

RESOLUTION NO. 2018- 183

**A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AUTHORIZING THE COUNTY ADMINISTRATOR, OR DESIGNEE(S) TO ENTER INTO NEGOTIATIONS WITH ATRIUM HOSPITALITY FOR THE POTENTIAL PURCHASE AND SALE OF THE ST. JOHNS COUNTY CONVENTION CENTER, UNDERLYING AND ADJACENT REAL PROPERTY AS WELL AS ASSOCIATED INTERESTS; AND AUTHORIZING THE EXPENDITURE OF FUNDS TO COMPLETE PRELIMINARY APPRAISALS TO FACILITATE SUCH NEGOTIATIONS.**

**RECITALS**

**WHEREAS**, as part of its property improvement plan to secure continued licensing for the Renaissance Hotel at the World Golf Village, Atrium Hospitality (Atrium), a Delaware Limited Partnership, seeks to acquire a fee simple interest in the parcel underlying the hotel as well as the St. Johns County Convention Center at World Golf Village (and the underlying parcel); and

**WHEREAS**, Atrium's plan includes a capital investment of approximately \$18 - \$20 million dollars to renovate the hotel by adding resort style amenities, water features, food and beverage facilities and a spa. (See Attachment 2 for a rendering of the proposed additional resort amenities); and

**WHEREAS**, Atrium maintains that the capital investment is necessary to ensure the long range viability of the hotel; and

**WHEREAS**, Atrium further maintains that the capital investment is not viable without its acquisition of the fee simple interest in the real property described above; and

**WHEREAS**, Atrium has presented the County with a proposed Purchase and Sale Agreement, which among other things, provides for the County's conveyance of the Convention Center, underlying and adjacent parcels, and termination of the existing Convention Center Operating Agreement; and

**WHEREAS**, County staff seeks authorization from the Board of County Commissioners (Board) to enter into negotiations with Atrium for sale of the property and interests described herein; and

**WHEREAS**, County staff further seeks funding in an amount not to exceed \$50,000 to complete a preliminary appraisal of the land, improvements, air rights and other real and personal property interests in order to facilitate such negotiations; and

**WHEREAS**, following negotiations, staff will present the Board with a final Purchase and Sale Agreement for its consideration.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, as follows:**

Section 1. The above Recitals are incorporated into the body of this Resolution and such Recitals are adopted as findings of fact.

Section 2. The Board hereby authorizes the County Administrator, or designee(s) to enter into negotiations with Atrium on behalf of the County for the sale of real and personal property as described herein.

Section 3. The Board further authorizes the expenditure of an amount not to exceed \$50,000 to complete a preliminary appraisal of the real and personal property described herein in order to facilitate such negotiations.

Section 4. Following negotiations, the County Administrator, or designee(s), shall present a final Purchase and Sale Agreement for consideration by the Board.

Section 5. To the extent that there are typographical and/or administrative errors that do not change the tone, tenor, or concept of this Resolution, then this Resolution may be revised without subsequent approval by the Board.

**PASSED AND ADOPTED** by the Board of County Commissioners this 19<sup>th</sup> day of June, 2018.

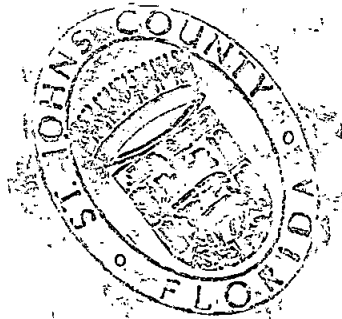
**BOARD OF COUNTY COMMISSIONERS  
OF ST. JOHNS COUNTY, FLORIDA**

By: Henry Dean  
Henry Dean, Chair

RENDITION DATE 6/22/18

ATTEST: Hunter S. Conrad, Clerk

By: Pam Halterman  
Deputy Clerk





February 21, 2018

Patrick McCormack  
County Attorney, St. Johns County  
500 San Sebastian View  
St. Augustine, FL 32084

Re: Renaissance World Golf Village – Proposed Acquisition of land and Convention Center

Dear Patrick:

As a follow-up to our discussion on February 8, 2017, we have prepared the attached narrative which outlines a proposed deal structure for Atrium to acquire St. Johns County's right, title and interest in the hotel and convention center land and the convention center building upon maturity of the Florida Taxable Convention Center Revenue Bonds.

The Renaissance World Golf Village Hotel has been a supporter of the community since 1998, creating over 155 full and part time jobs, supporting the World Golf Village development including the World Golf Hall of Fame, Honors Golf Courses and PGA Media outlets, as well as supporting community charities and events. The Renaissance has also been the headquarters hotel for a number of natural disasters and has worked with and in support of the National Guard and first responders most recently during Tropical Storm Emily and Hurricane Irma.

The Renaissance license agreement with Marriott terminates July 31, 2020. In negotiations with Marriott to enter into another 20-year license agreement, a PIP (property improvement Plan) in the amount of \$18M to \$20M is required. As detailed in the attached narrative, the capital investment is not viable without acquiring the fee simple interest in the land and convention center.

We look forward to reaching agreement to acquire the fee simple title to the land and convention center and completing the capital investment. By supporting the execution of this transaction you will be supporting the continuation of our long history of being the lodging headquarters property of the World Golf Hall of Fame, as well as a leading lodging product in the St. Augustine and St. Johns County markets as we continue to provide a high quality customer experience as the focal point to the World Golf Village development.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle Bowman", with a long horizontal line extending to the right.

Kyle Bowman  
VP, Asset Management and Business Development

**Renaissance World Golf Village**  
**Hotel and Convention Center**

**Project Overview/Description:**

The World Golf Village ("WGV") was planned and permitted in the early 1990s by SJH Partnership, Ltd, a partnership formed by the landowner, a Memphis-based company named Dunavant Enterprises, and a local Jacksonville Developer, Jim Davidson. By July 1996 the WGV had completed permitting and was ready for conveyancing. On July 24, 1996, SJH conveyed 10.39 acres to Atrium (formerly known as John Q. Hammons Two, L.P.) for development of a hotel and convention center.

Immediately after the deed of the land for the hotel and convention center from SJH, Atrium deeded the entire land parcel to Saint Johns County (the "County"). In the deed to the County, Atrium reserved an air rights easement to provide a volume of space within which it would construct a 300-room hotel (the "Hotel"), which could be expanded to 400-rooms, on the land. Atrium also entered into a purchase and sale agreement under which terms it would construct and convey to the County an approximately 80,000 square foot convention center facility, which will be located adjacent to the Hotel. The construction of the convention center was financed with County issued Florida Taxable Convention Center Revenue Bonds, series 1996 in the aggregate principal amount of \$16,990,000.

The convention center will be operated by Atrium on behalf of the County pursuant to an operating agreement entered into by Atrium and the County. In July 2000, the Hotel became affiliated with the Renaissance brand through a 20-year franchise license agreement.

**Current Status:**

The Convention Center Revenue Bonds mature in December 2020. The Hotel's Renaissance license agreement terminates July 31, 2020. Due to the Hotel's current property condition, Marriott will not allow a new 20-year license agreement under the Renaissance brand without significant capital investment into the Hotel.

As the improvements have been constructed and operating for nearly 20-years, the economic development and enhancement to the County has been realized. The Hotel and convention center has created over 155 full and part time jobs. The Hotel and convention center has supported the WGV including the World Golf Hall of Fame, Honors Golf Courses and PGA Media Outlets, as well as community projects and charities by either raising money or donating time and resources. These charities include Home Again, Toys for Tots, St Francis House, St Augustine Wildlife Preservation, 4H refurbish Dog Agility Park, Race for Cure, Horse Ranch for Disabilities, Flagler Hospital, Local Schools and Navy League. The Hotel has been the headquarters hotel for a number of natural disasters and has worked with and in support of the National Guard and first responders most recently during Tropical Storm Emily and Hurricane Irma.

**Proposed Fee Simple Ownership Deal Structure:**

To ensure long-term continued success of the Hotel and convention center as well as to continue to support and enhance the WGV, we are seeking to acquire the County's right, title and interest in the Hotel and convention center land and the convention center building. Additionally with fee simple ownership, we would mutually agree to terminate the operating agreement. This structure allows Atrium the ability to recapitalize the debt structure and invest significant capital dollars into the Hotel and convention center.

We propose entering into a purchase and sale agreement to be executed at maturity of the Convention Center Revenue Bonds in December 2020. General highlights of proposed deal structure are:

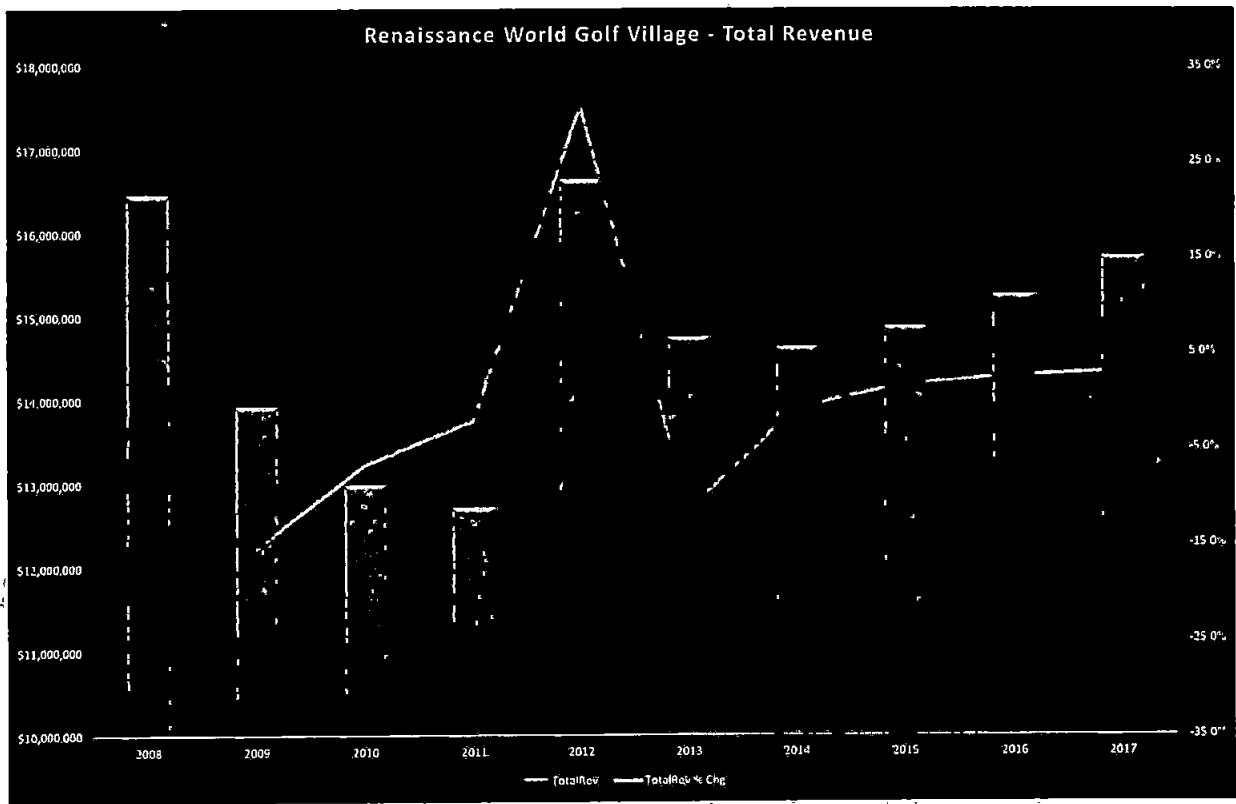
- A \$1 purchase price for the Hotel and convention center land, as contemplated in Section 14 of the Special Assessment Agreement.
- A to be determined agreed upon purchase price for the convention center.
- Termination of the operating agreement.

**Economic Benefit and Justification for Fee Ownership:**

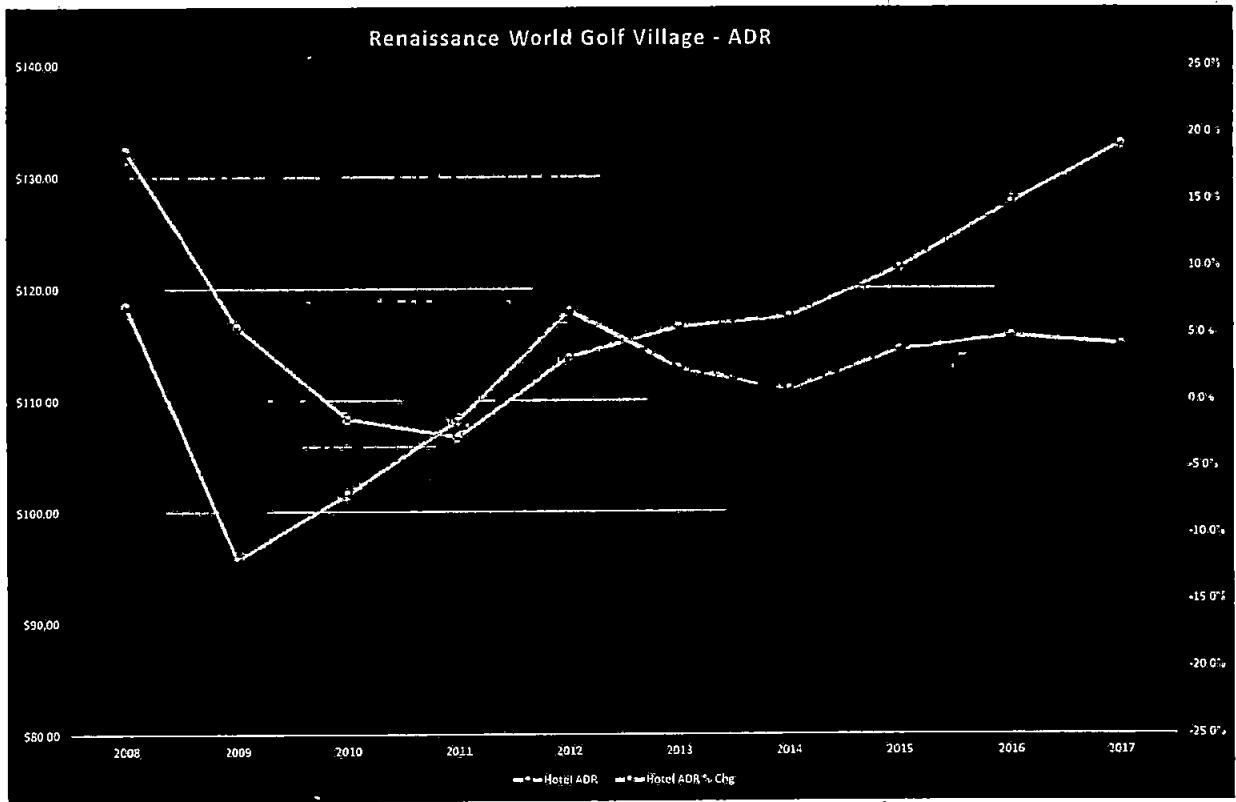
Over the last 10 years, 2008-2017, the Hotel's total revenue has fluctuated significantly, experiencing a CAGR (Compound Average Growth Rate) of -0.5% over the 10-year period. Further, since 2012 the Hotel's total revenue has decreased over (\$930K) or -5.6%, as show in Exhibit A. Due to the current product and quality level the Hotel is losing transient and group demand. As a result, the Hotel is in an uncompetitive market position when compared to other area hotels such as the Marriott Sawgrass, Casa Monica Resort & Spa and Marriott Jacksonville. Exhibit B highlights the Hotel's ADR (Average Daily Rate) and occupancy trends over the 2008 – 2017 period. As illustrated in the ADR graph, in nominal dollars the Hotel's ADR is flat at roundly \$132 over the 10-year period. Adjusted for inflation, the growth represents -4.0% and a (\$5.55) shortfall to 2007. Occupancy at the Hotel has averaged 57.2% over the 2008 – 2017 period, and did not reach above 60% until 2016, achieving 62.2%. We note the Hotel continues to be a strong partner with the PGA despite our concerns with the departure of marquee events like the World Golf Hall of Fame enshrinement and several annual golf events that were relocated to Sawgrass at the influence of the PGA. We also note the lack of support to promote the Hotel and convention center properly and identify it as the lodging headquarters property of the World Golf Hall of Fame.

Our plan to re-position the Hotel to appeal to upper-upscale transient and group demand requires a significant capital investment. In negotiations with Marriott to enter into another 20-year license agreement, a PIP (property Improvement Plan) in the amount of \$18M to \$20M is required. Our goal in acquiring the fee ownership of the land and convention center is to unlock refinancing value and re-invest capital into the property. We believe this will allow the Hotel and convention center to reach its full potential as well as add value to the WGV development. By supporting the execution of this transaction you will be supporting the continuation of our long history of being the lodging headquarters property of the World Golf Hall of Fame, as well as a leading lodging product in the St. Augustine and St. Johns County markets as we continue to provide a high quality customer experience as the focal point to the WGV.

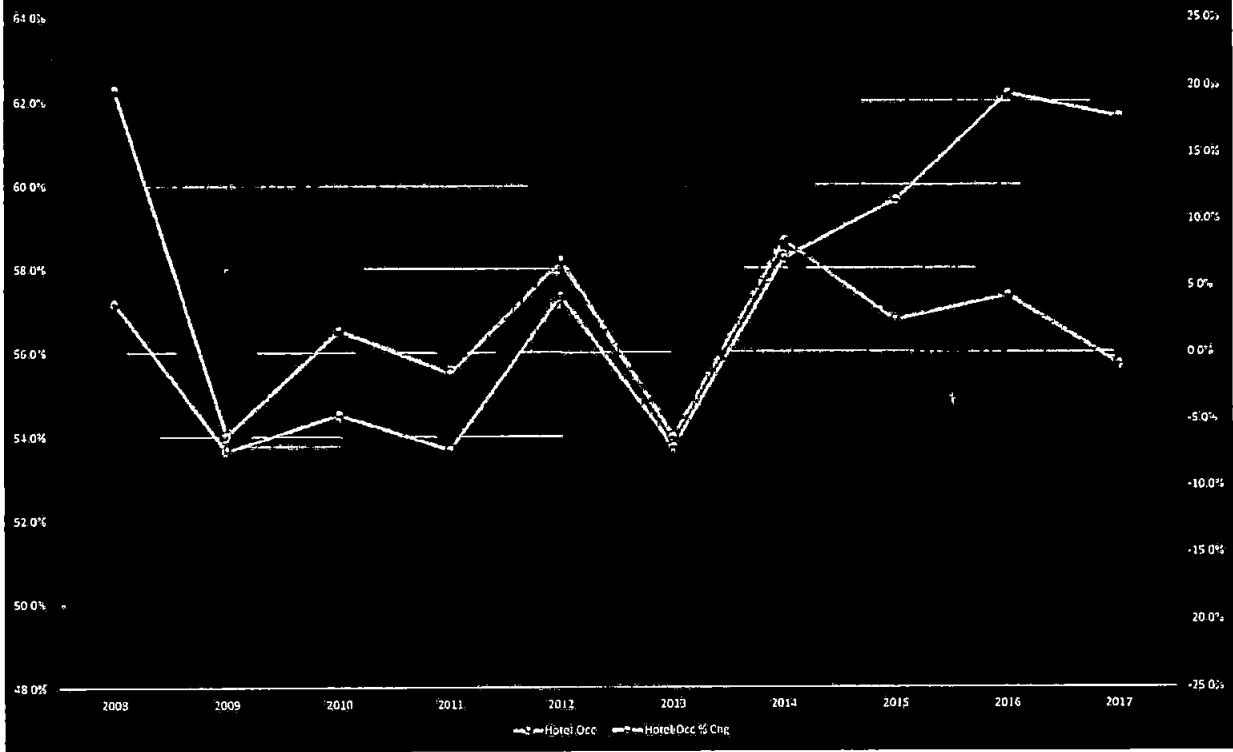
**Exhibit A – Renaissance World Golf Village – Total Revenue**



**Exhibit B -- Renaissance World Golf Village -- ADR and Occupancy Trend**



Renaissance World Golf Village - Occupancy





April 18, 2018

Patrick McCormack  
County Attorney, St. Johns County  
500 San Sebastian View  
St. Augustine, FL 32084

Re: Renaissance World Golf Village – Proposed Re-Naming of hotel to St. Johns County Hotel & Convention Center at World Golf Village

Dear Patrick:

As we have discussed and expressed in prior meetings, Atrium has increasing concerns about the long-term viability of the Renaissance WGV in its current product positioning and our concerns are confirmed by Marriott International who will not relicense the hotel as a Renaissance Hotel. Our long-term vision and belief in the property & location, as well as the World Golf Village, is that there is substantial upside potential with a re-positioning to a resort style hotel. However, this will require a significant investment by ownership and we cannot commit to making this investment without acquiring the fee simple interest in the land and convention center. Per our preliminary discussions with Marriott to enter into another 20-year license agreement, a supporting Property Improvement Plan (PIP) has been developed. This PIP plan includes re-positioning the hotel to appeal to upper-upscale transient and group demand, along with the addition of resort style amenities, which could include expansion/redesign of the pool, additional water features such as a lazy river and water slide(s), additional food & beverage facilities and a spa. (See Exhibit A for rendering of proposed additional resort amenities).

As we detailed in a letter to St. John's County (the "County") on February 21<sup>st</sup>, the capital investment is not viable without acquiring the fee simple interest in the land and convention center. It is also important to note that we are negotiating with the World Golf Hall of Fame to acquire land adjacent to the hotel for development of the resort style amenities. Since our meeting with Michael Wanchick on February 8<sup>th</sup> and our letter on February 21<sup>st</sup>, we have been engaged in discussions with the County regarding our proposal to acquire the County's right, title and interest in the hotel and convention center land and the convention center building and the World Golf Hall of Fame to acquire the adjacent land. Although we have a meeting scheduled with the majority of the County Commissioners Board Members on April 26<sup>th</sup> to further discuss an acquisition plan, we do not have a clear indication of either a path towards agreement to acquire the fee simple title to the land and convention center and/or a timeline to reach agreement, unfortunately we are in the same position with the World Golf Hall of Fame. As such, we are now at a point that we must consider the future of the hotel without the Renaissance brand.



The loss of the brand will have considerable impact on property performance and valuation for all of us, including potential impact to the World Golf Hall of Fame, Honors Golf Courses and PGA Media outlets, and the retail spaces. We currently leverage the Marriott Sales Force to source and sell groups to fill the convention center space. This allows the property to be marketed locally, regionally and nationally. The Renaissance (Marriott) brand channel accounted for 57% of the hotels group revenue in 2017 and roughly 80% of the corporate reservations over the 2016 – 2017 period. Effective July 31, 2018, without an agreement on capital investment from Atrium and the execution of a license agreement, the Marriott sales team will not be able to sell/book business for any events or groups beyond July 31, 2020 (the current Renaissance license termination date). Furthering the potential negative impact to our financial performance is the requirement by Marriott that all groups and/or events with contracts for dates beyond July 31, 2020 be notified of the loss of the Renaissance brand, which allows these groups and/or events the option to cancel without penalty or re-book at another Marriott branded property. Currently there is over \$1.2M in revenue on the books over the 2020 – 2022 period as of April 2018.

Our forecasting model projects a reduction in total revenues of over 45% in 2020 and increases to a loss of over 53% of total revenues in 2021 and beyond. We will seek to off-set the loss of demand with an increased reliance on discount channels such as Expedia and Priceline. We will leverage the long-standing name and reputation of the St Johns Convention Center to continue to capture group demand, but it will be a challenge due to the lack of affiliation with the Marriott Rewards Loyalty Program and Sales Force.

Assuming we are unable to reach agreement with both the County and World Golf Hall of Fame, our plan is to operate the hotel as an independent property. Attached as Exhibit B is our proposed name and logo for the independent property. We are seeking to leverage the name of the County as well as continued well-known established location within the World Golf Village. Regarding the naming use of St. Johns County Hotel & Convention Center, are there any naming right approvals we need to obtain from the County?

We remain optimistic that an agreement can be reached with both the County and World Golf Hall of Fame and completing the capital investment. We are looking forward to meeting on April 26<sup>th</sup> to further these discussions. However, we will continue to pursue and plan for operating the hotel as an independent property.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle Bowman", with a long horizontal line extending to the right.

Kyle Bowman

VP, Asset Management and Business Development

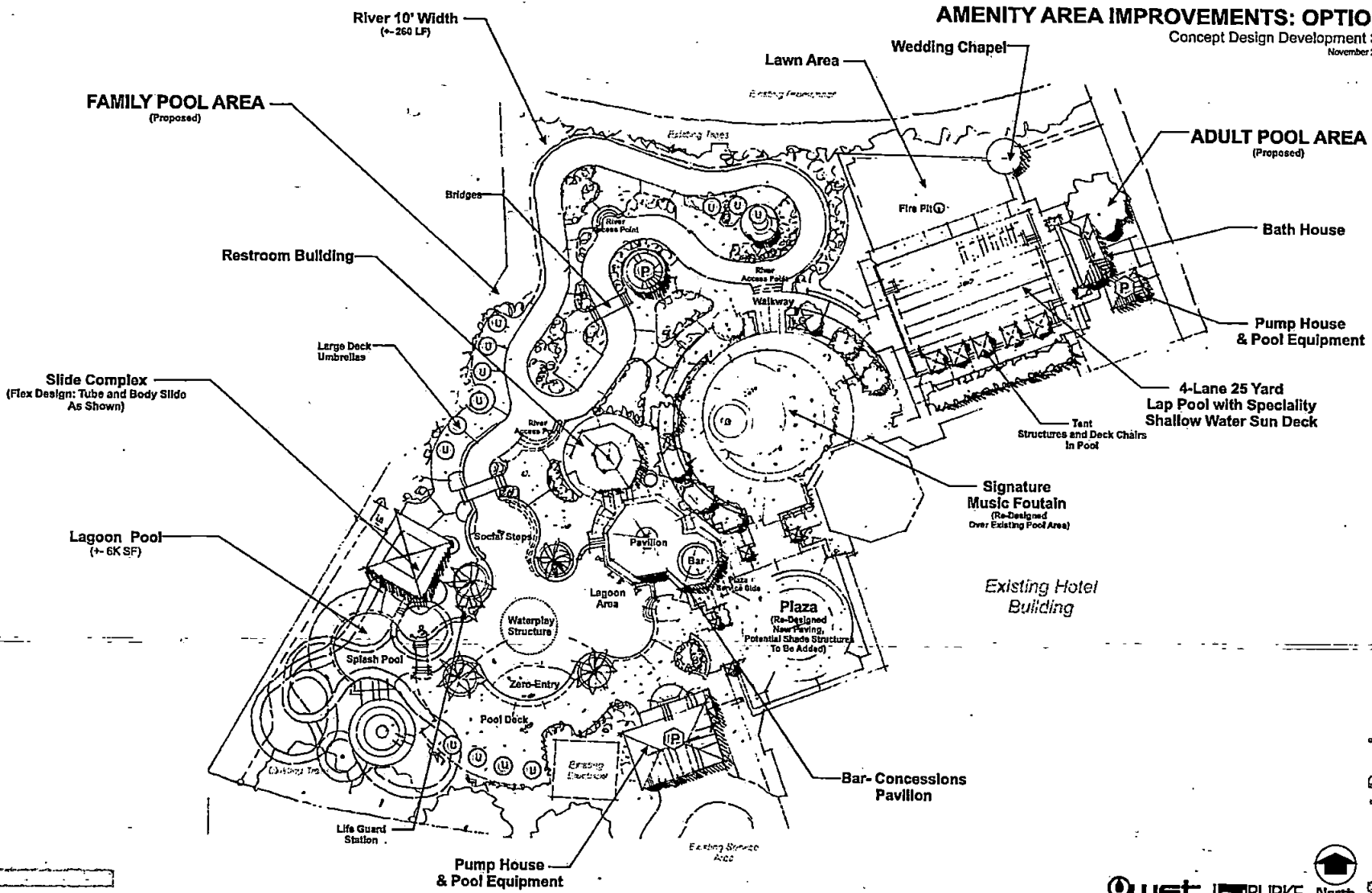


**Exhibit A – Rendering of Proposed Additional Resort Amenities**

# World Golf Village RENAISSANCE ST. AUGUSTINE RESORT

## AMENITY AREA IMPROVEMENTS: OPTION C

Concept Design Development Study  
November 22, 2017



**MASTER PLAN**  
Scale: 1"=20', For 24"x36"

**Owet**  
C.F. O'Connell & Company  
104-23-4773  
http://owetdesign.com

**BURKE North**  
design  
1000  
1000

**Green Design**



**Exhibit B – Proposed Name and Logo for Independent Property**



## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 2018, by and between St. Johns County, a political subdivision of the State of Florida (hereinafter referred to sometimes as the "County" and sometimes as the "Seller"), and Atrium Finance IV, LP, a Delaware limited partnership (hereinafter referred to sometimes as "Atrium" and sometimes as the "Buyer").

### WITNESSETH:

WHEREAS, the County currently owns (i) the parcel of land more specifically described on Exhibit A-1 attached hereto ("Parcel One") and (ii) the parcel of land more specifically described on Exhibit A-2 attached hereto ("Parcel Two");

WHEREAS, the County currently owns that certain convention center located on Parcel Two (the "Convention Center");

WHEREAS, the County is a party to that certain Convention Center Operating Agreement, dated as of July 24, 1996 (the "Convention Center Operating Agreement"), with Tucson Hotels L.P. ("THLP"), as successor in interest to John Q. Hammons Hotels Two, L.P.;

WHEREAS, the parties hereto desire to enter into a transaction whereby (i) the County conveys the land and personal property rights therein and all rights and interest in and to the Conference Center to Atrium, and (ii) the County and THLP terminate the Convention Center Operating Agreement; and

WHEREAS, the parties hereto have entered in this Agreement to effectuate the transactions described above.

NOW THEREFORE, for good and valuable consideration from each party to the other, the sufficiency of which is hereby acknowledged by the parties, the parties hereto do hereby agree as follows:

1. RECITALS INCORPORATED HEREIN. The foregoing recitals are true and correct and are incorporated into and made a part of this Agreement.
2. PROPERTY TO BE PURCHASED. The County hereby agrees to sell and convey to Atrium, and Atrium hereby agrees to purchase and take from the County, under and subject to the terms, conditions and provisions hereof, that certain real property, personal and real property interests and any improvements situated thereon, initially described as all of Seller's right, title and interest in and to the following (collectively, the "Property"):
  - (i) fee simple interest in Parcel One, and all real property rights, title and interests appurtenant to Parcel One (the "Hotel Land");
  - (ii) fee simple interest in Parcel Two, and all real property rights, title and interests appurtenant to Parcel Two, and all buildings, structures, improvements and fixtures (including signage) comprising the Convention Center situated thereon (the "Convention Center Real Property"); and

- (iii) all right, title and interest in and to all personal property (tangible and intangible) owned, leased or otherwise held by the County related to the ownership or operation of the Convention Center (the "Personal Property").

3. PURCHASE PRICE. The purchase price of the Property (the "Purchase Price") shall be \$[REDACTED] and shall be payable as follows:

(a) The sum of Ten Thousand Dollars (\$10,000.00), as Earnest Money (the "Earnest Money") shall be deposited by Atrium with Chicago Title & Trust Company, through its offices in Chicago, Illinois, to be held in trust pursuant to the terms and conditions of this Agreement within five (5) days after the Effective Date, as that term is defined in subparagraph 18(h) of this Agreement. In the event the Earnest Money is not deposited timely, this Agreement shall automatically terminate.

(b) The balance of the Purchase Price of said Property shall be payable in cash or other immediately available funds at Closing.

(c) The County and Atrium hereby authorize Chicago Title Insurance Company, through its offices in Chicago, Illinois (the "Escrow Agent") to hold the Earnest Money in trust until Closing, or if earlier, the termination of this Agreement, with the understanding that (i) Escrow Agent is not a party to this Agreement and does not assume any liability for performance or nonperformance of any parties, (ii) Escrow Agent has the right to request from all parties a written release of liability which authorizes the release of the Earnest Money, (iii) Escrow Agent is not liable for interest or other charges on the funds held, (iv) in the event a dispute arises between the parties to this Agreement as to which party will be entitled to said Earnest Money, Escrow Agent shall be authorized to interplead said Earnest Money into the proper court, and in doing so, Escrow Agent shall be entitled to deduct its actual attorneys' fees from the sums so interpleaded.

4. FEASIBILITY PERIOD. Atrium shall have until thirty (30) days from the Effective Date of this Agreement (the "Feasibility Period") to satisfy itself as to any or all matters or conditions pertaining to the Property and the intended use and development thereof. During the Feasibility Period, Atrium shall have the right to inspect the Property, to conduct land use, engineering and environmental studies and reviews with respect to the Property, to conduct a market analysis of the Property and the intended use thereof, to confirm zoning and other governmental land use requirements with respect to the Property, and to otherwise conduct a feasibility review and analysis with respect to the Property and the intended use and development thereof. Notwithstanding anything contained herein to the contrary, in the event that Atrium determines, in its sole and absolute discretion, that the Property is not satisfactory for any reason, Atrium shall have the right to terminate this Agreement at any time, without explanation for its reason of termination, on or before the expiration of the Feasibility Period by delivering to the County its notice in writing on or before the expiration of the Feasibility Period and, in such event, the Earnest Money shall be refunded to Atrium, as provided herein, and all rights and obligations hereunder shall cease and terminate except for any terms of this Agreement which survive a termination of this Agreement.

5. CONVEYANCES FROM COUNTY TO ATRIUM. On the Closing Date, the Hotel Land and the Convention Center Real Property shall be conveyed from the County to Atrium pursuant to a Statutory Warranty Deed in form and substance as shown on Exhibit B-1 attached hereto and being made a part hereof, and the Personal Property shall be conveyed pursuant to a Bill of Sale and Assignment in form and substance as shown on Exhibit B-2 attached hereto and being made a part hereof.

6. PARKING EASEMENTS: **[NOTE: PARTIES TO FURTHER DISCUSS PARKING PARCEL/EASEMENTS]**

7. GOVERNMENTAL APPROVALS. Atrium is hereby authorized to seek and obtain any and all permits, licenses, site and development plan approvals, permits and authorizations, zoning variance approvals, curb-cut approvals, and any and all other approvals or consents as Atrium may deem necessary in connection with its proposed acquisition of the Property; and, the County agrees to cooperate with Atrium in such endeavor. If any such applications, approvals or permits are required to be sought in the County's name, the County shall upon Atrium's request seek same without cost to the County.

8. DUE DILIGENCE MATERIALS/ENTRY UPON PROPERTY. Within three (3) business days from the Effective Date, the County shall provide Atrium copies of any surveys, title information, abstracts of title, title insurance, inspection reports, appraisals, Phase I or Phase II reports or any other due diligence materials that may be in the County's possession pertaining to the Property. Upon execution of this Agreement and subject to the terms of this Agreement, Atrium, its agents, employees, contractors, and all other persons authorized by it, or any of them, are permitted to enter upon the Property and to obtain and perform such tests, studies and maps as Atrium may deem necessary or advisable including, but not limited to, percolation, soils, hazardous waste, appraisals, topographic studies, environmental, and geological tests and studies all at Atrium's cost. Atrium shall not conduct or allow any physically intrusive testing of, on or under the Property without first obtaining the County's written consent as to the timing and scope of work to be performed. Atrium agrees that, in making any physically intrusive physical or environmental inspections of the Property, Atrium or Atrium's agents will maintain not less than One Million Dollars (\$1,000,000.00) comprehensive general liability insurance with contractual liability endorsement.

9. SURVEY. Atrium shall have until expiration of the Feasibility Period to obtain a current certified survey (the "Survey") of the Property prepared by a surveyor (the "Surveyor") acceptable to Atrium. The Surveyor shall also determine the extent and scope of any easements that now affect or benefit the Property, shall locate all easements on the Survey, shall certify as to whether or not the Property is located within the 100 year flood plain, and shall include a certification by the Surveyor of the number of square feet of land contained in the Property. If the Survey discloses an encroachment, or defect or defects that Atrium is unwilling to waive ("Survey Defect"), then Atrium agrees to notify the County in writing within fifteen (15) days of receipt of the Survey of such matters, and the County shall, at the County's option, either proceed to cure such matters at the County's expense or deliver notice to Atrium that the County will not cure such Survey Defect. If Atrium so objects to a Survey Defect, the Feasibility Period shall be extended to accommodate any cure period agreed upon by the parties. If said matters are not cured within fifteen (15) days after notice, then Atrium, as its sole option within ten (10) days after the end of the aforesaid fifteen (15) day period and in writing either waive such Survey Defect or cancel this Agreement except for any terms of this Agreement which survive a termination of this Agreement. In the latter event, Escrow Agent shall immediately refund to Atrium the Earnest Money paid hereunder. The County shall have no obligation to cure any matter shown by the Survey.

10. TITLE COMMITMENT. Atrium shall have until expiration of the Feasibility Period to obtain a commitment for an owner's policy of title insurance in the amount of the Purchase Price issued by a title company acceptable to Atrium (the "Title Commitment") setting forth the owner of the Property and all exceptions to the title to the Property. The County shall assist in providing such information as may be in the County's possession to enable Atrium to obtain such commitment. Such

matters set forth in the Title Commitment and on the Survey which the Atrium does not object to shall be "Permitted Exceptions." Atrium shall have its attorney examine the Title Commitment. If the Title Commitment discloses a defect or defects in title either to the Property or discloses easements or other exceptions that Atrium is unwilling to waive, then Atrium agrees to notify the County in writing on or by expiration of the Feasibility Period of such matters and the County, at the County's option, may proceed to cure such matters at the County's expense. If Atrium so objects to a title defect, the Feasibility Period shall be extended to accommodate any cure period agreed upon by the parties. If said matters are not cured within twenty (20) days after notice, then Atrium, at Atrium's sole option within ten (10) days after the end of the aforesaid twenty (20) day period, in writing either waive such defect or unacceptable easements or other exceptions or cancel this Agreement, except for any terms of this Agreement which survive a termination of this Agreement. In the latter event, Escrow Agent shall immediately refund to Atrium the Earnest Money paid hereunder.

11. REPRESENTATIONS OF THE COUNTY. The County is a political subdivision of the State of Florida, duly organized under the laws of the State of Florida. The County has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by the County and constitute legal, valid and binding obligations enforceable against the County in accordance with their terms. The consummation by the County of the transactions contemplated hereby is not in violation of or in conflict with, nor does it constitute a default under, any of the terms of any agreement or instrument to which the County is a party, or by which the County is bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority. The provisions of this Section shall survive the closing of the sale and purchase provided for herein.

12. CLOSING. Closing (the "Closing") shall be fifteen (15) days from the expiration date of the Feasibility Period. The sale shall be closed in St. Augustine, Florida, or at such other location as the parties may mutually agree upon. At Closing, the County shall deliver to Atrium the Statutory Warranty Deed and Bill of Sale as shown on Exhibits B-1 and B-2 attached hereto. Closing costs shall be paid by the parties as is typical and customary in the State of Florida. Ad valorem taxes for the Property shall be prorated as of Closing based on the most recent tax assessment for the Property obtainable from the County tax assessor's office. Any assessments levied against the Property shall be paid in full by the County at Closing. The County shall also execute and deliver at Closing, affidavits of title, lien and possession verifying that (i) vacant possession of the Property is being delivered, (ii) there are no unrecorded leases or agreements affecting the Property and any and all possessory interest therein have been terminated, and (iii) there are no mechanic's or statutory liens against the Property. Possession of the Property shall be given to Atrium on the Closing Date, subject to Permitted Exceptions.

13. DEFAULT: REMEDIES. If the County has complied with all of its obligations herein contained and all of the County's representations and warranties are true and correct, and all of the conditions herein have been met to Atrium's satisfaction or waived in writing by Atrium, but Atrium fails to proceed with the purchase of said Property, then the County shall have the following rights and remedies: (i) the right to declare the Earnest Money forfeited to the County as sole liquidated damages, the parties recognizing and agreeing that the actual damages will be unascertainable and speculative, or (ii) the right of specific performance. If the County defaults, violates, or breaches any of its warranties, covenants, obligations and representations and warranties herein provided, and all of the conditions herein have been met to County's satisfaction or waived in writing by the County, then, in such event, Atrium shall have the following rights and remedies: (i) declare this Agreement canceled and of no further force and effect

except for any terms and conditions set forth herein which are to survive a termination of this Agreement and promptly receive a return of the Earnest Money, or (ii) the right to specific performance.

14. ASSIGNMENT. This Agreement may be assigned by Atrium, to an affiliated entity of Atrium or to an entity to be formed, and all powers, rights and privileges herein reserved and given to Atrium or the County shall inure to the benefit of and be held by the respective successors and assigns of the parties, and all liabilities or obligations imposed on each shall be binding upon the parties hereto and their respective heirs, permitted successors and assigns.

15. ENVIRONMENTAL CONCERNS. Notwithstanding anything contained in this Agreement to the contrary, in the event that, as a result of Atrium's investigation, "hazardous substance(s)", "hazardous waste(s)" or "hazardous material(s)", as defined under applicable federal or state law, or both, are found on the Property, then Atrium shall have the right, within the Feasibility Period, to terminate this Agreement, except for any terms and conditions set forth herein which are to survive a termination of this Agreement, and to receive a return of the Earnest Money, it being a condition precedent to Atrium's obligation to purchase the Property that the results of Atrium's environmental studies, reveal that the Property is free from any and all "hazardous substance(s)", "hazardous waste(s)", or "hazardous material(s)", as defined under applicable federal or state law, or both, provided such environmental studies are performed during the Feasibility Period. Atrium, its agents and representatives are hereby authorized to perform any and all studies, tests and inquiries as it may deem appropriate or necessary in furtherance of the foregoing, including entering upon the Property and performing tests and studies thereon. The County agrees that for purposes of preparation of such reports, Atrium, or its agents may make customary inquiry of pertinent governmental and administrative bodies and agencies concerning environmental violations or citations regarding the Property. The County represents that they have no present and actual knowledge that the Property contains any hazardous substances, wastes or materials except as may be reflected in materials delivered to Atrium; however, in the event the County is notified by EPA, ADEM, or other similar agency with regard to the Property, the County agrees to notify immediately Atrium regarding such notice. If, during the Feasibility Period, Atrium receives notice of any violation of any Environmental-Law-related to the Property, Atrium will give the County written notice of the same and all information it receives with respect thereto within ten (10) days after Atrium receives notice of same.

16. CONDEMNATION. There is no pending or threatened condemnation or similar proceeding affecting the Property or any portion thereof, and no such action is presently contemplated. Should any entity having the power of condemnation decide prior to the time of Closing to acquire any portion of or interest in the Property, Atrium, at Atrium's sole option, may elect to (a) terminate Atrium's obligation to purchase the Property by giving written notice to the County at any time prior to the time of Closing and receive back all sums paid hereunder, or (b) complete the purchase of the Property with the County appointing Atrium its attorney in fact to negotiate with said condemning entity after Closing and assigning to Atrium all sums to be awarded relating to the Property. From and after the date of this Agreement, the County will not consent to any condemnation without Atrium's prior written approval.

17. NOTICES. Any notice permitted or required to be given hereunder shall be made in writing and sent to the receiving party at the address set forth below by a nationally recognized overnight delivery service such as Federal Express or UPS ("Express Mail"), and shall be deemed given by either party upon the date of delivery to the receiving party, or if the receiving party refuses delivery or is no longer at the address specified in this Agreement, then the date of attempted delivery to the receiving party. The addresses of the parties are as follows:

County:  
St Johns County  
Attention: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With Copy To:  
(which shall not constitute notice)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Atrium:  
Atrium Hospitality  
Attention:  
Deerfield Point II  
12735 Morris Road Ext, Suite 400  
Alpharetta, GA 30004

With Copy To  
(which shall not constitute notice)

Brian E. Cameron, General Counsel  
Atrium Holding Company  
1114 Avenue of the Americas  
39<sup>th</sup> Floor  
New York, New York 10036

Dentons US, LLP  
2398 East Camelback Road, Suite 850  
Phoenix, AZ 85016  
Attn: Christopher Lee, Esq.

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18. MISCELLANEOUS.

(a) The County warrants and represents to Atrium as follows, which representations and warranties shall expressly survive the Closing hereunder:

(i) That the County has the power and authority to enter into this Agreement, and the entering into of this Agreement and the performance of the County's obligations hereunder shall not violate the terms or conditions of any applicable law, rule or regulation pertaining to the County or the Property.

(ii) That unless excepted herein, the County, has not received notification from any lawful authority regarding any assessments, condemnations, environmental notices, pending public improvements, repairs, replacement, or alterations of the Property that have not been satisfactorily made.

(iii) All special assessments presently levied against the subject property shall be paid for by the County. Further the County shall hold Atrium harmless and indemnify Atrium from same.

(b) In the event it becomes necessary for either the County or Atrium to employ the services of an attorney to enforce any term, covenant or provision of this Agreement, then each party agrees that the non-prevailing party shall pay the reasonable attorney's fees incurred by the prevailing party in enforcing this Agreement.

(c) This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreements between the parties with respect to the Property. It is expressly agreed that there are no parol understandings or agreements which in any way change the terms, covenants, and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

(d) Each party hereto has been represented, or had the opportunity to be represented, by separate counsel in connection with the negotiation and drafting of this Agreement. Accordingly, no ambiguity herein shall be resolved against either party based upon principles of draftsmanship.

(e) All personal pronouns used in this Agreement whether used in masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa.

(f) Any provision of this Agreement or any paragraph, sentence, clause, phrase or wording appearing herein which shall prove to be invalid, void or illegal for any reason shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions, paragraphs, sentences, clauses, phrases and words hereof shall nevertheless remain in full force and effect.

(g) This Agreement shall be construed and enforced in accordance with the laws of the State of Alabama.

(h) The submission of this Agreement, executed by Atrium, shall not be deemed a continuing offer to enter into this Agreement and this Agreement shall be effective only upon the execution and delivery thereof by both the County and Atrium on or before \_\_\_\_\_, 2018. As used herein, the "Effective Date" of this Agreement shall be the last date of execution of this Agreement by the parties comprising the County and Atrium.

(i) No person shall be deemed to possess any third-party beneficiary right pursuant to this Agreement. It is the intent of the parties hereto that no direct benefit to any third party is intended or implied by the execution of this Agreement.

(j) This Agreement may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

19. COMMISSIONS. Each of the parties agree to indemnify and hold the other harmless from and against any and all claims or demands with respect to any brokerage fees or agents' commissions or other compensation asserted by any person, firm or corporation in connection with this Agreement or the transactions contemplated hereby, insofar as any such claim is based upon any conversation, contact or

contract with the County or Atrium, respectively, relating to the proposed purchase of the Property by Atrium. Each party acknowledges to the other than it has not dealt with any Broker except as set forth above. The provisions hereof shall expressly survive the Closing.

20. EXCHANGE. Each party agrees to cooperate with the other in the event either party elects that it may utilize an exchange either to purchase or sell the Property, with other real estate in a transaction or transactions that will qualify as a like-kind exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, and to execute any additional documents necessary to effect the exchange, including, without limitation, an exchange agreement, an escrow agreement or a qualified intermediary agreement; however, the party not initiating the exchange shall not incur any additional costs, expenses or liabilities in excess of the costs or liabilities that it would have incurred from a direct purchase/sale of the Property, nor shall it be required to accept a deed to such exchange property so that its name shall not appear in the chain of title with respect to such exchange property. Furthermore, neither party will provide any warranties of the tax treatment of the transaction to other.

*[There is Nothing Further on This Page]*

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***Signature Page to Purchase and Sale Agreement***

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the day and year first above written.

**COUNTY:**  
St. Johns County

By: \_\_\_\_\_  
\_\_\_\_\_, as its \_\_\_\_\_

DRAFT

**Signature Page to Purchase and Sale Agreement**

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the day and year first above written.

**ATRIUM:**  
Atrium Finance IV, LP,  
a Delaware limited partnership

By: \_\_\_\_\_  
A Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Signatory

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EXHIBIT "A-1"  
[LEGAL DESCRIPTION OF PARCEL ONE]

**DRAFT**

**EXHIBIT "A-2"**  
**[LEGAL DESCRIPTION OF PARCEL TWO]**

**DRAFT**

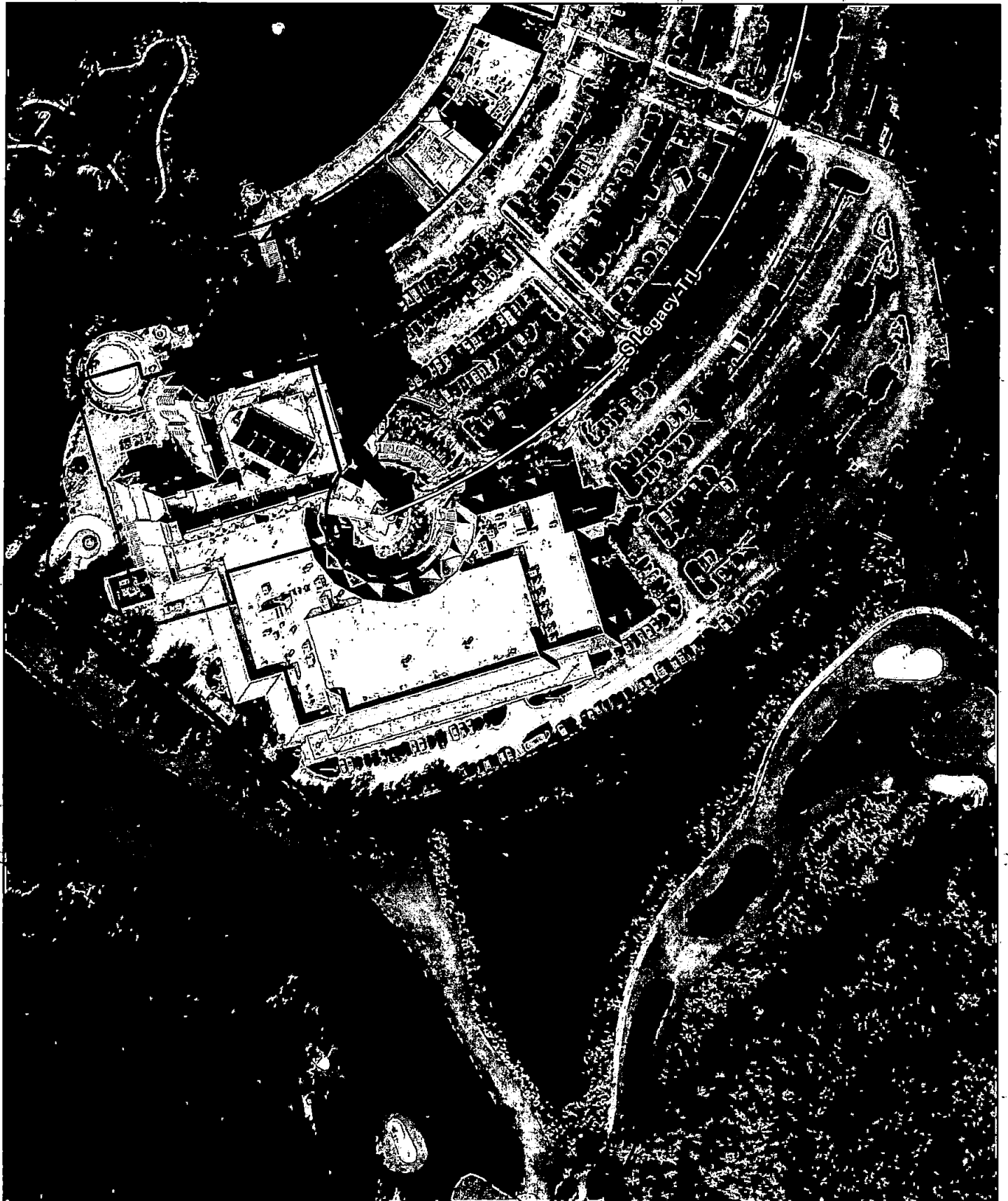
**EXHIBIT "B-1"**  
**[STATUTORY WARRANTY DEED]**

**DRAFT**

EXHIBIT "B-2"  
[BILL OF SALE]

**DRAFT**





2013 Aerial Imagery



# St. Johns County Convention Center

Land Mgmt. Systems  
Real Estate Division  
209-0796

Disclaimer  
This map is for reference use only.  
Data provided are derived from multiple  
sources with varying levels of accuracy.  
The St. Johns County Real Estate Division  
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