

Project J User Fee Projection Worksheet

Hotel

- # of Rooms	250
- Occupancy Rate	80%
Total # of Rooms	200
- Average Daily Rate	\$125
Daily Revenue	\$25,000
- User Fee	1%
Daily UF Revenue:	\$250
- No of Nights	365
Yearly UF Revenue:	\$91,250
10 Yr UF Revenue:	\$912,500
20 Yr UF Revenue:	\$1,825,000

Multi-Family

- # of Rooms	400
- Occupancy Rate	95%
Total # of Apartments	380
- Average Monthly Rate	\$1,500
Monthly Revenue	\$570,000
- User Fee	1%
Monthly UF Revenue:	\$5,700
- No of Months	12
Yearly UF Revenue:	\$68,400
10 Yr UF Revenue:	\$684,000
20 Yr UF Revenue:	\$1,368,000

Room Surcharge, Page(s) 4, 13, 23-27 and 71

REDEVELOPMENT AGREEMENT

between

CITY OF JACKSONVILLE, FLORIDA,

THE JACKSONVILLE ECONOMIC DEVELOPMENT COMMISSION

and

SEVEN SEVENTEEN HB JACKSONVILLE CORPORATION

dated as of

June _____, 1998

ADAM'S MARK HOTEL PROJECT

JACKSONVILLE, FLORIDA

"Project Site": All of the real property and interests therein which consists of the City Property Contribution.

"Public Improvements": Improvements and work described in Exhibit K attached hereto to be made by the City at the City's cost and expense to prepare the Project Site as a location ready for the construction of the Project, including improvements and work both on the Project Site and off of the Project Site, provided however, that the City's shall have no obligation to pay any amount in excess of \$250,000 to fund or complete the Public Improvements.

"Redevelopment Project Costs": The sum total of all reasonable or necessary costs actually incurred by Developer in performing the Work and any such costs incidental to the Project. Such costs include, but are not limited to, the following: (a) costs of all due diligence permitted hereunder, including studies, surveys, plans, reports, tests and specifications, and all Acquisition Costs payable by the Developer; (b) professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services; (c) the cost of constructing, equipping and furnishing the hotel which is contemplated hereby, including the lobbies, meeting rooms, banquet rooms, hallways, passageways, the connector bridge within the Air Rights Easement parcel to connect buildings, guest rooms, and all support facilities and amenities appurtenant thereto; (d) costs of demolition of buildings, and the filling, clearing and grading of land; (e) costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures; (f) costs of preparing the Project Site for construction, including the costs of pilings and other support for buildings which are to be constructed as part of the Project; and (g) all other costs required to be paid by the Developer to complete the Work.

"Redevelopment Proposal": The proposal of Developer dated April 7, 1998, as modified prior to the date of this Agreement by submissions of the Developer to the City, the terms and conditions of which are set forth on Exhibit A attached hereto and incorporated by reference herein.

"Reimbursable Redevelopment Project Costs": The Redevelopment Project Costs incurred by the Developer on or after the Effective Date, all of which are payable or reimbursable to the Developer from the Project Fund at the request of the Developer in accordance with this Agreement to the extent of the City Financial Contribution.

"Room Surcharge": The one percent (1%) surcharge on the nightly room rental rate actually charged and collected for each sleeping room in the hotel to be constructed on the Project Site.

"Site Preparation Improvements": Improvements and work described in Exhibit L attached hereto to be made by the Developer

Project is substantially complete. The Certificate of Substantial Completion provided for by this paragraph shall be in substantially the same form as Exhibit G attached hereto.

3.11 No Interest in Property; Confidential Information.

This Agreement and the transactions contemplated hereby are not intended to and shall not have the effect of giving the City any interest in, control over or access to the Project, or any of the Developer's technology, trade secrets or other proprietary or confidential information, all of which shall be the property solely of the Developer subject at all times to the Developer's own disposition and control. Without limiting the foregoing, this Agreement and the transactions contemplated hereby shall not, and shall not be deemed to, give rise to or result in any obligation or requirement to disclose, permit discovery of or allow access to any trade secret, technology or other proprietary or confidential information, including without limitation any formulae, designs, specifications, descriptions, processes, methods or techniques belonging to the Developer, any person or entity related to or associated with the Developer or any other person or entity with whom or with which the Developer has or has had a contractual relationship, and specifically including without limitation job descriptions or functions and any design, specification, description, components, configurations or uses and the acquisition, installation or operation of equipment acquired or to be acquired for the Project. Notwithstanding anything in this Agreement, any rights of access, review or inspection are subject to this Section and shall not make Developer information a matter of public record or authorize disclosure to any unauthorized person or for any unauthorized purpose. Governmental officials and representatives shall take all reasonable, lawful steps to protect the confidentiality of any Developer information obtained.

3.12 Developer's Agreement to Assure Certain Payments of Ad Valorem Tax and Room Surcharge. The City anticipates that the ad valorem taxes for the Project will be levied, and that the Room Surcharge will be charged, and to the extent collected, remitted, in aggregate amounts sufficient to equal the amount of the City Financial Contribution, all according to the schedule attached hereto as Exhibit I. The City and the Developer agree that the amount of the City Financial Contribution to be repaid as shown on Exhibit I will be (a) deemed repaid from amounts equal to certain ad valorem taxes as described in Section 3.12.1(a) hereof, and (b) actually repaid from the Room Surcharge remitted to the City as described in Section 3.12.1(b) hereof.

3.12.1 In order to defray or pay the amounts shown on Exhibit I attached hereto on the due dates shown on Exhibit I, there shall be paid to the City the Room Surcharge, and there shall be credited and deemed paid amounts equal to certain ad valorem taxes described below in this Section 3.12.1:

(a) an amount equal to all general fund consolidated government ad valorem taxes, exclusive of any amount from any voter approved debt service millage, actually paid by any taxpayer (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 Project. The total millage rate for the ad valorem taxes described in the preceding sentence for tax year 1997 was 10.9883 mills. 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 or other taxpayer or with respect to real property or tangible personal property comprising the Project, or any extensions, additions or improvements thereto, in lieu of, in substitution for or in addition to 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.

(b) the Room Surcharge, which Developer hereby agrees to remit to the City on a monthly basis according to the terms hereof, until the amounts set forth on Exhibit I are paid according to the provisions of this Section 3.12.

The funds described in Section 3.12.1(a) and 3.12.1(b) shall be referred to in this Section 3.12 as the "Funds".

3.12.2 The Funds shall be applied and credited against the amounts shown on Exhibit I on the due dates described in Exhibit I. In the event that the amount of the Funds are either insufficient to equal the amounts due on a particular due date, or is in excess of the amount due on the applicable due date, then the following provisions shall apply:

(a) To the extent that the Funds are not in an amount sufficient to equal the amount due on the applicable due date shown on Exhibit I, the City will advance its own funds to cover any such deficiency. Any such advance of the City's funds will be covered or repaid, in the amount of the City's advance plus a charge of four and one-half per cent (4 1/2%) per annum for each day that any such advance is outstanding and has not been repaid, from the next Funds received or deemed received by the City after the date of the advance until such advance, with the applicable 4 1/2% charge, is paid in full, with such Funds being applied in the following order: (i) first, to cover the

Exhibit I
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