

reinvestment is from time to time determined by the City in its sole and absolute discretion.

## ARTICLE VII

### ECONOMIC INCENTIVES

**7.1 Incentives to Master Developer.** The City Council is of the opinion and the City has determined that the development of the mixed-use Project (i) will substantially enhance the economic health of the City; (ii) will result in a net increase or retention of jobs in the City; (iii) will add to the tax base; (iv) will otherwise improve or enhance the economic welfare of the residents or businesses of the City; (v) would not otherwise occur without these incentives; and (vi) demonstrates the potential to generate revenues and other benefits to the City, which outweigh or are not disproportionate to the cost associated with these incentives. Therefore, in recognition of these benefits to the citizens of the City set forth in this Section and as an inducement for Master Developer's commitment to develop the Project, and in partial consideration of the undertaking of the Master Developer's obligations under this Agreement, the City shall provide the following payments and abatement to Master Developer (collectively, the "Economic Incentives"). The exact amount and length of the incentives has been based on the need for such incentives for the specific development as demonstrated by review of the Master Developer's development proforma and other considerations particular to each Component of the Project and approved by the City Council. The Parties further acknowledge that the future development of any individual Component of the Project may be economically feasible only by the commitment of the City to provide the Master Developer with the benefit of the following Economic Incentives.

#### 7.1.1 [Intentionally Deleted]

**7.1.2 Guaranteed Installment Payments.** In order to partially defray the extraordinary costs of construction of the Project, and consistent with the City's policies and authorizing ordinances, the City over a ten (10) year period will deposit into the Special Fund for payment to Master Developer installments totaling Four Million Four Hundred Two Thousand Dollars (\$4,402,000.00) (the "Guaranteed Installment Payments"), as follows:

**7.1.2.1 Deposits of Guaranteed Installment Payments.** The City shall be obligated for the deposit into the Special Fund of ten (10) Guaranteed Installment Payments of Four Hundred Forty Thousand Two Hundred Dollars (\$440,200.00) each. The first two (2) Guaranteed Installment Payments were deposited after the Effective Date of the Prior DDA and prior to the Effective Date of this Agreement. The third Guaranteed Installment Payment will be deposited on or before August 15, 2008, and the remaining seven (7) Guaranteed Installment Payments will be deposited on or before August 15 of each of the consecutive seven (7) years thereafter; provided, that after the Completion of Construction of the Hotel and Conference Center Component occurs, the remaining annual deposits of Guaranteed Installment Payments shall be converted into quarterly deposits, the first quarterly deposit of One Hundred Ten Thousand