan, (ii) participate the Obligations secured by this Guaranty to one or more investors, (iii) deposit this Guaranty, the Obligations, the COPF Loan, the COPF Loan Agreement, other Loan Documents and the other Related Documents with a trust, which trust may sell certificates to investors evidencing an ownership interest in the trust assets, or (iv) otherwise sell the Obligations or one or more interests therein to investors (the transactions referred to in clauses (i) through (iv) are hereinafter each referred to as "*Secondary Market Transaction*"). The Guarantor shall cooperate with the Lender in effecting any such Secondary Market Transaction and shall provide (or cause Borrower to provide) such information, indemnities and materials as may be required or necessary pursuant to the COPF Loan, the COPF Loan Agreement and the other Loan Documents.

*Section 6.14. Reinstatement in Certain Circumstances.* If at any time any payment of the Obligation or any other amount payable by Borrower under the COPF Loan, the COPF Loan Agreement, other Loan Documents and the other Related Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

*Section 6.15. Gender; Number; General Definitions.* Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, (a) words used in this Guaranty may be used interchangeably in the singular or plural form, (b) any pronouns used herein shall include the corresponding masculine, feminine or neuter forms and (c) the phrases “attorneys’ fees”, “legal fees” and “counsel fees” shall include any and all attorneys’, paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels, incurred or paid by Lender in protecting its interest in the Guaranteed Obligations, the Obligations and/or in enforcing its rights hereunder.

*Section 6.16. Joint and Several.* If there is more than one Guarantor, the obligations and liabilities of each Guarantor hereunder are joint and several. Without in anyway limiting the obligations of the Guarantor hereunder, the parties hereto acknowledge that the defined term “Guarantor” collectively includes each individual Guarantor and that it is the intent of the parties hereto in determining whether (a) a breach of a representation or a covenant has occurred, or (b) there has occurred a default hereunder, that any such breach, occurrence or event with respect to any individual the Guarantor shall be deemed to be such a breach, occurrence or event with respect to every the Guarantor and that each individual Guarantor need not have been involved with such breach, occurrence or event in order for the same to be deemed such a breach, occurrence or event with respect to every individual Guarantor.

*Section 6.17. Fully Recourse.* All of the terms and provisions of this Guaranty are recourse obligations of Guarantor.

*Section 6.18. Incorporation by Reference.* To the extent that any provisions or defined terms contained in any other Related Document are used herein or incorporated herein by reference, and such other Related Document is terminated or otherwise satisfied prior to the termination of this Guaranty, then, for the avoidance of doubt, such provisions and/or defined terms shall survive until the satisfaction of the Obligations without regard to the fact that the Related Document originally containing the same has been otherwise terminated or satisfied.

*Section 6.19. Other Guaranties.* The obligations of the Guarantor hereunder are separate and distinct from, and in addition to (and shall not be limited by), the obligations of the Guarantor now or hereafter arising under any other guaranties, indemnification agreements or other agreements to which the Guarantor is now or hereafter becomes a party (the “*Other Guaranties*”). The Lender’s enforcement hereof, and receipt of any amounts hereunder with respect to the Guaranteed Obligations, shall not be limited by (a) any recovery of the Lender under any of the other Guaranties, (b) the receipt by Lender of any amounts paid by the Borrower or any other Person (other than a payment by the Guarantor of a claim expressly made by the Lender pursuant to this Guaranty) to Lender with respect to the Obligations, or (c) any recovery of Lender under any of the COPF Loan, the COPF Loan Agreement, the Special Revenue Bond Ordinance, other Loan Documents or the other Related Documents or any realization by Lender on any Collateral for the Obligations.

*Section 6.20. Electronic Signatures.* The parties agree that the electronic signature of a party to this Guaranty shall be as valid as an original signature of such party and shall be effective to bind such party to this Guaranty. The parties agree that any electronically signed document

(including this Guaranty) shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually-signed original signature that is then transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Notwithstanding the foregoing, at the request of either party, the parties hereto agree to exchange inked original replacement signature pages as soon thereafter as reasonably practicable.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:

**CITY OF JACKSONVILLE, FLORIDA**

By: \_\_\_\_\_  
Donna Deegan, Mayor

ATTEST:

\_\_\_\_\_  
James R. McCain, Jr.  
Corporation Secretary

Form Approved:

\_\_\_\_\_  
Office of General Counsel

**Exhibit M**

**Laura Trio Multi Family:**

**OPERATING EXPENSES**

**Advertising & Marketing**

Advertising - Resident Magazine Publications & Online  
Internet App Ads/Promotions Fees

---

Total Advertising & Marketing:

---

**Administrative**

Elevator/Life Safety Telecommunications  
Merchant Services

---

Total Administrative:

---

**Personnel**

Front Desk / Security (Daytime)  
Taxes - Payroll

---

Total Personnel:

---

**Leasing Turnover/Renewal**

Unit Cleaning  
Carpet Cleaning  
Re-keying & Access Card Programming  
Renewal - Paint  
Renewal - Other

---

Total Leasing Turnover/Renewal:

---

**Interior/Exterior Maintenance**

Interior Pest Control  
Interior Maintenance - Janitorial  
Interior Maintenance - HVAC (Contract)  
Interior Maintenance - Landscaping/Plants  
Interior Maintenance - Supplies AC Filter /Water Filters/Salt  
Exterior Maintenance - Window Cleaning

---

Total Interior/Exterior Maintenance:

---

**Parking**

Parking - Multifamily

---

Total Parking:

---

**Utilities**

Refuse Trash Removal

Recycling Service

---

Total Trash Service:

---

Electric Service - Common Areas

Electric Service - Fire Pumps

Electric Service - Multifamily Units

Electric Service - Vacant Multifamily

Water/Sewer - Common Areas

Water/Sewer - Multifamily Units

Water/Sewer - Commercial Units

Water Service - Fire Sprinklers

Utilities Service Fees

Gas Service (Back-up Generator)

---

Total Utilities:

---

**Taxes & Insurance**

Taxes - Ad Valorem Real Estate

REV Grant Reimbursement (Credit)

Taxes - Personal Property (Intangible Tax)

Insurance - Property

Insurance - Workers Comp

---

Total Taxes & Insurance:

---

**Accounting & Management**

Bank Charges/Service Fees

Management Fees

---

Total Accounting & Management:

---

---

**Laura Trio Hotel**

**Operating Revenue**

**Rooms**

**Food & Beverage**

**Other Operated Depts.**

**Parking**

**Total Revenue**

**Dept. Expense**  
**Rooms**  
**Food & Beverage**  
**Other Operated Dept**  
**Total Dept Expenses**

**Op. Dept. Income**

**Undist. Op Expenses**  
**General & Admin**  
**Credit Card Commission**  
**Information & Tech**  
**Sales & Marketing**  
**Operations & Maint**  
**Utilites**  
**Franchise Expense**  
**Total Expenses**

**Gross Op. Profit**

**Concorde Mgmt Fee**

**Income Before Non- Op**  
**Exp**

**Non- Op Inc & Expense**  
**Property Taxes**  
**Insurance**  
**Total Non Op Inc & Exp**

**EBITDA**

**FFE Replace Reserve**

**EBITDA Less Reserve**