

**MASTER REDEVELOPMENT AGREEMENT
(EAST GARDEN DISTRICT STREETScape PROJECT)**

By and Between

**THE CITY OF PENSACOLA, FLORIDA,
THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA**

and

**41 N. JEFFERSON STREET, LLC, 2 NORTH PALAFOX, LLC AND
90 E. GARDEN STREET, LLC**

Dated as of ^{DECEMBER}~~November~~ 17, 2020

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**MASTER REDEVELOPMENT AGREEMENT
(EAST GARDEN DISTRICT STREETScape PROJECT)**

THIS MASTER REDEVELOPMENT AGREEMENT (EAST GARDEN DISTRICT STREETScape PROJECT) ("Agreement") is made and entered into this 17th day of ~~November~~^{December}, 2020 by and between the CITY OF PENSACOLA, FLORIDA, a municipal corporation (the "City"), the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, a public body corporate and politic of the State of Florida created pursuant to Part III, Chapter 163, Florida Statutes, (the "Agency"), and 41 N. JEFFERSON STREET, LLC, 2 NORTH PALAFOX, LLC AND 90 E. GARDEN STREET, LLC (collectively, the "Developers").

WITNESSETH:

WHEREAS, pursuant to Resolution No. 54-80 adopted by the City Council on September 25, 1980, and as confirmed and ratified pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council found and determined that an area designated therein as the "Pensacola Inner City" is a blighted area as therein described, that a combination of rehabilitation, conservation and redevelopment of the Pensacola Inner City is necessary, that there exists a need for a community redevelopment agency to function in the City to carry out community redevelopment purposes pursuant to Part III, Chapter 163, Florida Statutes (the "Act"), and that the Pensacola Inner City is appropriate for community redevelopment projects and is thereby designated a community redevelopment area; and

WHEREAS, pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, and as readopted and reaffirmed pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council declared itself to be the "Community Redevelopment Agency" in the City and vested all rights, powers, duties, privileges and immunities vested in a community redevelopment agency pursuant to Part III, Chapter 163, Florida Statutes, in the City Council; and

WHEREAS, pursuant to Resolution 65-81 adopted by the City Council on September 22, 1981, the City Council designated the boundaries and found and determined that an area designated therein as the "Urban Core Community Redevelopment Area" (the "Redevelopment Area") is a blighted area as therein described and that the rehabilitation, conservation and redevelopment is necessary and in the public interest; and

WHEREAS, pursuant to Ordinance No. 13-84 enacted by the City Council on March 8, 1984, the Urban Core Community Redevelopment Trust Fund was established into which the tax increment paid by each taxing authority each year is deposited in accordance with section 163.387, Florida Statutes, for the purpose of financing community redevelopment in the Redevelopment Area (the "Tax Increment"); and

WHEREAS, on January 14, 2010, the City Council adopted Resolution No. 02-10 approving an "Urban Core Community Redevelopment Plan 2010" for the Redevelopment Area (as may be further amended from time to time, the "Redevelopment Plan"); and

WHEREAS, on July 18, 2019, the City Council adopted Resolution No. 2019-31 which authorized issuance of the City's Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 (the "Series 2019 Bond") to refinance certain debt obligations then outstanding and to finance new redevelopment projects in the Redevelopment Area, in furtherance of the Redevelopment Plan, and provided that the Series 2019 Bond would be payable from and secured by Tax Increment Revenues paid by the Agency to the City pursuant to interlocal agreement; and

WHEREAS, the Series 2019 Bond was issued on July 25, 2019; and

WHEREAS, the Developer owns certain parcels of real property located in the East Garden District as further described in Appendix A attached hereto (the "Developer Parcels") which parcels are within the boundaries of Redevelopment Area; and

WHEREAS, the Developer is undertaking redevelopment of the Developer Parcels with various uses which may include a hotel, parking facilities, restaurant, retail and other multiuse facilities (collectively, the "Developer Facilities"), all of which are generally contemplated by and are objectives of the Redevelopment Plan; and

WHEREAS, the Developer desires to redevelop and improve the Jefferson Street right of way north of Garden Street and south of Chase Street, which is a City right of way (the "Affected Right of Way"), in conjunction with development and redevelopment of the Developer Parcels which are adjacent or in close proximity to the Affected Right of Way; and

WHEREAS, the Developer has proposed to the City and the Agency that it will undertake all of the design, site work, construction and landscaping to modify the Affected Right of Way and adjoining areas with streetscape improvements so that it is more walkable and pedestrian friendly and to include certain aesthetic enhancements (collectively, the "Project") as further described in the Conceptual Project Plan attached hereto as Appendix B; and

WHEREAS, the total estimated cost of the Project is \$2,203,837 a breakdown of which is included in the Project Cost Estimate attached hereto as Appendix C; and

WHEREAS, the Developer has represented to the City and the Agency that it is willing to pay a substantial portion of the costs of the Project but will require financial assistance from the City and the Agency to undertake and complete the Project as herein set forth; and

WHEREAS, the financial assistance to be provided by the City and Agency includes a grant in the amount of \$1,375,000 (the "Redevelopment Incentive"); and

WHEREAS, the amount of the Redevelopment Incentive is reasonably estimated to be equal to or less than the Tax Increment generated by the Developer Parcels once improved with the Developer Facilities over the duration of the Redevelopment Plan; and

WHEREAS, the financial assistance to be provided by the City and the Agency as an inducement for installation and construction of the Project will result in creation of a vibrant, attractive and pedestrian friendly destination for residents and visitors of the Redevelopment Area; and

WHEREAS, the Developer has proposed that it will install and construct the Project in conjunction with redevelopment of the Developer Parcels; and

WHEREAS, the City has determined that the Project is consistent with the City's comprehensive plan; and

WHEREAS, the Developer Facilities are reasonably expected to generate substantial ad valorem and sales tax revenues through the term of the Redevelopment Plan and beyond; and

WHEREAS, the Project is expected to act as a catalyst for additional high quality redevelopment in the Redevelopment Area, thus significantly benefiting the City's economy and its citizens and significantly advancing the community redevelopment objectives set forth in the Act and the Redevelopment Plan; and

WHEREAS, the construction phase of the Developer Facilities and the Project is expected to create local jobs stemming from construction related activities, and upon completion, the Project is expected to create local jobs related to operation of the residential and commercial uses; and

WHEREAS, construction and operation of the Developer Facilities and Project is further expected to stimulate economic development in the City and to materially benefit the City, the taxing authorities which contribute Tax Increment and their respective residents for many reasons, including but not limited to the increased direct and indirect funds that will be received from ad valorem tax revenue, sales tax revenue, utility revenue, and other revenues; and

WHEREAS, the City and Agency therefore have an interest in the diverse economic benefits which would be created through construction of the Project and redevelopment of the Developer Parcels; and

WHEREAS, the City and Agency desire to facilitate the successful construction of the Project in order to realize the public and community redevelopment benefits identified herein; and

WHEREAS, provision of the Project is a valid and important public purpose in light of the need to redevelop the land within the Redevelopment Area, and the City and the Agency

are authorized by the Act to expend Tax Increment proceeds in furtherance of the community redevelopment objectives of remedying blight and preserving and enhancing the tax base; and

WHEREAS, the City and Agency hereby determine that the economic incentives and contributions contemplated herein are an advantageous means of inducing construction of the Project and which will serve a valid and paramount public purpose in that: (1) construction of the Project will directly promote redevelopment in the Redevelopment Area, as well as the overall economy of the City; (2) the Project will further the development of residential and commercial activities in the Redevelopment Area, thereby achieving essential objectives of the Redevelopment Plan and providing a more balanced and stable area economy and increased opportunities for gainful employment; (3) construction of the Project will stimulate and promote redevelopment in the Redevelopment Area as a whole; and (4) all economic incentives will be used for the public purposes described herein; and

WHEREAS, the parties now desire to enter into this Agreement in order to provide for installation and construction of the Project in furtherance of meeting the redevelopment goals and objectives set forth in the Redevelopment Plan; and

WHEREAS, the City has determined that it is necessary and in the best interests of the health, safety and welfare of the City and its inhabitants that the City make a grant to the Developer in the form of the Redevelopment Incentive to facilitate installation and construction of the Project, and that the Project shall constitute and serve the purposes of "community redevelopment" within the meaning and in accordance with the Act; and

WHEREAS, the parties acknowledge that redevelopment activities in the Redevelopment Area must be coordinated to insure their compliance and consistency with the Act and the Redevelopment Plan, and the parties mutually agree to cooperate to achieve such coordination, and

WHEREAS, this Agreement has been prepared and reviewed by the City, the Agency and the Developer, and all are desirous of entering into this Agreement to effectuate redevelopment of the Project Site upon the terms and conditions as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 **Definitions.** Capitalized terms used herein shall have the meanings set forth in the Recitals above and as follows:

"Act" means Part III, Chapter 163, Florida Statutes known and referred to as the Community Redevelopment Act of 1969, as amended from time to time, and other applicable provisions of law.

"Agency" means the Community Redevelopment Agency of the City of Pensacola, Florida, created pursuant to Resolution No. 55-80 adopted by the City Council on September 25, 1980, as confirmed and ratified by Resolution No. 65-81 adopted by the City Council on September 22, 1981.

"Agreement" means this Master Redevelopment Agreement, including all Appendices and all amendments, modifications, addenda, supplements and revisions to this Agreement or to any of the Appendices.

"Approval Delay" means any delay in achieving a construction or development milestone which is caused by the failure of any applicable governmental authority to timely issue a Building Permit which is required for the construction of the Project.

"Building Permit" means the permit, certificate, license or other approval by the City or other applicable governmental authority required to be obtained, issued, granted, or received as the final such permit, certificate, license or approval prior to commencement of construction, or equipping of any existing structure located on the Project Site.

"City" means the City of Pensacola, Florida, a Florida municipal corporation and its successors or assigns.

"Commencement Date" means the date when the Developer begins the installation and construction of the Project.

"Completion Date" means the date when construction of the Project is completed as provided in Section 2.6 hereof.

"Conceptual Project Plan" means the site plan and narrative description of the conceptual plan for redevelopment of the Project Site prepared by the Developer and included herein as Appendix B.

"Construction Period" means the period of time beginning on the Commencement Date and ending on the Completion Date.

"Contract Documents" means the Design Documents and the general contractor

agreement executed by and between Developer (or any one of them) and a general contractor for the completion of the Project.

"Design Documents" means the Preliminary Design Documents and the Final Design Documents for the Project.

"Developer" means, collectively, 41 N. Jefferson Street, LLC, 2 North Palafox, LLC and 90 E. Garden Street, LLC, and their successors and assigns.

"Developer Facilities" means the various facilities and uses constructed by the Developer on the Developer Parcels which may include a hotel, parking facilities, restaurant, retail and other multiuse facilities.

"Developer Parcels" means the tax parcels owned by the Developer as described in Appendix A.

"Effective Date" means November_____, 2020, the effective date of this Agreement.

"Event of Termination" has the meaning ascribed to it in Article 7.

"Final Design Documents" means the final narrative and graphic description and depiction of the Project, including the final site plan, site elevation, design concept, any recommended streetscape improvements on or adjacent to the Project Site as prepared by or for the Developer.

"Force Majeure" means failure as a result of acts of God, (including fire, flood, earthquake, storm, hurricane or other natural disaster), epidemics, pandemics and related closures, war, invasion, act of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, or terrorist activities or any other cause which is out of the control of the affected party.

"Warranty Bond" means a warranty bond provided by the Developer prior to receiving final payment for the Project, as further described in Section 2.6.F hereof.

"Preconstruction Period" means the period of time commencing upon the Effective Date of this Agreement and ending upon the sooner to occur of the following: (i) January 4, 2021 (unless extended by consent and agreement of the parties, which consent and agreement by the parties shall not be unreasonably withheld, conditioned or delayed, or by Force Majeure or Approval Delay), and (ii) the Commencement Date.

"Preliminary Design Documents" means a preliminary narrative and graphic description and depiction of the Project, including the preliminary site plan, site elevation, design concept, any recommended streetscape improvements on or adjacent to the Project, a depiction of the pedestrian and streetscape improvements prepared by or for Developer.

"Project" means installation and construction of (i) improvements to the Affected Right of Way and (ii) the Walkway Improvements.

"Project Cost Estimate" means the estimate of all Project Costs included herein as Appendix C.

"Project Costs" means all costs, both direct and indirect, incurred by the Developer in designing, permitting, installing and constructing the Project.

"Project Schedule" means the schedule and sequence of events prepared by the Developer for review and approval by the City and the Agency for the commencement, progression, and completion of the design, construction, rehabilitation, equipping and furnishing of the Project, including revisions, amendments and changes thereto made from time to time as provided herein.

"Project Site" means the site of the Affected Right of Way and Walkway Improvements.

"Termination Date" means the date on which this Agreement is terminated and is no longer of any force and effect as provided herein in Article 6.

"Walkway Improvements" means pedestrian and walkway improvements adjacent to or in proximity to the Affected Right of Way, which may include but are not limited to curbs, sidewalks, lighting, signage, benches, bollards, street art or sculptures, waste receptacles, fountains, street access points and utility relocations, if any, together with associated landscaping improvements, as further described in the Conceptual Project Plan.

Section 1.2 Use of Words and Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural as well as the singular number and the word "person" shall include corporations and associations, including public bodies, as well as natural persons. "Herein," "hereby," "hereunder," "hereof," "hereinafter," "hereinafter" and other equivalent words refer to this Agreement and not solely to the particular portion thereof in which any such word is used.

Section 1.3 Florida Statutes. All references herein to "Florida Statutes" are to Florida Statutes (2019), as amended from time to time, unless specifically indicated otherwise.

ARTICLE 2

PURPOSE: FINDINGS: INTENT

Section 2.1 Purpose. The purpose of this Agreement is to outline the details of the transaction, and the commitments and responsibilities of each of the parties from conceptual planning through final Project completion, and to provide acceptable releases to each of the parties should the Project fail to proceed, or be terminated pursuant to the provisions of this Agreement, at any point in time.

Section 2.2 Findings.

A. The City and the Agency do hereby find that the Project will advance the community redevelopment goals and objectives set forth in the Redevelopment Plan which expressly contemplates and encourages redevelopment and enhancement of public rights of way and pedestrian walkways in the Redevelopment Area and provides for private sector participation in remediating the blighted conditions therein.

B. The City and the Agency do hereby find that the Developer has represented to City and the Agency that the Developer needs financial assistance from the City and the Agency in order for the Project to proceed.

C. The City and the Agency do hereby find that there is, in fact, a need for financial assistance by the City and the Agency for the Project to proceed.

D. The City and the Agency do hereby find that the City has an interest in the diverse economic benefits resulting from the construction and operation of the Developer Facilities and that the Project is consistent with and furthers the objectives of the Redevelopment Plan and is in the best interest of the citizens of the City.

E. The parties hereto recognize and acknowledge and do mutually find that but for the financial assistance provided for herein, the Developer would not undertake construction of the Project and redevelopment of the Project Site, and such assistance is a critical and important inducement without which such construction and redevelopment would not be undertaken.

Section 2.3 Intent. It is the intent of the parties hereto to efficiently, effectively and economically cause the successful construction of the Project in order to improve the Affected Right of Way, specifically, and the conditions in the Redevelopment Area, in general, as well as implement the Redevelopment Plan and otherwise further the purposes of the Act. It is further the intent of the parties that the Developer shall permit, design, engineer, construct, equip, and otherwise complete the Project by a Completion Date to be mutually agreed upon by the parties. The parties mutually recognize and acknowledge that the Developer will require the City's and the Agency's financial assistance, the extent of which is set forth in Section 2.4.

Section 2.4 Project Funding & Cost Overruns.

A. The cost of the Project is estimated to be \$2,203,837 as further described in the Project Cost Estimate. The Developer shall be responsible for funding and financing installation and construction of the Project, subject to the City contribution described below.

B. Section 163.387 of the Act authorizes "area reinvestment agreements" between a community redevelopment agency and private parties pursuant to which the increment computed for a specific area is reinvested in services or public or private projects, or both, including debt service, supporting one or more projects consistent with the community

redevelopment plan that is identified in the agreement to be constructed within that area. It is the express intent of the parties hereto that this Agreement shall constitute and be construed as an area reinvestment agreement within the meaning of the Act.

C. The City hereby agrees to pay the Redevelopment Incentive to the Developer in accordance with the terms set forth herein, to induce the Developer to install and construct the Project.

D. The City shall contribute the Redevelopment Incentive in a total amount not to exceed \$1,375,000, in accordance with the following terms:

1. \$125,000 upon the Developer's receipt of all necessary permits for the Project.
2. \$312,500 upon completion of 30% of the Project as certified by the Developer's general contractor for the Project.
3. \$312,500 upon completion of 60% of the Project as certified by the Developer's general contractor for the Project.
4. \$312,500 upon completion of 90% of the Project as certified by the Developer's general contractor for the Project.
5. \$312,500 upon completion of 100% of the Project as certified by the Developer's general contractor for the Project and the Developer's delivery to the City of the Warranty Bond described in Section 2.6.F hereof.

E. The foregoing payments shall be made by the City to 90 E. Garden Street, LLC within seven (7) business days of the milestones set forth above.

F. The City intends to finance such contribution with proceeds of the Series 2019 Bond.

G. Except for the contribution of the City described above, all other Project Costs associated with the design, installation and construction of the Project shall be the responsibility of the Developer.

H. Cost overruns, if any, which result from changes to the Project deemed necessary by the Agency for consistency with the Redevelopment Plan or Conceptual Project Plan shall be the responsibility of the Developer. Cost overruns, if any, which result from changes to the Project which are necessary to comply with the City's land development code provisions or requirements of other applicable regulatory boards or agencies shall be the responsibility of the Developer. Cost overruns, if any, resulting from discretionary requests of the City or Agency pertaining to the Affected Right of Way or Walkway Improvements shall be the responsibility of the City and/or Agency.

Section 2.5 Ownership and Operation of Improvements Comprising Project.

The City is and shall continue to be the owner of the Affected Right of Way and Project Site, and shall be solely responsible for the expenses associated with ownership, operation and maintenance of the improvements comprising the Project including the Affected Right of Way and the Walkway Improvements installed and constructed by the Developer hereunder; provided, however, that (i) the City and Agency shall assume no ownership or maintenance responsibility for Walkway Improvements or any other improvements installed or constructed by the Developer located or situated on the Developer Parcels or any other privately owned property, and (ii) the Developer is responsible for providing the Warranty Bond in accordance with Section 2.6.F hereof.

Section 2.6 Project Schedule & Completion Date.

A. Prior to or upon the completion of the Preconstruction Period, the Developer shall prepare and present to the City and the Agency for review and approval an overall Project Schedule detailing the Construction Period and the Completion Date, and the Developer shall commence construction of the Project in accordance with such schedule and the provisions of this Agreement.

B. The planning, design, development, construction, equipping, and completion of the Project by the Developer shall be undertaken, diligently continued and completed in substantial accordance with this Agreement and by the dates set forth in the Project Schedule subject to revision as provided below.

1. Due to changes in circumstances, expectations, or assumptions of the parties not now known to or by the parties, the Project Schedule may be revised by the Developer and/or the City from time to time, by prior written notice of such revision between the parties which revision shall be effective upon approval of such written notice by the other party. Such approval shall not be unreasonably withheld and if not approved or rejected within twenty (20) calendar days of receipt, then such revision shall be deemed approved.

2. Subject to Force Majeure and Approval Delay, in the event of a change in Completion Date of the Project, for whatever reason, the City or Developer may terminate this Agreement; provided, however, that if the City determines that the Developer is reasonably capable of achieving completion of the Project within ninety (90) days beyond the Completion Date set forth in the Project Schedule, the Developer shall have an additional ninety (90) days beyond the Completion Date to complete the Project before the City may terminate this Agreement.

C. Construction of the Project will be considered complete upon:

1. Receipt by the City of an affidavit from the Developer's contractor stating that the Project has been completed, subcontractors have been paid for construction of same and all construction or other liens related to same have been released; and

2. Acceptance of the Project by the City in accordance with City policies and standards for acceptance of public infrastructure by private developers, including but not limited to the provision of sealed as-built plans and a written release of all liens associated with the work. Such acceptance by the City shall not be unreasonably withheld, conditioned or delayed.

D. The Developer will provide periodic construction status updates to the City and will notify the City of impending completion.

E. Notwithstanding anything herein or in the Project Schedule to the contrary, the Completion Date of the Project shall be no later than one (1) year after the Effective Date, subject to Force Majeure and Approval Delays.

F. Correction Period

1. If within five (5) years after the date the City accepts the Project, the City gives the Developer written notice that any portion of the Project has been found to be not in accordance with the requirements of the Contract Documents or the Florida Building Code, or that the Developer's repair of any damages to the Project Site or adjacent areas has been found to be not in accordance with the requirements of the Contract Documents or the Florida Building Code, then after receipt of such notice of the condition the Developer shall promptly, without cost to the City and in accordance with the City's written instructions:

a. furnish to the City a correction/remediation plan within thirty (30) days of the City furnishing its notice of the condition.

b. Upon the City's acceptance of the Developer's correction/remediation plan, the Developer shall correct the condition or such adjacent areas as set forth in Developer's correction/remediation plan.

2. The City shall give any such notice of defect within 30 days of the discovery that such Project work or repairs is defective.

3. If, after receipt of a notice of defect within 30 days and within the correction period, the Developer does not furnish a correction/remediation plan, or in an emergency where delay would cause serious risk of loss or damage, the City may have the defective Project work corrected or repaired or may have the rejected work removed and replaced. The Developer shall pay all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others). Except in an emergency where delay would cause serious risk

of loss or damage, the City shall not undertake any repairs, review, or studies without first furnishing Developer notice and the opportunity to make corrections or furnish a correction/remediation plan.

4. As a condition precedent to the City's acceptance of the Project and obligation to make final payment, the Developer shall furnish a Warranty Bond in the sum of \$425,000, substantially in the form of EJCDC® C 612, Warranty Bond (2018). The Warranty Bond period will extend to a date five (5) years after the City's acceptance of the Project, and is intended to secure the obligation of the Developer to correct work as provided in this Section 2.6.F. The Warranty Bond must be issued by the same surety that issues the performance bond required under Section 3.3.L hereof. The Developer shall deliver the fully executed Warranty Bond to City prior to or with the final application for payment.

5. The Developer's obligations under this Section 2.6.F are in addition to all other obligations and warranties. The provisions of this Section 2.6.F are not to be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

Section 2.7 Conceptual Project Plan. The Developer shall install and construct the Project in accordance with the Conceptual Project Plan. The Conceptual Project Plan is conceptual only and may be amended as construction unfolds, provided that any such amendment is subject to review by the Agency to ensure consistency and compliance with the Redevelopment Plan. The Agency shall expeditiously review any such modifications and agrees to not unreasonably withhold, condition or delay its approval of same.

ARTICLE 3 **REPRESENTATIONS, WARRANTIES, COVENANTS AND OBLIGATIONS OF THE** **DEVELOPER**

Section 3.1 Representations and Warranties. The Developer represents and warrants to the City and Agency that each of the following statements is presently true and accurate as of the date hereof and can be relied upon by the City and Agency:

A. Each constituent of the Developer (41 N. Jefferson Street, LLC, 2 North Palafox, LLC and 90 E. Garden Street, LLC) is a duly organized and validly existing limited liability company under the laws of the State of Florida, has all requisite power and authority to carry on its business as now conducted, to own or hold properties and to enter into and perform its obligations hereunder and each instrument to which it is or will be a party, and is in good standing in the State of Florida.

B. The principal place of business of the Developer is 41 N. Jefferson Street, 4th Floor, Pensacola, Florida 32502. The manager(s) or managing member(s) thereof executing this Agreement on behalf of the Developer are authorized to act on behalf of the Developer and execute this Agreement and on behalf of the Developer and any such actions by such officers shall be binding upon and enforceable against the Developer.

C. Each document in connection with the Project to which Developer is or will be a party has been duly authorized by all necessary action on the part of, and has been, or will be duly executed and delivered by, the Developer and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof (i) requires the approval and consent of any other party, except such as have been duly obtained, (ii) contravenes and existing law, judgment, government rule, regulation or order applicable to or binding on the Developer, or (iii) contravenes or results in any breach of, default under or results in the creation of any lien or encumbrance upon any property of the Developer other than the Developer Parcel under any indenture, mortgage, deed of trust, bank loan or credit agreement, the Developer's partnership or joint venture agreement, or any other agreement or instrument to which the Developer is a party.

D. This Agreement will constitute a legal, valid and binding obligation of the Developer, and each member thereof, enforceable against the Developer and each member thereof in accordance with the terms thereof, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which effect creditor's rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

E. There are no pending, or to the knowledge of the Developer, threatened actions or proceedings before any court or administrative agency against the Developer or any partner thereof, which question this Agreement or the validity of any instrument or document contemplated hereunder or which are likely in any case, or in the aggregate, to materially adversely affect the successful development of the Project, the consummation of the transactions contemplated hereunder or the financial condition of the Developer.

F. The Developer, and each member thereof, has filed or caused to be filed all federal, state, local and foreign tax returns, if any, required to be filed by the Developer and each member thereof and has paid all taxes shown to be due and payable on such returns or on any assessments levied against the Developer and each member thereof.

Section 3.2 Covenants of the Developer. The Developer covenants with the City and the Agency that the Developer shall timely fulfill or cause to be fulfilled all of the conditions and obligations expressed herein which are within the control of the Developer or which are the responsibility of the Developer to fulfill. Each constituent member of the Developer (41 N. Jefferson Street, LLC, 2 North Palafox, LLC and 90 E. Garden Street, LLC) shall be jointly and severally obligated for performance under this Agreement.

Section 3.3 Obligations of the Developer.

A. The Developer shall permit, design, construct and improve the Project in accordance with the Design Documents.

B. Upon execution of this Agreement the Developer shall commence the process of

designing the Project and shall forward the Preliminary Design Documents to the City and Agency for review and approval to ensure consistency with City standards for public improvements projects and the Redevelopment Plan.

C. As provided in Section 7.15 hereof, this Agreement shall not be construed as a development approval or to convey development rights upon the Developer. Prior to commencing construction of the Public Improvements, the Developer must submit to the City appropriate development applications for development permits or other entitlements. The City shall accept from the Developer for processing and review all such applications, provided that such applications are submitted in accordance with all City rules and regulations and all fees are timely and properly paid. All required permits and development approvals must be obtained prior to commencing construction. Nothing in this Agreement shall be construed to waive or modify applicable land development code and requirements of the City.

D. The Developer shall be responsible for engaging the professional services required and for the payment of all costs associated with design and construction of the Project.

E. The Developer shall coordinate with the City's engineer and the Agency through the Completion Date to ensure design and construction of the Project in a manner consistent with City standards and the Design Documents. No construction efforts shall commence until the City and Agency have reviewed and accepted the Design Documents in the manner contemplated by this Section 3.3 and Developer has received all required Building Permits.

F. All design, engineering and construction by Developer shall be done in accordance with all applicable laws and regulations of the federal, state and local governments, including but not limited to, compliance with all building codes, planning ordinances and regulations and zoning ordinances and regulations of the City.

G. The Developer shall be responsible for and shall initiate, diligently continue and complete the Project as contemplated by this Agreement, including the preparation of the Design Documents, and the construction, and equipping of the Project substantially in accordance with the approved Building Permit(s).

H. If the Final Design Documents reflect any material changes to the Preliminary Design Documents, then such documents shall be submitted to the City and the Agency for review and approval.

I. The Developer shall ensure that the Project including each component thereof adheres to all applicable building, zoning, parking, life safety, growth management, and all other codes and ordinances that may apply to the Project and Project Site.

J. The Developer shall have no authority to borrow money secured by the Affected Right of Way or Walkway Improvements (except and only to the extent any portion of the Walkway Improvements is located on a Developer Parcel) or incur any debt or liability on

behalf of the City or the Agency.

K. The Developer shall contract with a licensed and insured general or roadway contractor for the construction phase, and ensure that the contractor chosen by the Developer uses its proper skill and care in constructing the Project. The Developer shall also ensure that such contractor obtains a performance bond reasonably acceptable to the City.

L. The Developer hereby indemnifies the City and Agency against all claims, costs, losses, demands, actions, proceedings, judgments, settlements and liability arising out of any breach or non-observance of the Developer's obligations in this Agreement.

M. The Developer shall obtain and deliver to the City evidence of commercial general liability insurance in amounts reasonably satisfactory to the City, which insurance the Developer shall maintain at all times during the construction of the Project.

ARTICLE 4
REPRESENTATIONS, WARRANTIES, COVENANTS
AND OBLIGATIONS OF THE CITY

Section 4.1 Representations and Warranties. The City represents and warrants to Developer that each of the following statements is presently true and accurate as of the date hereof and can be relied upon by Developer:

A. The City is a validly existing municipal corporation of the State of Florida, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement and each document contemplated hereunder to which it is or will be a part.

B. This Agreement has been duly authorized by all necessary action on the part of, and has been or will be duly executed and delivered by, the City and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof (i) requires the approval and consent of any other party, (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the City or (iii) contravenes or results in any breach of, default under or result in the creation of any lien or encumbrance upon any party or the City, under any indenture, mortgage, deed of trust, bank loan or credit agreement, any special acts, ordinances, resolutions or any other agreement or instrument to which the City is a party, specifically including any covenants of any bonds, notes, or other forms of indebtedness of the City outstanding on the Effective Date.

C. This Agreement will constitute, a legal, valid and binding obligation of the City enforceable against the City in accordance with the terms thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

D. This Agreement does not violate any laws, ordinances, rules, regulations, orders, contracts or agreements that are or will be applicable thereto.

Section 4.2 Covenants of the City. The City covenants with Developer that:

A. The City shall timely fulfill or cause to be fulfilled all of the conditions and obligations expressed herein which are within the control of the City or which are the responsibility of the City to fulfill.

B. The City shall not violate any laws, ordinances, rules, regulations, orders, contracts or agreements that are or will be applicable thereto, or, to the extent permitted by law, enact or adopt or urge or encourage the enactment or adoption of any laws, ordinances, resolutions, rules, regulations or orders or approve or enter into any contracts or agreements, including issuing any bonds, notes, or other forms of indebtedness, that will result in any provision of this Agreement to be in violation thereof or which would materially impair the City's ability to perform its obligations under this Agreement.

Section 4.3 Obligations of the City.

A. The City agrees to timely and expeditiously process all applications received by the Developer for construction approvals and permits for the Project, provided that such applications are submitted in accordance with all City rules and regulations and all fees are timely and properly paid. All required permits and construction approvals, whether issued by the City or any other governmental agency, must be obtained prior to commencing construction. Nothing in this Agreement shall be construed to waive or modify applicable land development code provisions and requirements of the City. The Developer shall be solely responsible for obtaining any construction approvals and permits required by any governmental agency other than the City for construction and completion of the Project.

B. The City agrees to cooperate and expeditiously provide information, approvals and answers to the Developer upon written request, and shall not unreasonably withhold, condition or delay any such approvals.

ARTICLE 5
REPRESENTATIONS, WARRANTIES, COVENANTS
AND OBLIGATIONS OF THE AGENCY

Section 5.1 Representations and Warranties. The Agency represents and warrants to Developer that each of the following statements is presently true and accurate as of the date hereof and can be relied upon by Developer:

A. The Agency is a validly existing public body corporate and politic of the State of Florida, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement.

B. This Agreement has been duly authorized by all necessary action on the part of, and has been or will be duly executed and delivered by, the Agency and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof (i) requires the approval and consent of any other party, (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the Agency or (iii) contravenes or results in any breach of, default under or result in the creation of any lien or encumbrance upon any party or the Agency, under any indenture, mortgage, deed of trust, bank loan or credit agreement, any special acts, ordinances, resolutions or any other agreement or instrument to which the Agency is a party, specifically including any covenants of any bonds, notes, or other forms of indebtedness of the Agency outstanding on the Effective Date.

C. This Agreement will constitute, a legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with the terms thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

D. This Agreement does not violate any laws, ordinances, rules, regulations, orders, contracts or agreements that are or will be applicable thereto.

Section 5.2 Covenants of the Agency. The Agency covenants with Developer that:

A. The Agency shall timely fulfill or cause to be fulfilled all of the conditions and obligations expressed herein which are within the control of the Agency or which are the responsibility of the Agency to fulfill.

B. The Agency will not violate any laws, ordinances, rules, regulations, orders, contracts or agreements that are or will be applicable thereto, or, to the extent permitted by law, enact or adopt or urge or encourage the enactment or adoption of any laws, ordinances, resolutions, rules, regulations or orders or approve or enter into any contracts or agreements, including issuing any bonds, notes, or other forms of indebtedness, that will result in any provision of this Agreement to be in violation thereof or which would materially impair the Agency's ability to perform its obligations under this Agreement.

Section 5.3 Obligations of the Agency.

A. The Agency agrees to timely and expeditiously review the Design Documents and to negotiate in good faith any changes or revisions deemed by the Agency as necessary for the Design Documents to be consistent with the Redevelopment Plan.

B. The Agency agrees to cooperate and expeditiously provide information, approvals and answers to the Developer upon written request.

ARTICLE 6

EVENTS OF TERMINATION AND DEFAULT

Section 6.1 Events of Termination During the Preconstruction Period. Upon written notice to the other party during the Preconstruction Period, the respective party shall have the right to terminate this Agreement for any of the following Events of Termination. In any such Event of Termination, each party shall be responsible for its own costs.

A. Should the Developer fail to receive financing commitments, then the Developer may choose to terminate this Agreement.

B. Should the Developer fail to obtain all necessary development approvals and/or permits during the Preconstruction Period, subject to extension for Force Majeure and/or Approval Delay, then any of the parties hereto may choose to terminate this Agreement.

C. Should the parties fail to reach agreement on the Design Documents or any of its material components after good faith efforts to do so, then either party may terminate this Agreement.

D. Determination by any of the parties that the costs estimated for the Project component are too high or not economically feasible, provided, however, that each of the parties acknowledges that the costs set forth in the Budget are economically feasible.

Section 6.2 Events of Default; Notice, Cure and Remedies.

A. Each of the following is hereby declared an "Event of Default" with respect to this Agreement:

1. A default by any party in the due and punctual performance of the covenants, conditions, agreements and provisions contained in this Agreement.

2. Any representation or warranty of any party hereto shall prove to have been untrue in any material respect.

3. Any party admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors, consents to the appointment of a receiver or trustee for itself or shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof.

4. Any party is adjudged insolvent by a court of competent jurisdiction or is adjudged bankrupt on a petition of bankruptcy filed against the party, or an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the party, a receiver or trustee of the party or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof.

5. If, under the provisions of any law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the party or of the whole or any substantial part of its property and such custody or control shall not be terminated within ninety (90) consecutive days from the date of assumption of such custody or control.

B. Notice of Default; Right to Cure. Upon an Event of Default by any party to this Agreement, or said party's successors and assigns, with regard to this Agreement or of any of its terms or conditions, the party alleging such default or breach shall give the breaching party not less than thirty (30) days "Notice of Default" in writing in the manner provided for giving notice as set forth in Section 7.1 of this Agreement. The time of notice shall be measured from the date of certified mailing. The Notice of Default shall specify the nature of the alleged default, and, where appropriate, the manner and period of time in which said default may be satisfactorily cured. During any period for curing the default, the party charged shall not be considered in default for the purposes of termination or institution of legal proceedings. If the default is cured, then no default shall exist, and the noticing party shall take no further action.

C. Remedies. If the default has not been cured after proper notice and the expiration of said period to cure default, the noticing party may elect to terminate this Agreement and, at its option and in addition to any other rights or remedies, may institute legal action to cure, correct or remedy any default, to enforce any covenants or agreements herein, or to enjoin any threatened or attempted violation thereof; to recover damages for any default; or to obtain any remedies consistent with the purpose of this Agreement. Such legal actions must be instituted in the Circuit Court of the County of Escambia, State of Florida. This section shall not be interpreted as a pledge of ad valorem tax or other revenues by the City or the Agency.

D. Waiver. Failure or delay in giving Notice of Default or seeking enforcement of this Agreement, shall not constitute a waiver of any default. Except as otherwise expressly provided in this Agreement, any failure or delay by another party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

ARTICLE 7 MISCELLANEOUS

Section 7.1 Notices. Unless otherwise specifically provided herein, all notices, demands, requests for approvals or other communications which may be or are required to be given by either party to the other shall be made in writing and shall be deemed given and delivered on the date delivered in person, faxed or on the on the date mailed by registered or certified mail, postage prepaid, return receipt requested, and addressed:

To the City: City of Pensacola
 222 W. Main St.

Pensacola, Florida 32502
Attention: City Administrator

With copy to: Office of the City Attorney
City of Pensacola
222 W. Main St.
Pensacola, Florida 32502

To the Agency: Community Redevelopment Agency of the City of Pensacola
222 W. Main St.
Pensacola, Florida 32502
Attention: CRA Administrator

To the Developer: c/o Chad C. Henderson
41 N. Jefferson Street, 4th Floor
Pensacola, Florida 32502

With a copy to: William H. Mitchem
Beggs & Lane, RLLP
501 Commendencia Street
Pensacola, Florida 32502

The addresses to which notices are to be sent may be changed from time to time by a written notice of such change from the party changing its address delivered to the other parties. Until such a notice is received, a party may rely upon the last address received for the other party.

Section 7.2 Consents and Approvals.

(A) All consents and approvals which may be given under this Agreement shall, as a condition of their effectiveness, be in writing. The granting by a party of any consent to or approval of any act requiring consent or approval under the terms of this Agreement, or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any other act, except as expressly set forth herein to the contrary.

(B) Unless expressly provided otherwise, all consents and approvals which may be given by a party under this Agreement shall not (whether or not so indicated elsewhere in this Agreement) be unreasonably withheld, delayed, or conditioned by such party and shall be given or denied within a reasonable time. Upon disapproval of any request for a consent or approval, the disapproving party shall, together with notice of such disapproval, submit to the requesting party a written statement setting forth with specificity its reasons for such disapproval.

Any amendments to this Agreement will require the approval of the City Council for the City and the governing body of the Agency.

Section 7.3 Invalid Provisions. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the requirements of applicable laws and if the remainder of this Agreement can substantially be reasonably performed without material hardship, so as to accomplish the intent and the goals of the parties hereto.

Section 7.4 Applicable Law and Construction. The laws of the State of Florida shall govern the validity, performance and enforcement of this Agreement. The submission of this document to the parties for examination thereby does not constitute an offer to buy, or a reservation of or operation for the Project, the Project Site, or any part thereof. This Agreement has been negotiated by the City, Agency and the Developer, and this Agreement, including the appendices, and each of them, the City, the Agency, and the Developer shall be deemed to have participated in the preparation thereof.

Section 7.5 Submission to Jurisdiction.

A. Each party to this Agreement hereby submits to the jurisdiction of the State of Florida, Escambia County and the courts thereof for the purposes of any suit, action or other proceeding arising out of or relating to this Agreement and hereby agrees not to assert by way of a motion as a defense or otherwise that such action is brought in an inconvenient forum or that the venue of such action is improper or that the subject matter thereof may not be enforced in or by such courts.

B. If at any time during the term of this Agreement, the Developer is not a resident of the State of Florida or has no officer, employee, or agent thereof available for service of process who is a resident of the State of Florida, or if any permitted assignee thereof shall be a foreign corporation, partnership or other entity or shall have no officer, employee, agent, or general partner available for service of process in the State of Florida, the Developer for itself and its successors or assigns hereby designates the Secretary of State, State of Florida, its agent for the service of process in any court action between it and the Agency arising out of or related to this Agreement and such service shall be made as provided by the laws of the State of Florida for service upon a nonresident; provided, however, that at the time of service on the Secretary of State, a copy of such service shall be mailed by prepaid, registered mail, return receipt requested, to the Developer at the address for notices as provided in Section 7.1 hereof.

Section 7.6 Complete Agreement. This Agreement, including the Appendices, and all of the terms and provisions contained herein, constitute the full and complete agreement between the parties hereto, and supersedes and controls over any and all prior agreements, understandings, representations, and statements, whether written or oral, made with regard to the matters addressed by this Agreement. This Agreement can be modified or amended only by

a writing signed by all parties hereto.

Section 7.7 **Captions.** The section headings and captions of this Agreement and the table of contents preceding this Agreement are for convenience and reference only and in no way define, limit or describe the scope or intent of this Agreement, or any part thereof, or in any way affect this Agreement, or construe any article or section hereof.

Section 7.8 **Successors, Assigns and Grantees.** The terms herein contained shall bind and inure to the benefit of the City, the Agency, the Developer and its successors and assigns, except as may be otherwise specifically provided herein.

Section 7.9 **Holidays.** It is hereby agreed and declared that whenever a notice or performance under the terms of this Agreement is to be made or given or done on a Saturday or Sunday or on a legal holiday observed in the City of Pensacola, Florida, it shall be postponed to the next following business day not a Saturday, Sunday, or legal holiday.

Section 7.10 **Appendices.** Each Appendix referred to in and attached to this Agreement is an essential part of this Agreement. The Appendices, and any amendments or revisions thereto, even if not physically attached hereto, shall be treated as if they are part of and incorporated within this Agreement.

Section 7.11 **No Brokers.** The City, the Agency and the Developer hereby represent, agree and acknowledge that no real estate broker or other person is entitled to claim or to be paid a commission solely as a result of the execution and delivery of this Agreement.

Section 7.12 **Developer Not Agent of Agency or City.** The Developer and any contractor hired by Developer are not individually or collectively and shall not be deemed to be individually or collectively an agent or contractor of the Agency or the City, and are not subject to nor shall be required to comply with any laws, ordinances, regulations, orders, or policies of or applicable to the Agency or the City applicable or relating to public works projects of the Agency or the City or contractors retained by the Agency or the City for such types of projects. Nothing contained in this Agreement shall be construed or deemed to name, designate, or cause (either directly or indirectly) the Developer, or any contractor thereof, to be an agent for the Agency or the City.

Section 7.13 **Public Purpose.** This Agreement satisfies, fulfills, and is pursuant to and for a public purpose and municipal purpose and is in the public interest, and is a proper exercise of the City's and Agency's redevelopment powers and authority under the Act.

Section 7.14 **Technical Amendments.** The Mayor, Chair of the Agency, or his or her designee, as to the City and Agency, is authorized to approve such changes and the Mayor, Chair, his or her designee, and other appropriate City or Agency officials are authorized to execute any amendments to this Agreement to address technical terms or correct scrivener's errors to make and incorporate such amendment or change to this Agreement, or any Appendix or any other agreement contemplated hereby

Section 7.15 Agreement Not a Chapter 86-191 Laws of Florida Development Agreement. The City, Agency, and the Developer acknowledge and agree that it is their mutual intent that this Agreement, including any Appendix, is an agreement contemplated by Part III, Chapter 163, Florida Statutes, and is not a development agreement described in Sections 163.3220-163.3243, Florida Statutes, originally enacted as Chapter 86-191, Laws of Florida, entitled the "Local Government Development Agreement Act." Nothing herein shall be construed as a development approval or to convey development rights upon the Developer.

Section 7.16 Third Parties. This Agreement is solely for the benefit of the Developer and the City, and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the Developer and the City any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement. Nothing contained in this Agreement shall limit or impair the Developer's right to protect its rights from interference by a third party.

Section 7.17 Waiver of Jury Trial. Each party hereto waives all right to trial by jury in any claim, action, proceeding or counterclaim the party may have against the other parties hereto regarding any matters arising out of or in any way connected with this Agreement.

Section 7.18 Compliance with Laws. The Developer will be solely responsible for obtaining all permitting, zoning, building, and other approvals required in conjunction with the proposed Project. The City agrees to cooperate with Developer with respect to obtaining any required approvals; however in entering into this Agreement the City expressly reserves its police power to review and determine all requested zoning and permit approvals in accordance with the City's obligations under federal, state, and local law. The Developer is responsible at all times for complying with all applicable federal, state, and local laws.

Section 7.19 Severability. If any portion of any term or provision of this Agreement, or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent determined by law.

Section 7.20 Time of Essence. Time is of the essence in each and every instance hereunder with respect to the covenants, undertakings, and conditions to be performed hereunder by the parties.

Section 7.21 Effective Date. The Effective Date of this Agreement shall be the day and year first above written.

Section 7.22 Waiver of Consequential Damages. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES OR LOST OPPORTUNITY OR LOST PROFITS, WHETHER BASED IN CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND NO MULTIPLIER OR SIMILAR CONCEPT SHALL BE APPLIED FOR PURPOSES OF CALCULATING LOSSES.

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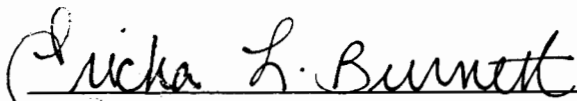
IN WITNESS WHEREOF, the City, the Agency and the Developer, by and through the undersigned, have entered into this Master Redevelopment Agreement as of the day and year first above written.

CITY OF PENSACOLA, FLORIDA

[Seal]

By: 
Mayor

Attest:


City Clerk


IN WITNESS WHEREOF, the City, the Agency and the Developer, by and through the undersigned, have entered into this Master Redevelopment Agreement as of the day and year first above written.

COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PENSACOLA

[Seal]

By: 
Chair

Attest:


City Clerk

IN WITNESS WHEREOF, the City, the Agency and the Developer, by and through the undersigned, have entered into this Master Redevelopment Agreement as of the day and year first above written.

2 NORTH PALAFOX, LLC, a Florida limited liability company

By: [Signature]
Chad C. Henderson, Manager

41 N. JEFFERSON STREET, LLC, a Florida limited liability company

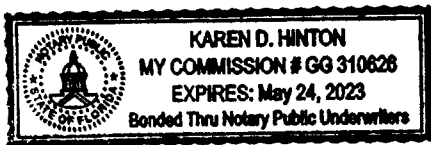
By: [Signature]
Chad C. Henderson, Manager

90 E. GARDEN STREET, LLC, a Florida limited liability company

By: [Signature]
Chad C. Henderson, Manager

STATE OF FLORIDA)
COUNTY OF ESCAMBIA)

The foregoing instrument was acknowledged before me by means of ✓ physical presence or online notarization this 9th day of December, 2020, by Chad C. Henderson, as the Manager of 2 North Palafox, LLC, 41 N. Jefferson Street, LLC, and 90 E. Garden Street, LLC, on behalf of each company. He is personally known to me.



(AFFIX NOTARIAL SEAL)

Karen D. Hinton
Notary Public

My Commission Expires: May 24, 2023

IN WITNESS WHEREOF, the Parties hereto, by and through the undersigned, have entered into this Master Redevelopment Agreement as of the day and year first above written.

Approved as to Content

M. Helen Gibson

M. Helen Gibson, CRA Administrator

Legal in Form and Valid as Drawn:

Susan Woolf

Susan Woolf, City Attorney

DEVELOPER PARCELS



APPENDIX B

CONCEPTUAL PROJECT PLAN



Growing Pensacola ...with a Local Team!



CiviCon, Southtowne, Pensacola's Complete Streets Initiative, & the CRA's mission to Restore, Revitalize, & Renew Pensacola have all inspired the local East Garden District Team to reactivate a historic block with synergistic placemaking & unique community growth projects.

Catalyst
healthcare real estate



Chad Henderson, Founder & CEO of Catalyst HRE, is the local developer of the East Garden District project.

Catalyst HRE is one of the nation's fastest growing healthcare real estate development companies with 40 employees, over \$500M in assets across 18 states, & offices in Pensacola & Ocala, FL, Milwaukee, WI, & Dallas, TX.

Henderson has assembled a local Pensacola team to vision and execute the East Garden District project, and has spent over \$4.5M to date on East Garden District real estate acquisitions and with local professionals on the design & engineering of the Jefferson Street Road Diet Project.



David W. Fitzpatrick, P.E., P.A.
Civil Engineering



Gulf Power

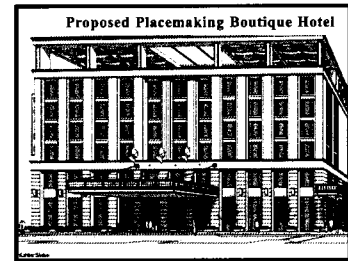
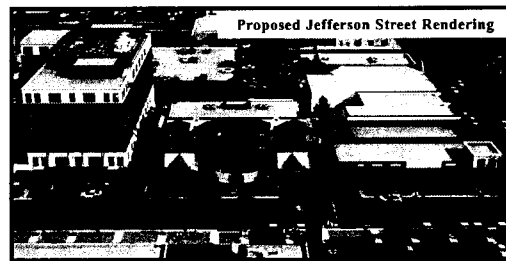
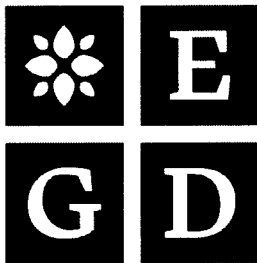
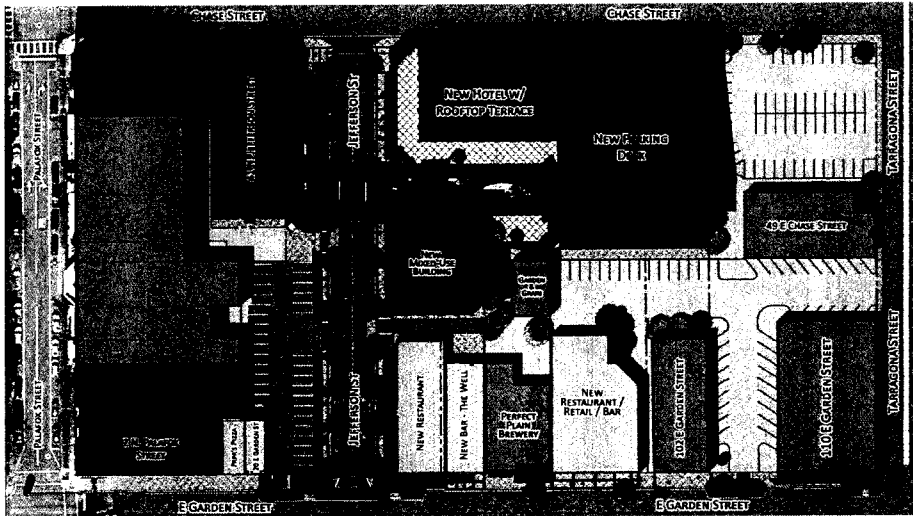


dalrymple | sallis
architecture

East Garden District




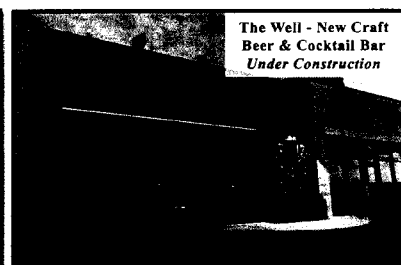
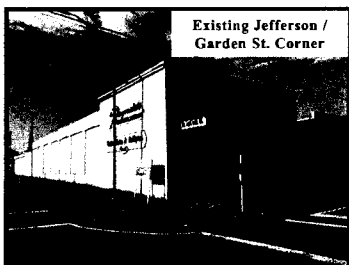
Conceptual Site Plan



 **20,000 SF Repurposed Garden Street Buildings**

 **30,000 SF New Mixed-Use Development**

 **175,000 SF New Hotel & Parking Garage**



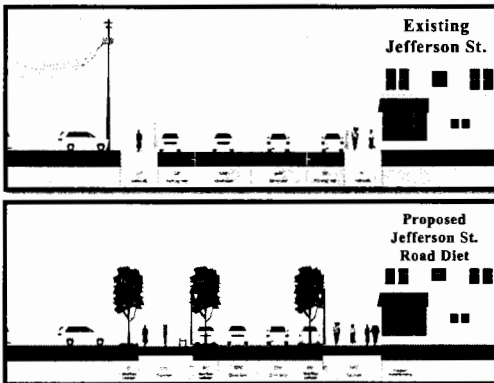
EGD Placemaking Jefferson Street Road Diet Project Goals

East Garden District Placemaking

Placemaking is at the heart of the East Garden District, and the Jefferson Street Road Diet Project is central to the transformational vision of the EGD. The road diet project design calls for the calming of traffic and a beautifully landscaped and pedestrian friendly streetscape that will join seamlessly with the planned new EGD boutique hotel, mixed-use building, and urban plaza.

Road Diet Project Goals

- ❖ Alignment with Pensacola's "Complete Streets Initiative"
- ❖ 120% increase in sidewalks & public areas
- ❖ Planting of over 1,200 new trees and shrubs
- ❖ Elimination all Jefferson Street power poles between Garden Street & Chase Street



Projected EGD Annual Tax Impacts

\$247,000 Property Tax
\$2.2M Sales Tax
\$368,000 Bed Tax

**\$2.8M Total Projected
EGD Annual Tax Impacts**

Proposed New View Down Jefferson Street



215 > New Projected EGD Jobs



CRA / City Return on Investment

The East Garden District projects new annual tax revenues of \$2.8M.

The proposed CRA / City investment of \$1.375M to the EGD Jefferson Street Road Diet Project will be returned in 1 year once the EGD is fully developed. Future EGD tax revenues will help support new Pensacola growth projects for years to come.



Proposed EGD Rendering

Project Status

- ❖ Landscape & Hardscape Construction Drawings are 100% complete & bid.
- ❖ Civil Engineering & Utility Engineering Construction Drawings are 95% complete & bid.
- ❖ FDOT permit received.
- ❖ Target commencement date for Jefferson Street Road Diet Project > Q1 2021.

APPENDIX C

PROJECT COST ESTIMATE

East Garden District Jefferson Street Road Diet Project Project Cost Estimate

Soft Costs	Budget
Site Due Diligence & Conceptual Design	\$31,722
Civil Engineering	\$36,470
Landscape & Hardscape Design	\$81,644
Utilities Engineering - Ruby Engineering	\$38,385
Surveying - (\$7,350 to date + \$10,000 As-built Allowance)	\$17,350
Owner's Representative	\$101,250
Permits & Impact Fees - Allowance	\$10,000
Warranty Bond Allowance	\$20,000
Performance & Payment Bond Allowance	\$20,000
Subtotal	\$356,821
Catalyst HRE Developer / Project Oversight Fee (5%)	\$104,945
Soft Cost Total	\$461,766

Soft Cost Funding	
CRA / City Soft Cost Funding Commitment	\$125,000
Developer Soft Cost Funding Estimate	\$336,766
Developer Soft Cost Funding to Date	\$283,437

Hard Costs - Williams Brown General Contractors	Bid
General Requirements	\$86,200
Mobilization / Erosion Control / Traffic	\$64,250
Demolition	\$59,183
Earthwork	\$73,979
Asphalt & Concrete	\$308,574
Stormwater	\$118,325
Fire	\$56,720
Water	\$89,541
Sewer	\$50,760
Natural Gas > Allowance	\$30,000
Electrical	\$285,000
Hardscaping, Landscaping, Irrigation	\$245,932
Site Amenities	\$9,245
General Conditions	\$103,692
Subtotal	\$1,581,401
GC Fee 8%	\$126,512
Subtotal w/ GC Fee	\$1,707,913
2% Contingency	\$34,158
Road Diet Hard Cost Total	\$1,742,071

Hard Cost Funding	
CRA / City Hard Cost Funding Commitment	\$1,250,000
Developer Hard Cost Funding Estimate	\$492,071

Road Diet Budget & Funding Summary	
Road Diet Total Project Cost Estimate	\$2,203,837
CRA / City Funding Commitment	\$1,375,000
Developer Funding Estimate	\$828,837