

attached hereto, as said amount may have been recalculated according to the provisions of paragraph 3.12.2(b) hereof, and (y) the actual amount paid on account of that portion of the ad valorem taxes described by paragraph 3.12.1(a) hereof levied against the project site for the preceding tax year. Neither the Room Surcharge or the amounts contemplated by this paragraph 3.12.6 shall be payable to the City after the amounts set forth on Exhibit I are either paid or deemed paid in full.

ARTICLE IV.

PAYMENT OR REIMBURSEMENT OF COSTS;
ESTABLISHMENT OF THE PROJECT FUND AND THE SITE PREPARATION
IMPROVEMENT FUND

4.1 Establishment of the Project Fund. The City agrees to establish a separate fund which it will hold and keep among the City's funds, to be known as the "Adam's Mark Project Fund". The Project Fund may be commingled with the other funds of the City. The City shall have no obligation to credit any interest to amounts in the Project Fund, and any interest which the City earns on amounts held by the City in the Project Fund shall be deemed to be the City's own funds and not part of the Project Fund. The Project Fund will be created on or before the conveyance date. The City hereby agrees that it has the irrevocable obligation to fund and deposit the full amount of the City financial contribution into the Project Fund at the times and in the amounts required to timely pay or reimburse to Developer the full amount of the Reimbursable Certificates of Reimbursable Redevelopment Project Costs. The Project Fund will be held and administered by the Fiscal Agent, and all sums deposited into and held in the Project Fund will be handled and disbursed as provided in this Agreement. The Fiscal Agent will disburse and pay the monies in the Project Fund to the Developer, upon presentation by the Developer, from time to time, on or after the Commencement Date, of one or more properly completed Certificates of Reimbursable Redevelopment Project Costs, until such time as all of the money in the Project Fund is paid out to Developer.

4.2 Payments and Reimbursements from Project Fund Limited to Reimbursable Redevelopment Project Costs. The City has agreed to pay and deposit the full amount of the City financial contribution into the Project Fund, at the times and in the amounts so that the Fiscal Agent will have sufficient funds to pay or reimburse the Developer for the Reimbursable Redevelopment Project Costs at the direction of the Developer. The Fiscal Agent, on a periodic basis (but not more often than monthly), within 20 days of the Fiscal Agent's receipt of a proper Certificate of Reimbursable Redevelopment Project Costs from the Developer, shall pay or shall reimburse the Developer one-fourth of all of the Redevelopment Project Costs identified by the Developer in any such Certificate

**EXHIBIT I
CITY FINANCIAL CONTRIBUTION
REPAYMENT SCHEDULE**

Year*	Projected Repayment Amount
2001	\$1,038,573
2002	\$1,038,573
2003	\$1,426,707
2004	\$1,426,707
2005	\$1,426,707
2006	\$1,426,707
2007	\$1,426,707
2008	\$1,426,707
2009	\$1,426,707
2010	\$1,426,707
2011	\$1,426,707
2012	\$1,426,707
2013	\$1,426,707
2014	\$1,426,707
2015	\$1,426,707
2016	\$1,426,707
2017	\$1,426,707
2018	\$1,426,707
2019	\$1,426,707
2020	\$1,426,707
Total	\$27,757,880

*Ad Valorem taxes will be due and payable by the Developer as required by statute; the Room Charge is to be collected and remitted by the Developer on a monthly basis.

applicable 4 1/2% charge due on the City's advance, and (ii) second, to cover the principal amount of the City's advance.

(b) To the extent that the Funds received or deemed received are in excess of the amount required according to Exhibit I on any due date, the amount of the excess shall be applied to the amounts next due as shown on Exhibit I. On each due date where the Funds are in excess of the amount due on such due date, the City shall, within 30 days after such due date, recalculate Exhibit I as follows:

(1) Exhibit I shall be recalculated, every time that the Funds are in excess of the amount due on the applicable due date, to take into account such excess amount of the Funds; and

(ii) Exhibit I shall be recalculated to show the revised term thereof using the following assumptions: (a) the amount due under the recalculated Exhibit I will be the then outstanding amount; (b) the interest rate applicable to that amount will be 7 1/2% per annum; (c) the due dates will remain the same as otherwise shown on Exhibit I; and (d) the amount due on each date will be the same level amount as shown on Exhibit I originally attached to this Agreement.

3.12.3 If, by the twenty-fifth (25th) anniversary of the date of substantial completion, the Funds collected or applied against the amounts shown on Exhibit I have not been sufficient to pay all such amounts, including any City advances described in Section 3.12.2(a), then the City and the person or entity who is then the owner of the fee simple title to the Project Site shall proceed as follows:

(a) no later than thirty days after the 25th anniversary date of substantial completion, the City and the then owner shall use good faith efforts to determine whether the Room Surcharge should be continued in effect until all of the City advances described in Section 3.12 of this Agreement, with interest thereon as provided for in Section 3.12 of this Agreement, are paid in full; and

(b) if the City and the then owner do not agree to continue the Room Surcharge as provided in Section 3.12.3(a) above, then the City and the then owner of the Project Site shall each pay an amount equal to the lesser of (i) one-half of the total amount of the City

3.12.6 Notwithstanding anything to the contrary herein, if (a) the project is no longer used as a hotel and (b) the Room Surcharge is no longer charged by the Developer, then the Developer agrees to pay to the City, on or before April 1 in any year during which any amounts shown on Exhibit I attached hereto remain to be paid, an amount equal to the difference between (x) the amount due according to Exhibit I

3.12.5 The Developer's obligation to pay ad valorem taxes are and will be the same as any other taxpayer in Duval County, Florida. Notwithstanding anything to the contrary herein, the Developer reserves the right to contest or protest (a) any ad valorem real property taxes or other taxes levied or assessed by Duval County, Florida, or (b) any assessments of all or any portion of the Project Site made or proposed to be made by the Duval County Property Appraiser or other official having jurisdiction thereover, in the same manner as any person may lawfully lodge, file, or make such protest or contest.

3.12.4 Upon the commencement of the operation of the hotel to be located upon the Project Site, the Developer shall charge the Room Surcharge to the guests of the hotel and shall, to the extent the Room Surcharge is collected, remit and pay the amount of the Room Surcharge to the City each month, by the 10th day of the month after each month during which the Developer shall collect the Room Surcharge. The obligation of the Developer to charge, and then to pay and remit, the Room Surcharge to the City shall continue until all amounts due as shown on Exhibit I have been paid in full to the City, except as provided by Section 3.12.3(b) hereof. If the Developer sells or assigns its rights in and to the Project Site as permitted under Section 5.1 hereof, the Developer shall provide that the assignee or purchaser shall assume and be responsible to pay the Room Surcharge during all times when the Room Surcharge is required to be paid hereunder. The Developer shall pay the Room Surcharge amounts, less an administrative fee in the amount of four percent (4%) of the amounts collected by the Developer as the Room Surcharge on a monthly basis, which the Developer may retain as its own funds, to the City Treasurer.

advances provided for in this Section 3.12 then outstanding, together with all accrued interest thereon, or (ii) \$250,000.00. If the procedure outlined in this Section 3.12.3(b) is followed, and the appropriate payment is made to the City, then all advances due under Exhibit I, including any and all City advances provided for in this Section 3.12 and all interest accrued thereon, shall be deemed paid in full, and the obligation of the then owner of the Project Site to charge and remit the Room Surcharge shall be terminated.