

**FIRST AMENDMENT TO
ECONOMIC DEVELOPMENT AGREEMENT
(1st and Main Apartments)**

THIS FIRST AMENDMENT TO ECONOMIC DEVELOPMENT AGREEMENT (this “Amendment”) is made as of the _____ day of _____, 2024 (“Effective Date”), by and between and the **CITY OF JACKSONVILLE**, a consolidated municipal corporation and political subdivision existing under the laws of the State of Florida (the “City”) and **SPRINGFIELD MF PARTNERS, LLC**, a Florida limited liability company (the “Developer”).

RECITALS

WHEREAS, the City and the Developer executed the Economic Development Agreement dated April 19, 2023 (“EDA”);

WHEREAS, pursuant to the EDA, the City agreed to provide the Developer a Revenue Enhanced Value Grant and Completion Grant, subject to the Developer constructing a 202-unit market rate apartment community located at 22 1st Street W., 1148 Main Street N., and 1100 Main Street N., Jacksonville, FL (the “Project”) in accordance with the EDA terms; and

WHEREAS, the City and the Developer desire to amend the default and limitation on conveyance provisions in the EDA to permit the Developer to: (1) receive the second and final Completion Grant disbursement the earlier of: (i) one year after Substantial Completion; or (ii) such date that the Project is at least sixty (60%) percent occupied by rental tenants; and (2) convey the Project after the Project and Improvements are substantially complete and is at least sixty (60%) occupied with rental tenants, subject to the terms and conditions provided herein.

NOW THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties intending to be mutually bound do hereby agree as follows:

1. **Defined Terms**. Capitalized terms used herein and not otherwise defined shall have the meaning as set forth in the EDA.

2. **Amendment to Section 5.1 (Completion Grant; Amount)**. Section 5.1 (Completion Grant; Amount) is amended and as amended shall read as follows:

5.1. **Completion Grant; Amount**.

The Developer shall be eligible for a Completion Grant (“Completion Grant”) of up to \$2,000,000, subject to the terms and conditions of this Agreement, payable in two installments of \$1,000,000, with the first installment due and payable upon Substantial Completion of the Improvements and the second and final installment due and payable the earlier of: (i) one year after Substantial Completion; or (ii) such date that the Project is at least sixty percent (60%) occupied by rental tenants, as

evidenced in accordance with Section 10.2(a)(2) below; however, in no event shall more than \$1,000,000 be paid towards the Completion Grant in a given fiscal year. The Developer shall be responsible for all costs of the Improvements in excess of the REV Grant and Completion Grant amounts actually paid pursuant to this Agreement. The City's obligation to disburse the Completion Grant is subject to the terms and conditions of this Agreement.

3. **Amendment to Section 9.2 (Specific Defaults) of the Agreement.** Section 9.2 (Specific Defaults) of the Agreement is amended to delete subsection (d) in its entirety to remove the requirement that the Developer repay the Completion Grant if the property is sold, leased, or otherwise transferred within the first five (5) years after each disbursement of the Completion Grant.

4. **Amendment to Section 10.2 (Assignment; Limitation on Conveyance).** Section 10.2 (Assignment; Limitation on Conveyance) of the Agreement is amended and as amended shall read as follows:

10.2. Assignments; Limitation on Conveyance.

(a) Developer Conveyance after Substantial Completion of Improvements. The Developer may assign, transfer or convey the (i) Project Parcel and Improvements, in their entirety, (ii) this Agreement, (iii) a controlling interest in the Developer; or (iv) a controlling interest in the Managing Member of the Developer, after the Project is Substantially Complete upon satisfaction of the following conditions:

- (1) Developer has provided the City with a copy of the certificate of occupancy issued for the Project in its entirety;
- (2) Developer has provided the City with evidence that the Project is at least sixty percent (60%) occupied by rental tenants via a tenant occupancy report containing the following data: (i) total unit numbers, (ii) whether each unit is occupied or vacant, and (iii) lease term (commencement and expiration date) per unit, as applicable; and
- (3) Developer has provided the City with evidence of the assignment, transfer or conveyance of the Project Parcel and Improvements via a recorded deed, executed assignment, or other transfer documentation.

Upon the Developer's satisfaction of the conditions above, this Agreement shall terminate, and the Developer shall be automatically relieved of any liability or obligation under this Agreement. Notwithstanding the foregoing, the Developer shall be entitled to receive the Completion Grant so long as the Developer has met the conditions for the Completion Grant required in Article V of this Agreement.

(b) Developer Conveyance Prior to Substantial Completion; Collateral Assignment. The Developer agrees that, with respect to the Project, until the Substantial Completion of the Improvements, it shall not, without the prior written consent of the City (which shall not be unreasonably withheld), assign, transfer or convey (i) the Project Parcel or any portion thereof, (ii) this Agreement or any provision hereof as it relates to the Project, (iii) a controlling interest in the Developer; or (iv) a controlling interest in the Managing Member of the Developer. Notwithstanding the foregoing, at the Closing, the Developer may assign all of its rights and obligations hereunder to any Affiliate of the Developer which takes title to the Project Parcel, pursuant to a duly executed assignment and assumption agreement at the Closing in form and content as acceptable to the City in its sole discretion. If any prohibited assignment, transfer or conveyance is made, the obligation of the City to pay any further amounts of the REV Grant and the Completion Grant to the Developer shall immediately terminate. In addition, the Developer may collaterally assign its rights and obligations pursuant to this Agreement to any providing financing for the Improvements and any foreclosure or similar action and subsequent assignment by such lender or its assignees shall constitute a permitted assignment pursuant to this Agreement. In connection with any such collateral assignment and transfers by the lender contemplated herein, the City agrees to execute a consent document reasonably acceptable to such lender, and such lender or assignee shall enter into collateral agreement in form and content as reasonably acceptable to the City. Except as provided in Section 10.2(a) above, no assignment, transfer or conveyance, whether or not consented to by the City, shall release the Developer from any liability or obligation hereunder unless agreed to in writing by the City.

5. **Authority.** Each party represents and warrants to the other party that such party has full right and authority to execute and perform its obligations under the EDA as amended by this Amendment, and each party and the person signing this Amendment on behalf of each party represent and warrant to the other party that such person is duly authorized to execute this Amendment on behalf of such party without further consent or approval by anyone. Each party shall promptly deliver to the other party upon request all documents reasonably requested by the other party to evidence such authority.

6. **Effectiveness; Ratification.** This Amendment shall become effective as of the Effective Date. Except as expressly amended by this Amendment, the provisions, terms and conditions in the EDA shall remain unchanged and shall continue in full force and effect. The City and the Developer hereby ratify and affirm the EDA as modified by this Amendment.

7. **Execution.** This Amendment may be executed electronically and, in several counterparts, each of which when so executed and delivered shall be original, but such counterparts shall together constitute one and the same Amendment.

[Signatures on following page.]

IN WITNESS WHEREOF, the City and the Developer have signed and sealed these presents to be effective the day and year first written above.

CITY:

WITNESSES:

CITY OF JACKSONVILLE,
a consolidated municipal corporation and
political subdivision existing under the laws
of the State of Florida

Donna Deegan, as Mayor

ATTEST:

James R. McCain, Jr.
Corporation Secretary

FORM APPROVED:

Office of General Counsel

DEVELOPER:

SPRINGFIELD MF PARTNERS, LLC, a
Florida limited liability company

George Leone, Manager

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