

DEVELOPMENT INCENTIVE PROGRAM LOAN LETTER OF INTENT

August ~~22~~, 2017

Young Men's Christian Association of South Florida, Inc.
900 SE 3rd Avenue
Fort Lauderdale, Florida 33316
Attn: Sheryl Woods, President and CEO

Re: Letter of intent to provide a grant in the form of a loan of Ten Million Dollars (\$10,000,000) to Young Men's Christian Association of South Florida, Inc. ("YMCA") to be secured by certain property described in Exhibit A, attached hereto and made a part hereof (the "Property")

Dear Ms. Woods:

This is a letter of intent to set forth the terms and conditions to be included in a Development Agreement for the Development Incentive Program (the "Development Agreement") proposed to be entered into by and between the Fort Lauderdale Community Redevelopment Agency (the "Lender", "CRA") and YMCA (the "Borrower"). Lender agrees to lend Ten Million Dollars (\$10,000,000) for an economic development loan (the "Loan") that will be disbursed in equal payments over an eight year period (the "Loan Term"). The Loan shall be advanced to pay hard costs of construction and tenant improvement costs financed by a construction loan for a YMCA Community Center, being a four story building of approximately 65,000 square feet on the property ("the "Project").

The CRA Board hereby authorizes the CRA General Counsel or outside legal counsel to prepare the Agreement under the authorization and direction of the CRA's Executive Director and to incorporate the following general terms and conditions as provided herein.

LEASE OF CITY PROPERTY: The parties acknowledge that the City of Fort Lauderdale ("City") and the YMCA will enter into a Lease Agreement whereby YMCA will lease the Property from the City (the "Lease"). The execution and the good standing of the Lease shall be a condition to the Lender's obligation to fund under the Development Agreement.

CONSTRUCTION LOAN: Prior to the Commencement Date, as defined herein, Borrower will obtain commitments for a construction loan in an amount sufficient (together with donations and funds from other sources) to construct the Project. The construction loan commitments must be approved by the Executive Director of the Lender prior to the Commencement Date, which approval shall not be unreasonably conditioned, withheld, or delayed. When approved by the Lender, at closing the

institutional lender under the construction loan will have a first mortgage on Borrower's leasehold interest in the property (the "First Mortgage").

COMMENCEMENT DATE: The date Borrower has completed the Initial Development Milestone under the Lease, which shall occur within 16 months after execution of the Lease, unless otherwise extended by the City per the Lease or the CRA's Executive Director.

COMPLETION DATE: Date on which the Project is complete and a Certificate of Occupancy has been issued by the City of Fort Lauderdale. The Completion Date shall occur within two years from the Commencement Date, subject to extension pursuant to the terms of the Lease or for events outside of the Borrower's control and any limitations imposed by Part III, Chapter 163, Florida Statutes.

USES OF PROCEEDS: YMCA acknowledges that the CRA proceeds of the Loan will be used only for the hard costs of construction of the Project as generally set forth in the preliminary budget attached hereto and made a part hereof as Exhibit "B", (as may be amended by Borrower and its construction lender) and such other costs as may be approved by the Lender, so long as they are allowed expenses in accordance with Part III, Chapter 163, Florida Statutes. The CRA proceeds will not be used for soft costs and operating expenses. Borrower must provide proof of funds to pay soft costs, operating expenses, and hard costs in excess of the construction loan, if any, prior to the Commencement Date.

LOAN AMOUNT AND DISBURSEMENTS: \$10,000,000.00 allocated over 8 years at \$1,250,000.00 per fiscal year. Disbursements shall be made to service that portion of the construction/permanent loan which funded hard costs of the Project, and, the Borrower, and the construction or permanent lender may enter into a inter creditor agreement whereby disbursements will be made directly to the construction/permanent lender, or a blocked account to be paid to Borrower's construction/permanent lender.

LOAN PAYMENTS: Disbursement of the Loan shall be generally in accordance with the schedule attached hereto as Exhibit "C. Disbursements will be made subject to there being no uncured defaults under the Development Agreement, the Second Mortgage or the Lease.

COVENANT TO FUND: The Lender shall budget and appropriate legally available funds sufficient to make all such required Loan disbursements for each fiscal year, beginning with fiscal year 2017, subject to the approval as to form and substance by the Agency's Special General Counsel

and City Auditor, and subject to funds for the operations of the CRA and senior CRA debt.

**DISBURSEMENT
REQUIREMENTS:**

Disbursements are conditioned on the following requirements:

- (i) Completion of the Project, the issuance of a Certificate of Occupancy, and
- (ii) All major amenities (pool, wellness center, etc.) need to be ready to open to the public, hereinafter referred to as the "Completion Date".

PENALTY:

The Borrower shall have the following obligation for meeting the Operating Requirements and Job Creation requirements as set forth herein. Total maximum penalties for noncompliance for each year shall be set at \$100,000.00. Borrower shall have 60 days from the date of receiving such notice to pay the penalty amount to the City.

JOB CREATION:

Upon the Completion Date, Borrower shall create Full Time Equivalent (FTE) jobs at the Project for at least half of its employees at the Project with residents residing in the Community Redevelopment Area for job positions related to the administration, leasing, maintenance and operations of the Project. The Borrower shall also use commercially reasonable efforts to encourage the Project's commercial tenants to provide FTE job opportunities for at least half of their employees with residents residing in the Community Redevelopment Area at any time during such employment.

**SALE/EXCHANGE OF
LA LEE YMCA PROPERTY:**

After the Project is completed and operational and the LA LEE YMCA Property at 408 NW 14th Terrace has been vacated, the Borrower will sell or exchange that property to a third-party for the affordable or workforce housing, and shall record a notice, acceptable to CRA, to that effect.

JOBS REPORT:

Borrower shall provide to the Lender an annual written report of the Full Time Equivalent Job Hours for the immediately previous calendar year no later than October 31st of the first full year after the Completion Date and by October 31st thereafter for a period not to exceed the life of the CRA.

LOAN DOCUMENTS:

Borrower shall execute; (a) a Promissory Note in the amount of \$10,000,000.00; and (b) a Second Mortgage in a form reasonably acceptable to Lender. The Loan shall carry an interest rate of 0% per

annum and be forgivable over the balance of the Loan Term subsequent to the Completion Date. Payment of the outstanding principal amount of the Loan shall not be required except for an uncured default under the Development Agreement, Lease and/or Second Mortgage ("Loan Default"). Provided that there is not an uncured default and provided the Borrower complies with the operating requirements and jobs creation requirements under the Development Agreement and the Lease, the Loan will be forgiven, prorated annually. Any principal amount not reduced in years one through seven shall be forgiven in year eight, provided that there is not an uncured Loan Default and Borrower has continued to comply with the operating requirements and job creation requirements.

SUBORDINATION:

All the terms and provisions of the Second Mortgage shall be subordinate to the lien of the First Mortgage of the construction/permanent lender. The Borrower agrees that First Mortgage will not contain a prepayment penalty. Any subsequent agreements required by Borrower or the First Mortgage lender as a condition of closing the construction loan, shall be at the discretion of the CRA's Executive Director without any further approval of the governing body of the CRA, subject to approval of the City. Attorney's office.

LOCAL CONTRACTING:

Borrower will use its best efforts to work with the Lender to notify local business firms, minority owned firms, women-owned firms or labor surplus area firms of the opportunity to submit bids for work on the Project, with a minimum 30% benchmark for minority participation.

LOAN DEFAULT:

The occurrence of any one or more of the following Loan Defaults and the continuance thereof uncured or uncorrected for a period of 30 days, or longer period of time as may be necessary so long as Borrower is diligently pursuing cure, following proper notice: 1) Borrower defaults in its obligation to complete the Project under the terms and conditioned contain herein, and in the Lease 2) a final order, judgment or decree is entered by any court of competent jurisdiction adjudicating the Borrower bankrupt or insolvent, 3) any misrepresentation made by Borrower in any material respect and which adversely affects the rights, duties and obligations of the CRA, 4) foreclosure proceedings have commenced against the Project. During the time a Loan Default is uncured, the CRA, pursuant to the terms and conditions of the Lender, may exercise the right to require repayment of the unforgiven and unpaid principal balance of the Loan.

MAINTENANCE/REPAIRS: All construction will be done in accordance with necessary approvals and the permitted set of plans and specifications in accordance with the terms of the Lease. Once the Project is complete, Borrower at its own expense, shall properly maintain and repair the Project in accordance with the Lease.

REPORT FROM BORROWER: The Borrower shall give Lender a report after each construction draw is paid by the First Mortgage construction lender identifying the hard construction costs paid in each construction loan disbursement.

INSURANCE: The Borrower and/or the general contractor for the Project, as applicable, shall purchase and maintain at its own expense, insurance, in accordance with the provisions of the Lease.

RIGHT TO AUDIT: Lender shall have the right to audit, at its expense, the Project as may be reasonably required, and Borrower shall provide Agency with necessary information to conduct such audit.

CROSS DEFAULT: The Development Agreement, the Second Mortgage and the Lease will all be cross defaulted.

BROKER: Borrower certifies that there were no brokers engaged as a result of this Loan and indemnifies the Lender against any claims in connection with the Loan.

TERMINATION: Lender or Borrower may terminate this letter of intent if any of the following events shall occur:

If the Borrower:

- a. Applies for or consent to the appointment of a receiver, trustee, or liquidator for it or them or for any of its or their property;
- b. Admit in writing an inability to pay its, his, or their debts as they mature;
- c. Make a general assignment for the benefit of creditors;
- d. Be adjudicated bankrupt or insolvent;
- e. Files a voluntary petition or an answer seeking reorganization or an arrangement with creditors or take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution, or liquidation law or statute, or file an answer admitting the material allegations of a petition filed against it or them in any proceeding under any such law; or
- f. If condemnation proceedings are commenced against the

- Project or any part thereof.
- g. If the Lender and Borrower are unable to agree to the terms of the Development Agreement.

The letter of intent shall be made and construed in accordance with the laws of the State of Florida.

The provisions of the letter of intent cannot be modified unless such modification is in writing and signed by Lender and Borrower.

The letter of intent shall not be assignable to any person or entity without Lender's prior written consent.

Lender and Borrower agree to act in good faith to formalize the Development Agreement within a timely manner. However, nothing in this letter of intent shall be deemed an obligation of Lender or Borrower to execute a Development Agreement.

This letter of intent may be executed in one or more counterparts, each of which shall constitute an original and together shall constitute one agreement.

[Signatures on following page]

WITNESSES:

Fort Lauderdale Community Redevelopment Agency

DM Singh
MAXINE A. SINGH
Print Name

By JR Seiler
John R. "Jack" Seiler, Chairman

[Signature]
KEELY ARTHURS
Print Name

By [Signature]
Lee R. Feldman, Executive Director

ATTEST:
[Signature]
Jeffrey A. Modarelli, CRA Secretary

APPROVED AS TO FORM:
Cynthia A. Everett, CRA General Counsel

[Signature]
Lynn Solomon, Assistant General Counsel

AGREED TO AND ACCEPTED this ____ of August, 2017
Young Men's Christian Association of South Florida, Inc.,
a Florida not for profit corporation

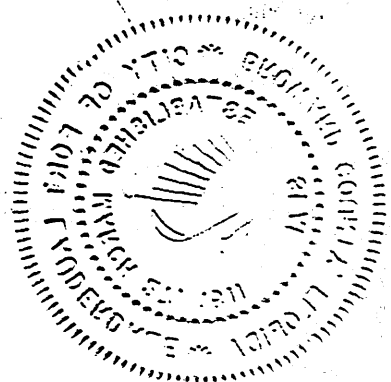
By: [Signature]
Sheryl Woods, President and CEO

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[Faint handwritten text]

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[Handwritten signature]

SKETCH AND DESCRIPTION

THIS IS NOT A SURVEY

DESCRIPTION

LOTS 39 THROUGH 48 INCLUSIVE, BLOCK 3, "LINCOLN PARK CORRECTED PLAT" ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 5, PAGE 2, OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA.

TOGETHER WITH:

LOTS 1 THROUGH 8 LESS ROAD RIGHT OF WAY, LOTS 9 THROUGH 16 INCLUSIVE AND LOTS 42 THROUGH 50 INCLUSIVE, BLOCK 2, "LINCOLN PARK CORRECTED PLAT" ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 5, PAGE 2, OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT P.O.B. (1) BEING THE NORTHEAST CORNER OF SAID LOT 39 BLOCK 3; THENCE S 04°14'03" E ALONG THE EAST LINE OF SAID BLOCK 3, A DISTANCE OF 250.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 48; THENCE S 86°13'23" W ALONG THE SOUTH LINE OF SAID LOT 48, A DISTANCE OF 100.00 FEET TO THE SAID SOUTHWEST CORNER THEREOF; THENCE N 04°14'03" W ALONG THE WEST LINE OF SAID LOTS 39 THROUGH 48, A DISTANCE OF 250.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 39; THENCE N 86°13'23" E ALONG THE NORTH LINE OF SAID LOT 39, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

BEGIN AT P.O.B. (2) BEING THE NORTHEAST CORNER OF SAID LOT 42, BLOCK 2; THENCE S 04°14'03" E ALONG THE EAST LINE OF SAID BLOCK 2, A DISTANCE OF 286.17 FEET TO THE NORTH RIGHT OF WAY LINE OF SISTRUNK BOULEVARD; THENCE S 86°06'57" W ALONG SAID NORTH RIGHT OF WAY LINE, A DISTANCE OF 200.00 FEET TO THE WEST LINE OF SAID BLOCK 2; THENCE N 04°14'03" W ALONG SAID WEST LINE, A DISTANCE OF 261.55 FEET TO THE NORTHWEST CORNER OF SAID LOT 16; THENCE N 86°13'23" E ALONG THE NORTH LINE OF SAID LOT 16, A DISTANCE OF 100.00 FEET TO THE NORTHEAST CORNER THEREOF; THENCE N 04°14'03" W ALONG THE WEST LINE OF SAID LOT 42, A DISTANCE OF 25.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 42; THENCE N 86°13'23" E ALONG THE NORTH LINE THEREOF, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

SAID LANDS SITUATE, LYING AND BEING IN THE CITY OF FORT LAUDERDALE, BROWARD COUNTY, FLORIDA. CONTAINING 79770 SQUARE FEET OR 1.8312 ACRES MORE OR LESS.

NOTES:

- 1) BEARINGS ARE BASED UPON A GRID BEARING OF S 04°14'03" E, ALONG THE EAST LINE OF BLOCK 2.
- 2) THIS IS NOT A SKETCH OF SURVEY AND DOES NOT REPRESENT A FIELD SURVEY.
- 3) SUBJECT TO EXISTING EASEMENTS, RIGHT-OF WAYS, COVENANTS, RESERVATIONS AND RESRTICTIONS OF RECORD, IF ANY
- 4) THIS SKETCH IS NOT VALID WITHOUT THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

CERTIFIED TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

DATED: JUNE 28, 2017

MICHAEL W. DONALDSON
PROFESSIONAL SURVEYOR AND MAPPER NO. 6490
STATE OF FLORIDA

SHEET 1 OF 2

BLOCK 2 AND 3, LINCOLN PARK PLAT BOOK 5, PAGE 2 EXHIBIT 1		
BY: M.D.	ENGINEERING	DATE: 06/28/17
CHK'D M.D.	DIVISION	SCALE:

EXHIBIT "A"

Division	Scope	Budget
1.	General Conditions	\$750,000
2.	Site Work	\$663,833
3.	Concrete/ Masonry	\$768,325
5.	Steel	\$1,181,408
6.	Millwork	\$50,000
7.	Roofing	\$218,399
8.	Doors/ Windows/ Glass	\$973,556
9.	Finishes	\$1,676,038
10.	Accessories	\$297,852
13.	Special Construction	\$224,000
14.	Elevators	\$240,000
15.	Mechanical	\$2,127,279
16.	Electrical	\$1,031,408
	Subtotal	\$10,202,098
	Insurance/Bond	\$202,042
	Contractor Fee	\$824,331
	Subtotal	\$11,228,471
	Contingency (6.87%)	\$771,529
	Construction Total	\$12,000,000
	Special Inspections	\$100,000
	Professional (A/E) Fees (7.5%)	\$900,000
	Permit Fees (2.1%)	\$250,000
	Entitlement Fees (2.1%)	\$250,000
	Furniture/ Equipment (12.5%)	\$1,500,000
		\$15,000,000

EXHIBIT "B"

BUDGETING AND FUNDING SCHEDULE

Fiscal Year (October 1)	Lease Milestone	CRA Budget Amount	CRA Loan Disbursement
2017	Lease sign date	\$1,250,000 (this has to be paid in 3 years - 2020)	\$0
2018	End of 16 month Initial Development Milestone (building permit and loan closing) February, 2019	\$1,250,000	\$0
2019	End of first year of the two year Construction Milestone, February, 2020	\$1,250,000	\$0
2020	End of second year of Construction Milestone (Certificate of Occupancy) February, 2021	\$1,250,000	Pay down Construction Loan. (See example 1 below)
2021	Begin Operations	\$1,250,000	Pay down Loan (See example 2 below)
2022		\$1,250,000	Pay down Loan
2023		\$1,250,000	Pay down Loan
2024		\$1,250,000	Pay down or payoff Loan
CRA expires on November 7, 2025	Total	\$10,000,000	

Example 1. On February 1, 2021 the principal balance of the Construction Loan is \$10,000,000. CRA can pay down the Construction Loan (or permanent loan if it has been converted by then), by \$5,000,000 (\$1,250,000 x 4 years). That would leave a principal balance of \$5,000,000 on the Construction Loan and the balance of the CRA's Loan secured by the Second Mortgage would be \$5,000,000.

Example 2. On February 1, 2022, the CRA authorizes \$1,250,000 and it pays down the Construction Loan. The balance on the Construction Loan is now \$3,750,000, and the balance on the CRA Loan is \$7,500,000.

Note: The CRA can commence forgiveness of the CRA loan pursuant to the terms of the Development Agreement on a pro-rata basis, with any remaining principal balance forgiven by November 7, 2025.

EXHIBIT "C"



COMMISSION AGENDA ITEM
DOCUMENT ROUTING FORM

2LG
10/11/17

Today's Date: 9/20/17

DOCUMENT TITLE: YMCA – Development Incentive Program Loan Letter of Intent

COMM. MTG. DATE: 8/22/17 CAM #: 17-0875 ITEM #: M-4 CAM attached: YES NO

Routing Origin: CAO Router Name/Ext: Shaniece Louis / Ext. 5036

CIP FUNDED: YES NO

Capital Investment / Community Improvement Projects defined as having a life of at least 10 years and a cost of at least \$50,000 and shall mean improvements to real property (land, buildings, or fixtures) that add value and/or extend useful life, including major repairs such as roof replacement, etc. Term "Real Property" include: land, real estate, realty, or real.

2) City Attorney's Office # of originals attached: 2 Approved as to Form: YES NO

Date to CCO: 10/3/17 LS
Initials

3) City Clerk's Office: # of originals: 2 Routed to: Gina Ri/CMO/X5013 Date: 10/3/17

4) City Manager's Office: CMO LOG #: Oct-21 Date received from CCO: 10/4/2017

Assigned to: L. FELDMAN S. HAWTHORNE C. LAGERBLOOM
L. FELDMAN as CRA Executive Director

APPROVED FOR LEE FELDMAN'S SIGNATURE N/A FOR L. FELDMAN TO SIGN

PER ACM: S. HAWTHORNE (Initial/Date) C. LAGERBLOOM (Initial/Date) PENDING APPROVAL (See comments below)

Comments/Questions: _____

Forward 2 originals to Mayor CCO Date: 10/4/2017

5) Mayor/CRA Chairman: Please sign as indicated. Forward ___ originals to CCO for attestation/City seal (as applicable) Date: _____

INSTRUCTIONS TO CLERK'S OFFICE

City Clerk: Retains 1 original and forwards 1 original(s) to: Shaniece Louis / Ext. 5036 / CAO (Name/Dept/Ext)

Attach ___ certified Reso # _____ YES NO Original Route form to CAO

****please email an executed copy to Shaniece Louis****