

OPTION AGREEMENT

THIS OPTION AGREEMENT (this “Agreement”) is entered into as of this ____ day of _____, 2020 by and between Keenan Development Group Inc. (“Developer”) and City of New Port Richey Community Development Agency (“CRA”).

WHEREAS, Developer and CRA entered into a Contract for Purchase and Sale (the “Purchase Agreement”) pursuant to which Developer has this date acquired from CRA (both directly and by way of an Assignment of Contract), certain real property located in New Port Richey, Pasco County, Florida, the legal description of which is set forth on Exhibit “1” to this Option Agreement (“Overall Property”).

WHEREAS, the Purchase Agreement provides for an Option from Developer in favor of CRA and the parties are executing this Option Agreement in connection therewith.

NOW THEREFORE, in consideration of the mutual covenant and agreements set forth herein, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The Recitals as set forth above are hereby incorporated by reference as if restated in full.

2. Grant of Option. The Overall Property may be redeveloped so as to create three (3) separate parcels as depicted on the site plan attached as Exhibit “2” hereto (the “Site Plan”). Developer hereby grants CRA the option to purchase (the “Option”) the Parking Garage Parcel (the “Option Property”), comprising 1.29 acres as identified on the Site Plan in accordance with the terms of this Agreement.

3. Term of Option. The Term of this Option shall commence on the date hereof and expire April 30, 2020 (“Termination Date”). The Option and the rights granted to CRA under this Agreement shall terminate in the event that the Option is not duly exercised on or before the Termination Date.

4. Purchase Price of the Option Property. In exchange for the conveyance of the Option Property to the CRA, the CRA agrees to construct at CRA’s expense the Parking Garage and enter into the Parking Agreement as such terms are hereinafter defined. In the event that CRA elects to exercise the Option, the parties shall proceed to closing in accordance with the terms of the Purchase and Sale Agreement attached as Exhibit “3” hereto the “Option Property Purchase Agreement”.

5. Exercise of Option. CRA may exercise the Option by giving written notice to Developer on or before the Termination Date. Such notice to be given to Developer in accordance with the notice provisions set forth below. As a condition to closing on the purchase of the Option Property, CRA shall provide Developer with a concept site plan for the Parking Garage and evidence of the procurement of the bonds or other source of financing for the costs of the Parking Garage, the construction of which will be completed by April 30, 2021.

6. Execution of Contract. Concurrently with the exercise of the Option, CRA shall execute the Option Property Purchase Agreement attached as Exhibit “3” hereto and deliver the Option Property Purchase Agreement to Developer. In the event the Option is exercised in a timely manner and in accordance with all terms and conditions hereof, Developer shall promptly execute and return to CRA a fully executed copy of the Option Property Purchase Agreement. Thereafter, the sale and purchase of the Parking Garage Parcel shall proceed in accordance with the Option Property Purchase Agreement.

7. Parking Garage. This Option Agreement and the rights of CRA hereunder are expressly conditioned upon the following:

7.1 At the time of closing of the conveyance of the Parking Garage Parcel the parties will execute a parking agreement (the “Parking Agreement”) which shall provide the following:

7.2 CRA will construct a multi-level parking garage, inclusive of site improvements required for a parking garage (the “Parking Garage”) at its sole expense, to be located on the Parking Parcel. Construction of the Parking Garage shall include all required drainage improvements.

7.3 Chinook Construction will be provided the opportunity to bid on the construction contract for the Parking Garage, but CRA shall not be obligated to accept such bid and shall at all times exercise its lawful purchasing authority in accordance with applicable law.

7.4 CRA will agree to cause the Parking Garage construction to commence by September 1, 2020 and be completed by April 30, 2021.

7.5 The Parking Agreement will give Developer the right to use of 140 parking spaces for use by Keiser University, plus up to 60 additional spaces for the benefit of the Development Parcel (as depicted on the Site Plan) sufficient to meet City of New Port Richey codes in connection with a hotel or other development. The Parking Agreement will also include easement rights for ingress and egress to the Parking Garage, and to the use of the aforesaid spaces, to the extent authorized and allowed by any bond issued for construction of the the Parking Garage. To the extent sufficient surface parking is available to meet the city code parking requirements for the Development Parcel, the spaces allowed within the Parking Garage shall be reduced or eliminated.

7.6 Upon commencement of use of the Parking Garage, Developer shall be responsible for its pro rata share of the Parking Garage operating expenses pursuant to a budget to be attached to the Parking Agreement. The pro rata share shall be a fraction the numerator of which will be 140 and the denominator of which will be the total number of parking spaces in the Parking Garage. The Parking Agreement shall grant the Development Parcel the exclusive right to parking spaces in the Parking Garage and the

Development Parcel shall be responsible for its pro rata share of the maintenance expenses calculated in the same manner as provided above, where the numerator is the total spaces dedicated to the Development Parcel.

8. Notice. Any notice required to be given pursuant to the Contract shall be deemed received upon delivery if hand delivered, or on the second business day after mailing, if such notice is sent by certified mail or by a nationally recognized courier service. All notices given hereunder shall be in writing and addressed as follows:

Developer: Keenan Development Group Inc
1900 W. Commercial Boulevard, Suite 200
Fort Lauderdale, Florida 33309
Attn: Bill Keenan

Copy to: Mombach, Boyle, Hardin, & Simmons, P.A.
100 NE 3rd Avenue, Suite 1000
Fort Lauderdale, Florida 33301
Attn: Conrad J. Boyle

CRA: City of New Port Richey Community Development Agency
5919 Main Street
New Port Richey, Florida 34652
Attn: Debbie L. Manns

Copy to: Driscoll Law Firm
146 2nd Street, Suite 310
St. Petersburg, Florida 33701
Attn: Timothy Driscoll

9. Time is of the Essence. Time is of the essence with respect to each and every provision of this Option Agreement.

10. Miscellaneous. This Option Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

11. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which, when assembled together, shall constitute one instrument. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart. For purposes of execution, documents signed and transmitted by facsimile machine or by PDF/email shall be treated as an original document.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

The parties hereto have executed this Option Agreement as of the date first above written.

SELLER:

City of New Port Richey Community Development Agency

By: _____

Name: _____

Title: _____

BUYER:

Keenan Development Group, Inc

By: _____

EXHIBIT “1”

Overall Property

EXHIBIT “2”

Site Plan

EXHIBIT “3”

Option Property Purchase Agreement