

January 26, 2010

Judge Lacey Collier, Chairman, Community Maritime Park Association  
Dr. Judy Bense, President, University of West Florida  
Hon. John Jerralds, Chairman of the CRA of Pensacola  
Mr. Thaddeus Cohen, Director, Community Redevelopment Agency of Pensacola  
Mr. Ed Spears, Executive Director, Community Maritime Park Association

Dear Ladies and Gentlemen,

Our community development entity (CDE) remains eager to provide financial support in the form of using New Market Tax Credits as a source of additional capital funding to construct projects within the Community Maritime Park scheduled to be built in downtown Pensacola. The initiative to structure this financing dates back to July of 2009 when the proposal was introduced. At the outset of our discussions, our CDE stressed the importance of meeting time critical deadlines to close this transaction. The reasons for the urgency of the matter included investors' requirements, market determinants, and demand on our CDE to put these economic incentives to use quickly. Through actions initiated outside the workings of the CMPA, CRA, or the university, some delays have resulted. Additionally, however, controllable circumstances involving negotiations of the parties to this development have also contributed to delays in implementing the desired development. These delays have not only impacted our deadline to allocate the tax credits and reduced the value of the tax credits, but they have also damaged our credibility in soliciting other CDE participants necessary to fully leverage the maximum amount of tax credits that can be allowed for use with this project. Our timeline has been exhausted.

This letter serves as our notice of our continued support and desire to be a part in expanding the development of Pensacola's showplace project to benefit its downtown waterfront, but only if the project is defined and closed immediately. We are excited the recent action by the CMPA board to approve the site plan negotiated with UWF has renewed optimism that the Maritime Museum may evolve as an initial part of Phase I rather than delayed for a number of years. We also understand the details of the lease proposed for final consummation are subject to conditions other parties to this development must sanction. We, frankly, have no standing or input on these matters. We, do, however, stress any extension of the timeline to close this transaction will result in jeopardizing the tax credits as a means of added capital contribution. Investors wanting to be involved in this transaction have insisted the project close in the first calendar quarter of this year. To accomplish this, the project to be financed must be final as to the uses of the tax credit proceeds by February 8<sup>th</sup>. This is the absolute last day for us to commit legal professionals, accounting professionals, and other CDE participants to close by the 1<sup>st</sup> quarter deadline.

If by February 8<sup>th</sup> we have not received a communication from the CMPA detailing the specified use, amount, and commitment to close the transaction as noticed, we will conclude the allocation of the \$35 million in tax credits previously reserved has been refused. If however, such action by the CMPA is adopted, a good faith nonrefundable deposit of \$175,000 toward legal and other professional fees of our CDE will be owed. This amount will then be applied toward legal costs associated with drafting legal documents anticipated for the closing. Should for any reason the transaction not close, this amount will be refunded after deducting actual out of pocket expenses incurred to date and a CDE fee of \$25,000 for work associated with processing this transaction. All expenses incurred, to the extent CMPA elects to do so, can be reimbursed from closing a minimum of \$10,000,000 in state and federal tax credits already committed in November of 2009.

Sincerely,

A handwritten signature in black ink that reads "Ed Gray III". The signature is written in a cursive style with a prominent "E" and "G". There is a small mark to the right of the signature that looks like a crossed-out "H" or a similar symbol.

Ed Gray III  
Executive Director

Cc: Al Coby  
Mort O'Sullivan  
Patricia Lott  
Richard Barker