

SALEM AMENDMENT #1 TO THE SUBSTITUTE TO 2020-648 01/12

*Amendment to provide for sale of Developer interests if Jaguars
relocate within two years.

Council Member Salem offers the following floor amendment to the Substitute to File No. 2020-648:

- (1) Remove all references to the Salem Amendment #1 (Committee of the Whole 1/7/21) and Hazouri Amendment #5 (Committee of the Whole 1/7/21), delete insertion of new language in Development Agreement added in Section 16.9(d) and (e);
- (2) Insert a new Developer Interest Sale Agreement to the on file documents which would incorporate Salem Amendment #1 (Committee of the Whole 1/7/21) and Hazouri Amendment #5 (Committee of the Whole 1/7/21) into a stand-alone agreement between the City and Gecko entity;
- (3) Remove **Revised On File** document and replace with a **Second Revised On File** document, which removes the language inserted in Section 16.9(d) and (e) from the Development Agreement and adds a new stand-alone Developer Interest Sale Agreement between the City of Jacksonville and Gecko entity, which is attached hereto as **Attachment 1**, which will be included as an On File document;
- (4) The Office of General Counsel is authorized to make all necessary changes to the Exhibits, On File documents and to 2020-648 consistent with the changes set forth herein to effectuate the Council's action;
- (5) On **page 1, line 1**, amend the introductory sentence to add that the bill was amended as reflected herein.

Form Approved:

/s/ Paige H. Johnston

Office of General Counsel

Legislation Prepared By: Paige H. Johnston

GC-#1410496-v3-2020-648_Salem_Floor_Amd_#1_01_12.DOCX

ATTACHMENT 1

Gecko Investments Florida, LLC
1 TIAA Bank Field Drive
Jacksonville, FL 32202

January [], 2021

City of Jacksonville
117 West Duval Street
Jacksonville, FL 32202

Re: Development of Lot J

This letter agreement (this "**Agreement**") is made as of [], 2021 (the "**Effective Date**") between the **CITY OF JACKSONVILLE**, a consolidated municipal and county political subdivision of the State of Florida (the "**City**") and **Gecko Investments Florida, LLC** ("**Gecko**").

The City and Gecko, as of the Effective Date, are also entering into that certain Development Agreement (the "**Development Agreement**") among the City, the **DOWNTOWN INVESTMENT AUTHORITY**, a community redevelopment agency on behalf of the City, and **JACKSONVILLE I-C PARCEL ONE HOLDING COMPANY, LLC** (the "**Developer**"). Capitalized terms used but not defined herein have the meanings given to them in the Development Agreement.

For and in consideration of the covenants of the City and Gecko contained in this Agreement and other good and valuable consideration, including the execution and delivery by the City of the Development Agreement, the receipt and legal sufficiency of which are hereby acknowledged and agreed by the parties, the City and Gecko hereby agree as follows:

(a) Notwithstanding anything to the contrary in Section 16.9 of the Development Agreement, the parties acknowledge and agree that it is anticipated the Developer or a member thereof may enter into a partnership agreement, joint venture or similar structure with a third-party developer for the construction of the Hotel Component pursuant to this Agreement. In the event the Developer instead transfer or conveys the development rights for the Hotel Component sufficient for the construction of the Hotel Component by the transferee and not, in any part, by the Developer, in accordance with this Agreement and/or sells the Conveyed Property for the Hotel Component to a third-party, Gecko shall, within thirty (30) days of the date of such conveyance, make a payment to the City equal to fifty percent (50%) of the net proceeds received by Gecko from the sale of such development rights and/or Conveyed Property, as applicable.

(b) If (1) an Affiliate of Gecko or any other entity controlled by Shahid Khan (each a "Successor") causes or directs the Jacksonville Jaguars NFL franchise to permanently relocate

from Jacksonville, FL (a "Relocation"), and (2) Gecko or any Successor sells or transfers all or any portion of its interest in the Developer, any Developer Subsidiary, or its interest in any Component or enters into any other transaction by which all or any portion of Gecko's or any Successor's interest in the Developer, any Developer Subsidiary, or its interest in any Component is passed on to another Person, in each case, on or prior to December 31, 2034 (each, a "Disposition"), then Gecko or its Successor, as applicable, shall pay to the City 100% of the net sale proceeds (as defined below) from the Disposition payable to Gecko or any Successor within the later of (x) 60 days following the financial close of the related Disposition or (y) 60 days following the receipt by Gecko or its Successor of the proceeds from the Disposition. In addition, within two years of any such Relocation, the City shall have the right, upon written notice to Gecko, to cause Gecko or any applicable Successor to put its interest in the Developer, any Developer Subsidiary, or its interest in any Component up for sale (each a "Transfer") through an auction process that is operated by Gecko in accordance with the terms of any contractual obligations of Gecko applicable to such a Transfer, and if a bidder delivers a bona fide offer that is acceptable to Gecko or any applicable Successor (in its reasonable discretion), then Gecko or any applicable Successor shall use its commercially reasonable efforts to effectuate such Transfer or cause such Transfer to be effectuated and Gecko or any Successor shall pay to the City 100% of the net sale proceeds from such Transfer payable to Gecko or any applicable Successor within the later of (x) 60 days following the financial close of the related Transfer or (y) 60 days following the receipt by Gecko or its Successor of the proceeds from the related Transfer. Notwithstanding anything in this paragraph to the contrary, in the event that Gecko or any applicable Successor effectuates a Transfer, Gecko or any applicable Successor shall pay 100% of the net sale proceeds to the City, which amount shall be not less than Fifty Million Dollars (\$50,000,000). In the event the actual net sale proceeds from such Transfer does not equal or exceed \$50,000,000, Gecko or any applicable Successor shall make a payment to the City in the amount of such shortfall at the same time it provides the net sale proceeds to the City in accordance with this paragraph.

For purposes of this Agreement, "net sale proceeds" shall mean the gross sales price and any other consideration exchanged in connection with the Transfer or Disposition, including any amounts actually or constructively paid to Gecko or any Successor as a result of the Transfer or Disposition, as applicable, net of all commercially reasonable and documented out of pocket transaction costs and other customary and reasonable purchase price deductions, including only such customary and reasonable outstanding debt incurred by Gecko, any Successor or any Developer Subsidiary, the proceeds of which were used to construct the related Component owned by Gecko, any Successor or any Developer Subsidiary. Notwithstanding anything contained herein to the contrary, in no event shall such transaction costs include any income taxes or similar taxes based on the gain to be assessed against Gecko or any Successor.

In the event that the consideration paid to Gecko or any Successor under a Disposition or a Transfer is other than cash, the value of such consideration shall be determined by an independent third-party appraiser licensed in the State of Florida with at least ten years' experience in appraising the type of consideration at issue and Gecko or any applicable Successor shall pay the value of such consideration in cash to the City consistent with the terms of this Agreement.

All applicable provisions of the Development Agreement, including any dispute resolution, termination, confidentiality, and similar provisions that are not addressed herein, shall apply to this Agreement. The parties acknowledge and agree that except as specifically specified herein, nothing in this Agreement should be deemed to modify the Development Agreement, expand the Developer's rights, diminish the City's rights, reduce or eliminate any of the obligations of the Developer or the City.

IN WITNESS WHEREOF, this Agreement is executed the day and year above written.

WITNESS:

GECKO INVESTMENTS FLORIDA, LLC

By: _____

Name:

Title:

ATTEST:

CITY OF JACKSONVILLE

By: _____

James R. McCain, Jr.
Corporation Secretary

By: _____

Lenny Curry, Mayor

Acknowledged and Approved:

JACKSONVILLE I-C PARCEL ONE HOLDING COMPANY, LLC, a

Delaware limited liability company

By: Jacksonville I-C Parcel One Holding Company

Investors, LLC, a Maryland limited liability
company, its Managing Member

By: _____

Name _____

Title _____

Form Approved:

Office of General Counsel