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**DOCUMENT ROUTING FORM**

NAME OF DOCUMENT:

**Cost Recovery Agreement**

Approved Comm. Mtg. on: 3/17/15 CAM #: 15-0323 ITEM #: CM-18

Routing Origin:  CAO Also attached:  copy of CAM  Original Document

1) **City Attorney's Office:** Approved as to Form / # One Original Delivered to City Manager on March 18, 2015.

Lynn Solomon

**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, 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, real.

CIP FUNDED  YES  NO  
Capital Investment / Community Improvement Projects

2) **City Manager:** Please sign as indicated and forward One original to Mayor.

3) **Mayor:** Please sign as indicated and forward One original to Clerk for attestation and City seal.

**INSTRUCTIONS TO CLERK'S OFFICE**

4) **City Clerk:** Please return original document to Laura Comer, CAO.

Original Route form to Laura Comer, CAO, Extension 5036

3/24 TAM

3-17-15 5  
Cm-18  
15-0323

**Memorandum**

**City Attorney's Office**

To: Wendy Gonyea / Assistant City Clerk IV  
From: Laura Comer/Legal Secretary  
Date: April 28, 2015  
Re: Cost Recovery Agreement – Midgard Management, Inc.

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Dear Wendy:

Please find attached the original Cost Recovery Agreement. This original document is to be retained by the City Clerk.

Should you have any questions, please let me know.

Thank you.

CITY CLERK  
2015 APR 28 AM 9:16

TAM

**COST RECOVERY AGREEMENT**

THIS COST RECOVERY AGREEMENT (the "Agreement") is between the CITY OF FORT LAUDERDALE, FLORIDA (the "City"), a Florida municipal corporation whose address is 100 N. Andrews Avenue, Fort Lauderdale, Florida 33301, and MIDGARD MANAGEMENT, INC., a Florida corporation (the "Company"), whose address is 1475 W. Cypress Creek Road, Suite 202, Fort Lauderdale, Florida 33309.

1. **Preliminary Statements.** Among the matters of mutual agreement which have resulted in the execution of this Agreement are the following:

(a) The City and Company desire to collaborate on the financing of certain infrastructure improvements, including, but not limited to, a multi-level parking garage creating an additional 250-400 parking spaces (the "Project") located on land presently owned by City and leased to Crown Land Trust, Inc.

(b) The Company is an affiliate and authorized to act on behalf of Fort Lauderdale Crown Center, Inc., and Crown Land Trust, Inc.

(c) The parties are considering financing the Project, in whole or in part, through either (i) a HUD 108 Loan (the "108 Loan") or (ii) issuance of debt obligations, including, but not limited to, special assessment bonds (the "Debt Obligations").

(d) If the parties decide to issue the Debt Obligations, then the City will establish a special assessment area for the Project, proceed to levy the special assessments, and issue Debt Obligations to finance the Project.

(e) As an express condition to the City undertaking either the 108 Loan or the issuance of Debt Obligations to finance the Project, the Company agrees to pay to and reimburse the City for any and all past, present and future costs paid or incurred by the City in connection with the Project and the financing thereof, whether through a 108 Loan or the issuance of the Debt Obligations.

(f) The City and the Company are entering into this Agreement in order to set forth the Company's agreement to pay to and reimburse the City for any and all such costs it pays or incurs, in the manner and to the extent more specifically set forth herein.

2. **Undertakings on the Part of the City.**

(a) The City proposes to consider the financing of the Project through (i) a 108 Loan or (ii) the issuance of Debt Obligations, but only on the express condition that (A) the Company enter into this Agreement in order to pay to and reimburse the City for any and all past, present and future costs paid or incurred by the City and in connection with the undertaking of the Project and the financing thereof through the 108 Loan or the issuance of Debt Obligations, as more specifically provided in Section 3(a) hereof, and (B) within twenty (20) days after execution of this Agreement by the parties hereto, the Company agrees to furnish a security deposit in cash to the City as required by Section 3(b) hereof.

2015 APR 28 AM 9:16

CITY CLERK

(b) It is expressly understood and agreed by the parties hereto that the execution and delivery of this Agreement by the City does not and shall not mean or imply that the City has or will assume any liability whatsoever for the cost of the Project or the financing thereof. The Company shall be solely responsible for any and all costs of the Project and the financing thereof; provided, however, that all or a portion of such costs of the Project may be defrayed through the issuance of Debt Obligations payable through the imposition of special assessments on the real property benefitted by the Project; provided further, however, that the City shall not be obligated to pay any such special assessments.

3. Undertakings on the Part of Company.

(a) The Company hereby agrees to pay to and reimburse the City for, any and all past, present and future costs paid or incurred by the City in connection with the financing of the Project through the 108 Loan or the issuance of Debt Obligations, including, without limitation, the fees and costs of all traffic and other engineering, financial, rating agency, legal, assessment methodology and other consultants, the costs related to the consummation of the 108 Loan, the creation or amendment, if required, of a special assessment area, the levy of the special assessments, the issuance of Debt Obligations and all City staff time specifically related and properly allocable to any such activities (collectively, the "Recoverable Costs"), irrespective of whether the Project is actually completed or a 108 Loan is received or Debt Obligations are issued to finance the Project. The Company shall pay to and reimburse the City for all Recoverable Costs from the Security Deposit described below. The City shall provide a written invoice to the Company of the amount of Recoverable Costs incurred by the City, which invoice shall specify the nature of each specific component of Recoverable Costs, the dollar amount of such component of Recoverable Costs and the party which rendered the service resulting in such specific component of Recoverable Costs ("Cost Support"), prior to deducting the same from the Security Deposit. The Company shall notify the City in writing of any objection to any Recoverable Costs or the Cost Support within two business days, specifying the objection to the specific Recoverable Cost or Cost Support with which the Company has an objection.

(b) Attached hereto as Exhibit A is a listing of Recoverable Costs incurred through January 31, 2015. Such Recoverable Costs shall be deducted from the Security Deposit upon receipt thereof. Prior to incurring any additional Recoverable Cost totaling in excess of \$28,755.00, the City and the Company shall agree as to the estimated or budgeted amount of such Recoverable Cost.

(c) Within twenty (20) days after approval of this Agreement by all the parties hereto, the Company shall pay to and deposit with the City an amount equal to Fifty Thousand Dollars (\$50,000) as a "Security Deposit" for the Company's obligation to make the payments described in Section 3(a) hereof. The City shall deposit the Security Deposit in a segregated interest bearing account with a financial institution doing business in Broward County, Florida. The Security Deposit shall not be commingled with any other funds of the City and shall be used only for the purposes provided herein. All interest earned on the Security Deposit shall be added to the Security Deposit and be deemed to be a part of the Security Deposit.

(d) In the event the Security Deposit is depleted and no longer sufficient to reimburse or pay to the City the Recoverable Costs prior to consummation of the 108 Loan or issuance of the Debt Obligations, the City shall notify the Company in writing of the additional amount to be paid to the City for deposit as an additional Security Deposit for the remainder of the Recoverable Costs expected to be paid or incurred. If the Company does not pay to and deposit with the City the additional amount of Security Deposit requested in the written notice within ten (10) days of such notice, the City shall have no further obligation under this Agreement or otherwise to pursue the 108 Loan or the issuance of Debt Obligations.

(e) In the event that any portion of the Security Deposit is not utilized for the purposes of this Agreement, then such Security Deposit (or the portion not utilized by the City hereunder) shall be returned by the City to the Company within thirty (30) days after entering into the 108 Loan, the issuance of the Debt Obligations or the abandonment of the Project.

(f) Within 30 days of receipt of the Security Deposit, the parties shall jointly develop a term sheet to outline the primary terms for the imposition of the special assessments by the City. Such term sheet is to be preliminary in nature and therefore not binding upon the City.

4. Notices to Company and City. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the Company or the City, shall be deemed to have been sufficiently given or filed for all purposes of this Agreement if personally delivered and receipted for, or if sent by registered or certified United States mail, return receipt requested, addressed as follows:

As to the City –

City of Fort Lauderdale, Florida  
100 N. Andrews Avenue  
Fort Lauderdale, Florida 33301  
Attention: City Manager

As to the Company –

Midgard Management, Inc.  
1475 West Cypress Creek Road  
Suite 202  
Fort Lauderdale, Florida 33309

5. Execution by Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

6. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the applicable laws of the State of Florida. Venue shall be in any state or federal court situated in Fort Lauderdale, Florida.

7. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

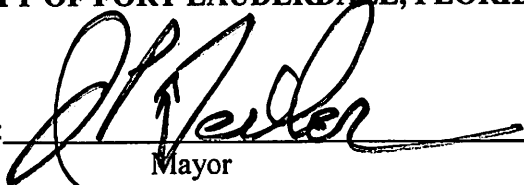
8. Termination. The Company may terminate this agreement at any time by providing five business days' written notice of such termination to the City, provided that prior to any such termination, the City is reimbursed in full for costs incurred in connection with this Agreement, prior to the termination date.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of the 17<sup>th</sup> day of March, 2015.


**CITY OF FORT LAUDERDALE, FLORIDA**

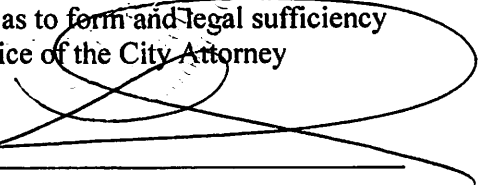
(SEAL)

By:   
Mayor  
JOHN P. "JACK" SEILER

ATTEST:

By:   
City Manager  
LEE R. FELDMAN

By:   
City Clerk  
JONDA K. JOSEPH

Approved as to form and legal sufficiency  
by the Office of the City Attorney  
  
By: \_\_\_\_\_

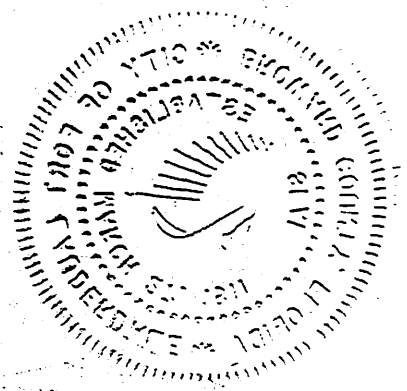
**MIDGARD MANAGEMENT, INC., a Florida Corporation**

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Secretary





IN WITNESS WHEREOF, the parties hereto have entered into this Agreement by their officers thereunto duly authorized as of the \_\_\_\_\_ day of \_\_\_\_\_, 2015.

**CITY OF FORT LAUDERDALE, FLORIDA**

(SEAL)

By: \_\_\_\_\_  
Mayor  
JOHN P. "JACK" SEILER

ATTEST:

By: \_\_\_\_\_  
City Manager  
LEE R. FELDMAN

By: \_\_\_\_\_  
City Clerk  
JONDA K. JOSEPH

Approved as to form and legal sufficiency  
by the Office of the City Attorney

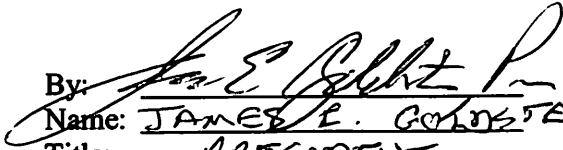
By: \_\_\_\_\_

**MIDGARD MANAGEMENT, INC., a Florida Corporation**

(SEAL)

ATTEST:

Secretary

By:   
Name: JAMES E. GOLDSTEIN  
Title: PRESIDENT

**EXHIBIT A**

**RECOVERABLE COSTS FROM JUNE 1, 2014 THROUGH  
JANUARY 31, 2015**

Greenberg Traurig, P.A.	\$17,825.00
First Southwest Company	\$3,420.00

*MIA 184079955v7*