

**Term Sheet regarding Development in
Downtown Jacksonville Sports and Entertainment Complex**

October 1, 2020

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| Project Name | Lot J Development Project (the “Project”) |
| Developer | <p>Jacksonville I-C Parcel One Holding Company, LLC</p> <p>A joint venture between Gecko Investments, LLC (an affiliate of the Jacksonville Jaguars) and Jacksonville I-C Parcel One Holding Company Investors, LLC (an affiliate of The Cordish Companies)</p> |
| Development Objective | <p>Create a transformational new neighborhood in downtown Jacksonville that will position the City of Jacksonville to attract events of national and international significance, serve as a catalyst for further downtown development and reignite development in downtown Jacksonville following the impact of COVID-19.</p> <p>This new neighborhood will become the best-in-class place for people to gather, work and live. The Project will serve as an entertainment hub for millions of locals and visitors to Jacksonville and will enhance the City’s investment in the downtown sports complex.</p> <p>The Project will bring economic benefits to downtown Jacksonville, including increased tax revenues and jobs (both during construction and on a permanent basis to support the new facilities). The first-class, iconic Project will also attract additional investment in downtown Jacksonville and will serve as catalyst for the revitalization of downtown.</p> <p>The Project is designed to provide much-needed support of local-owned businesses, especially minority- and woman-owned entities. This commitment will continue well beyond the construction phase to include employment practices in ongoing operations.</p> <p>The Project, when coupled with the development of the adjacent parcel south of Bay Street that is part of the Shipyards (an upscale boutique hotel, condominiums, office, street-level retail, parking and marina), represents approximately \$700,000,000 of development.</p> |
| Keys to Project Success | <p>Well-funded project supported by a development team that has substantial real estate development experience and the financial capacity to guarantee completion.</p> <p>Create critical mass density as soon as possible.</p> |

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| | Provide flexibility to accommodate changing market conditions. |
| Development Scope | <p>The Project will consist of four uses:</p> <ol style="list-style-type: none"> 1. Live! entertainment district, similar in quality to Philadelphia, St. Louis, and Arlington, as adjusted for current health and safety best practices and market conditions. The district will consist of an entertainment venue with restaurants and retail and street-level restaurants and retail in the amount of 75,000 square feet throughout the Live! district and 40,000 square feet of Class A office space. The district will create a vibrant and pedestrian-friendly atmosphere throughout the Project. 2. Two luxury mid-rise residential buildings similar in quality to Kansas City and St. Louis (400 units). 700 parking spaces will be integrated into the mid-rise residential buildings and/or as street parking. 3. A boutique luxury hotel (150-250 rooms) 4. Surface parking lot (700 spaces) above the storm water retention pond to the west of Lot J. The City will enter into a lease with the Jaguars with respect to Jaguars gameday parking on this lot. <p>The Project will be similar in quality to The Cordish Companies’ developments in St. Louis and in Kansas City, as adjusted to reflect revised best practices and local market conditions.</p> |
| Development Timeline | Developer anticipates that the Project will be completed within 48 months of obtaining all approvals necessary to commence construction of the Project (including any necessary permits or other approvals). If Developer deems it necessary, due to market conditions, Developer reserves the right to extend the development timeline for completion of the hotel by 24 months. |
| Ownership of Development | <p>The City of Jacksonville will retain ownership of the Live! entertainment district, the surface parking lot, the parking garages, the streets, the sidewalks, and all other public spaces and infrastructure improvements within the Project.</p> <p>Developer will operate the Live! entertainment district on behalf of the City under a lease with a term equal to the estimated useful life of the original buildings, as improved from time to time, and any replacement facilities.</p> <p>The City will transfer to Developer, at no cost, the property for the luxury mid-rise residential tower(s) and the hotel. The transfer will occur immediately prior to the commencement of vertical construction on the applicable pad.</p> |
| Parking | <p>A minimum of 1,400 parking spaces will be created within the Lot J development.</p> <ul style="list-style-type: none"> - 700 spaces on the surface lot - 700 spaces integrated into parking garages integrated into the mid-rise residential buildings and/or as street parking |

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| | <p>The company that manages parking on behalf of the stadium will operate and manage all parking spaces and garages located at the Project. The company will be paid a market rate fee for such services. The City, Developer and the company managing the parking will cooperate as it relates to setting parking rates and policies.</p> <p>The City will retain ownership of all parking spaces and facilities located at the Project and will pay all costs of operation, repair, and maintenance of such parking spaces and facilities.</p> <p>The residents of the Project’s residential building(s) will have the first right to access the parking spaces at the Project. All parking charges paid for such uses shall be retained by Developer or its designee.</p> <p>Visitors to the Project will be eligible for complementary validated parking at all available parking spaces within the sports and entertainment complex. In the event Developer chooses to implement a discounted (versus a complementary) validation program, all revenue generated from the discounted program will be deposited into a marketing fund managed by Developer. Developer will use the marketing fund to promote the Project.</p> <p>Developer or its designee will have the right to operate a valet parking program, utilizing parking spaces located at the Project or any adjacent lots that are not otherwise in use, as necessary, for visitors to the Project and shall have the right to retain all revenue generated by such operation.</p> <p>Subject to the other provisions of this section concerning validation, valet, hotel and residential parkers, each year, the City will have the right to retain the revenue generated by transient daily paid parkers utilizing the parking spaces located at the Project. In addition, the City will also receive parking revenue from spaces in the Project paid by attendees of Jaguars NFL games, the Florida-Georgia Game, the TaxSlayer Gator Bowl, Monster Jam, other stadium events, events at the baseball grounds, events at the VyStar Arena, and events at Daily’s Place.</p> <p>The City and Developer will cooperate to develop a discounted parking program for employees who work in the Project or at the stadium.</p> <p>Access to parking within the Project will support existing City obligations to the Jaguars, the Gator Bowl, the Florida/Georgia game, and any other preexisting major event parking requirements, while taking into account the parking needs of the Project.</p> <p>A summary of the parking revenue retention is set forth in <u>Attachment A</u>.</p> |
| <p>Developer Obligations</p> | <p>As between the City and Developer, Developer will be responsible for managing the construction of and all costs of the development, other than those costs that will be paid by the City, as more specifically set forth below.</p> |

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| | <p>In addition, as between the City and Developer, Developer will be responsible for any cost overruns in connection with the Project.</p> <p>Developer will certify that it has secured funding to complete the Project.</p> <p>At the time Developer commences the horizontal infrastructure that constitutes part of the Project, Developer will provide the City with a completion guaranty from a creditworthy entity (subject to mutually agreed upon conditions and requirements, including exceptions required as a result of facts, events and circumstances outside of Developer’s control, such as pandemic, war, civil unrest, severe weather, changing sea levels, climate change, disruptions to the normal supply chain, embargos, and government action, and failure by the City to perform its obligations under the development agreement or otherwise with respect to the Project) to complete the entire Project within 48 months (subject to any extensions for the hotel) from the receipt of all required permits and approvals necessary to commence construction.</p> <p>The creditworthy entity will be subject to the approval by the City, in its reasonable discretion.</p> <p>Developer will provide certified progress reports monthly for the Project.</p> |
| <p>City Financial Obligations</p> | <p>The aggregate direct contribution of the City to the Project shall not exceed \$152.7M. This contribution will consist of:</p> <ul style="list-style-type: none"> - Up to \$50M for construction for the Live! district, which the City will own - Up to \$25M in support for the hotel and residential buildings - \$77.7M in infrastructure, which the City will own |
| <p>City-Owned Live! District</p> | <p>The City and Developer will share equally in the costs of the Live! entertainment district; provided that the City’s cost will not exceed \$50M, and Developer will fund the balance of any costs in excess of \$100M for this use. If the construction cost of the Live! entertainment district is less than \$100M, the City contribution will be reduced to a level equal to 50% of the actual cost.</p> <p>Developer will be responsible for the operation of the facilities, inclusive of maintenance, repairs, and capital improvements. Similar to the amphitheater lease, the Developer and the City will create a fund to support future capital maintenance, repairs, and improvements from the dedication of any ticket surcharges. The City shall retain ownership of the Live! entertainment district venues and shall lease same to the Developer for rent commensurate with the rent payable to the City pursuant to the amphitheater lease.</p> <p>The City will receive, on a monthly basis, a pay application (or similar documentation) with backup documentation setting forth the costs, fees and expenses relating to the design and construction of the facilities. Upon review and approval by the City, the City will reimburse Developer for the City’s</p> |

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| | <p>portion of the construction costs of the facilities. The payment as between the City and the Developer will be as <i>pari passu</i> as practicable, while maximizing tax efficiency with respect to sales tax savings.</p> |
| Residential and Hotel Support | <p>The City will provide a partial ad valorem tax rebate for 20 years at 75% for the two luxury mid-rise residential buildings. In addition, the City shall provide (in the form of a completion payment or other mechanism) funding to support the hotel. The combination of the of the partial ad valorem tax rebate and the completion payment or other mechanism shall not exceed an aggregate of \$25M.</p> |
| Infrastructure and City Public Works Investment | <p>The City will fund up to \$77.7M for infrastructure improvements, to include surface and structured parking, streets, sidewalks, environmental cleanup, utility relocations, installation of utilities, wayfinding, directional signage, public spaces, hardscaping, landscaping, and other infrastructure.</p> <p>The City shall retain ownership of the infrastructure.</p> <p>The City will receive, on a monthly basis, a pay application (or similar documentation) with backup documentation setting forth the costs, fees and expenses relating to the design and construction of the infrastructure. Upon review and approval by the City, the City will reimburse the Developer.</p> <p>If there are savings in the infrastructure improvements, Developer shall have the ability to invest such savings in other City-owned infrastructure and/or facilities within the Project and/or immediately adjacent to the Project.</p> |
| City Loan | <p>In addition to the City’s direct financial contribution to the Project, the City will provide a \$65.5M (net \$52.4M) loan to Developer, which will be repaid in its entirety by Developer. The loan will be structured as a “Breadbox Loan,” the proceeds of which will be used to fund a portion of the development of the Project. Developer shall have the right to allocate funds among the Project uses, including infrastructure. Security for the loan will be established through a contribution from the Developer of 20% of the total loan amount into a trust account owned by the City. The proceeds of the Breadbox Loan will be disbursed pursuant to a mechanism to be mutually agreed upon by the parties.</p> |
| Disbursement of City Funds | <p>For the portions of the Project that will be owned by the City, disbursements will be tied to City approval of monthly pay applications (or similar documentation) and backup documentation setting forth the costs, fees and expenses relating to the design and construction of those City-owner portions.</p> <p>For the portions of the Project that will not be owned by the City, disbursements shall be tied to percentages of completion of the work, as set forth in the Developer’s monthly completion reports, as verified by the City. The Developer’s monthly completion reports will be certified by the Developer and/or the applicable architect and construction manager.</p> |

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| <p>Project Cost Savings</p> | <p>In the event the aggregate cost of the hotel and residential buildings (including residential parking) is less than \$229M, the City’s contribution to those uses will be reduced proportionately. For purposes of this calculation, the City’s contribution will be defined as the net present value of the partial ad valorem residential tax rebate, the net present value of the City’s financial support of the hotel, the actual net value of the City loan and the actual cost of the residential parking. In addition, the aggregate cost shall include the actual cost to develop and build the residential and hotel buildings, including all hard and soft construction costs and development costs, fees and expenses.</p> <p>If Developer pays cost overruns with respect to the Live! entertainment district and/or the City-owned infrastructure, Developer shall receive an offset credit against the reduction in the City’s contribution equal to such Developer-funded cost overruns.</p> <p>The measurement to determine if there are any savings will occur 48 months after the commencement of vertical construction of the hotel or residential buildings. The measurement period will be adjusted to include an additional 24 months if the hotel development is delayed due to market conditions. If the City is owed a pro rata refund, the Developer shall have the option to pay the City its pro rata refund, in whole or part, by reducing the maximum value of REV grant and/or the hotel support.</p> <p>The parties acknowledge that the City’s overall contribution to the Project has been reduced during the initial development phase. The City’s contribution of \$77.7M in infrastructure improvements is a reduction from the prior estimate of \$92.8M due to a reduction in planned structured parking. If Developer and the City agree to build a parking garage to support the Project on the site where the surface lot is being constructed, the City agrees to provide up to \$15.1M towards the construction costs of such garage, with the City’s cumulative contribution to the infrastructure improvements and the parking garage, if approved, remaining capped at \$92.8M. The Developer agrees to provide matching funds to support construction of the garage.</p> <p>The parties acknowledge and agree that the current investment of \$77.7M in infrastructure is based on information regarding the level of environmental contamination, the subsurface conditions, the requirements with respect to building on the storm water retention pond site, and the engineering relating to accommodating the existing guide wire anchor. To the extent that factors outside of Developer’s control impact these portions of the Project infrastructure, and, as a result, cause the infrastructure costs relating to these portions of the Project to exceed current estimates, the City agrees to allocate up to no more than the \$15.1M from the investment reduction to cover such unanticipated costs (provided that in no case will the City’s total investment in infrastructure exceed \$92.8M).</p> |
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| <p>Development Cooperation</p> | <p>The City will cooperate to facilitate the service and consumption of food and beverage (including alcoholic beverages) within the Project (including on the streets, sidewalks, and plazas of the Project).</p> <p>The City will provide the Developer with an easement at no cost to use the public spaces, including streets, plazas, sidewalks, for cafes, kiosks, wayfinding, communications equipment, stages, and other activations.</p> <p>The City will provide the Developer with the ability to close some of all of the publicly-owned spaces and to limit pedestrian access to support the execution of special events within the Project to support the execution of special events within the Project. Developer will provide the City with three templates for closure of the streets in the Project. The closures will be subject to approval by the City’s public safety and events departments as is customarily required.</p> <p>The City will, in consultation with the Developer, clear title encumbrances impacting the Property.</p> <p>The parties agree to cooperate to structure the financial aspects in connection with the Project in the most cost-efficient and tax-efficient manner permitted (including via the “breadbox loan structure” that has been discussed among the parties).</p> |
| <p>Community Benefits</p> | <p>Developer will assist qualified local minority and women journey person workers and apprentices to enter the region’s pool of skilled labor by promoting apprenticeship and journey person opportunities during construction.</p> <p>Developer will implement recruitment, training and employment policies to achieve a diverse workforce at all levels of its organization, sourced to the greatest extent possible from local residents.</p> <p>Developer will comply with the Jacksonville Small and Emerging Business Program, with an emphasis on contracting with women and minority business enterprises.</p> <p>Developer will establish a committee consisting of representatives from the City, appropriate community and civic organizations, non-profit organizations, and colleges/universities, that will meet regularly, for the purposes of providing advice and assistance with respect to the successful implementation of the above Community Benefits plan.</p> |
| <p>Additional Conditions</p> | <p>This Term Sheet is limited by the following conditions:</p> <ul style="list-style-type: none"> - The proposed financial terms are subject to and contingent upon the approval of the Jacksonville City Council, the administration of the City of Jacksonville, and, solely as it relates to the REV grant, the |

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| | <p>Downtown Investment Authority.</p> <ul style="list-style-type: none">- The parties must enter into definitive agreement(s) in respect of the Project. There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties, to be set forth in later negotiated mutually agreed upon written contract(s). - This Term Sheet is non-binding, and neither party will have any obligation in respect of the Project unless and until execution and delivery of definitive written agreement(s). |
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Attachment A

| Attachment A | | |
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| Sports Complex Development Parking Revenue Summary | | |
| Spaces | Residential | Pond Surface Lot |
| | 700 | 700 |
| Resident Parking | Developer | Developer |
| Hotel Guest Parking | Developer | Developer |
| Daily Validated Parking | Developer | Developer |
| Valet Parking | Developer | Developer |
| Daily Paid Parking | COJ | COJ |
| Jaguars Games | COJ | COJ |
| FL/GA Game | COJ | COJ |
| Gator Bowl | COJ | COJ |
| Monster Jam | COJ | COJ |
| Baseball Grounds Events | COJ | COJ |
| Arena Events | COJ | COJ |
| Other Stadium Events | COJ | COJ |
| Daily's Place Events | COJ | COJ |