

HOTEL DENSITY RESERVE DEVELOPMENT AGREEMENT

THIS HOTEL DENSITY RESERVE DEVELOPMENT AGREEMENT (this “Agreement”) is made and entered into this ____ day of _____, 2026, by and between **MHG PALM PAVILION HOTEL, LP**, a Florida limited partnership (“MHG”), its successors and assigns; **SIXTH FLAG PLANTED, LLC**, a Florida limited liability company (“Sixth Flag”) (collectively, MHG and Sixth Flag hereinafter referred to as the “Developer”), its successors and assigns; and **THE CITY OF CLEARWATER, FLORIDA**, a Florida municipal corporation (the “City” and together with the Developer the “Parties”).

R E C I T A L S :

WHEREAS, one of the major elements of the City’s revitalization effort is a special area plan for the revitalization of Clearwater Beach (the “Beach”) adopted under the provisions of the Florida Growth Management Act, Chapter 163, Part II, Florida Statutes, and titled Beach by Design; and

WHEREAS, Sections 163.3220 – 163.3243, Florida Statutes, the Florida Local Government Development Agreement Act (the “Act”), authorizes the City to enter into binding development agreements with persons having a legal or equitable interest in real property located within the corporate limits of the City; and

WHEREAS, pursuant to the Act the City has adopted Section 4-606 of the City of Clearwater Community Development Code (the “CDC”), establishing procedures and requirements for the City to consider when entering into development agreements; and

WHEREAS, Beach by Design proposed the development of hotel units to equalize development opportunities on the Beach and to ensure the Beach remains a quality, family resort community, and further provided for a limited pool of additional hotel density reserve units (“Reserve Units”) to be made available for hotel projects with said pool being referred to as the Hotel Density Reserve (the “Reserve”); and

WHEREAS, Sixth Flag is the owner of certain real property located at 10 Bay Esplanade, Clearwater, FL 33767 and MHG is the owner of certain real property located at 18 Bay Esplanade, Clearwater, FL 33767, which together encompass 1.06 acres of real property that encompass a condominium plat known as the Palm Pavilion Land Condominium (the “Property”) in the corporate limits of the City, more particularly described in Exhibit “A” attached hereto and incorporated herein; and

WHEREAS, the City and Developer wish to enter into this Agreement to develop a mixed-use hotel project on the Property consisting of 144 overnight accommodation units, an approximately 9,389 square foot restaurant, approximately 1,480 square feet of guest amenity space, a pool, a lobby, and an approximately 78,840 square foot parking garage containing a minimum of 173 parking spaces or 1.2 spaces/unit for the overnight accommodations use,

generally conforming to the conceptual site plan and architectural elevations shown in Exhibit “B” (collectively the “Project”); and

WHEREAS, the Property has not previously acquired density from the Destination Resort Density Pool; and

WHEREAS, upon completion the Project will contain 144 overnight accommodations units, which includes 91 Reserve Units; and

WHEREAS, the City has conducted such public hearings as are required by and in accordance with Section 163.3225, Florida Statutes, CDC Sections 4-206 and 4-606, and any other applicable law; and

WHEREAS, the City has determined that, as of the date of this Agreement, the Project is consistent with the City’s Comprehensive Plan and the CDC; and

WHEREAS, at a duly noticed and convened public meeting on _____, 2026, the City Council approved this Agreement and authorized and directed its execution by the appropriate officials of the City; and

WHEREAS, approval of this Agreement is in the best interests of the City in furtherance of the City’s goals of enhancing the viability of the resort community and in furtherance of the objectives of Beach by Design; and

WHEREAS, the Developer has approved this Agreement and has duly authorized certain individuals to execute this Agreement on the Developer’s behalf.

W I T N E S S E T H :

NOW, THEREFORE, in consideration of and in reliance upon the premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto intending to be legally bound and in accordance with the Act and CDC, agree as follows:

SECTION 1. Recitals. The above recitals are true and correct and are a part of this Agreement.

SECTION 2. Incorporation of the Act. This Agreement is entered into in compliance with and under the authority of the CDC and the Act, the terms of which as of the date of this Agreement are incorporated herein by this reference and made a part of this Agreement. Words used in this Agreement without definition that are defined in the Act shall have the same meaning in this Agreement as in the Act.

SECTION 3. Property Subject to this Agreement. The Property described in Exhibit “A” is subject to this Agreement.

- A. The Property currently has a land use designation of Resort Facilities High (RFH) and is zoned Tourist (T). The permitted uses on the property shall include overnight accommodations, retail sales and services, restaurants, and any accessory uses commonly associated with a hotel as determined by the City's community development coordinator. Such uses shall be developed in accordance with the Project's conceptual site plan and architectural elevations attached hereto as Exhibit "B" (collectively the "Conceptual Site Plan").
- B. Sixth Flag and MHG are collectively the Owners of the Property as described herein.

SECTION 4. Scope of Project.

- A. The Project shall consist of one hundred forty-four (144) overnight accommodation units in total which includes ninety-one (91) Reserve Units. Upon adoption of this Agreement, the Project shall receive the 91 Reserve Units. All Reserve Units not constructed in accordance with this Agreement shall be returned to the Reserve. The Project shall include a minimum of one hundred seventy-three (173) parking spaces (1.2 spaces per unit) dedicated to the overnight accommodation use, as defined in the CDC.
- B. The City has determined that the Conceptual Site Plan is consistent with Beach by Design.
- C. The Project shall not exceed seventy-five (75) feet in height. The building intensity shall include One Hundred Forty-four (144) overnight accommodation units, an approximately 9,389 square foot restaurant (which reflects the existing size of the restaurant), approximately 1480 square feet of guest amenity space, a pool, a lobby, and an approximately 78,840 square foot parking garage which shall contain the parking spaces referenced in Subsection A. above.

SECTION 5. Effective Date/Duration of this Agreement.

- D. This Agreement shall not be effective until this Agreement is properly recorded in the Public Records of Pinellas County, Florida, pursuant to Section 163.3239, Florida Statutes and CDC Section 4-606 (the "Effective Date").
- E. Within fourteen (14) days after the City approves the execution of this Agreement, the City shall record the Agreement with the Clerk of the Circuit Court for Pinellas County. The Developer shall pay the cost of such recording.
- F. This Agreement shall continue in effect for ten (10) years commencing on the Effective Date (the "Term") unless earlier terminated as set forth herein.

SECTION 6. Obligations of the Developer. The obligations under this Agreement shall be binding upon and the benefits of this Agreement shall inure to the Developer, its successors in interests or assigns. To comply with this Agreement, the Developer must comply with the following:

- A. At the time of development of the Property, the Developer will submit such applications and documentation as are required by law and shall comply with the CDC provisions applicable at the time of building permit review.
- B. The Project shall be developed in substantial conformance with the Conceptual Site Plan and the provisions of this Agreement. Any modifications determined by the Community Development Coordinator as either inconsistent with the Conceptual Site Plan or constituting a substantial deviation from said plan shall require an amendment to this Agreement in accordance with the procedures of the Act and the CDC, as necessary and applicable. Any and all such approved and adopted amendments shall be recorded in the Public Records of Pinellas County, Florida.
- C. The Developer shall obtain appropriate site plan approval pursuant to a Level One or Level Two development application within one (1) year from the Effective Date of this Agreement in accordance with the provisions of the CDC, commence vertical construction within four (4) years from the date of site plan approval (issuance of a “Development Order”), and obtain a certificate of occupancy within six (6) years from the date of site plan approval. For sake of clarity, “commence vertical construction” shall mean that the physical building encompassing the Project has begun being erected on the Property. Notwithstanding anything contained herein, the Developer shall have the right to request extensions permitted by law for the Development Order.
- D. Evacuation/Closure Covenant. Prior to the commencement of construction, the Developer shall execute and record a mandatory evacuation/closure covenant, substantially in the form of Exhibit “C”, providing certain use restrictions and stating that the overnight accommodation component of the Project will close as soon as practicable after a hurricane watch that includes Clearwater Beach is posted by the National Hurricane Center.
- E. Covenant of Unified Use and Development. Prior to the issuance of the first building permit for the Project, the Developer shall execute and record a mandatory covenant of unified use and development, substantially in the form of Exhibit “D”. Such covenant shall provide that the Project shall be developed and used as a single project, provided, however, that nothing shall preclude the Developer from selling all or a portion of the Developer’s Property in the event that the Developer decides not to construct the Project. It is understood and agreed that, in the event that the Developer enters into the covenant of unified use and development and 1.) elects not to construct the Project and notifies the City of this election in writing, or 2.) as of the date of expiration, termination, or revocation of this Agreement, no rights of the Developer remain or will be exercised to incorporate the

Reserve Units into the Project, the City shall execute and deliver to the Developer a termination of such covenant of unified use and development suitable for recording in the Public Records of Pinellas County, Florida.

- F. Transient Use. A reservation system shall be required as an integral part of the overnight accommodations use for the Project. There shall be a lobby/front desk area that must be operated as a typical lobby/front desk area for a hotel would be operated. Access to all units must be provided through a lobby and internal corridor. All units shall be available to the public for overnight transient hotel occupancy at all times through the required hotel reservation system. Occupancy in the hotel is limited to a term of less than one (1) month or thirty-one (31) consecutive days, whichever is less. No unit in the hotel shall be used as a primary or permanent residence.
- G. No Full Kitchens. No unit shall have a complete kitchen facility as that term is used in the definition of “dwelling unit” in the CDC. Mini kitchens as defined in Beach by Design are permitted.
- H. Inspection of Records. The Developer shall make available for inspection to authorized representatives of the City its books and records pertaining to each Reserve Unit upon reasonable notice to confirm compliance with these regulations as allowed by general law.
- I. Compliance with Design Guidelines. The Developer agrees to comply with the applicable Design Guidelines as set forth in Beach by Design.
- J. Limitation on Amplified Music. The Developer agrees that there shall be no outdoor amplified music at the Project between the hours 11:00 p.m. to 7:00 a.m. on Sunday through Thursday, or between the hours of 12:00 a.m. to 7:00 a.m. on Friday and Saturday.

Multi-Modal Impact Fee. The Project shall be subject to the City’s multi-modal impact fee ordinance and shall pay any required impact fees at the time and in the manner prescribed by the ordinance.

SECTION 7. Obligations of the City.

- A. The City shall promptly process site and construction plan applications for the Property that are consistent with the Comprehensive Plan, the Conceptual Site Plan, and the CDC.
- B. The final effectiveness of the applications referenced in Section 7.(A.) are subject to:
 - i. The provisions of Chapters 163 and 166, Florida Statutes, as they may govern such applications; and
 - ii. The expiration of any appeal periods or, if an appeal is filed, at the conclusion of such appeal.

SECTION 8. Public Facilities to Service Development. Subject to the City's determination of sufficient capacity, the following public facilities are presently available to service the Property from the sources indicated below.

- A. Potable water is available from the City. The Developer shall be responsible for all necessary main extensions and applicable connection fees.
- B. Sewer service is currently provided by the City. The Developer shall be responsible for all necessary main extensions and applicable connection fees.
- C. Fire protection is available from the City.
- D. Drainage facilities for the Property will be provided by the Developer at the Developer's sole expense.

Any and all improvements associated with the public facilities identified in this section shall be completed prior to the issuance of any certificate of occupancy. Concurrency requirements that were included in Article 4, Division 9 of the CDC have been repealed.

The Developer agrees to provide a cashier's check, a payment and performance bond, or letter of credit in the amount of one hundred fifteen percent (115%) of the estimated costs of the public facilities and services, to be deposited with the City to secure construction of any new public facilities and services required to be constructed by this Agreement. Such construction shall be completed prior to issuance of a certificate of occupancy for the Project.

SECTION 9. Required Local Government Approvals. The required local government development approvals for development of the Property include, without limitation, the following:

- A. Site plan approval(s) and associated utility licenses, access, and right-of-way utilization permits;
- B. Building permit(s); and
- C. Certificate(s) of occupancy.

SECTION 10. Finding of Consistency. The City finds that development of the Property is consistent with the terms of this Agreement and is consistent with the City's Comprehensive Plan and the CDC.

SECTION 11. Remedies Upon Default by Developer. If the Developer fails to comply with the provisions of this Agreement, as reasonably determined by the City Manager, then after thirty (30) days written notice and opportunity to cure such a default, the City of Clearwater City Council

may, at a meeting noticed to Developer and provided in accordance with the CDC, elect to take any or all of the following actions:

1. Administratively suspend any and all existing permits or development approvals and deny issuance of any new permits or approvals until the Developer has fulfilled its obligations;
2. In the event of a failure to meet or fulfill the requirements of Section 6.(A.), (B.), (C.), or (I), terminate this Agreement in part or its entirety and revoke the Reserve Units granted hereunder. Reserve Units revoked hereunder shall be returned to the Reserve for use by future development projects;
3. Terminate this Agreement in part or its entirety;
4. Seek specific performance of the Developer's obligation in a court of competent jurisdiction; or
5. Amend the Agreement to adjust the obligations of the Developer if such amendment does not violate Florida law, the City's comprehensive plan, or the CDC.

SECTION 12. Other Terms and Conditions. During the Term of this Agreement, the City may apply laws and policies adopted subsequently to the Effective Date of this Agreement if the City has held a public hearing and determined:

- (a) They are not in conflict with the laws and policies governing this Agreement and do not prevent development of the land uses, intensities, or densities in this Agreement;
- (b) They are essential to the public health, safety, or welfare, and expressly state that they shall apply to a development that is subject to a development agreement;
- (c) They are specifically anticipated and provided for in this Agreement;
- (d) The City demonstrates that substantial changes have occurred in pertinent conditions existing at the time of approval of this Agreement; or
- (e) This Agreement is based on substantially inaccurate information provided by the Developer.

SECTION 13. Compliance with the Law. The failure of this Agreement to address any particular permit, condition, term or restriction shall not relieve the Developer from the necessity of complying with the law governing such permitting requirements, conditions, terms or restrictions.

SECTION 14. Notices. All notices and communications required or desired to be given under this Agreement shall be given to the Parties by hand delivery, by nationally recognized overnight courier service such as Federal Express, or by certified mail, return receipt requested, addressed as follows (copies as provided below shall be required for proper notice to be given):

If to Developer: MHG Palm Pavilion Hotel, LP
7 Old Roswell Street
Alpharetta, GA 300009
ATTN: Erik Rowan
Erik.rowan@mckibbonplaces.com

With a copy to: HILL WARD & HENDERSON, P.A.
Attn: Katherine E. Cole, Esq.
600 Cleveland Street, Suite 800
Clearwater, Florida 33755

AND

Sixth Flag Planted LLC
11201 Corporate Circle North, Suite 100
St. Petersburg, FL 33716
ATTN: Greg Powers

With a copy to: MACFARLANE FERGUSON & MCMULLEN P.A.
Attn: Brian J. Aungst, Jr., Esq.
625 Court Street, Suite 200
Clearwater, Florida 33756

If to City: CITY OF CLEARWATER
Attn: City Manager
P.O. Box 4748
Clearwater, Florida 33758

With a copy to: CITY OF CLEARWATER
Attn: City Attorney
P.O. Box 4748
Clearwater, Florida 33758

Properly addressed, postage prepaid, notices or communications shall be deemed delivered and received on the day of hand delivery, the next business day after deposit with an overnight courier service for next day delivery, or on the third (3rd) day following deposit in the United States mail, certified mail, return receipt requested. The Parties may change the addresses set forth above (including the addition of a mortgagee to receive copies of all notices), by notice in accordance with this Section.

SECTION 15. Assignment by Developer.

- A. During the Term of this Agreement, the Developer may only sell, convey, assign, or otherwise dispose of any or all of its right, title, interest and obligations in and to the Project, or any part thereof, with the prior written notice to the City, provided that such party (hereinafter referred to as the “assignee”), to the extent of the sale, conveyance, assignment or other disposition by the Developer to the assignee, shall be bound by the terms of this Agreement the same as the Developer for such part of the Project as is subject to such sale, conveyance, assignment or other disposition.
- B. If the assignee of the Developer’s right, title, interest and obligations in and to the Project, or any part thereof assumes all of the Developer’s obligations hereunder for the Project, or that part subject to such sale, conveyance, assignment or other disposition, then the Developer shall be released from all such obligations hereunder which have been so assumed by the assignee, and the City agrees to execute an instrument evidencing such release, which shall be in recordable form.

SECTION 16. Successors and Assigns. The terms herein contained shall bind and inure to the benefit of the City, and its successors and assigns, and the Developer, their personal representatives, trustees, heirs, successors and assigns, except as may otherwise be specifically provided herein.

SECTION 17. Minor Non-Compliance. The Developer will not be deemed to have failed to comply with the terms of this Agreement in the event such noncompliance, in the judgment of the City of Clearwater City Manager or their designee is of a minor or inconsequential nature.

SECTION 18. Covenant of Cooperation. The Parties shall cooperate with and deal with each other in good faith and assist each other in the performance of the provisions of this Agreement and in achieving the completion of development of the Property.

SECTION 19. Approvals. Whenever an approval or consent is required under or contemplated by this Agreement such approval or consent shall not be unreasonably withheld, delayed or conditioned. All such approvals and consents shall be requested and granted in writing.

SECTION 20. Completion of Agreement. Upon the completion of performance of this Agreement or its revocation or termination, a statement evidencing such completion, revocation, or termination shall be signed by the Parties and recorded in the official records of the City.

SECTION 21. Entire Agreement. This Agreement (including any and all exhibits attached hereto all of which are a part of this Agreement to the same extent as if such exhibits were set forth in full in the body of this Agreement), constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof.

SECTION 22. Construction. The titles, captions and section numbers in this Agreement are inserted for convenient reference only and do not define or limit the scope or intent and should not be used in the interpretation of any section, subsection or provision of this Agreement. Whenever the context requires or permits, the singular shall include the plural, and plural shall include the singular and any reference in this Agreement to the Developer includes the Developer's successors or assigns. This Agreement was the production of negotiations between representatives for the City and the Developer and the language of the Agreement should be given its plain and ordinary meaning and should not be strictly construed against any party hereto based upon draftsmanship. If any term or provision of this Agreement is susceptible to more than one interpretation, one or more of which render it valid and enforceable, and one or more of which would render it invalid or unenforceable, such term or provision shall be construed in a manner that would render it valid and enforceable.

SECTION 23. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance is declared invalid or unenforceable, the remainder of this Agreement, including any valid portion of the invalid term or provision and the application of such invalid term or provision to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and shall with the remainder of this Agreement continue unmodified and in full force and effect. Notwithstanding the foregoing, if such responsibilities of any party hereto, to the extent that the purpose of this Agreement or the benefits sought to be received hereunder are frustrated, such party shall have the right to terminate this Agreement upon fifteen (15) days written notice to the other party.

SECTION 24. Code Amendments. Subsequently adopted ordinances and codes of the City which are of general application not governing the development of land shall be applicable to the Property, and such modifications are specifically anticipated in this Agreement.

SECTION 25. Governing Law and Venue. This Agreement shall be governed by, and construed in accordance with the laws of the State of Florida. The exclusive venue for any proceeding or suit in law or equity arising from or relating to this Agreement will be in Pinellas County, Florida.

SECTION 26. Counterparts. This Agreement may be executed in counterparts, all of which together shall continue one and the same instrument.

SECTION 27. Amendment. This Agreement may be amended by mutual written consent of the City and the Developer so long as the amendment meets the requirements of the Act, the CDC, the City's comprehensive plan, any other applicable City ordinances, and Florida law.

[*Signature Page(s) to Follow*]
[*Rest of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the Parties have hereto executed this Agreement the date and year first above written.

(DEVELOPER 1 SIGNATURE PAGE)

In the Presence of:

MHG Palm Pavilion LP,
a Florida limited partnership.

Print Name: _____
Address: _____

By: _____

Title: _____
Date: _____

Print Name: _____
Address: _____

“WITNESSES AS TO THE DEVELOPER”

STATE OF FLORIDA)
COUNTY OF PINELLAS)

This Agreement was acknowledged before by means of _____ physical presence or _____
online notarization me this _____ day of _____, 2026, by
_____, on behalf of the entity. He is _____ personally
known to me or has _____ produced _____ as identification.

NOTARY PUBLIC
Print Name: _____
My Commission Expires: _____

(DEVELOPER 2 SIGNATURE PAGE)

In the Presence of:

Sixth Flag Planted, LLC,
a Florida limited liability company.

Print Name: _____

Address: _____

By: _____

Title: _____

Date: _____

Print Name: _____

Address: _____

“WITNESSES AS TO THE DEVELOPER”

STATE OF FLORIDA)

COUNTY OF PINELLAS)

This Agreement was acknowledged before by means of _____ physical presence or _____
online notarization me this _____ day of _____, 2026, by
_____, on behalf of the entity. He is _____ personally
known to me or has _____ produced _____ as identification.

NOTARY PUBLIC

Print Name: _____

My Commission Expires: _____

(CITY SIGNATURE PAGE)

Countersigned:

CITY OF CLEARWATER, FLORIDA,
a Florida municipal corporation.

Bruce Rector

Mayor

Date: _____

By:

Jennifer Poirrier

City Manager

Date: _____

Approved as to form:

Attest:

Matthew J. Mytych, Esq.

Assistant City Attorney

Date: _____

Rosemarie Call

City Clerk

Date: _____

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

Units 1 and 2 of the Palm Pavilion Land Condominium, a Condominium, according to the Declaration of Condominium and all exhibits attached thereto, recorded in OR Book 23434, Page 47 within the Public Records of Pinellas County, Florida.

Which was formerly:

LEGAL DESCRIPTION:

UNIT 1:

LOTS 1, 2, 3, 4 AND 15, LESS THE EAST 40.00 FEET OF
LOTS 4 AND 15, BLOCK 8, REVISED MAP OF CLEARWATER
BEACH, ACCORDING TO THE MAP OR PLAT THEREOF AS
RECORDED IN PLAT BOOK 11, PAGE 5, OF THE PUBLIC
RECORDS OF PINELLAS COUNTY, FLORIDA.

UNIT 2:

ALL OF LOTS 5, 6, 7, 13, 14 AND THE EAST 40.00 FEET
OF LOTS 4 AND 15, BLOCK 8, REVISED MAP OF
CLEARWATER BEACH, A/K/A CLEARWATER BEACH REVISED
SUBDIVISION, ACCORDING TO THE MAP OR PLAT THEREOF
RECORDED IN PLAT BOOK 11, PAGE 5, PUBLIC RECORDS
OF PINELLAS COUNTY, FLORIDA.

EXHIBIT “B”
Conceptual Site Plan

See attached.

EXHIBIT "C"
MANDATORY EVACUATION/CLOSURE COVENANT

PLEASE RETURN RECORDED DOCUMENT TO:

DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS AND RESTRICTIONS (this "Declaration") is made and entered into as of this ____ day of _____, 2026, by **MHG Palm Pavilion Hotel, LP**, a Florida limited partnership and **Sixth Flag Planted, LLC**, a Florida limited liability company (collectively, the "Developer").

WHEREAS, the Developer is the fee simple owner of certain real property located at 10 Bay Esplanade and 18 Bay Esplanade, Clearwater, Florida 33767 more particularly described in Schedule "1" attached hereto and made a part hereof (the "Property"); and

WHEREAS, the City of Clearwater, Florida (the "City"), has amended its comprehensive plan to designate Clearwater Beach as a community redevelopment district pursuant to the Pinellas County Planning Council rules in order to implement the provisions of Beach by Design, a plan for the revitalization of Clearwater Beach; and

WHEREAS, the designation of Clearwater Beach as a community redevelopment district (the "Designation") provides for the allocation of hotel density reserve units ("Reserve Units") as an incentive for the development of quality hotels. Pursuant to the Designation, the allocation of Reserve Units is subject to compliance with a series of performance standards, including a requirement that hotels developed with Reserve Units shall be closed and all guests evacuated from such hotels as soon as practicable after the National Hurricane Center posts a hurricane watch that includes Clearwater Beach. The purpose of such evacuation is to ensure that such a hotel is evacuated in advance of the period of time when a hurricane evacuation would be expected in advance of the approach of hurricane force winds; and

WHEREAS, the City has granted, by City Council Resolution _____, passed and approved on _____, 2026, the Developer's hotel density reserve development agreement (the "Development Agreement") providing for the allocation of Reserve Units for the development of a hotel project as provided for in the Development Agreement (the "Project") and pursuant to the Designation, subject to the Developer's compliance with the requirements of the Designation. Developer desires for itself, and its successors and assigns, as owner, to establish certain rights, duties, obligations and responsibilities with respect to the use and operation of the Property in accordance with the terms and conditions of the allocation of the Reserve Units by the City, the

Development Agreement, and the Designation, which rights, duties, obligations and responsibilities shall be binding on any and all successors and assigns and will run with the title to the Property.

NOW THEREFORE, in consideration of the covenants and restrictions herein set forth and to be observed and performed, and in further consideration of the allocation of the Reserve Units to the Developer, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Developer hereby declares, covenants and agrees as follows:

1. Benefit and Enforcement. These covenants and restrictions are made for the benefit of the Developer, its successors and assigns, and the residents of the City and shall be enforceable by Developer, its successors and assigns, and by the City for the benefit of its residents.
2. Definitions. As used herein, the terms “transient occupancy”, “public lodging establishment”, “hotel”, and “operator” shall have the meaning given to such terms in Chapter 509, Part I, Florida Statutes.
3. Effective Date. This Declaration shall become effective upon issuance of all building permits required to build the Project and Developer’s commencement of construction of the Project as evidenced by a Notice of Commencement for the Project. This Declaration shall expire and terminate automatically if and when the allocation of Reserve Units to the Developer expires or is terminated.
4. Covenant of Development, Use, and Operation. The Developer hereby covenants and agrees to the development, use and operation of the Property in accordance with the provisions of this Declaration. The use of the Project on the Property is restricted as follows:
 - A. 144 units, 91 of which are Reserve Units, shall be used solely for transient occupancy of one (1) month or thirty-one (31) consecutive days or less, must be licensed as a public lodging establishment and classified as a hotel, and must be operated by a single licensed operator. No unit shall be used as a primary or permanent residence. Access to the units must be provided through a lobby and internal corridor. A reservation system shall be required as an integral part of the hotel component of the Project and there shall be a lobby/front desk area that must be operated as a standard lobby/front desk area for a hotel would be operated. All units shall be required to be submitted to a rental program requiring the units to be available for members of the public as overnight hotel guests on a transient basis at all times. No unit shall have a complete kitchen facility as that term is used in the definition of “dwelling unit” in the City of Clearwater Community Development Code (the “CDC”). Mini kitchens as defined in Beach by Design are permitted. Developer shall make available for inspection to authorized representatives of the City its books and records

pertaining to each unit upon reasonable notice to confirm compliance with these regulations as allowed by general law. The Developer agrees to comply with the Design Guidelines as set forth in Section VII of Beach by Design.

- B. Closure of Improvements and Evacuation. The hotel component of the Project developed on the Property shall be closed as soon as practicable upon the issuance of a hurricane watch by the National Hurricane Center, which hurricane watch includes Clearwater Beach. All Hotel guests, visitors, and employees other than emergency and security personnel required to protect the hotel component of the Project, shall be evacuated from the hotel as soon as practicable following the issuance of said hurricane watch. In the event that the National Hurricane Center shall modify the terminology employed to warn of the approach of hurricane force winds, the closure and evacuation provisions of this Declaration shall be governed by the level of warning employed by the National Hurricane Center which precedes the issuance of a forecast of probable landfall in order to ensure that the guests, visitors, and employees will be evacuated in advance of the issuance of a forecast of probable landfall.
5. Governing Law and Venue. This Declaration shall be governed by and construed in accordance with the laws of the State of Florida. The exclusive venue for any proceeding or suit in law or equity arising from or relating to this Agreement will be in Pinellas County, Florida.
6. Recording. This Declaration shall be recorded in Public Records of Pinellas County, Florida.
7. Attorneys' Fees. The Developer shall reimburse the City for any expenses, including reasonable attorneys' fees, which are incurred by the City in the event that the City determines that it is necessary and appropriate to seek judicial enforcement of this Declaration and the City obtains relief, whether by agreement of the parties or through order of a court of competent jurisdiction.
8. Severability. If any provision, or part thereof, of this Declaration or the application of this Declaration to any person or circumstance will be or is declared to any extent to be invalid or unenforceable, the remainder of this Declaration, or the application of such provision or portion thereof to any person or circumstance, shall not be affected thereby, and each and every other provision of this Declaration shall be valid and enforceable to the fullest extent permitted by law.

[*Signature Page(s) to Follow*]
[*Rest of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, the parties have hereto executed this Declaration on the date and year first above written.

(DECLARATION—DEVELOPER 1 SIGNATURE PAGE)

In the Presence of:

MHG Palm Pavilion LP,
a Florida limited partnership.

Print Name: _____

Address: _____

By: _____

Title: _____

Date: _____

Print Name: _____

Address: _____

“WITNESSES AS TO THE DEVELOPER”

STATE OF FLORIDA)

COUNTY OF PINELLAS)

This Agreement was acknowledged before by means of _____ physical presence or _____
online notarization me this _____ day of _____, 2026, by
_____, on behalf of the entity. He is _____ personally
known to me or has _____ produced _____ as identification.

NOTARY PUBLIC

Print Name: _____

My Commission Expires: _____

(DEVELOPER 2 SIGNATURE PAGE)

In the Presence of:

Sixth Flag Planted LLC,
a Florida limited liability company.

Print Name: _____

Address: _____

By: _____

Title: _____

Date: _____

Print Name: _____

Address: _____

“WITNESSES AS TO THE DEVELOPER”

STATE OF FLORIDA)

COUNTY OF PINELLAS)

This Agreement was acknowledged before by means of _____ physical presence or _____
online notarization me this _____ day of _____, 2026, by
_____, on behalf of the entity. He is _____ personally
known to me or has _____ produced _____ as identification.

NOTARY PUBLIC

Print Name: _____

My Commission Expires: _____

(DECLARATION—CITY SIGNATURE PAGE)

Countersigned:

CITY OF CLEARWATER, FLORIDA,
a Florida municipal corporation.

Bruce Rector

Mayor

Date: _____

By:

Jennifer Poirrier

City Manager

Date: _____

Approved as to form:

Attest:

Matthew J. Mytych, Esq.

Assistant City Attorney

Date: _____

Rosemarie Call

City Clerk

Date: _____

SCHEDULE "1" TO DECLARATION
Legal Description

Units 1 and 2 of the Palm Pavilion Land Condominium, a Condominium, according to the Declaration of Condominium and all exhibits attached thereto, recorded in OR Book 23434, Page 47 within the Public Records of Pinellas County, Florida.

Which was formerly:

LEGAL DESCRIPTION:

UNIT 1:

LOTS 1, 2, 3, 4 AND 15, LESS THE EAST 40.00 FEET OF LOTS 4 AND 15, BLOCK 8, REVISED MAP OF CLEARWATER BEACH, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 11, PAGE 5, OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA.

UNIT 2:

ALL OF LOTS 5, 6, 7, 13, 14 AND THE EAST 40.00 FEET OF LOTS 4 AND 15, BLOCK 8, REVISED MAP OF CLEARWATER BEACH, A/K/A CLEARWATER BEACH REVISED SUBDIVISION, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT BOOK 11, PAGE 5, PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA.

EXHIBIT “D”
COVENANT OF UNIFIED USE

PLEASE RETURN RECORDED DOCUMENT TO:

COVENANT OF UNIFIED USE

THIS COVENANT OF UNIFIED USE (this “Covenant”) is executed this ____ day of _____, 2026, by **MHG Palm Pavilion Hotel, LP**, a Florida limited partnership (“MHG”) and **Sixth Flag Planted, LLC**, a Florida limited liability company (“Sixth Flag”) (collectively, the “Developer”).

W I T N E S S E T H :

WHEREAS, the Developer is the owner of the real property located at 10 Bay Esplanade and 18 Bay Esplanade, Clearwater, Florida 33767 more particularly described on Schedule “1” attached hereto and incorporated herein by reference (the “Property”); and

WHEREAS, the Developer and the City of Clearwater, Florida (the “City”) are parties to that certain Hotel Density Reserve Development Agreement dated the ____ day of _____, 20__ (the “Agreement”), pursuant to which the City has agreed that Developer may develop and construct upon the Real Property a hotel project as described in the Agreement (the “Project”); and

WHEREAS, Developer intends to develop and operate the Property for a unified use, as more particularly described in this Covenant.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer does hereby agree that, effective as of the date on which Developer receives all permits required to construct the Project and Developer commences construction thereof, as evidenced by a Notice of Commencement for the Project, the Real Property shall be developed and operated as a hotel project, as described in the Agreement. The restrictions set forth in the preceding sentence shall expire automatically when and if the Developer’s allocation of additional hotel density reserve units (as defined in the Agreement) expires or is terminated. Nothing in this Covenant shall require Developer to develop the Project or restrict Developer’s ability to sell, assign, transfer or otherwise convey its right in and to the Real Property or any portion or portions thereof to unrelated third-parties. Developer agrees that the City shall have the right to enforce the terms and conditions of this Covenant.

IN WITNESS WHEREOF, the parties have hereto executed this Covenant the date and year first above written.

(COVENANT—DEVELOPER 1 SIGNATURE PAGE)

In the Presence of:

MHG Palm Pavilion LP,
a Florida limited partnership.

Print Name: _____

Address: _____

By: _____

Date: _____

Print Name: _____

Address: _____

STATE OF FLORIDA)

COUNTY OF PINELLAS)

The foregoing declaration was acknowledged before by means of _____ physical presence or _____ online notarization me this _____ day of _____, 2026, by _____, a Florida limited liability company, on behalf of the entity. He is _____ personally known to me or has _____ produced _____ as identification.

NOTARY PUBLIC

Print Name: _____

My Commission Expires: _____

(COVENANT—DEVELOPER 2 SIGNATURE PAGE)

In the Presence of:

Sixth Flag Planted LLC,
a Florida limited liability company.

Print Name: _____

Address: _____

By: _____

Date: _____

Print Name: _____

Address: _____

STATE OF FLORIDA)

COUNTY OF PINELLAS)

The foregoing declaration was acknowledged before by means of _____ physical presence
or _____ online notarization me this _____ day of _____, 2026,
by _____, a Florida limited liability company, on behalf of the entity.
He is _____ personally known to me or has _____ produced _____ as
identification.

NOTARY PUBLIC

Print Name: _____

My Commission Expires: _____

(COVENANT—CITY SIGNATURE PAGE)

Countersigned:

CITY OF CLEARWATER, FLORIDA,
a Florida municipal corporation.

Bruce Rector

Mayor

Date: _____

By:

Jennifer Poirrier

City Manager

Date: _____

Approved as to form:

Attest:

Matthew J. Mytych, Esq.

Assistant City Attorney

Date: _____

Rosemarie Call

City Clerk

Date: _____

SCHEDULE "1" TO COVENANT
Legal Description

Units 1 and 2 of the Palm Pavilion Land Condominium, a Condominium, according to the Declaration of Condominium and all exhibits attached thereto, recorded in OR Book 23434, Page 47, and in condominium Plat Book ____, page ____, all within the Public Records of Pinellas County, Florida.

LEGAL DESCRIPTION:

UNIT 1:

LOTS 1, 2, 3, 4 AND 15, LESS THE EAST 40.00 FEET OF LOTS 4 AND 15, BLOCK 8, REVISED MAP OF CLEARWATER BEACH, ACCORDING TO THE MAP OR PLAT THEREOF AS RECORDED IN PLAT BOOK 11, PAGE 5, OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA.

UNIT 2:

ALL OF LOTS 5, 6, 7, 13, 14 AND THE EAST 40.00 FEET OF LOTS 4 AND 15, BLOCK 8, REVISED MAP OF CLEARWATER BEACH, A/K/A CLEARWATER BEACH REVISED SUBDIVISION, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT BOOK 11, PAGE 5, PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA.