

INTERLOCAL AGREEMENT

(Community Maritime Park)

This INTERLOCAL AGREEMENT (the "Agreement"), made and entered into as of this 27th day of March, 2006, by and between the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, FLORIDA, a public body corporate and politic of the State of Florida (the "Agency"), and the CITY OF PENSACOLA, FLORIDA, a Florida municipal corporation (the "City").

WITNESSETH:

WHEREAS, it is the purpose and intent of this Agreement, the parties hereto, and the Florida Interlocal Cooperation Act of 1969, as amended and codified as Section 163.01, Florida Statutes (the "Cooperation Act"), to permit the Agency and the City to make the most efficient use of their respective powers, resources and capabilities by enabling them to cooperate on the basis of mutual advantage and thereby to provide the property, facilities and services provided for in this Agreement in the manner that will best accord with the existing and anticipated resources available to each of them and with geographic, economic, population and other factors influencing the needs and developments within the community redevelopment area in the corporate limits of the City and the area of operation of the Agency; and

WHEREAS, it is the purpose of the Cooperation Act to provide for a means by which the Agency and the City may exercise their respective powers, privileges and authorities which they share in common and which each might exercise separately; and

WHEREAS, the Agency is responsible for the implementation of the redevelopment plan for the redevelopment, rehabilitation and improvement of the community redevelopment area in the City (the "Area") and may use funds on deposit in the Agency's Community Redevelopment Trust Fund (the "Trust Fund") to finance the costs of redevelopment; and

WHEREAS, the City and the Agency desire to have certain land located in the Area (the "Project Site") redeveloped and rehabilitated by public and private sector development; and

WHEREAS, the City and the Agency are willing to cooperate and provide assistance to each other and, to the extent permitted by law, assist the public and private development of the Project Site, all in such means and manner as will promote the rehabilitation and redevelopment of the Area, benefit the local economy, and be of substantial benefit to the Agency and the City, including the City financing the redevelopment through bonds, notes or other obligations and the Agency providing funds from the Trust Fund to the City to pay the debt service on such bonds, notes or other obligations of the City; and

WHEREAS, the Agency proposes to exercise its powers available under Part III, Chapter 163, Florida Statutes, as amended (the "Redevelopment Act"), to assist the development, design, construction and equipping of a project on the Project Site consisting of a public park, a community multi-use facility, a conference center, a maritime museum, offices, commercial uses, residential uses and preparation of the Project Site for the development of such uses (collectively, the "Project"); and

WHEREAS, the City published a Notice of Invitation to Submit Proposals and Disposition of Property dated June 29, 2005 (the "Notice"), and as a result of that Notice the City accepted, the proposal of Community Maritime Park Associates, Inc., a Florida not-for-profit corporation ("CMPA") dated July 29, 2005, to develop the Project Site, and the City intends to enter into the Master Lease (as hereinafter defined) to the CMPA and intends to enter into an agreement with CMPA providing for the development of the Project on the Project Site by CMPA (the "Master Development Agreement"); and

WHEREAS, in order to enter into the Master Development Agreement (as hereinafter defined) and be able to carry out its obligations thereunder, it is necessary for the City to obtain certain assurances, representations, commitments and obligations from the Agency regarding the Agency's making the Agency Payments to the City at such times and in such amounts so that the City can pay debt service on the bonds, notes or other obligations issued by the City to pay the Public Improvements Costs; and

WHEREAS, the City is desirous and willing to proceed with the redevelopment of the Project Site by entering into the Master Development Agreement and the Master Lease; and

WHEREAS, the redevelopment of the Project Site and the financing of the Public Improvements Costs through bonds, notes or other obligations issues by the City and the payment by the Agency of the Agency Payments to the City is for a public purpose and complies with and will further the purposes and objectives of the Plan and the Redevelopment Act; and

WHEREAS, but for the mutual undertakings hereunder by the parties to this Agreement, the parties would not be able to proceed with the desired redevelopment of the Project Site or it would be necessary for either the City or the Agency, acting individually, to take actions required, permitted or necessary for the redevelopment of the Project, but as provided in the Cooperation Act, each has elected to pursue jointly and collectively these separate actions, all in accordance with the intent and purpose of the Cooperation Act permitting units of local government to, among other things, provide from their revenues, assets and other resources the financial and other support for the purposes set forth in interlocal agreements; and

WHEREAS, the Agency and the City intend by this Agreement to more fully establish the joint and several obligations, duties and responsibilities of the Agency and the City to redevelop or cause the redevelopment of the Project Site, to provide a means and method to pay the Public Improvements Costs, in order to further the purposes stated herein; and

NOW, THEREFORE, in consideration of the mutual covenants of this Agreement, the Agency and the City agree as follows:

ARTICLE 1

AUTHORITY

1.1 Authority. This Agreement is entered into pursuant to the provisions of Section 163.01, Florida Statutes, Section 163.400, Florida Statutes; Part III, Chapter 163 Florida Statutes; Chapter 166, Florida Statutes, and other applicable provisions of law, all as amended and supplemented from time to time, and the Plan (as hereinafter defined).

ARTICLE 2

DEFINITIONS

2.1 Definitions. As used in this Agreement, the following terms, when initially capitalized, shall have the following meanings:

(a) "Act" means the Constitution of the State of Florida; Section 163.01, Florida Statutes; Part III, Chapter 163, Florida Statutes; Chapter 166, Florida Statutes, other applicable provisions of law, and all ordinances and resolutions of the City and Agency implementing them, all as amended and supplemented.

(b) "Agency" means the Community Redevelopment Agency of the City of Pensacola, Florida, a public body corporate and politic of the State of Florida, created pursuant to Part III, Chapter 163, Florida Statutes, and any successors or assigns thereto, provided that such successors and assigns shall be limited to governmental entities.

(c) "Agency Payments" means the payments made by the Agency from the Project Account to the City for Public Financing Debt Service pursuant to Section 5.03 of the Master Development Agreement.

(d) "Agreement" means this Interlocal Agreement between the Agency and the City, including any amendments, revisions and exhibits thereto.

(e) "Area" means the area located within the corporate limits of the City having conditions of slum and blight as those conditions are defined in the Act as found by the City Commission in its Resolution 65-81 adopted by the City Council on October 22, 1981.

(f) "Authorized Representative" means the person who is the duly authorized and designated representative of the City or the Agency, respectively, as provided in Section 3.4 hereof.

(g) "City" means the City of Pensacola, Florida, a Florida municipal corporation, and any successors or assigns.

(h) "CMPA" means Community Maritime Park Associates, Inc., a Florida not-for-profit corporation, and any successors and/or assigns approved by the City in accordance with the provisions of the Master Development Agreement.

(i) "Effective Date" means the date on which this Agreement becomes effective as provided in Section 8.12 hereof.

(j) "Exhibits" means those agreements, diagrams, drawings, specifications, instruments, forms of instruments, and other documents attached hereto and designated as exhibits to, and incorporated in and made a part of, this Agreement, including any changed, revised, supplemental or replacement versions thereof.

(k) "Expiration Date" means the date on which this Agreement expires by its own terms and is no longer of any force and effect as provided in Section 8.7 hereof.

(l) "Governing Body" means, in the case of the Agency, the governing body of the Agency, and, in the case of the City, the City Council of the City, or any successor board, commission or council thereto of either.

(m) "Master Development Agreement" means that certain Master Development Agreement between the City and CMPA, dated March 27, 2006, providing for the development of the Site Improvement Project on the Project Site.

(n) "Master Lease" means that certain ground lease agreement between the City and CMPA, dated March 27, 2006, under which CMPA will manage the Project and enter into the Maritime Museum Lease and Sub-Leases, subject to City approval, for design, construction, management, operation and use of the Public Improvements, the Private Improvements, and the Maritime Museum, as those terms are defined in the Master Lease.

(o) "Plan" means the community redevelopment plan for the Area including the Project Site, as approved by the Governing Body of the City on March 27, 1984, by adoption of its Resolution No. 15-84, and any amendments to the Plan, specifically including the amendment adopted by the Governing Body of the City on June 23, 2005.

(p) "Project" means the mixed-use development to be located on the Project Site as contemplated by the Proposal and the Plan.

(q) "Project Account" means the account created by the Agency in which moneys are deposited from the Community Redevelopment Trust Fund to pay the Agency Payments under this Agreement.

(r) "Project Site" means the property described and depicted on Exhibit "A," delineating the entire property owned or controlled by the City, on which the Project will be constructed in accordance with the Redevelopment Agreement.

(s) "Public Financing" means the bonds, notes or other obligations issued by the City (including obligations issued to refund such bonds, notes or other obligations) the original net proceeds of which are to be used by the City to pay the Public Improvements Costs.

(t) "Public Financing Debt Service" means all amounts required to be paid by the City from time to time in respect of the Public Financing.

(u) "Public Improvements" means the Site Preparation Project and the Public Improvements, as those terms are defined in the Master Development Agreement and the Master Lease.

(v) "Public Improvements Costs" means the cost to design, construct, install, equip and complete the Public Improvements, but not to exceed the net proceeds of the Public Financing.

(w) "Trust Fund" means the Agency's Community Redevelopment Trust Fund created by Ordinance 13-84, enacted by the Governing Body of the City, on March 8, 1984, pursuant to s. 163.387(1), Florida Statutes.

(x) "Unavoidable Delay" means those events constituting excuse from timely performance by a party hereto from any of its obligations hereunder, as such events are defined in this Agreement.

2.2 Use of Words and Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural as well as the singular number, and the word "person" shall include corporations and associations, including public bodies, as well as natural persons. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Agreement and not solely to the particular portion thereof in which any such word is used. The words "party" or "parties" when referring to the initial signatory parties to this Agreement shall also mean and include any successor or assign of such party, but does not include the CMPA. References to "Agency" and "City" may refer to and include the Authorized Representative thereof designated in accordance with Section 3.4 to the extent the Agency or City has authorized its authorized representative to act on its behalf.

2.3 Florida Statutes. Any and all references herein to the "Florida Statutes" are to Florida Statutes (2005), as amended by any session law enacted during any regular or special

session of the Legislature of the State of Florida convening prior to the Effective Date, and which became law in accordance with the Constitution of the State of Florida.

2.4 Master Development Agreement Definitions Incorporated. Any initially capitalized term or phrase in this Agreement which is not defined in this Article 2 or elsewhere in this Agreement, shall have the meaning ascribed to it in the Master Development Agreement. Should any definition in this Agreement differ from the definition for the same word, term or phrase in the Master Development Agreement, unless clearly stated otherwise or as can be determined otherwise from the context, then the definition in the Master Development Agreement shall control and apply to such word, term or phrase as used in this Agreement.

ARTICLE 3

PURPOSE, FINDINGS, INTENT

3.1 Purpose. The purpose of this Agreement is to induce, encourage and assist the redevelopment of the Area through assistance and cooperation in the development of the Project on the Project Site, including the payment of the Agency Payments from the Project Account. It is also the purpose of this Agreement to define and delineate the responsibilities and obligations of the parties to this Agreement, and to express the desire of the parties to cooperate together to accomplish the purposes and expectations of this Agreement.

3.2 Findings. It is hereby ascertained, determined, declared and found by the parties hereto that:

(a) The Area (in which is located the Project Site) contains one or more slum and blighted areas and that the rehabilitation or redevelopment of the Area (including specifically the Project Site) is necessary in the interest of the public health, safety, morals and welfare of the residents of the City;

(b) The Project Site is of significance to the Area and represents an area with a substantial impact and effect on the Area in terms of its location, size and prominence.

(c) It is a necessary and appropriate exercise of the redevelopment powers available to the Agency to provide such assistance as is reasonably necessary to cause the redevelopment of the Project Site so it will be a significant mixed use and public facility in the Area by the eradication of the conditions of slum and blight found there, all in accordance with and in furtherance of the Act as implemented by the Plan.

(d) The redevelopment of the Project Site requires and will not be undertaken or completed successfully without assistance provided by CMPA and the City and the Agency exercising their powers under the Redevelopment Act, including the Public Financing.

(e) The redevelopment of the Project Site is appropriate to the needs and circumstances of, shall provide or preserve gainful employment of and shall make a significant contribution to the economic growth of the Area, and shall serve a public purpose by, among other things, advancing the economic prosperity, the public health and general welfare of the State and its inhabitants, and promoting the rehabilitation of the City and eliminating and preventing the creation and spread of blighted areas in the area of operation of the Agency and the corporate limits of the City.

(f) The City's request for assistance from the Agency in the development of the Project, including the payment of the Agency Payments toward the Public Financing Debt Service is appropriate, reasonable and necessary in order to induce, encourage, assist, and cause the redevelopment of the Project Site.

(g) The City is authorized and empowered under the Redevelopment Act to enter into the Master Development Agreement and the Master Lease and to cause the redevelopment of the Project Site as provided therein.

(h) The whereas clauses set forth as the preambles to this Agreement are hereby found to be true and correct and are incorporated into this Agreement and made a part hereof.

3.3 Intent.

(a) It is the intent of the parties to efficiently, effectively and economically cause the successful development of the Project in order to redevelop, rehabilitate and improve the Project Site, specifically, and the conditions in the Area, in general, implement the Plan, and otherwise further the purposes of the Act.

(b) It is further the intent of the parties that CMPA shall take possession of the Project Site under the terms of the Master Lease, and shall design and construct the Project substantially in accordance with the requirements of the Master Development Agreement and the Master Lease.

3.4 Authorized Representative.

(a) Each party may from time to time designate one or more individuals to be its Authorized Representative to act on its behalf to the extent of the grant of any authority to such representative. Written notice of the designation of such a representative (and any subsequent change in the Authorized Representative) shall be given by the designating party to the other party in writing in accordance with the procedure set forth in Section 11.9 hereof. The written notice of the Authorized Representative shall indicate the authority that may be exercised by the Authorized Representative.

(b) Except as otherwise expressly provided in this Agreement, whenever approval or action by the City or the Agency is required by this Agreement, such action or approval may, in the

discretion of the party considering such approval or action, be taken or given by the Authorized Representative thereof. Each party to this Agreement shall be bound by the representations or agreements of its Authorized Representative.

3.5 Redevelopment of Project Site.

(a) The City published a Notice of Invitation to Submit Proposals and Disposition of Property, seeking proposals from private persons interested in redeveloping the Project Site in accordance with the Plan. The City received the Proposal from CMPA, accepted it, and concurrently with this Agreement is entering into the Master Development Agreement and the Master Lease with CMPA, which sets forth the respective rights, duties and obligations of the parties thereto.

(b) The parties to this Agreement recognize and agree that the successful redevelopment of the Project Site, including condominium, mixed-use commercial, parking and other related uses, requires the Agency and the City to take certain actions. The City has covenanted in the Master Development Agreement and the Master Lease to exercise its best reasonable efforts to take those actions.

ARTICLE 4

PUBLIC FINANCING

4.1 Project Account.

(a) The Agency shall create a Project Account, which shall be separate and distinct from the Trust Fund and any account in the Trust Fund.

(b) No later than ten (10) days prior to each date on which the Agency is to make an Agency Payment, the Agency shall transfer an amount from the Trust Fund to the Project Account equal to the amount of such Agency Payment.

(c) The Agency agrees that the City shall have the right to enforce the Agency's obligation under this Section 4.1 to transfer funds from the Trust Fund to the Project Account.

4.2 Agency Payments.

(a) The Agency shall pay Agency Payments to the City in the amount necessary to pay the amount of the Public Financing Debt Service next coming due.

(b) The Agency shall assure that each Agency Payment is made and delivered to the City at least ten (10) business days prior to the date that the City is obligated to make any payment

in respect of Public Financing Debt Service. All such payments or disbursement shall be made in immediately available funds.

(c) Immediately upon receipt of each Agency Payment pursuant to this Section 4.1, the City shall deposit such Agency Payment into the debt service account for the Public Financing and shall use such funds to pay the next payment of the Public Financing Debt Service.

(d) The Agency agrees that, in addition to any other remedies or enforcement actions the City may have under this Agreement, the City shall have the right to enforce the Agency's obligation under this Section 4.2 to make the Agency Payments when and in the amount due.

4.3. Subordinate to Existing Obligations. The obligations of the Agency to transfer funds from the Trust Fund to the Project Account pursuant to Section 4.1 and to make the Agency Payments pursuant to Section 4.2 are subordinate to any payment obligations or liens on the Trust Fund in existence on the Effective Date. Any payment obligations or liens on the Trust Fund created after the Effective Date shall be governed by the covenants with the holders of the Public Financing, and shall have such priority of lien and security as shall be agreed to the City.

4.4. Not a General Obligation or Indebtedness. In no event shall the obligations either express or implied, of the Agency under the provision of this Agreement to pay the Agency Payments be or constitute a general obligation or indebtedness of the City or the Agency, or both, within the meaning of the Constitution of the State of Florida or any other applicable laws, but such obligations shall be payable solely from the amounts transferred to the City from the Trust Fund pursuant to this Agreement. Nothing herein shall be deemed to grant to CMPA or to any Contractor, subcontractor, materialman, or supplier for any part of the Project, or to any holder of any Public Financing, any right to compel the exercise or the ad valorem taxing power of the City or any other governmental entity on any real or personal property or taxation in any form to pay the Agency's obligations or undertakings hereunder.

4.5. Public Financing.

(a) The City shall issue the Public Financing as provided in the Master Development Agreement and shall notify the Agency when the Public Financing is expected to be issued.

(b) The City shall notify the Agency of the amount of each Agency Payment and the date when the Public Financing Debt Services payments will be due.

(c) The obligation of the Agency to transfer funds to the Project Account and to make the Agency Payments shall continue only for so long as the Public Financing is outstanding.

(d) Neither the Agency nor the City shall take or permit to be taken any action which may or might (i) impair or adversely affect the receipt of sufficient moneys for deposit into the Trust Fund to enable the Agency to make all Agency Payments, or (ii) impair or adversely affect the right

of the City to receive Agency Payments at such times and in such amounts as may be necessary to enable the City to make all payments therefrom required to be made in respect of the Public Financing.

(e) The Agency and the City shall take all actions legally available to them to assure that sufficient moneys are deposited into the Trust Fund so as to enable the Agency to pay to the City, when due, all Agency Payments.

(f) The covenants and agreements contained herein shall be for the benefit of the holders or owners from time to time, of the Public Financing, and such holders and owners are hereby expressly acknowledged to be third-part beneficiaries of this Agreement.

(g) The Agency hereby acknowledges and agrees that the City intends to pledge the Agency Payments to secure Public Financing of the City, and the owners of the Public Financing will rely upon the Agency Payments as security for their investment. The obligation of the Agency to make payments to the City hereunder shall be absolute and unconditional and shall not be subject to offset, abatement, diminution, postponement or deduction, or to any defense other than payment or to any right of setoff, counterclaim or recoupment arising out of any breach under this Interlocal Agreement or otherwise by the City, the CMPA, and Contractor, any Owner of Public Financing or any other person, or out of any obligation or liability at any time owing to the Agency by any of the foregoing. Nothing herein contained, however, shall be interpreted to abridge the right of the Agency to seek judicial remedy for any breach of covenant of contract or other rights and remedies to which it is entitled at law in a separate legal proceeding, so long as the remedies therein do not adversely affect the interests of the holders of the Public Financing while such Public Financing remains Outstanding.

(h) The Agency represents and agrees that it has full power, right and authority to enter into this Interlocal Agreement, for the purpose, among other things, of securing the Public Financing with the Agency Payments and amounts required to be deposited into the Trust Fund.

4.6. Other Payments by Agency.

Any costs incurred by the Agency in connection with the development of the Project that are not included within the Public Financing shall be the responsibility of the Agency. The City shall not be obligated to either pay such costs or to reimburse the Agency therefore.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Agency. The Agency represents and warrants to the City that each of the following statements is presently, and, as of the date of original issuance of the Public Financing, will be true and accurate and can be relied upon by the City:

(a) The Agency is the duly created and designated community redevelopment agency of the City, a validly existing body politic and corporate of the State, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement and each document contemplated hereunder to which it is or will be a party.

(b) This Agreement and each document contemplated hereby to which the Agency is or will be a party has been duly authorized by all necessary action on the part of, and has been or will be executed and delivered by, the Agency and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof: (i) requires the approval and consent of any other party, except such as have been duly obtained, (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the Agency, or (iii) contravenes or results in any breach of, default under or result in the creation of any lien or encumbrance upon any party under any indenture, mortgage, deed of trust, bank loan or credit agreement, applicable ordinances, resolutions or any other agreement or instrument to which the Agency is a party, specifically including any covenants of any bonds, notes or other obligations of the Agency outstanding on the Effective Date.

(c) This Agreement and each document contemplated hereby to which the Agency is or will be a party constitutes, or when entered into will constitute a legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with the terms thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event equitable remedies are involved.

(d) There are no pending or, to the knowledge of the Agency, threatened actions or proceedings before any court or administrative agency against the Agency, which question the validity of this Agreement or any instrument or document contemplated herein, or which are likely in any case or in the aggregate to materially adversely affect the successful redevelopment of the Project and the consummation of the transactions contemplated hereunder or the financial or corporate conditions of the Agency.

(e) This Agreement does not violate any laws, ordinances, rules, regulations, orders, contracts, or agreements that are or will be applicable thereto.

ARTICLE 6

INDEMNIFICATION

6.1 Indemnification by the City.

(a) In consideration of the Agency agreeing to make the Agency Payments, and other valuable consideration, to the extent permitted by law, the City shall pay, indemnify and save harmless the Agency, its agents, guests, invitees and employees from all suits, actions, claims, demands, damages, losses and other reasonable expenses and costs of every kind and description to which the Agency, its agents, guests, invitees or employees may be subjected to by reason of injury to persons or death or property damage resulting from or growing out of any commission, omission, negligence or fault of the City, its agents or employees; provided, however, such indemnification shall not be applicable to the extent a decision or judgment of a court of competent jurisdiction holds that any injury to persons or death or property damage was the result of acts of commission, omission, negligence or fault of the Agency, its agents or employees.

(b) This Section 6.1 shall not be deemed or construed to provide any indemnification by the City for the benefit of any third parties other than the Agency (specifically including, but not limited to CMPA), nor a waiver by the City of any liability of the Agency by which the City may be entitled to recover damages notwithstanding any provision of this Agreement to the contrary.

ARTICLE 7

DEFAULT; TERMINATION

7.1 Default by the Agency.

(a) Provided the City is not then in default under this Agreement as set forth in Section 7.2 hereof, there shall be an "event of default" by the Agency under this Agreement upon the occurrence of any one or more of the following:

(i) The Agency shall fail to perform or comply with any material provision of this Agreement, specifically including, but not limited to, the failure to make any payment of an Agency Payment; or

(ii) The Agency shall make a general assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation of shall file an answer admitting, or shall fail reasonably to contest, the material allegations of a petition filed against it in any such proceeding, or

shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Agency or any material part of its properties; or

(iii) Within sixty (60) days after the commencement of any proceeding by or against the Agency seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed, or if, within sixty (60) days after the appointment without the consent or acquiescence of the Agency or any trustee, receiver or liquidator of the Agency or of any material part of its properties, such appointment shall not have been vacated.

(b) If an "event of default" described in Subsection 7.1(a) hereof shall have occurred, the City, after giving thirty (30) days written notice of such event of default to the Agency, and upon expiration of such thirty (30) day notice period, if such event of default has not been cured, the City may at its election seek to enforce the terms of this Agreement, unless before such date specified all other defaults hereunder at that time existing shall have been remedied.

7.2 Default by the City.

(a) Provided the Agency is not then in default under this Agreement as set forth in Section 7.1 hereof, there shall be an "event of default" by the City under this Agreement upon the occurrence of the following:

(i) the City shall fail to perform or comply with any material provision of this Agreement, specifically including, but not limited to, the failure to make the Public Financing Debt Service payments, or

(ii) the City shall have been determined to have defaulted under the Master Development Agreement as provided therein.

(b) If an "event of default" described in Subsection 7.2(a) hereof shall have occurred, the Agency, after giving thirty (30) days written notice of such event of default to the City, and upon expiration of such thirty (30) day notice period, if such event of default has not been cured, the Agency may seek to enforce the terms of the Agreement, unless before such date specified all other defaults hereunder at that time existing shall have been remedied.

(c) Any provision hereof to the contrary notwithstanding, so long as the Public Financing remains outstanding and unpaid, no "event of default" as described in Subsection 7.2 hereof, nor any failure by the City to make any payment, perform or undertake any duty or otherwise take or refrain from taking any action or carrying out any duty owed to the Agency, shall operate to relieve the Agency of its obligation to make Agency Payments or to make the required deposits to the Trust Fund in respect of the Public Financing, or otherwise authorize or permit the Agency to stop making Agency Payments in amounts, and at the times and from the sources, contemplated hereby.

7.3 Obligations, Rights and Remedies Exclusive. The rights and remedies specified herein to which either the Agency or City are entitled are non-exclusive and are not intended to be to the exclusion of any other remedies or means of redress to which the Agency or the City may otherwise lawfully be entitled.

7.4 Non-Action on Failure to Observe Provisions of this Agreement. The failure of the Agency or the City to promptly insist upon strict performance of any term, covenant, condition or provision of this Agreement, or any exhibit hereto or any other agreement contemplated hereby shall not be deemed a waiver of any right or remedy that the Agency or the City may have, and shall not be deemed a waiver of a subsequent default or nonperformance of such term, covenant, condition or provision.

ARTICLE 8

MISCELLANEOUS

8.1 Amendments.

This Agreement may be amended by the mutual written agreement of the Agency and the City at any time and from time to time, which amendments shall become effective upon filing thereof with the Clerk of the Circuit Court of Escambia County, Florida, pursuant to Section 163.01(11), Florida Statutes.

8.2 Agreement Constitutes Contract. The Agency and the City acknowledge that the parties hereto will rely on the pledges, covenants and obligations created herein for the benefit of the parties hereto, and this Agreement shall be deemed to be and constitute a contract between the Agency and the City as of the Effective Date.

8.3 Assignment. Neither party may assign or transfer any or all of its duties, rights, responsibilities, or obligations under this Agreement to any other party or any person not a party to this Agreement without the express prior approval of the other party to this Agreement.

8.4 Severability. The provisions of this Agreement are severable, and it is the intention of the parties to confer the whole or any part of the powers herein provided for and if any of the provisions of this Agreement or any other powers granted by this Agreement shall be held unconstitutional, invalid or void by any court of competent jurisdiction, the decision of said court shall not affect or impair any of the remaining provisions of this Agreement. It is hereby declared to be the intent of the parties hereto that this Agreement would have been adopted, agreed to, and executed had such unconstitutional, invalid or void provision or power not been included therein.

8.5 Controlling Law. Any and all provisions of this Agreement and any proceeding seeking to enforce and challenge any provision of this Agreement shall be governed by the laws of the State of Florida. Venue for any proceeding pertaining to this Agreement shall be Escambia County, Florida.

8.6 Members of the Agency and City Not Liable.

(a) All covenants, stipulations, obligations and agreements of the Agency and the City contained in this Agreement shall be deemed to be covenants, stipulations, obligations and agreements of the Agency and the City, respectively, to the full extent authorized by the Act and provided by the Constitution and laws of the State of Florida.

(b) No covenant, stipulation, obligation or agreement controlled herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future individual member of the governing body or agent or employee of the Agency or the City in its, his or their individual capacity, and neither the members of the Governing Body of the Agency or the City or any official executing this Agreement shall individually be liable personally or shall be subject to any accountability by reason of the execution by the Agency or the City of this Agreement or any act pertaining hereto or contemplated hereby.

8.7 Expiration of Agreement.

(a) This Agreement shall expire and terminate by its own terms without further notice or action by any party hereto on the date of maturity of the Public Financing, provided all payments of Public Financing Debt Service have been made, except for those provisions hereof that expressly survive such expiration and termination.

(b) The parties covenant and agree that upon this Agreement expiring and terminating on the Expiration Date, all rights, privileges, obligations and responsibilities of any party hereunder shall expire and be of no force and effect, except to the extent any provision hereof expressly survives the Expiration Date.

8.8 Third Party Beneficiaries. Except as provided in Section 4.5 hereof, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, any right, remedy, or claim, legal or equitable, under or by reason of this Agreement or any provision hereof. It is the intent of the parties hereto that this Agreement and all its provisions are intended to be and are for the sole and exclusive benefit of the parties hereto.

8.9 Notices. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given or filed with the Agency or the City shall be deemed sufficiently given or filed for all purposes of this Agreement if and when sent by regular U.S. mail, or by direct personal delivery:

To the Agency,
addressed to

Community Redevelopment Agency of the City of
Pensacola
P.O. Box 12910
Pensacola, FL 32521-0001

Attention: Executive Director

To the City,
addressed to

City of Pensacola, Florida
P.O. Box 12910
Pensacola, FL 32521-0001

Attention: City Manager

8.10 Execution of Agreement. This Agreement shall be executed in the name of the Agency by its City Manager and Executive Director and in the name of the City by its City Manager and City Clerk, and approved as to form and execution by the City Attorney, and the seal of the City affixed hereto. If any officer whose signature appears on this Agreement ceases to hold office before all officers shall have executed this Agreement or prior to the filing of this Agreement, his or her signature shall nevertheless be valid and sufficient for all purposes. This Agreement shall bear the signature of, or may be signed by, such individuals as at the actual time of the execution of this Agreement shall be the proper and duly empowered officer to sign this Agreement and this Agreement shall be deemed to have been duly and properly executed even though on the Effective Date any such individual may not hold such office.

8.11 Unavoidable Delay.

(a) Any delay in performance of or inability to perform any obligation under this Agreement (other than an obligation to pay money) due to any event or condition described in paragraph (2) as an event of "Unavoidable Delay" shall be excused in the manner provided in this Section 8.11.

(b) "Unavoidable Delay" means any of the following events or conditions or any combination thereof: acts of God, acts of the public enemy, riot, insurrection, terrorism, war, pestilence, archaeological excavations required by law, unavailability of materials after timely ordering of same, epidemics, quarantine restrictions, freight embargoes, fire, lightning, hurricanes, earthquakes, tornadoes, floods, extremely abnormal and excessively inclement weather (as indicated by the records of the local weather bureau for a five-year period preceding the Effective Date), strikes or labor disturbances, delays due to proceedings under Chapters 73 and 74, Florida Statutes, restoration in connection with any of the foregoing or any other cause beyond the reasonable control

of the party performing the obligation in question, including, without limitation, such causes as may arise from the act of the other party to this Agreement, or acts of any governmental authority (except that acts of the Agency shall not constitute an Unavoidable Delay with respect to performance by the Agency).

(c) An application by any party hereto (referred to in this paragraph (c) and in paragraph (d) as the "Applicant") for an extension of time pursuant to subsection (1) must be in writing, must set forth in detail the reasons and causes of delay, and must be filed with the other party to this Agreement within seven (7) days following the occurrence of the event or condition causing the Unavoidable Delay or seven (7) days following the Applicant becoming aware (or with the exercise of reasonable diligence should have become aware) of such occurrence.

(d) The Applicant shall be entitled to an extension of time for an Unavoidable Delay only for the number of days of delay due solely to the occurrence of the event or condition causing such Unavoidable Delay and only to the extent that any such occurrence actually delays that party from proceeding with its rights, duties and obligations under this Agreement affected by such occurrence.

(e) If Unavoidable Delay is invoked by any party to this Agreement, then any time period or deadlines applicable to the other party shall be tolled during and to the extent of the time period caused by the Unavoidable Delay.

8.12 Filing With Circuit Court Clerk. The City Clerk is hereby authorized and directed after approval of this Agreement by the Governing Body of each of the Agency and the City and the execution thereof by the duly qualified and authorized officers of each of the parties hereto to file this Agreement with the Clerk of the Circuit Court of Escambia County, Florida, as provided in Section 163.01(11), Florida Statutes.

8.13 Effective Date. This Agreement shall become effective immediately upon filing with the Clerk of the Circuit Court of Escambia, Florida, as provided in Section 163.01(11), Florida Statutes.

IN WITNESS WHEREOF, the parties hereto, by and through the undersigned, have entered into this Interlocal Agreement as of the day and year first above written.

**COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF PENSACOLA**

(SEAL)
ATTEST:

By: _____

Executive Director

Thomas J. Bonfield
City Manager

CITY OF PENSACOLA, FLORIDA

(SEAL)
ATTEST:

City Clerk

By: _____
Thomas J. Bonfield
City Manager

Approved as to form and execution:

City Attorney

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me by Thomas J. Bonfield and David A. C. Bailey, as City Manager and Executive Director, respectively, of the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PENSACOLA, on behalf of the Agency, this _____ day of _____, 2006.

My Commission Expires:

Notary Public

(Affix notarial seal)

STATE OF FLORIDA
COUNTY OF ESCAMBIA

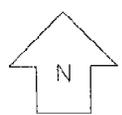
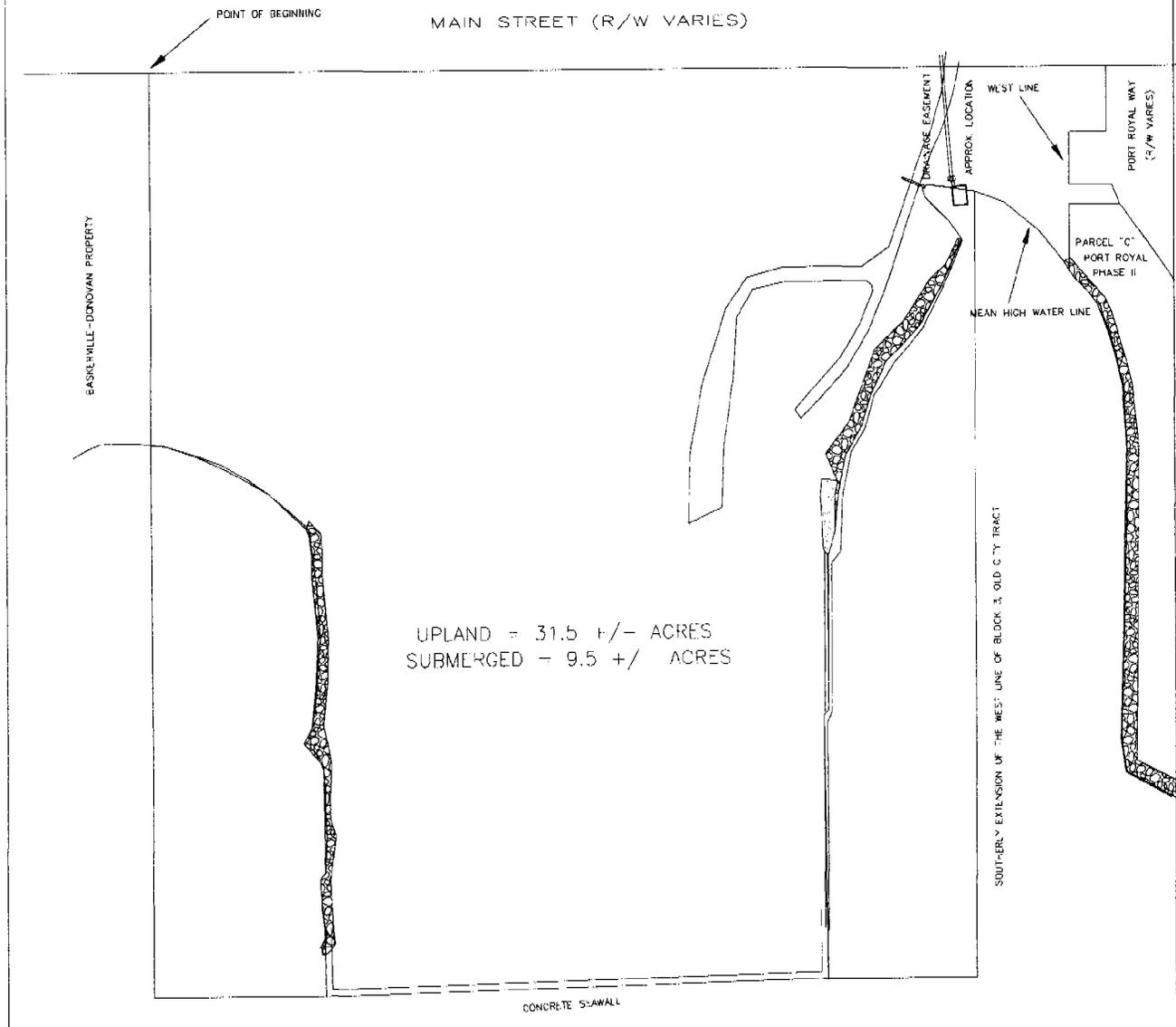
The foregoing instrument was acknowledged before me by Thomas J. Bonfield and Ericka L. Burnett, as City Manager and City Clerk, respectively, of the CITY OF PENSACOLA, FLORIDA, on behalf of the City, this _____ day of _____, 2006.

My Commission Expires:

Notary Public

(Affix notarial seal)

EXHIBIT A



NOT TO SCALE



CITY OF PENSACOLA, FLORIDA
ENGINEERING DEPARTMENT

COMMUNITY MARITIME PARK
PROJECT SITE & LEASED PROPERTY

SKETCH ONLY
NOT A SURVEY

DRAWN BY: DLH
DATE: 3/21/06

EXHIBIT A (cont.)

LEGAL DESCRIPTION

THAT PORTION OF THE WATERFRONT TRACT, CITY OF PENSACOLA, ESCAMBIA COUNTY, FLORIDA, ACCORDING TO THE OFFICIAL MAP OF WATERFRONT DRAWN BY WILLIAM GALT CHIPLEY IN 1889 AND REVISED IN 1890, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MAIN STREET (R/W VARIES), BEING 210 FEET WEST OF THE WEST RIGHT OF WAY LINE OF DEVILLIERS STREET (50' R/W); THENCE SOUTH AND PARALLEL TO SAID DEVILLIERS STREET TO THE POINT OF INTERSECTION WITH THE WESTERLY EXTENSION OF THE SOUTH FACE OF A CONCRETE SEAWALL; THENCE EASTERLY ALONG SAID WESTERLY EXTENSION AND ALONG SAID SEAWALL, TO THE POINT OF INTERSECTION WITH THE EASTERLY EXTENSION OF SAID SEAWALL AND SOUTHERLY EXTENSION OF THE WEST LINE OF BLOCK 3, OLD CITY TRACT; THENCE NORTHERLY ALONG SAID SOUTHERLY EXTENSION TO THE POINT OF INTERSECTION WITH THE MEAN HIGH WATER LINE OF PENSACOLA BAY; THENCE EASTERLY ALONG SAID MEAN HIGH WATER LINE TO THE POINT OF INTERSECTION WITH THE SOUTHERLY EXTENSION OF THE WEST LINE OF PARCEL "C", PORT ROYAL PHASE II, AS RECORDED IN PLAT BOOK 15, PAGE 98, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE NORTHERLY ALONG SAID SOUTHERLY EXTENSION OF SAID WEST LINE OF SAID PARCEL "C" TO THE NORTH LINE OF SAID PARCEL "C"; THENCE EASTERLY ALONG SAID NORTH LINE OF SAID PARCEL "C" TO THE WEST RIGHT-OF-WAY LINE OF PORT ROYAL WAY (PRIVATE DRIVE), AS RECORDED IN O. R. BOOK 1749, PAGE 253-254, OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTH RIGHT-OF-WAY LINE OF SAID MAIN STREET; THENCE WESTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE OF MAIN STREET TO THE POINT OF BEGINNING.

SUBJECT TO AN EXISTING DRAINAGE AND PUBLIC RIGHT-OF-WAY EASEMENT IN THE APPROXIMATE LOCATION OF THE SOUTHERLY EXTENSION OF THE SPRING STREET RIGHT-OF-WAY (R/W VARIES) AS LOCATED NORTH OF MAIN STREET.