

**SUMMARY  
OF  
DEVELOPMENT AGREEMENT  
BETWEEN  
COMMUNITY MARITIME PARK ASSOCIATES, INC.  
AND  
MARITIME PARK DEVELOPMENT PARTNERS, LLC**

The Development Agreement ("the Agreement") formally designates Maritime Park Development Partners, LLC, as the project developer ("the Developer"). The Agreement provides for the Developer to complete the Site Preparation Project to make the Site ready for construction, and then to complete the Public Improvements. The Agreement provides that the Private Improvements will be constructed under the terms of the Sub-Lease. The following represents an Article-by-Article summary of the Development Agreement:

I. **Definitions.** This Article defines terms used in the Agreement. All of the defined terms are capitalized in the Agreement.

II. **Purpose and Intent, Scope and Compensation.** This Article sets forth the purpose and intent of the Agreement. It describes the public purpose of the Project, how the Project is to be developed in accordance with the Design Criteria CMPA approved on November 28, 2007, and in accordance with approved plans and specifications, and the general obligations of the Developer to carry out the project. This Article then provides for designating authorized representatives of CMPA and the Developer, and designates the Developer as the overall Project Coordinator. This Article provides that the Developer shall manage the Private Improvements and act as CMPA's agent in managing the Public Improvements, and UWF shall manage its facilities. This Article grants CMPA the right to all net cash flows from the Public Improvements, and requires the parties to develop annual budgets of the Public Improvements' planned uses. This Article provides for CMPA to pay the Developer an industry-standard Development Fee and a Management Fee for its services.

III. **Project Schedule.** This Article provides for the adoption of a project schedule to ensure timely completion of the Project.

IV. **Site Preparation Project and Public Improvements.** This Article provides for the manner in which the Site Preparation Project and Public Improvements will be completed. The Site Preparation Project is defined as the construction and completion of those improvements necessary to prepare the Project Site for construction of the Public Improvements (the multi-use facility and the open park) and the Private Improvements, including a conference center venue if feasible. This Article provides for plans and specifications for the non-private phase of the development, describes how Contractors are to be selected and bound to guaranteed maximum prices, and gives guidelines for construction activity.

V. **Site Preparation Project and Public Improvements Budget and Financing.** This Article describes how CMPA will pay for the Site Preparation Project and Public Improvements, and limits the total amount the City will commit to the Project to a maximum of \$40 million dollars of net proceeds received from a bond issue plus any supplemental grants or other funds obtained for the Project. This Article refers to an attached budget of these costs, and provides for the manner in which payments will be made out of a Construction Fund after CMPA's review and approval of all submitted invoices for Site Preparation Project Costs and Public Improvement Costs.

VI. **Sub-Lease.** This Article provides for the execution of the Sub-Lease, which is attached as an exhibit, and for acceleration of rental payments if the development does not progress in a timely manner. This Article generally describes the Parcel Plan (where the various improvements will be located), and provides a procedure for any change to the Parcel Plan. The Developer is given access to the Project Site for preliminary work, and is allowed to erect a sign describing the Project.

VII. **Insurance.** This Article addresses insurance requirements for CMPA and the Developer. All Project Professionals and Contractors will be required to provide insurance coverage acceptable to CMPA.

XIII. **Indemnification.** This Article provides for indemnification if either party breaches the Agreement or has misrepresented its status, and holds the Developer harmless for any pre-existing environmental conditions.

IX. **Representations, Warranties and Covenants of the Developer.** The substance of this Article is that the Developer represents that it is validly organized and has the required legal standing to execute the Agreement, and agrees to perform its obligations as outlined in the Agreement.

X. **Representations, Warranties and Covenants of CMPA.** This is a similar provision for CMPA, under which CMPA represents its legal status and that all things required of it under its governing documents have occurred to enable it to execute the Agreement.

XI. **Conditions Precedent.** This Article describes conditions that must be met before the Developer is obligated to proceed with the Site Preparation Project.

XII. **Default; Termination.** This Article makes provision for what constitutes default under the Agreement by the Developer or CMPA. It also makes provision for how and on what conditions the Agreement is terminated and for a termination payment to the Developer.

XIII. **Right to Contest.** This Article gives either party the right to contest a lien or dispute with a contractor with notice to the other party.

XIV. **Dispute Resolution.** The parties are required under this Article to mediate any dispute before resorting to litigation.

XV. **Unavoidable Delay.** This Article provides a definition for any unavoidable delay that would toll any time periods in the Agreement.

XVI. **Restrictions on Use.** Under this Article the Project Site can only be used for the Project as described in the Agreement.

XVII. **Fire or Other Casualty.** This Article describes how the parties are to use insurance proceeds and consider reconstruction of damaged improvements on the Site.

XVIII. **Miscellaneous.** This Article provides for how notices under the Agreement are to be given, that jurisdiction of any dispute will be in Escambia County, and that the Agreement is to be governed by Florida law.

**SUMMARY  
OF  
SUB-LEASE  
BETWEEN  
COMMUNITY MARITIME PARK ASSOCIATES, INC.  
AND  
MARTIME PARK DEVELOPMENT PARTNERS, LLC**

The Sub-Lease, referred to and attached as an exhibit to the Development Agreement, provides for the sub-lease of portions of the Project Site by the Developer from CMPA. The Sub-Lease describes the manner in which the Developer is to construct the Private Improvements and manage those portions of the Project Site.

The following represents a Paragraph-by-Paragraph summary of the Sub-Lease (numbered references are to corresponding paragraphs in the Sub-Lease):

1, 2, 3 and 4. **Recitals, Definitions, Lease, and Purpose.** These paragraphs acknowledge the accuracy of the recitals (which describe the actions taken preceding the execution of the document), define applicable terms, confirm the sub-leasing of the property by CMPA to the Developer, and the use of the leased property for construction of the Private Improvements.

5 and 6. **Term and Rent.** The term of the Sub-Lease is for a period of 99 years, with the City to assume CMPA's place as lessor after the 60<sup>th</sup> year, as provided in Section 10.01 of the Master Lease.

7. **Sub-Lease Commencement Date.** This paragraph provides that the Sub-Lease commences with respect to particular parcels upon the recording of a Notice of Commencement of construction upon such parcels.

8. **Private Improvements.** This paragraph grants the Developer the right to sublease to tenants in any component of the Private Improvements.

9. **Revenues from the Sub-Leased Property.** All revenues from the Sub-Leased Property, except as provided for sub-sublease rental payments, are to be paid to the Developer.

10, 11 and 12. **Ownership of Improvements, Permits and Approvals, and Right of Access.** These paragraphs confirm ownership of the land in the City, and ownership of the Private Improvements in the Developer, provide for obtaining necessary permits, and provide the Developer right of access to the Sub-Leased property.

13, 14 and 15. **Financial Reporting, Representations and Warranties, Property Condition.** These paragraphs provide that the Developer will cooperate in any audit required by CMPA, that each party has full power and authority to execute the Sub-Lease, and that the property is delivered in "as is" condition subject to completion of the Site Preparation Project.

16. **General Obligations of the Parties.** This paragraph describes the obligations of the Developer to maintain the property, for protection of the property from liens, and for payment of taxes by the Developer.

17, 18, 19, 20 and 21. **Condemnation, Default, Right to Contest, Dispute Resolution, and Ownership at Termination.** These paragraphs provide for the manner in which any condemnation proceeding will be managed, for what constitutes an act of

default, a right to contest any tax or assessment on the improvements, how disputes are to be resolved with a requirement for mediation before litigation, and confirming ownership in the City of the improvements at termination of the lease.

22, 23, 24, 25, 26 and 27. **Insurance, Indemnification, Casualty, Assignment, Successors in Interest and Notices.** These paragraphs provide for the minimum insurance coverage required of the Developer, for the parties' indemnification of one another, for the manner in which a casualty and insurance payments are to be administered, for assignment of the Sub-Lease in whole or part at the Developer's discretion, that the agreement is binding on the successors in interest to the parties, and for how notices are to be addressed.

Paragraphs 28 through 42 contain provisions that include a right of first refusal if the City decides to sell the property, the manner in which Developer mortgages are to be managed, and other general requirements for leases of real property.

**Exhibit D**  
**Project Schedule**  
**Community Maritime Park Phase 1 Development**  
**Draft 11-30-08**

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