

JWM Management, Inc.
1229 Tamiami Trail
Sarasota, Florida 34239

VIA EMAIL

Mr. Hagen Brody
Mayor
City of Sarasota

RE: 1.98 acres, 58 Fillmore Drive, Sarasota, Florida

Dear Mayor Brody:

This letter ("Letter of Intent") constitutes terms and conditions in which JWM Management, Inc. or its assigns ("Buyer") shall purchase the above-described property (the "Property") from the City of Sarasota, a municipal subdivision of the State of Florida ("City"):

1. **Property Description.** A 1.98 +/- acre site located at 58 Fillmore Dr. Sarasota, Florida (the "Property"). (See Exhibit A)

2. **Intended Use.** A new, 98 +/- room Boutique Hotel, eleven (11) +/- Residential Townhome Units, a 12,000 +/- s/f Boutique, Gourmet Grocery Store, Multi-stalled Men's and Women's Public Restrooms, parking for such uses, and up to 270 +/- covered structured parking spaces, collectively referred to herein as the "Project."

3. **Purchase Price.** Fair Market Value to be determined as follows: The City shall retain an MAI appraiser to determine the Fair Market Value (FMV) of the Property, and such determination is hereinafter referred to as the "Purchase Price." In determining the FMV, the appraiser shall assume the entitlements are bestowed on the Property by the various legislative actions referenced in Paragraph 6 hereof. The appraiser shall also consider that Buyer will be required to provide up to 268 structured Public Parking Spaces for public parking (the "Public Parking Spaces"), of which the spaces required for the Project are a part and shall be charged to the Buyer at the public rate. The burden of constructing and delivering the Public Parking Spaces to the City is a benefit to the public and the City and is necessary for the City to monetize the Property and to encourage and enable Buyer to construct the Project, which will be added to the City's Property Tax Roll and create a long-term revenue stream to the City's General Fund, the County's Tourist Development Tax fund and the St. Armand's Business Improvement District fund.

(a) There are 268 public parking spaces within the Fillmore lot and the adjacent alley. The revenue from those public parking spaces is currently pledged pursuant to a Bond Resolution and Section 507(A) of such resolution provides inter alia, "The (City) shall not take any action or omit to take action the effect of which is expected in the aggregate to have a material adverse impact upon collection of NET PARKING REVENUES with the ST. ARMANDS PAID PARKING AREA". See Section 507(A) of the Bond Resolution.

The Bond Resolution provides that such Bonds may be prepaid without penalty on October 1, 2027, the Initial Call Date.

Therefore, to accommodate the provisions of Section 507(A) of the "Bond Resolution", the City retains the right by reserving a perpetual exclusive easement to the Public Parking Spaces to continue to pledge the net parking revenue of the 268 Public Parking Spaces to comply with the Bond Resolution.

The Parties agree to negotiate in good faith as needed to assure compliance with the Bond Resolution and if necessary to alter/modify the provisions herein.

(b) The Parties shall have 30 days from receipt of the appraisal to accept or reject same. If either Party objects to the Fair Market Value as determined by the appraisal, then the Parties shall negotiate in Good Faith to reconcile their objection, which, if necessary, shall include a second appraisal. If the Parties are unable to come to an agreement on the Fair Market Value, then the Purchase Agreement shall terminate and be of no further force or effect.

4. Payment of Purchase Price. The Purchase Price shall be paid as follows:

(a) One Hundred Thousand Dollars (\$100,000) (the "Initial Earnest Money") within (5) business days of the execution of a Purchase and Sale Agreement specified in Paragraph 19 hereof, which shall be non-refundable except as specifically provided herein. All Initial Earnest Money and Additional Earnest Money shall be referred to as the Earnest Money and shall be credited to the Purchase Price at Closing. At the end of the Inspection Period Buyer shall deposit One Hundred Fifty Thousand Dollars (\$150,000) as Additional Earnest Money.

(b) The entire unpaid balance of the Purchase Price shall be paid at the closing ("Closing") of the transaction contemplated herein whereby Seller conveys title to the Property to Buyer ("Closing"). The Earnest Money shall be non-refundable, except as provided in Paragraphs 6 and 8 of this Letter of Intent. If the Closing does not occur due to default of Buyer, the Earnest Money shall be forfeited as liquidated damages to Seller as Seller's exclusive remedy for Buyer's default. If the Property is not closed due to default of Seller, the Earnest Money shall at Buyer's option be refunded to Buyer and Buyer may exercise any legal remedies provided by law to secure title or damages.

5. **Escrow, Earnest Money Deposit.** Within five (5) business days of execution of the Purchase and Sale Agreement, Buyer shall deposit the Earnest Money in cash with First American Title Insurance Company ("Escrow Agent"), which will act as escrow holder in this transaction. The parties will execute customary escrow instructions reasonably satisfactory to the parties, as contained in Escrow Agent's standard Earnest Money Escrow Agreement, provided, however, that if and to the extent any inconsistencies exist between the terms of the Escrow Agreement and the Purchase and Sale Agreement, the terms of the Purchase and Sale Agreement shall control. The Deposits shall be deposited and held in an interest-bearing account.

6. **Conditions to Closing.** It shall be condition to Buyer's and Seller's obligation to close the purchase and sale transaction that the following shall have occurred ("Conditions of Closing"):

(a) Seller must be able to convey good and marketable and insurable fee simple title to the Property free and clear of all liens, encumbrances, objections, defects and exceptions, except those which can and shall be discharged by Seller at or before closing and any "Permitted Exceptions" mutually agreed upon by Seller and Buyer and specified in the Purchase and Sale Agreement.

(b) All utilities are physically available within the public right-of-way adjacent to the Property and with capacity from the local and state governing authorities to service Buyer's Intended Use. Utilities shall include, without limitation, water, sewer, electric, and phone.

(c) Conveyance by Seller of future entitlements needed for Buyer's Intended Use from applicable municipal and governmental authorities having jurisdiction with respect to the Property, and receipt of written approval from such authorities with respect to such conveyance.

(d) for development and construction of the Project for the Intended Use from all applicable governmental authorities, subject only to Buyer's compliance with local building codes and ordinances (collectively, the "Development Approvals"). The Development Approvals shall include (i) the zoning approvals as described below, and (ii) issuance of all permits as defined below necessary to develop and construct the Project.

The Development Approvals shall include without limitation the legislative actions required to be adopted by the City to allow the Project to be built as described in Paragraph 2 hereof and more particularly described in Exhibit A attached hereto. Such legislative actions include (i) a rezoning of the Property to the CT zoning category (amended as described below), (ii) a Comprehensive Plan amendment to increase the allowable height of the Project to 45 feet, and (iii) an amendment to the CT zoning district to allow hotels and residential development as a permitted use, requiring a parking ratio for hotels not to exceed 0.50 spaces per room, increasing the allowable height in the CT district to 45 feet, and allowing residential

development along Adams and Monroe Streets, and eliminating the requirement of retail on first level of the Project.

The permits include all site and development plan approvals, a land disturbance permit and a building permit to commence development and construction of the Project immediately following Closing.

Buyer shall not be deemed to have received the Development Approvals unless and until all appeal periods available following issuance of the Development Approvals have expired with no appeal having been filed or if filed then resolved in favor of the issuance of the Development Approvals. Buyer shall be responsible, at its sole cost and expense, for obtaining the Development Approvals and shall file application(s) for and diligently and in good faith pursue the Development Approvals, as well as procure and pay all fees and file all supplemental plans and materials reasonably required to obtain the Development Approvals.

(e) Seller and Buyer have agreed to the appraiser's determination of Fair Market Value as provided in Paragraph 3 herein above.

(f) Seller shall not be in default under the terms and conditions of the Purchase and Sale Agreement.

(g) Seller, in its sole and absolute discretion is satisfied that Section 507(A) of the Bond Resolution has been satisfied.

In the event any of the Conditions of Closing are not met as of Closing or any extension of Closing, and Buyer has not waived such condition(s) in writing, Buyer shall have the right to close or terminate the Purchase and Sale Agreement and receive a full refund of its Earnest Money.

7. **Termination by Seller Prior to Receipt of Development Approvals.** Buyer acknowledges that at any time during any of the required public hearings required to process the Development Approvals, the City may refuse to adopt any of such Development Approvals and thereupon the Purchase and Sale Agreement shall terminate unless Seller and Purchaser mutually agree otherwise. Buyer recognizes that public input may also compel the City to seek a modification to Buyer's Intended Use and Buyer shall use its best efforts to accommodate such modifications. In such event, the appraiser shall be instructed to revise its estimate of FMV based upon such modification.

8. **Inspection Period.** Buyer shall have from the execution of the Purchase and Sale Agreement until the expiration of ninety (90) days following receipt of the required zoning approval, as defined in Paragraph 6 hereof (the "**Inspection Period**"), to perform such tests, studies, inspections, and other "due diligence" regarding the Property as Buyer may desire, including, but not limited to, physical inspections, geotechnical tests, environmental risk assessment, title examination and survey. Thereafter, Buyer shall continue to have access to the

Property until Closing or until the Purchase and Sale Agreement is terminated as permitted therein for the purposes of conducting additional studies. Seller agrees to cooperate fully with Buyer or its representatives with full access to the Property. The Purchase and Sale Agreement shall provide that Buyer shall indemnify and agree to hold Seller harmless from and against any and all loss, cost, damage, claims and expenses suffered or incurred by Seller as a result of any physical activities performed on the Property by or on behalf of Buyer during the Inspection Period. In the event Buyer elects to terminate the Purchase and Sale Agreement prior to the end of the Inspection Period, Buyer shall receive a full refund of Earnest Money.

9. **Closing.** The Closing shall occur sixty (60) days following the issuance of all permits as defined in Paragraph 6 hereof ("Closing Date"). Buyer shall have the option of extending the Closing Date for a period of sixty (60) days by depositing Additional Earnest Money of Two Hundred Fifty Thousand Dollars (\$250,000).

10. **Parking Easement for Public Spaces.** At Closing Buyer and the City shall enter into a parking agreement, easement or otherwise pursuant to which Buyer shall agree to incorporate into the Project up to 268 covered, structured parking spaces for use by the public as articulated in Paragraph 3(a) herein above. The form of such agreement(s) shall be agreed upon by Buyer and the City during the Inspection Period. After October 1, 2027, the Buyer shall provide a minimum of 160 parking spaces for public use.

11. **Construction of Public Spaces.** Following the Closing, and after issuance of a building permit, Buyer shall cause its general contractor to post a payment and performance bond for the Project, together with a Tri-Obligee Rider to such bond, naming the City, the Buyer and Buyer's construction lender, as obligees under such bond.

12. **Commencement of Construction of Project.** In the event Buyer has not started construction of the Project within 180 days following receipt of a building permit, the City shall have an option to repurchase the Property by returning the Purchase Price (less \$1,000,000 as liquidated damages for failure to commence construction as required above), and the City may exercise all of its rights under the payment and performance bond as provided by the Tri-Obligee Rider. In addition or alternatively, the City may complete construction of the Project itself, or assign such rights and obligations to a substitute developer.

13. **Prorations.** Customary prorations shall be made as of the Closing Date.

14. **Closing Costs.** Buyer will pay for its ALTA policy of title insurance (including the cost of any required survey) in the amount of the Purchase Price. Seller shall pay the transfer tax required to be paid in connection with the recording of the Deed.

15. **Broker's Commissions.** Seller and Buyer each represent neither has engaged the services of any Real Estate Brokers.

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16. **Property Materials.** In connection with Buyer's review and inspection of the Property, Seller agrees to provide Buyer with copies of all surveys, title commitments, or any third-party reports in Seller's possession.

17. **Counterparts.** This agreement may be executed in counterparts, each of which shall be deemed an original and all which together shall be deemed one Agreement.

18. **No Other Negotiations.** Seller agrees not to negotiate or contract to sell its interest in the Property, accept or negotiate any offer to purchase, or otherwise market its interest in the Property, to any other person or entity at any time during the term of this Letter of Intent. Seller acknowledges and agrees that the provisions of this Section 18 shall be binding upon Seller and enforceable by Buyer.

19. **Non-Binding Nature.** By accepting this Letter of Intent, Seller acknowledges that, except as expressly provided herein, this letter shall not give rise to any legally binding contractual obligations between the parties; rather, this letter, if accepted by Seller, only expresses the basic economic terms and conditions which are, as of the date of this letter, a mutually acceptable basis on which to commence negotiations with respect to a definitive purchase and sale agreement for the transaction contemplated hereby. The terms contained herein are based solely on information available to Buyer as of the date hereof, and subsequent information may dictate modification of the terms and conditions set forth herein. The parties acknowledge and agree that the execution of this letter shall impose a duty on both parties to negotiate in good faith to conclude and sign the Purchase and Sale Agreement. Further, due to the need for a definitive Purchase and Sale Agreement to fully express the terms of the contemplated transaction, it is the expressed intention of the parties that the execution of a definitive Purchase and Sale Agreement with respect to the proposed transaction is a condition precedent to the creation of a binding contractual relationship between the parties. Any services rendered or expenses incurred in anticipation of a final agreement shall be borne exclusively by the party making the expenditure. Seller acknowledges and agrees that the provisions of this Section 19 shall be binding upon Seller and enforceable by Buyer.

20. **Execution of Formal Agreement.** Within twenty (20) business days of mutual execution of this Letter of Intent, Seller will cause a Purchase and Sale Agreement (the "Purchase and Sale Agreement") to be drafted for Buyer's review and approval. The Purchase and Sale Agreement will contain customary provisions relating to the sale of commercial real estate in the state of Florida, consistent with the terms and conditions of this Letter of Intent. Buyer and Seller shall have sixty (60) business days from initial submission of the Purchase and Sale Agreement to negotiate, execute, and deliver the Purchase and Sale Agreement.

Sincerely,



John W. Meshad

President

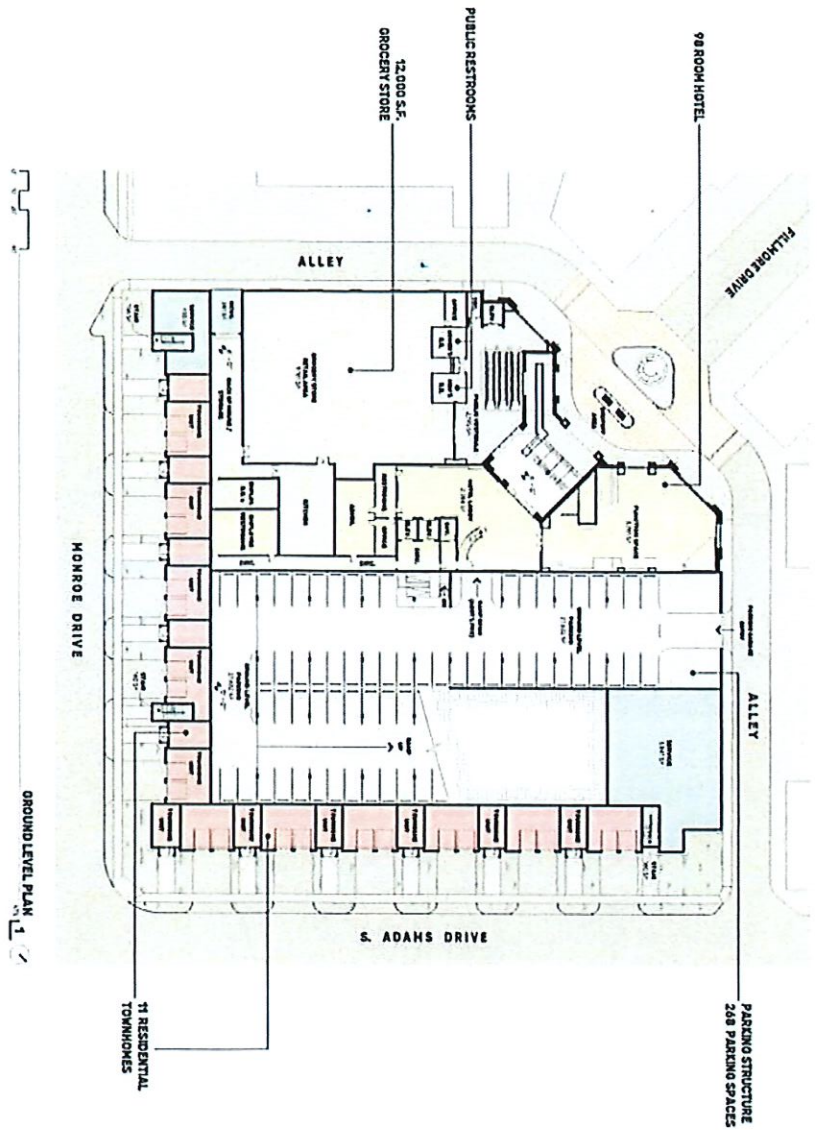
JWM Management, Inc.

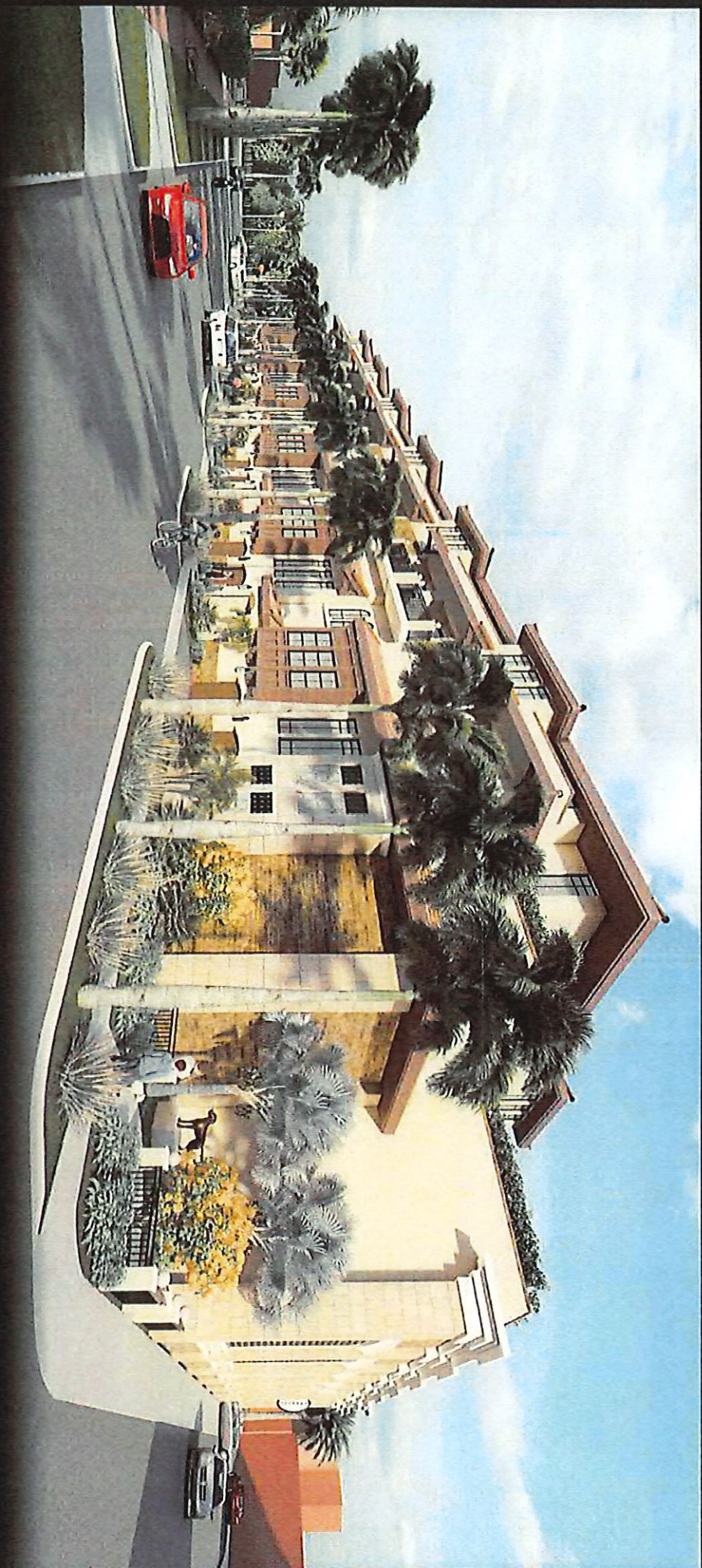
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ACCEPTED AND AGREED this ____ day of _____, 2021.

CITY OF SARASOTA

By: _____
Hagen Brody, Mayor





Suarez
ARCHITECTURE

JWM
MANAGEMENT

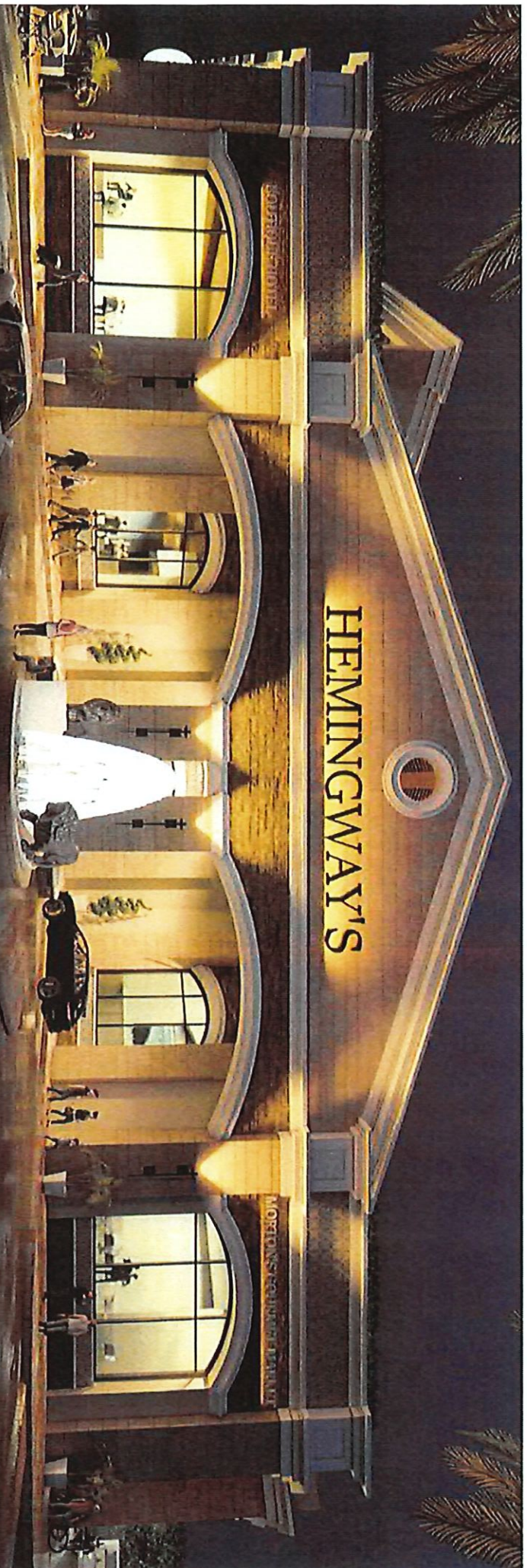
**ST. ARMAND'S PARKING LOT REDEVELOPMENT
RESIDENTIAL TOWNHOMES
EXHIBIT A**

Suarez
ARCHITECTURE

JWM
MANAGEMENT

ST. ARMAND'S PARKING LOT REDEVELOPMENT
RESIDENTIAL TOWNHOMES
EXHIBIT A





Project Benefits

- Boutique hotel will ensure visitors stay, shop and walk within the St. Armand's district while being buffered from the neighborhood.
- Addition of a much needed grocery amenity will be a compliment for St. Armand's circle, surrounding neighborhoods and keys.
- Addition of public restrooms are imperative for the St. Armand's shopping district.

- Underground power lines will be an essential measure for hurricane preparedness as well as an aesthetic improvement to the neighborhood.
- Reduction in traffic by keeping people on the circle to shop, and reducing trips to grocery shopping over the bridge.
- Increased property values for the residential neighborhood due to addition of these amenities and aesthetic upgrades.



**ST. ARMAND'S PARKING LOT REDEVELOPMENT
PROJECT BENEFITS
EXHIBIT A**