

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the "MOU") by and between The **CITY OF FREDERICK** (the "City") and **PLAMONDON HOSPITALITY PARTNERS LLC** (the "Developer"), (Collectively "the Parties") for the development of an approximate 207-room hotel/conference center with ancillary uses in response to the City's *Request for Proposals for a Downtown Frederick Hotel and Conference Center, Frederick, Maryland, RFP14-J* (the "RFP") is executed as of this 28 day of December, 2015.

WHEREAS, the City in conjunction with the Downtown Frederick Hotel Advisory Committee (the "Committee") wishes to facilitate through a public private partnership, the development of a Downtown Frederick Hotel and Conference Center and supporting public infrastructure to serve the needs of the citizens and businesses of the city and county, induce tourism and conferences, overnight stays, visitor spending, generate jobs and revenue, and be an anchor for continued downtown revitalization; and

WHEREAS, the City issued a competitive RFP 14-J on February 15, 2014 for the development of a 200 Room Full-Service Hotel and 20,000 square foot Conference Center, which resulted in two proposals when the RFP closed on May 28, 2014, followed by rigorous cross-functional review and scoring resulting in a recommendation from the Committee to award the project to Plamondon Hospitality Partners LLC; and

WHEREAS, on May 28, 2014, the Developer submitted as a response to RFP 14-J a proposal for the construction, development and financing of a full service hotel with approximately 207 rooms (the "Hotel"), ancillary uses, and approximately 23,500 square feet of meeting space (the "Conference Center"), as more fully described in Article II of this MOU (the "Project"), as such submission was supplemented on July 23, 2014, to be located on that approximate 1.86 acre piece of property known as 200/212 East Patrick Street, Frederick, Maryland (the "Land"), which the Developer has the right to acquire via a fully executed purchase and sale agreement with East Patrick Street, LLC (the "PSA"). The Developer's RFP response and supplemental submission are hereinafter referred to as the "RFP Response"; and

WHEREAS, on September 3, 2014, the City of Frederick Mayor and Board of Aldermen and Frederick County, Maryland adopted Joint Resolution 14-19 (the "Joint Resolution") To Support A Public Private Partnership For The Development Of A Downtown Hotel And Conference Center and for sharing the construction costs solely of certain related eligible public infrastructure such as but not limited to transportation and streetscape improvements, parking, utilities, and conference center space, the details of which are to be determined in a future Master Development and Funding Agreement, as set forth in Article I, Section 1; and

WHEREAS, the City desires to select Developer as the developer of the Project, and both the City and the Developer desire to memorialize this selection and to establish the terms for the creation of a public-private partnership between the City and the Developer solely for the purposes of constructing the Project by way of this MOU; and

WHEREAS, the Developer acknowledges that the Project shall be privately owned and operated with all ongoing operational, maintenance and capital improvement costs solely the responsibility of the Project Owner, and more so acknowledges that neither the City or any of its public, private, or non-profit partners shall have any ongoing operational financial obligations and that the Project Owner shall assume the burden of operational deficits, if any; and

NOW THEREFORE, the Parties above hereby agree to the following terms and conditions:

I. GENERAL CONDITIONS

1. This MOU is expressly conditioned upon and subject to the Parties hereto entering into a mutually satisfactory understanding as to all aspects of the proposed transaction herein. Accordingly, except for the following eight items this MOU shall not be binding upon the Parties hereto in any way except to the extent it reflects the intent to proceed with and negotiate in good faith definitive written agreements with respect to the business terms and conditions herein contained:
 - a. This MOU shall give the Developer the exclusive right to negotiate and finalize a definitive agreement regarding the construction, development and financing of the Project (the "Master Joint Development and Funding Agreement"), easements and other reasonably required documents (collectively, the "Transaction Documents") with the City for a period of thirty (30) months from the date hereof; unless terminated or extended prior to that date by mutual written agreement of the City and the Developer;
 - b. Article II, Section 4 which recognizes the role of the Committee in the design review process;
 - c. Article II, Section 5 which requires the Developer to follow all Development Review Processes of the City;
 - d. Article III, Section 2 which specifies that public funding as available will occur through future agreements and that such agreements will specify terms of ownership, operations, and profit sharing;
 - e. Article III, Section 8 regarding pre-development cost-sharing;
 - f. Article III, Section 10 (b) which fixes the calculation of Rent;
 - g. Article III, Section 10 (e) which sets the Participation percentage; and
 - h. Article I, 1 (d), (f) and (g) will each be contained in the Ground Lease, as more fully described in Article III, Section 10.
2. Unless superseded by an amendment to this MOU or the final Transaction Documents, this MOU identifies the material understanding of the Parties.
3. The obligations and/or agreements of the City may be entered into or fulfilled by an authority or agency designated by the City, Frederick County, Maryland and/or the State of Maryland. The City shall be responsible for coordinating with Frederick County, Maryland and/or the State of Maryland as necessary. The

obligations and/or agreements of the Developer may be entered into or fulfilled by the Project Owner.

II. PROJECT DESCRIPTION

1. Location – The Project will be located on the Land depicted on the attached Preliminary Site Plan included as Appendix “A” to this MOU, as such Preliminary Site Plan may be amended in accordance with the provisions of Article II, Section 3 of this MOU.
2. Brand/Management – The Project is expected to be branded as a full-service Marriott, although it could also be branded any full service brand within the Marriott International, Hilton Worldwide, Starwood Hotels and Resorts or Hyatt Hotels Corporation family of brands (the “Pre-Approved Brands”), such brand to be determined by the Developer prior to the execution of the Master Joint Development and Funding Agreement. Once operational, the Project will be managed by an affiliate of Developer or by another professional manager, either of which shall be experienced in the management of hospitality properties.
3. Preliminary Project Facilities Program – The Preliminary Project Facilities Program is described in more detail in the RFP Response and is summarized herein and attached as Appendix “B” to this MOU and includes the items listed below. The City and the Developer acknowledge that the final Project Facilities Program may be modified by mutual agreement of the City and the Developer in accordance with the provisions set forth below.
 - 207 rentable guestrooms;
 - 23,500 square feet of meeting space within the Project facilities, including pre function space;
 - 2 Lounges (including one rooftop) & 2 Restaurants;
 - Indoor Pool and Fitness Center;
 - On-site public parking containing 104 spaces;
 - Historic Trolley Building Restoration;
 - Meets minimum LEED Certified Design Standards;
 - Supporting public infrastructure.

Change in Scope to Project Facilities Program - The City and the Developer acknowledge that the Preliminary Project Facilities Program is preliminary and that there is the potential for the Preliminary Project Facilities Program to be modified due to a change in conditions for the Project, changes required by the City’s Development Review Process, or a change in the amount of Public

Contributions available to the Project. The City and Developer agree that they will use good faith efforts to approve necessary changes in the Preliminary Project Facilities Program and that should a change in the Preliminary Project Facilities Program be made, they will work in good faith to modify this MOU accordingly to account for said changes in scope, cost, timing, funding and other areas where change is necessitated.

4. Committee Review and Recommendation – The Developer shall seek and consider all input from the Committee in the design of the Project to ensure that it is in general accordance with the RFP Response. Developer will hold at least two (2) meetings with the Committee at critical phases of the design of the Project. These meetings are to occur at the schematic design phase and 50% design development. In addition, the Committee shall review the proposed final design and inform the Mayor and Board of Aldermen as to the Project's general compliance with the RFP Response prior to approval of the Master Joint Development and Funding Agreement.
5. Development Review – The Developer shall follow the Development Review Process established by the City's Land Management Code including but not limited to obtaining all necessary approvals including Adequate Public Facilities Ordinance (APFO) approvals. The Project is intended to be and is currently designed to connect to Carroll Creek Park.
6. Preliminary Development Cost Budget – The Preliminary Development Cost Budget is provided in Appendix 'C' and the Parties acknowledge that the scope and cost of the Project may be changed and therefore, prior to the execution of the Master Joint Development and Funding Agreement, the Preliminary Development Cost Budget will be updated to reflect the final Project Facilities Program.

The Preliminary Development Cost Budget assumes that the Hotel portion of the Project will be required to pay all fees normally required including Impact Fees (water, sewer, and parks) as such fees cannot be waived. The Conference Center and Public Parking components of the Project will only pay such fees, as required. If fees are assessed on the entire Project, the fees will be paid on a proportionate basis as part of the overall Project financing.

III. AGREEMENT TERMS AND CONDITIONS

1. The Developer will form a single purpose ownership entity ("Project Owner") to own and operate the Project. The Developer will form a separate stand-alone single purpose ownership entity to own, develop, and operate the retail space. The Project Owner shall agree to grant an appropriate agreement to the City of Frederick to provide for the continuous operation of the Conference Center under the terms and conditions prescribed in that agreement.
2. Subject to availability of funding and approval from appropriate authorities, the City, Frederick County and/or the State of Maryland, either directly or through

agencies or authorities, will fund all or a portion of the eligible public expenses for infrastructure, utilities, parking, Conference Center, road, sidewalk work and other eligible items (the "Eligible Expenses") shown in the Preliminary Development Project Budget in Appendix 'C'. Such funding will occur via future agreements which will cover, without limitation: (i) ownership of the Land and facilities; (ii) guidelines for the operation of the Conference Center; (iii) beginning on and after the third (3rd) full year of operations ("Stabilization"), payment from the Project Owner to the City (the "Participation") in an amount equal to 10% of the "Net Cash Flow" (which is defined to mean: the annual residual cash flow related to the Conference Center after: payment of operating expenses, the replacement reserve fund, and reserve funds required by lenders such as for payment of insurance and taxes. Such agreements shall be subject to the mutual agreement of the public funding agency, the City, and the Project Owner, and shall be subject to the approval of the Project Owner's franchisor and the providers of the Private Debt and the Private Equity for the Project.

It is anticipated that the City and County's funding will be achieved through a Tax Increment Financing ("TIF") bond issue and that the State of Maryland funding will occur through grants, bond bills, revenue bonds, general obligation bonds, and other agency sources. The Parties acknowledge that the Frederick County Hotel Tax and other programs may also be available for the Project, and that the Parties shall pursue any such programs and any money derived from such programs will become a part of the Public Contributions for the Project and reduce amounts anticipated to be raised by other programs contributing to the Governmental Contributions.

Prior to the execution of the Master Joint Development and Funding Agreement the Preliminary Development Project Budget will be updated to reflect the final Project Program and shall be known as the "Final Development Project Budget". If the Governmental Contributions fall below the amount necessary to fund the eligible public improvements as shown in Appendix "C", the City and Project Owner shall in good faith explore: (i) other funding sources and/or (ii) scope changes to the Project.

3. Project Owner will be responsible for obtaining the Private Debt and Private Equity as shown in the Preliminary Project Development Budget in Appendix "C".
4. Project Owner will oversee the construction and delivery of the Project and agrees to collaborate with state agencies such as but not limited to the Maryland Stadium Authority, Maryland Economic Development Corporation, Maryland Department of Commerce, Maryland Department of Housing and Community Development which may be involved in the Project in a direct or oversight role as a result of financial investment.
5. Subject to the requirements of Section 8-9.1 of the Code of the City of Frederick, and approval by the Mayor and Board of Aldermen, the City will reimburse the

Project Owner for One Hundred Percent (100%) of business personal property taxes paid by Project Owner for a period of 10 years beginning with the first year of operations of the Project or until the City no longer charges a Business Personal Property Tax due to its approved Business Personal Property Tax phase-out.

6. The Parties shall use good faith efforts (to include, without limitation, making agreed upon changes in scope) to complete the Project within the Final Development Project Budget. If and to the extent that the final consolidated costs of the Project are less than the amounts shown in the Final Development Project Budget, Project Owner will share the savings with the City in proportion to the proportion of the Private Debt and Private Equity relative to the Public Contributions. Except for scope changes caused by the City, the Project Owner shall bear all Project cost overruns beyond the budgeted contingency. The Parties hereby acknowledge that as the scope of the final Project Facilities Program is agreed upon, the Public Contributions, as well as the Private Debt and/or Private Equity requirements, shall be adjusted in a manner which considers whether the scope change was driven by the City or by the Project Owner.

7. Funding Conditions – Upon the Financial Closing (as set forth on Appendix “F”), the Public Contributions, which are subject to funding source approval and requirements, are to be held by a Bond Trustee for expenditure by the Project Owner for eligible Project costs in concert with all other sources of funding provided by or through the Project Owner upon satisfaction of, among other things, the following conditions:
 - (i) The approval, prior to the execution of the Transaction Documents, of the City of Frederick and or Frederick County for a Tax Increment Financing (“TIF”) bond issue and/or other funding programs and the assignment as allowable of such proceeds therefrom to Project Owner to be used for the development of the Project. It is understood and agreed that TIF funds will be disbursed by a Bond Trustee.

 - (ii) Prior to execution of the Transaction Documents, approval of the relevant Transaction Documents by the City, Frederick County and the State of Maryland and each of the City, Frederick County and the State of Maryland shall all have confirmed their authority to enter into the Transaction Documents.

 - (iii) The Project Owner shall have provided reasonably satisfactory evidence to the City that it has secured the Private Debt and raised the Private Equity; though the City acknowledges that the amount of each may vary so long as the total of the Private Debt and the Private Equity is sufficient to meet the Project Owner’s obligations to the Project;

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- (iv) The Project Owner shall have provided evidence reasonably satisfactory to the City that all other sources of funding for the Project have been committed and will be made available as required;
 - (v) The Project Owner shall submit an executed copy of the franchise agreement with one of the Pre-Approved Brands as a part of the Master Development and Funding Agreement;
 - (vi) Project Owner shall provide reasonable evidence to the City that Project Owner is positioned to commence and complete the Project;
 - (vii) The City shall approve the Final Development Project Budget;
 - (viii) The City, Project Owner, Frederick County, Maryland and the State of Maryland shall have each approved, executed and delivered the Transaction Documents setting forth in detail the roles and responsibilities of the Parties related to the development, construction and financing of the Project;
 - (ix) The Project Owner shall provide satisfactory evidence that the selected contractor (or contractors) will be required to obtain payment and performance bonds reasonably acceptable to the City and other public funding agencies securing its obligations to complete the Project; and
 - (x) The Project Owner or the City, as the case may be, has completed land acquisition and the Project has received Final Site Plan approvals and required City permitting approvals to commence construction.

8. Pre-Development Costs – The City and the Developer have each expended or advanced funds, through September 22, 2015, for third party services and miscellaneous project expenses, which mutually benefit the Project as summarized on the top line item (Preliminary Development Costs) in the schedule attached hereto as Appendix “C” Preliminary Project Costs & Sources and Uses of Funds and restated in more detail in Appendix “D” Pre-Development Costs Incurred To Date. The Parties anticipate spending additional funds to advance the Project through building design, building demolition, and final site plan approvals.

Subject to future negotiation and compromise, the City and Developer are in general agreement with the planning process, timing and anticipated third party service costs related to the land acquisition and design and development of the Conference Center and specific on-site and off-site project enhancements and improvements.

- (i) Land Acquisition – It is agreed that it is in the best interest of the Project that the City, at a mutually agreeable time, and after satisfactory review of the PSA will accept the assignment of the PSA for the Land. When funds

are available to the City for disbursement, the Developer will be entitled to reimbursement for land acquisition related predevelopment costs in the amount of \$330,412 incurred as of September 22, 2015 and described on Lines A and B of the chart in Appendix "D". Such expenses are assumed to be reimbursable by the City through the Maryland Department of Housing and Community Development ("DHCD") Strategic Demolition and Smart Growth Impact Fund Grant ("SDSGIF"). The City has received an FY15 \$350,000 SDSGIF Grant Award which is pending disbursement approval from DHCD. Reimbursement of eligible expenses not to exceed \$350,000, to the Developer, within 30 days following: (i) execution and delivery of this MOU, (ii) approval from DHCD, (iii) once the Developer provides satisfactory documentation of expense and payment, and (iv) approval of the Project by the Maryland Historic Trust ("MHT").

(ii) Other Pre-Development Project Costs –The City recognizes that a material portion of the Developer’s work on the Project design, renderings, project management, entitlements, and permitting directly benefits the Project and is in furtherance to the public sector requirements of the Project. As such, the City and Developer agree to split those current and future pre-development costs on a proportionate basis as follows.

(a) Regarding the current pre-development costs of \$143,125 for design, renderings, and project management services incurred by and paid for by the Developer to third party contractors prior to September 22, 2015 as identified on lines C and E in Appendix "D", the Developer shall be responsible for an estimated 67% of such costs, for non-public portions of the project (primarily the hotel). The City shall be responsible for reimbursing the Developer for the remaining estimated 33% of the costs associated with the public portions of the project (primarily structured parking, street work, streetscape upgrades, utility improvements, and Conference Center development) as identified in Appendix "D". Reimbursement of eligible expenses will occur using but not exceeding the available funds in the City Hotel CIP budget following execution of this MOU once the Developer presents satisfactory documentation to the City of such expenses and payments. The City anticipates that these expenses are eligible to be reimbursed using the 2012 State of Maryland Bond Bill proceeds and as such must meet all state requirements.

The eligible cost breakdown are as follows:

Component	Developer Portion (67%)	City Portion (33%)	Total Cost
Design/Renderings	48,316	21,136	70,452

Project Management	50,871	21,802	72,673
Total	\$99,187	\$42,938	143,125

- (b) Regarding future pre-development costs for design, site planning, entitlements and permitting as identified in Exhibit E, the City agrees that it will reimburse the Developer for 33% of the eligible costs at the time of Project Finance Closing and that such costs, including purchase price credits, if any, at closing, must be included in the Project Budget for payment from available public sources. All such costs shall be agreed upon between the Parties in advance and in writing. In the event that the Project is terminated, the City agrees to reimburse the Developer the City's portion of any outstanding, unpaid, documented pre-development cost previously agreed to by the City, including the cost of MHT documentation, subject to availability of CIP or grant funding. It is acknowledged that all amounts due to consultants engaged directly by the City shall be borne by the City and shall not be included in the amounts listed on Appendix "E".

In addition, the City will fund, as incurred, on the following ratio, all costs associated with the MHT mitigation agreement: 67% Developer and 33% City (approximately one-third the amount as stated in Appendix E, Item B).

9. Project Owner agrees to comply with all City, Frederick County, Maryland and/or State of Maryland requirements in connection with the construction of the Project. The City has informed the Developer that funds to be granted by the State of Maryland are contingent upon Project Owner complying with applicable Minority Business Enterprise (MBE) and MHT requirements.
10. Special Agreements – In exchange for the public investment in the Project, the Project Owner agrees to the following:
- a) Provide the City exclusive use of the Conference Center ballrooms, meeting space, and pre-function areas free of rental charge a minimum of six (6) days/nights per calendar year in perpetuity with at least six (6) months prior written notice and subject to facility availability. Such usage may be for official City or City sanctioned events (with approval by a designated City Official).
- b) Ground Lease: Following the assignment of the PSA to the City and the approval of the Master Development and Funding Agreement and the completion of the Financial Closing, the City will purchase the fee simple interest of the Land

and ground lease to Project Owner a portion of the space occupied by the Hotel/Retail footprint (the "Ground Lease"). The Project Owner and the City, with the review and consideration of the Committee, has determined the proportion of the Project allocated to Hotel/Retail is 40% ("Hotel/Retail Site Utilization Factor") and to the Conference Center is 60%. The lease shall be commercially reasonable and financeable (to the Project Owner and its assignees and lenders) triple net lease with an initial 25 year term, two subsequent 25 year renewal terms, and a final 24 year renewal term for a total of up to ninety nine (99) years with annual rent payments to the City calculated as follows (the "Rent"):

- i. Initial Term (Years 1-25): The Initial Term shall begin at issuance of City Occupancy Permit for the Project. Rent payments during construction shall be zero. After Stabilization, payment of Rent will be fixed for the balance of the Initial Term and will be set at an amount so as to fully repay the City for that portion of the site cost (plus interest and related financing costs) attributable to the space occupied by the Hotel/Retail footprint. The Rent shall be equal to the costs of Land acquisition multiplied by a "Hotel/Retail Utilization Factor" of 40% and multiplied by a Ground Lease constant of 6% to determine the annual Rent payment. During Stabilization, payment of Rent will be phased in at 25% of the annual Rent for the first year, 50% in the second year, and 75% in the 3rd year. It is understood and agreed that the annual Rent will be adjusted based on the final actual land purchase price. Using this formula and based on the current estimated purchase price of the Land, annual Rent beginning in the 4th year of the Initial Term (and for the balance of the Initial Term), will be Eighty Thousand Eight Hundred and Forty Five Dollars (\$80,845);
 - ii. Second Term (Years 26-50): The Rent shall be the same as that in Year 25 and shall be increased thereafter at 1.25% per year on a cumulative basis.
 - iii. Third Term (Years 51-75): The Rent shall be the same as that in Year 50 and shall be increased thereafter at 1.25% per year on a cumulative basis.
 - iv. Fourth and Final Term (Years 76-99): The Rent shall be the same as that in year 75 and shall be increased at 1.25% per year on a cumulative basis; and
 - v. Lease of Land shall include a Right of First Offer on terms acceptable to City and Project Owner.
- c) Develop and implement programs/techniques in partnership with Frederick County Tourism Council, Downtown Frederick Partnership, and The City of Frederick Economic Development Department to encourage and track

hotel guest and group patronage of downtown Frederick businesses – particularly restaurants, retail shops, museums, arts, Carroll Creek Park, etc.

d) Cultivate usage of the Conference Center by large groups (businesses, associations, etc.) for multi-day meetings and conferences which generate hotel room demand in the entire Frederick hotel market and which increase retail foot traffic downtown. The Parties acknowledge that maximizing the number of high quality, profitable group events is critical to the overarching financial success and economic impact of the Project.

e) In addition to the other benefits to the Public Sector, profit sharing (as defined in Article III, Section 2) between the Project Owner and the City shall commence after Stabilization in an amount equal to the Participation. This Participation amount reflects the commitment of the Project Owner to assume all risks for design development, construction and operational losses, if any.

IV. LEGAL AGREEMENTS

The Parties agree to use reasonable good faith efforts to negotiate and execute and to cause other parties to negotiate and execute the following agreements within the time periods set forth on Appendix “F”:

- Master Development and Funding Agreement
- TIF Bond Issuance and Funding – City and County
- Agreements around other funding sources comprising Public Contributions
- State of Maryland Funding Agreement between City and State
- Easements and other reasonably required documents and agreements

V. MILESTONES – TARGET DATES

The Parties agree to give their good faith efforts to achieve the development target dates as outlined in the Preliminary Milestone Schedule, attached as Appendix “F.”

VI. LIST OF APPENDICES (Each to be updated prior to execution of the Master Development and Funding Agreement, as necessary, to reflect the final Facilities Program).

- APPENDIX “A”: Preliminary Site Plan
- APPENDIX “B”: Preliminary Project Facilities Program
- APPENDIX “C”: Preliminary Project Costs and Sources and Uses of Funds
- APPENDIX “D”: Pre-Development Costs Incurred To Date
- APPENDIX “E”: Estimate of Pre-Development Costs
- APPENDIX “F”: Preliminary Milestone Schedule

The Parties to this MOU hereby acknowledge their intent to negotiate upon and finalize definitive Agreements pursuant to the terms herein as of this 23 day of December, 2015.

THE CITY OF FREDERICK

**PLAMONDON HOSPITALITY
PARTNERS, LLC**

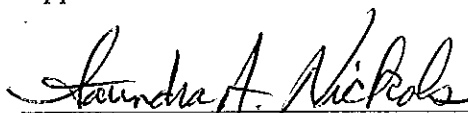


Randy McClement, Mayor



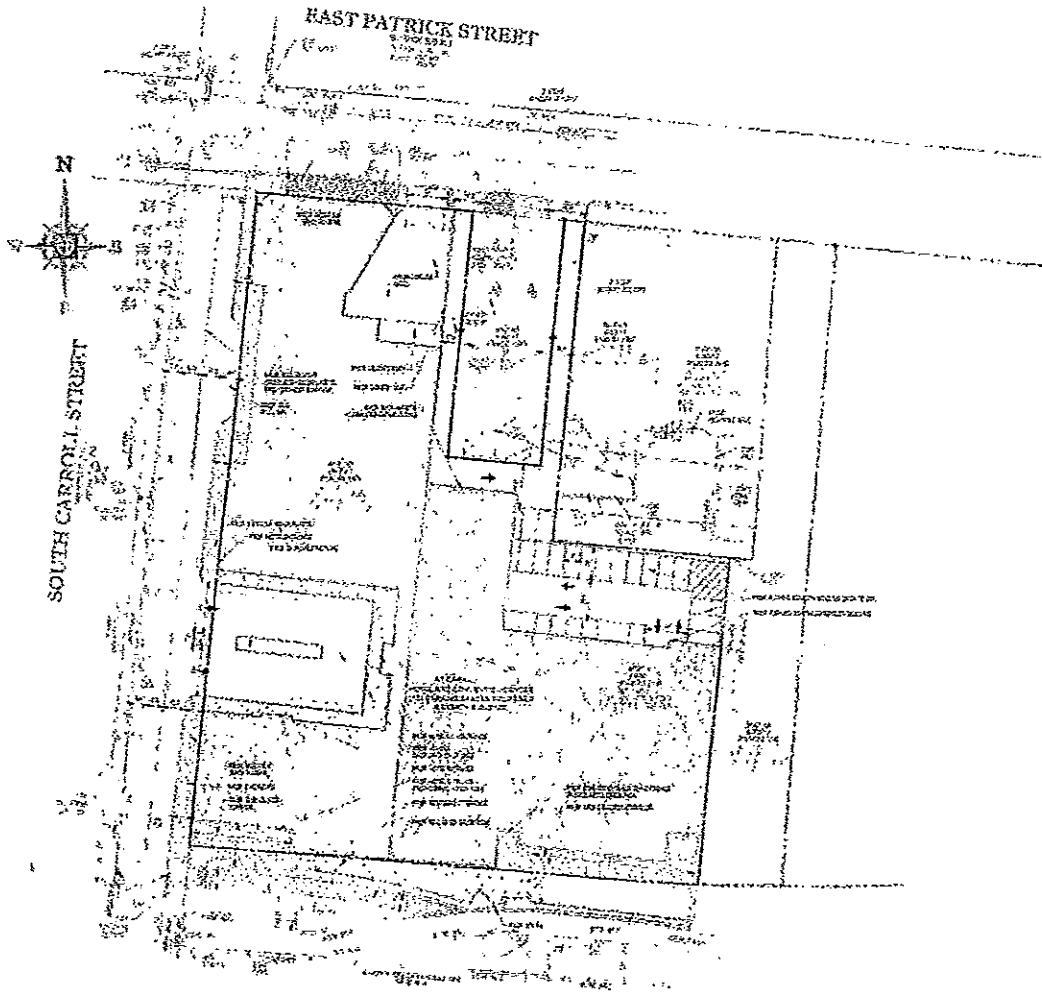
Co-President

Approved as to Form:



City Attorney

APPENDIX A:
PRELIMINARY SITE PLAN



APPENDIX B:

PRELIMINARY PROJECT FACILITIES PROGRAM

City's Vision for Project Outlined in RFP	Proposed Full-Service Hotel & Conference Center Carroll Creek
<i>A professionally marketed, managed upscale, full-service hotel</i>	Professional team of experienced hotel operators to provide a full-service hotel.
<i>207 Rooms and Suites</i>	Total of 207 Rooms & Suites <ul style="list-style-type: none"> • 199 King & Double Queen Rooms • 4 Junior Suites • 2 Executive Suites • 2 Grand Suites
<i>27,271 SF of usable meeting, ballroom and pre-function space.</i>	21,165 SF - Meeting & Pre-function Space (includes): <ul style="list-style-type: none"> • 7,000 SF Ballroom • 3,600 SF Junior Ballroom • 2,800 SF Breakout Rooms
<i>Ballroom for 600 – 700 persons (outlined in the City's marketing study)</i>	Ballroom accommodating up to 700 persons
<i>1.25 parking spaces per guestrooms (approximately 250 parking spaces)</i>	Proposed onsite parking for 104 parking spaces. An additional 200 spaces will be negotiated with the city for use of its parking garage on All Saints for overflow and event parking.
<i>Restaurants & Lounges</i>	Project currently plans for a total of four F&B venue offerings: two Restaurants and two lounge/ bars including one on the rooftop. All venues will front either Carroll Creek park, or the Carroll Street retail.
<i>Guest Amenities to include a small gift shop, exercise room, indoor pool and business center.</i>	Guest Amenities to include: a state-of-the-art fitness center, pool, business and concierge desk services, and multiple opportunities for retail and gift shops.
<i>Green building design & construction</i>	The development team is committed to building a LEED® Certified Project
<i>Located within Downtown Business District (outlined in the City's marketing study)</i>	Hotel is centrally located in the City of Frederick Downtown Business District at 200 & 212 East Patrick Street, Frederick, Maryland.
<i>Facility size ranging from 126,000 SF to 141,000 SF depending on site & building configuration (outlined in the City's marketing study)</i>	Facility size – @ 155,400 SF / @247,700 SF Total
<i>Walkability to downtown district (outlined in the City's marketing study)</i>	Hotel within walkable distance to downtown district, retail, restaurants, offices, Carroll Creek Park and city amenities

Public Space	
	GSF
Lobby	4,211
Lobby Bar	1,417
Three-meal Restaurant	2,754
Business Center	252
Public Restrooms	1,121
Ballroom	7,000
Junior Ballroom	3,600
Meeting Rooms	2,317
Roof top - Function Space	1,286
Board Rooms	500
Prefunction	6,462
Exercise /Pool / Restrooms	1,451
SUBTOTAL PUBLIC SPACE	32,371
Back of the House Areas	
	GSF
Front Office/Luggage/MATV/PBX	603
Executive Offices	1,203
Accounting	281
HR / Employee Lockers/Breakroom	1750
Main Kitchen	2425
Ballroom Kitchen	Incl . Above
Function Storage/A/V Storage	800
Engineering/Maintenance	2,028
Laundry	1,184
Housekeeping/Clean Linen	803
Security/Purchasing Offices /Receiving	215
Mechanical/Electrical/Low Voltage	4,060
Storage	500
Trash Room/Recycle/Can Wash/Refrigerated Garbage	600
Walls / Shafts	6,641
SUBTOTAL BACK OF HOUSE AREAS	23,093
A. TOTAL GSF - PUBLIC/BACK OF HOUSE AREAS	55,464

APPENDIX C:

PRELIMINARY PROJECT COSTS AND SOURCES AND USES OF FUNDS

11/6/2015			Marriott Hotel and Conference Center at Carroll Creek					Project Enhancements			
Project Costs			Hotel Cost	Retail	Conference Center Cost	Public Space	Public-Off Site Improvements	Total Project Cost	Expanded Site	Deck 6	Expanded Project Cost
Preliminary Development Cost			\$450,000			\$432,141		\$882,141			\$882,141
Land Acquisition			\$0		\$1,900,000	\$1,467,859		\$3,367,859	\$1,860,000	\$0	\$5,227,859
Finance, Legal and Development			3,143,416	327,252	\$2,964,907			\$6,435,575	\$91,793		\$6,527,368
Professional Fees and Expenses			1,982,731	216,301	\$926,415			\$3,125,447	\$137,000		\$3,262,447
FF&E			4,286,943	27,000	\$1,243,102			\$5,557,045			\$5,557,045
Hotel			24,859,376	2,584,519				\$27,443,895			\$27,443,895
Trolley Building Renovation			\$1,000,000					\$1,000,000			\$1,000,000
Conference Center					\$4,507,113			\$4,507,113			\$4,507,113
Equipment			\$2,358,386		\$821,918			\$3,180,304			\$3,180,304
Pre-opening			550,725	33,285	\$176,605			\$760,615			\$760,615
Parking	\$/space	Spaces						\$0			\$0
Onsite Garage	\$32,000	100				\$3,167,915		\$3,167,915			\$3,167,915
Above Grade/Garage Expansion	\$7,000	70						\$0	\$490,000		\$490,000
Off Site - Deck 6	\$23,000	650						\$0	\$15,500,000		\$15,500,000
Public Improvements-off site							\$972,000	\$972,000	\$500,000		\$1,472,000
Subtotal - Project Costs			\$38,631,777	\$3,188,357	\$12,540,060	\$5,067,915	\$972,000	\$60,400,109	\$3,078,793	\$15,500,000	\$78,978,902
Contingency - Project Cost	5.50%		2,127,767	172,340	\$689,703	\$278,735	\$53,460	\$3,322,006	\$169,334	\$0	\$3,491,340
TOTAL			\$40,759,544	\$3,360,697	\$13,229,763	\$5,346,650	\$1,025,460	\$63,722,115	\$3,248,127	\$15,500,000	\$82,470,242

Preliminary Source of Funds	%	Amount						Project	Enhancements		
Hotel Developer	69.24%	\$44,120,241	40,759,544				\$40,759,544			\$40,759,544	
Retail Developer				3,360,697			\$3,360,697			\$3,360,697	
TIF Bonds, County and City					\$5,000,000		\$5,000,000			\$5,000,000	
County Hotel Tax Appropriation	14.60%	\$9,300,936			\$4,300,936		\$4,300,936			\$4,300,936	
City Parking Fund Balance/Debt							\$0	\$3,000,000	\$10,000,000	\$13,000,000	
MD DHCD, SGF Grant	1.57%	\$1,000,000			\$1,000,000		\$1,000,000	\$248,127		\$1,248,127	
MD Stadium Authority	14.60%	\$9,300,937			\$2,928,827	\$5,346,650	\$1,025,460	\$9,300,937	\$5,500,000	\$14,800,937	
TOTAL	100.00%		\$40,759,544	\$3,360,697	\$13,229,763	\$5,346,650	\$1,025,460	\$63,722,114	\$3,248,127	\$15,500,000	\$82,470,241

Detailed Estimated Cost of Off-Site Public Improvements			
Carroll Creek Park Enhancements			\$150,000
Relocation of power/utility poles along South Carroll Street (west side only) - Required Potomac Edison approval and participation			\$42,000
Repaving Carroll and East Patrick Streets around Project after the completion of the Project			\$80,000
Changing East Patrick Street to 2-way traffic between East Street and Carroll Street (Requires a Traffic Impact Analysis (TIS & City Approval)			\$700,000
TOTAL ESTIMATED COST			\$972,000

APPENDIX D:

PRE-DEVELOPMENT COSTS INCURRED TO DATE

PHP - Downtown Marriott Hotel & Conference Center - Development Costs as of 9-22-15

Item #	Budget Item	Amount
A Total	<i>Land Purchase - deposit and extentions, title, easements, land use attorney</i>	247,336.76
B Total	<i>Land - engineering, geo tech, survey, historical review, environmental, landscape</i>	83,075.54
C Total	<i>Design, renderings</i>	70,452.32
D Total	<i>Market / economic, feasibility studies</i>	13,152.74
E Total	<i>Project management services</i>	72,673.46
F Total	<i>RFP preparation, legal document review, negotiation, P3 and misc services and other misc costs</i>	30,978.12
G Total	Grand Total	517,668.94

City - Downtown Marriott Hotel & Conference Center - Development Costs as of 9-14-15

Item #	Budget Item	Amount
A Total	<i>Hotel data, research and misc. for RFQ/RFP preparation</i>	2,717.49
B Total	<i>Consulting fees for legislative advocacy</i>	50,000.00
C Total	<i>Consulting fees for TIF, municipal funding, parking and MOU negotiation</i>	267,306.00
D Total	<i>Stadium Authority analysis and downtown parking study</i>	44,750.00
G Total	Grand Total	364,773.49

APPENDIX E:

ESTIMATE OF PRE-DEVELOPMENT COSTS

PHP & City - Downtown Marriott Hotel & Conference Center			
Estimated Pre-Development Costs for Preliminary Site Plan Approval			
Item #	Budget Item		Amount
A Total	<i>Land Purchase - additional extentions</i>		25,000.00
B Total	<i>Land - engineering, geo tech, survey, environmental, landscape</i>		50,000.00
	<i>Land - historical documentation, mitigation, archeological survey Phase I & II</i>		90,000.00
C Total	<i>Design, renderings to address City comments</i>		110,000.00
D Total	<i>Market / economic, feasibility update Incl. planner survey</i>		75,000.00
E Total	<i>Project management services</i>		90,000.00
F Total	<i>Legal document review, P3 negotiation and misc services</i>		45,000.00
G Total	Grand Total		\$485,000

APPENDIX F:

PRELIMINARY MILESTONE SCHEDULE

- I. City Approval of MOU – December 3, 2015**
- II. Maryland Historical Trust Agreement – May 1, 2016**
- III. State Inclusion of Funding in Fiscal Budget - April 1, 2016**
- IV. State Budget Approval – April 15, 2016**
- V. City Entitlements and Design / Development Process
– COMMENCE NOVEMBER 1, 2015:**
 1. HISTORIC PRESERVATION - PHASE I
 2. BEGIN PRELIMINARY DESIGN SERVICES
 3. PLANNING COMMISSION / SITE PLAN DEVELOPMENT
 4. HISTORIC PRESERVATION - PHASE II
 5. FULLY ENGINEERED DESIGN & CONSTRUCTION DRAWINGS
 6. BUILDING PERMIT
- VI. Execution of Master Development and Funding Agreement – September 15, 2016**
- VII. Execution of Transaction Documents (TIF Bond; state funding agreement, easements, Ground Lease, etc.) / financial closing - December 15, 2016**
- VIII. Real estate closing – on or before June 2017**
- IX. Construction Commences – on or before June 2017**
- X. Grand Opening – on or before January 2019**