

RESOLUTION NO. 19-

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, ACCEPTING THE OFFER OF THREE HUNDRED AND FIFTY FIVE THOUSAND AND NO/100 DOLLARS (\$355,000.00) FROM AVENUE D'ARTS FLL, LLC, A FLORIDA LIMITED LIABILITY COMPANY, FOR THE PURCHASE OF REAL PROPERTY LOCATED AT 713, 717 AND 723 NW 3RD STREET, FORT LAUDERDALE AND MORE PARTICULARLY DESCRIBED BELOW, SUBJECT TO EXECUTION OF THE COMMERCIAL CONTRACT AND FURTHER SUBJECT TO CERTAIN TERMS AND CONDITIONS SET FORTH HEREIN; APPROVING AN AWARD IN AN AMOUNT NOT TO EXCEED THREE MILLION AND NO/100 DOLLARS (\$3,000,000.00) UNDER THE DEVELOPMENT INCENTIVE PROGRAM IN FAVOR OF AVENUE D'ARTS FLL, LLC, A FLORIDA LIMITED LIABILITY COMPANY, SUBJECT TO EXECUTION OF THE DEVELOPMENT INCENTIVE PROGRAM LOAN LETTER OF INTENT, DEVELOPMENT AGREEMENT, COMMERCIAL CONTRACT, INSTRUMENT OF CONVEYANCE AND ANY AND ALL OTHER DOCUMENTS OR INSTRUMENTS NECESSARY OR INCIDENTAL TO CLOSING ON THE SALE OF THE REAL PROPERTY AND THE DIP LOAN; DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO NEGOTIATE SUCH ADDITIONAL TERMS AND CONDITIONS AS HE DEEMS ADVISABLE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, on August 2, 2018, the Fort Lauderdale Community Redevelopment Agency, issued a Request for Proposal to develop the real property located at 713, 717 and 723 NW 3rd Street, Fort Lauderdale, Florida as described below: to wit:

Legal Description(s)

Lots 24 and 25, Block A, of SUBDIVISION FOR FORT LAUDERDALE LAND AND DEVELOPMENT CO. BLOCK 6, according to the Plat thereof as recorded in Plat Book 1, Page 57, of the Public Records of Dade County, Florida, together with the South ½ of vacated alley abutting to the North thereto. Said land situate, lying and being in Broward County, Florida

Parcel ID 5042-10 12 0520
Property Address: 723 NW 3rd Street

Together With

Lot 28, Block A, of SUBDIVISION FOR FT. LAUDERDALE LAND AND DEVELOPMENT CO. BLOCK 6, according to the Plat thereof as recorded in Plat Book 1, Page 57, of the Public Records of Dade County, Florida, together with the South ½ of vacated alley abutting to the North thereto. Said land situate, lying and being in Broward County, Florida.

Parcel ID # 5042-10 12 0540
Property Address: NW 3rd Street

Together With

Lots 29 and 30, Block A, of SUBDIVISION FOR FT. LAUDERDALE LAND AND DEVELOPMENT CO., BLOCK 6, according to the Plat thereof as recorded in Plat Book 1, Page 57, of the Public Records of Dade County, Florida, together with the South ½ of vacated alley abutting to the North thereto. Said land situate, lying and being in Broward County, Florida.

Parcel ID # 5042-10 12 0550
Property Address: NW 3rd Street

(the 3 parcels are collectively referred to as the "CRA Property")

WHEREAS, only Avenue D'Arts FLL, LLC submitted a response and the evaluation committee met on February 7, 2019 and unanimously accepted the proposal from Avenue D'Arts FLL, LLC in the amount of Three Hundred Fifty Five Thousand and No/100 Dollars (\$355,000.00); and

WHEREAS, Avenue D'Arts FLL, LLC has applied for funding under the CRA Development Incentive Program to build a Comfort Suites in accordance with its Franchise Agreement with Choice Hotels International, Inc. (the "Project") ; and

WHEREAS, on February 21, 2019, the Advisory Board of the Fort Lauderdale Community Redevelopment Agency recommended approval of the funding request for this Project and the sale of the CRA Property; and

WHEREAS, the CRA finds that the Project is in furtherance of the NPF Plan and serves a public purpose and is in the best interest of all the parties hereto and the respective residents and citizens thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY:

SECTION 1. The recitals set forth above are true and correct and are incorporated in this Resolution.

SECTION 2. Pursuant to Section 163.380(3) (a), Florida Statutes, a Request for Proposal to develop Fort Lauderdale Community Redevelopment Agency Property(s) located at 713, 717 and 723 NW 3rd Street in the Northwest-Progresso-Flagler Heights Community Redevelopment Area was published in the Sun-Sentinel and in the Westside Gazette together with notice by mail to all property owners within 600 feet of the CRA Property. The notice provided that all proposals were due at the CRA Office on or before 4:00 p.m. on December 17, 2018. The CRA Board of Commissioners hereby ratifies and approves issuance and publication of the Request for Proposal to develop the CRA Property.

SECTION 3. The Board of Commissioners of Fort Lauderdale Community Redevelopment Agency hereby accepts the offer from Avenue D'Arts FLL, LLC to purchase the CRA Property, and authorizes the Executive Director to execute the Commercial Contract and Addendum, in substantially form attached, (hereinafter, "Contract"). Authority to impose additional conditions on transfer of the CRA Property and make such further determinations, including resolving certain title defects, as he deems advisable in furtherance of the goals and objectives of NPF CRA Plan is delegated to the Executive Director or his designee. Further, the CRA Board hereby delegates authority to the Executive Director or his designee to execute and deliver all documents or instruments, including the instrument of conveyance, reasonably necessary or incidental to the sale and conveyance of the CRA Property. Delivery of all instruments shall be in accordance with the terms of the Contract.

In addition, closing on the CRA Property shall be subject to the following conditions:

- A. The Purchase Price is Three Hundred Fifty Five Thousand and No/100 Dollars (\$355,000.00).
- B. The conveyance of the Property to Avenue D'Arts FLL, LLC shall be by Special Warranty Deed and Avenue D'Arts FLL, LLC shall bear all closing cost(s).
- C. Any and all outstanding bonds must be satisfied and discharged at closing from the proceeds of the sale of the CRA Property and the purchase price must be sufficient to pay and discharge such bonds or obligations according to their terms.
- D. Closing shall occur simultaneously with execution of the Development Agreement described below.
- E. The sale of the CRA Property shall be for cash due at closing and no purchase money mortgage will be held by the CRA.
- F. The Property shall be conveyed "As-is".
- G. Such other terms and conditions imposed by the Executive Director in the exercise of his discretion to complete closing on the CRA Property and to further the goals and objectives of the NPF Plan.

SECTION 4. That the governing body of the Fort Lauderdale Community Redevelopment Agency hereby approves the award of an amount not to exceed Three Million and No/100 Dollars (\$3,000,000.00) (the "DIP Loan") subject to the terms and conditions set forth in the Development Incentive Program Loan Letter of Intent attached hereto. The governing body delegates authority to the Executive Director to execute and deliver the Development Incentive Program Loan Letter of Intent and delegates, empowers and directs the Executive Director to negotiate, prepare, execute and deliver the Development Agreement and any and all other documents or instruments necessary or incidental to consummation of the transaction (collectively, the "Loan Documents") without further action or approval of this body.

SECTION 5. That the governing body of the Fort Lauderdale Community Redevelopment Agency delegates authority to the Executive Director or his designee to issue such approvals or denials in connection with the DIP Loan provided such action reflect the spirit and intent of the Development Incentive Program Loan Letter of Intent and is in compliance with the NPF CRA Plan.

SECTION 6. That the execution of the Loan Documents and closing on the CRA Property shall be subject to the approval and consent of the CRA's General Counsel.

SECTION 7. That this Resolution shall be in full force and effect immediately upon and after its passage.

SECTION 8. That any and all Resolutions in conflict with this Resolution are hereby amended.

ADOPTED this the ____ day of _____, 2019.

Chair
DEAN J. TRANTALIS

ATTEST:

CRA Secretary
JEFFREY A. MODARELLI

Commercial Contract

1. PARTIES AND PROPERTY: Avenue D'Arts FLL, LLC, a Florida Limited Liability Company ("Buyer")

agrees to buy and Fort Lauderdale Community Redevelopment Agency, an agency created under F.S. Part III, Chapter 183. ("Seller")

agrees to sell the property at:

Street Address: 713,717, and 723 NW 3rd Street, Fort Lauderdale, Florida

Legal Description: See Exhibit "A" attached

and the following Personal Property: NONE

(all collectively referred to as the "Property") on the terms and conditions set forth below.

2. PURCHASE PRICE: \$ 355,000.00

(a) Deposit held in escrow by: \$ 0.00
("Escrow Agent") (checks are subject to actual and final collection)

Escrow Agent's address: _____ Phone: _____

(b) Additional deposit to be made to Escrow Agent

☐ within ____ days (3 days, if left blank) after completion of Due Diligence Period or

☐ within ____ days after Effective Date \$ 0.00

(c) Additional deposit to be made to Escrow Agent

☐ within ____ days (3 days, if left blank) after completion of Due Diligence Period or

☐ within ____ days after Effective Date \$ 0.00

(d) Total financing (see Paragraph 5) \$ 0.00

(e) Other \$ 0.00

(f) All deposits will be credited to the purchase price at closing.

Balance to close, subject to adjustments and prorations, to be paid
via wire transfer.

\$ 355,000.00

For the purposes of this paragraph, "completion" means the end of the Due Diligence Period or upon delivery of Buyer's written notice of acceptability.

3. TIME FOR ACCEPTANCE; EFFECTIVE DATE; COMPUTATION OF TIME: Unless this offer is signed by Seller and Buyer and an executed copy delivered to all parties on or before May 29, 2019, this offer will be withdrawn and the Buyer's deposit, if any, will be returned. ~~The time for acceptance of any counter offer will be 3 days from the date the counter offer is delivered.~~ The "Effective Date" of this Contract is the date on which the last one of the Seller and Buyer has signed or initialed and delivered this offer ~~or the final counter offer or~~ na. Calendar days will be used when computing time periods, except time periods of 5 days or less. Time periods of 5 days or less will be computed without including Saturday, Sunday, or national legal holidays. Any time period ending on a Saturday, Sunday, or national legal holiday will extend until 5:00 p.m. of the next business day. Time is of the essence in this Contract.

4. CLOSING DATE AND LOCATION:

(a) Closing Date: This transaction will be closed on see addendum (Closing Date), unless specifically extended by other provisions of this Contract. The Closing Date will prevail over all other time periods including, but not limited to, Financing and Due Diligence periods. In the event insurance underwriting is suspended

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is Page 1 of 8 Pages.

on Closing Date and Buyer is unable to obtain property insurance, Buyer may postpone closing up to 5 days after the insurance underwriting suspension is lifted.

(b) Location: Closing will take place in _____ County, Florida. (If left blank, closing will take place in the county where the property is located.) Closing may be conducted by mail or electronic means.

5. ~~THIRD PARTY FINANCING:~~

~~BUYER'S OBLIGATION: On or before _____ days (5 days if left blank) after Effective Date, Buyer will apply for third party financing in an amount not to exceed _____ % of the purchase price or \$ _____, with a fixed interest rate not to exceed _____ % per year with an initial variable interest rate not to exceed _____ %, with points or commitment or loan fees not to exceed _____ % of the principal amount, for a term of _____ years, and amortized over _____ years, with additional terms as follows:~~

~~Buyer will timely provide any and all credit, employment, financial and other information reasonably required by any lender. Buyer will use good faith and reasonable diligence to (i) obtain Loan Approval within _____ days (45 days if left blank) from Effective Date (Loan Approval Date), (ii) satisfy terms and conditions of the Loan Approval, and (iii) close the loan. Buyer will keep Seller and Broker fully informed about loan application status and authorizes the mortgage broker and lender to disclose all such information to Seller and Broker. Buyer will notify Seller immediately upon obtaining financing or being rejected by a lender. CANCELLATION: If Buyer, after using good faith and reasonable diligence, fails to obtain Loan Approval by Loan Approval Date, Buyer may within _____ days (3 days if left blank) deliver written notice to Seller stating Buyer either waives this financing contingency or cancels this Contract. If Buyer does neither, then Seller may cancel this Contract by delivering written notice to Buyer at any time thereafter. Unless this financing contingency has been waived, this Contract shall remain subject to the satisfaction, by closing, of those conditions of Loan Approval related to the Property. DEPOSIT(S) (for purposes of Paragraph 5 only): If Buyer has used good faith and reasonable diligence but does not obtain Loan Approval by Loan Approval Date and thereafter either party elects to cancel this Contract as set forth above or the lender fails or refuses to close on or before the Closing Date without fault on Buyer's part, the Deposit(s) shall be returned to Buyer, whereupon both parties will be released from all further obligations under this Contract, except for obligations stated herein as surviving the termination of this Contract. If neither party elects to terminate this Contract as set forth above or Buyer fails to use good faith or reasonable diligence as set forth above, Seller will be entitled to retain the Deposit(s) if the transaction does not close. For purposes of this Contract, "Loan Approval" means a statement by the lender setting forth the terms and conditions upon which the lender is willing to make a particular mortgage loan to a particular buyer. Neither a pre-approval letter nor a prequalification letter shall be deemed a Loan Approval for purposes of this Contract.~~

6. TITLE: Seller has the legal capacity to and will convey marketable title to the Property by ☐ statutory warranty deed ☒ special warranty deed ☐ other _____, free of liens, encumbrances and ~~encumbrances of record or known to Seller~~, but subject to property taxes for the year of closing; covenants, restrictions and public utility easements of record; existing zoning and governmental regulations; and (list any other matters to which title will be subject) See Addendum Attached hereto

~~provided there exists at closing no violation of the foregoing and none of them prevents Buyer's intended use of the Property as _____;~~

~~(c) Evidence of Title: The party who pays the premium for the title insurance policy will select the closing agent and pay for the title search and closing services. Seller will, at (check one) ☐ Seller's ☒ Buyer's expense and within 15 days after Effective Date or at least _____ days before Closing Date deliver to Buyer (check one) ☒ (i) a title insurance commitment by a Florida licensed title insurer setting forth those matters to be discharged by Seller at or before Closing and, upon Buyer recording the deed, an owner's policy in the amount of the purchase price for fee simple title subject only to exceptions stated above. If Buyer is paying for the evidence of title and Seller has an owner's policy, Seller will deliver a copy to Buyer within 15 days after Effective Date. ☐ (ii.) an abstract of title, prepared or brought current by an existing abstract firm or certified as correct by an existing firm. However, if such an abstract is not available to Seller, then a prior owner's title policy acceptable to the proposed insurer as a base for reissuance of coverage may be used. The prior policy will include copies of all policy exceptions and an update in a format acceptable to Buyer from the policy effective date and certified to Buyer or~~

Buyer (____) (____) and Seller (____) (____) acknowledge receipt of a copy of this page, which is Page 2 of 8 Pages.

~~81 Buyer's closing agent together with copies of all documents recited in the prior policy and in the update. If such~~
~~92 an abstract or prior policy is not available to Seller then (i.) above will be the evidence of title.~~

~~93 (b) Title Examination: Buyer will, within 15 days from receipt of the evidence of title deliver written notice to Seller~~
~~94 of title defects. Title will be deemed acceptable to Buyer if (1) Buyer fails to deliver proper notice of defects or (2)~~
~~95 Buyer delivers proper written notice and Seller cures the defects within _____ days from receipt of the notice~~
~~96 ("Curative Period"). Seller shall use good faith efforts to cure the defects. If the defects are cured within the~~
~~97 Curative Period, closing will occur on the latter of 10 days after receipt by Buyer of notice of such curing or the~~
~~98 scheduled Closing Date. Seller may elect not to cure defects if Seller reasonably believes any defect cannot be~~
~~99 cured within the Curative Period. If the defects are not cured within the Curative Period, Buyer will have 10 days~~
~~100 from receipt of notice of Seller's inability to cure the defects to elect whether to terminate this Contract or accept~~
~~101 title subject to existing defects and close the transaction without reduction in purchase price.~~

~~102 (c) Surveys: (check applicable provisions below)~~

~~103 (i.) ☐ Seller will, within _____ days from Effective Date, deliver to Buyer copies of prior surveys,~~
~~104 plans, specifications, and engineering documents, if any, and the following documents relevant to this~~
~~105 transaction:~~

~~106 _____,~~
~~107 prepared for Seller or in Seller's possession, which show all currently existing structures. In the event this~~
~~108 transaction does not close, all documents provided by Seller will be returned to Seller within 10 days from the~~
~~109 date this Contract is terminated.~~

~~110 ☒ Buyer will, at ☐ Seller's ☒ Buyer's expense and within the time period allowed to deliver and examine~~
~~111 title evidence, obtain a current certified survey of the Property from a registered surveyor. If the survey reveals~~
~~112 encroachments on the Property or that the improvements encroach on the lands of another, ☒ Buyer will~~
~~113 accept the Property with existing encroachments ☐ such encroachments will constitute a title defect to be~~
~~114 cured within the Curative Period.~~

~~115 (d) Ingress and Egress: Seller warrants that the Property presently has ingress and egress.~~

~~116 7. PROPERTY CONDITION: Seller will deliver the Property to Buyer at the time agreed in its present "as is" condition,~~
~~117 ordinary wear and tear excepted, and will maintain the landscaping and grounds in a comparable condition. Seller~~
~~118 makes no warranties other than marketability of title. In the event that the condition of the Property has materially~~
~~119 changed since the expiration of the Due Diligence Period, Buyer may elect to terminate the Contract and receive a~~
~~120 refund of any and all deposits paid, plus interest, if applicable, or require Seller to return the Property to the required~~
~~121 condition existing as of the end of Due Diligence period, the cost of which is not to exceed \$ _____ (1.5% of~~
~~122 the purchase price, if left blank). By accepting the Property "as is", Buyer waives all claims against Seller for any~~
~~123 defects in the Property. (Check (a) or (b))~~

~~124 ☐ (a) As Is: Buyer has inspected the Property or waives any right to inspect and accepts the Property in its "as is"~~
~~125 condition.~~

~~126 ☒ (b) Due Diligence Period: Buyer will, at Buyer's expense and within 60 _____ days from Effective Date ("Due~~
~~127 Diligence Period"), determine whether the Property is suitable, in Buyer's sole and absolute discretion. During the~~
~~128 term of this Contract, Buyer may conduct any tests, analyses, surveys and investigations ("Inspections") which~~
~~129 Buyer deems necessary to determine to Buyer's satisfaction the Property's engineering, architectural,~~
~~130 environmental properties; zoning and zoning restrictions; flood zone designation and restrictions; subdivision~~
~~131 regulations; soil and grade; availability of access to public roads, water, and other utilities; consistency with local,~~
~~132 state and regional growth management and comprehensive land use plans; availability of permits, government~~
~~133 approvals and licenses; compliance with American with Disabilities Act; absence of asbestos, soil and ground~~
~~134 water contamination; and other inspections that Buyer deems appropriate. Buyer will deliver written notice to~~
~~135 Seller prior to the expiration of the Due Diligence Period of Buyer's determination of whether or not the Property~~
~~136 is acceptable. Buyer's failure to comply with this notice requirement will constitute acceptance of the Property in~~
~~137 its present "as is" condition. Seller grants to Buyer, its agents, contractors and assigns, the right to enter the~~
~~138 Property at any time during the term of this Contract for the purpose of conducting Inspections, upon reasonable~~
~~139 notice, at a mutually agreed upon time; provided, however, that Buyer, its agents, contractors and assigns enter~~
~~140 the Property and conduct Inspections at their own risk. Buyer will indemnify and hold Seller harmless from~~
~~141 losses, damages, costs, claims and expenses of any nature, including attorneys' fees at all levels, and from~~
~~142 liability to any person, arising from the conduct of any and all inspections or any work authorized by Buyer. Buyer~~
~~143 will not engage in any activity that could result in a mechanic's lien being filed against the Property without~~
~~144 Seller's prior written consent. In the event this transaction does not close, (1) Buyer will repair all damages to the~~

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Property resulting from the Inspections and return the Property to the condition it was in prior to conduct of the Inspections, and (2) Buyer will, at Buyer's expense release to Seller all reports and other work generated as a result of the Inspections. Should Buyer deliver timely notice that the Property is not acceptable, Seller agrees that Buyer's deposit will be immediately returned to Buyer and the Contract terminated.

(c) **Walk-through Inspection:** Buyer may, on the day prior to closing or any other time mutually agreeable to the parties, conduct a final "walk-through" inspection of the Property to determine compliance with this paragraph and to ensure that all Property is on the premises.

8. OPERATION OF PROPERTY DURING CONTRACT PERIOD: Seller will continue to operate the Property and any business conducted on the Property in the manner operated prior to Contract and will take no action that would adversely impact the Property after closing, as to tenants, lenders or business, if any. Any changes, such as renting vacant space, that materially affect the Property or Buyer's intended use of the Property will be permitted ☐ only with Buyer's consent ☒ without Buyer's consent.

9. CLOSING PROCEDURE: Unless otherwise agreed or stated herein, closing procedure shall be in accordance with the norms where the Property is located.

(a) **Possession and Occupancy:** Seller will deliver possession and occupancy of the Property to Buyer at closing. Seller will provide keys, remote controls, and any security/access codes necessary to operate all locks, mailboxes, and security systems.

(b) **Costs:** Buyer will pay Buyer's attorneys' fees, taxes and recording fees on notes, mortgages and financing statements and recording fees for the deed. Seller will pay Seller's attorneys' fees, ~~taxes on the deed and recording fees for documents needed to cure title defects. If Seller is obligated to discharge any encumbrance at or prior to closing and fails to do so, Buyer may use purchase proceeds to satisfy the encumbrances.~~

(c) **Documents:** Seller will provide the deed; bill of sale; mechanic's lien affidavit; ~~originals of those assignable service and maintenance contracts that will be assumed by Buyer after the Closing Date and letters to each~~ service contractor from Seller advising each of them of the sale of the Property and, if applicable, the transfer of its contract, and any assignable warranties or guarantees received or held by Seller from any manufacturer, contractor, subcontractor, or material supplier in connection with the Property; current copies of the condominium documents, if applicable; assignments of leases, updated rent roll; tenant and lender estoppels letters (if applicable); tenant subordination, non-disturbance and attornment agreements (SNDAs) required by the Buyer or Buyer's lender; assignments of permits and licenses; corrective instruments; and letters notifying tenants of the change in ownership/rental agent. If any tenant refuses to execute an estoppels letter, Seller, if requested by the ~~Buyer in writing, will certify that information regarding the tenant's lease is correct. If Seller is an entity, Seller will~~ deliver a resolution of its governing authority authorizing the sale and delivery of the deed and certification by the appropriate party certifying the resolution and setting forth facts showing the conveyance conforms to the requirements of local law. ~~Seller will transfer security deposits to Buyer. Buyer will provide the closing statement, mortgages and notes, security agreements, and financing statements.~~

(d) ~~**Taxes and Prorations:** Real estate taxes, personal property taxes on any tangible personal property, bond payments assumed by Buyer, interest, rents (based on actual collected rents), association dues, insurance premiums acceptable to Buyer, and operating expenses will be prorated through the day before closing. If the amount of taxes for the current year cannot be ascertained, rates for the previous year will be used with due allowances being made for improvements and exemptions. Any tax proration based on an estimate will, at request of either party, be readjusted upon receipt of current year's tax bill; this provision will survive closing.~~

(e) ~~**Special Assessment Liens:** Certified, confirmed, and ratified special assessment liens as of the Closing Date will be paid by Seller. If a certified, confirmed, and ratified special assessment is payable in installments, Seller will pay all installments due and payable on or before the Closing Date, with any installment for any period extending beyond the Closing Date prorated, and Buyer will assume all installments that become due and payable after the Closing Date. Buyer will be responsible for all assessments of any kind which become due and owing after Closing Date, unless an improvement is substantially completed as of Closing Date. If an improvement is substantially completed as of the Closing Date but has not resulted in a lien before closing, Seller will pay the amount of the last estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and does not apply to condominium association special assessments.~~

(f) **Foreign Investment in Real Property Tax Act (FIRPTA):** If Seller is a "foreign person" as defined by FIRPTA, Seller and Buyer agree to comply with Section 1445 of the Internal Revenue Code. Seller and Buyer will complete, execute, and deliver as directed any instrument, affidavit, or statement reasonably necessary to comply

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with the FIRPTA requirements, including delivery of their respective federal taxpayer identification numbers or Social Security Numbers to the closing agent. If Buyer does not pay sufficient cash at closing to meet the withholding requirement, Seller will deliver to Buyer at closing the additional cash necessary to satisfy the requirement.

10. ESCROW AGENT: Seller and Buyer authorize Escrow Agent or Closing Agent (collectively "Agent") to receive, deposit, and hold funds and other property in escrow and, subject to collection, disburse them in accordance with the terms of this Contract. The parties agree that Agent will not be liable to any person for misdelivery of escrowed items to Seller or Buyer, unless the misdelivery is due to Agent's willful breach of this Contract or gross negligence. If Agent has doubt as to Agent's duties or obligations under this Contract, Agent may, at Agent's option, (a) hold the escrowed items until the parties mutually agree to its disbursement or until a court of competent jurisdiction or arbitrator determines the rights of the parties or (b) deposit the escrowed items with the clerk of the court having jurisdiction over the matter and file an action in interpleader. Upon notifying the parties of such action, Agent will be released from all liability except for the duty to account for items previously delivered out of escrow. If Agent is a licensed real estate broker, Agent will comply with Chapter 475, Florida Statutes. In any suit in which Agent interpleads the escrowed items or is made a party because of acting as Agent hereunder, Agent will recover reasonable attorney's fees and costs incurred, with these amounts to be paid from and out of the escrowed items and charged and awarded as court costs in favor of the prevailing party.

11. CURE PERIOD: Prior to any claim for default being made, a party will have an opportunity to cure any alleged default. If a party fails to comply with any provision of this Contract, the other party will deliver written notice to the non-complying party specifying the non-compliance. The non-complying party will have _____ days (5 days if left blank) after delivery of such notice to cure the non-compliance. Notice and cure shall not apply to failure to close.

~~**12. FORCE MAJEURE:** Buyer or Seller shall not be required to perform any obligation under this Contract or be liable to each other for damages so long as performance or non-performance of the obligation, or the availability of services, insurance, or required approvals essential to Closing, is disrupted, delayed, caused or prevented by Force Majeure. "Force Majeure" means: hurricane, floods, extreme weather, earthquakes, fire, or other acts of God, unusual transportation delays, or wars, insurrections, or acts of terrorism, which, by exercise of reasonable diligent effort, the non-performing party is unable in whole or in part to prevent or overcome. All time periods, including Closing Date, will be extended a reasonable time up to 7 days after the Force Majeure no longer prevents performance under this Contract, provided, however, if such Force Majeure continues to prevent performance under this Contract more than 30 days beyond Closing Date, then either party may terminate this Contract by delivering written notice to the other and the Deposit shall be refunded to Buyer, thereby releasing Buyer and Seller from all further obligations under this Contract.~~

~~**13. RETURN OF DEPOSIT:** Unless otherwise specified in the Contract, in the event any condition of this Contract is not met and Buyer has timely given any required notice regarding the condition having not been met, Buyer's deposit will be returned in accordance with applicable Florida Laws and regulations.~~

~~**14. DEFAULT:**~~

~~(a) In the event the sale is not closed due to any default or failure on the part of Seller other than failure to make the title marketable after diligent effort, Buyer may elect to receive return of Buyer's deposit without thereby waiving any action for damages resulting from Seller's breach and may seek to recover such damages or seek specific performance. If Buyer elects a deposit refund, Seller may be liable to Broker for the full amount of the brokerage fee.~~

~~(b) In the event the sale is not closed due to any default or failure on the part of Buyer, Seller may either (1) retain all deposit(s) paid or agreed to be paid by Buyer as agreed upon liquidated damages, consideration for the execution of this Contract, and in full settlement of any claims, upon which this Contract will terminate or (2) seek specific performance. If Buyer fails to timely place a deposit as required by this Contract, Seller may either (1) terminate the Contract and seek the remedy outlined in this subparagraph or (2) proceed with the Contract without waiving any remedy for Buyer's default.~~

15. ATTORNEY'S FEES AND COSTS: In any claim or controversy arising out of or relating to this Contract, the prevailing party, which for purposes of this provision will include Buyer, Seller and Broker, will be awarded reasonable attorneys' fees, costs, and expenses.

16. NOTICES: All notices will be in writing and may be delivered by mail, overnight courier, personal delivery, or electronic means. Parties agree to send all notices to addresses specified on the signature page(s). Any notice, document, or item given by or delivered to an attorney or real estate licensee (including a transaction broker) representing a party will be as effective as if given by or delivered to that party.

Buyer (____) (____) and Seller (____) (____) acknowledge receipt of a copy of this page, which is Page 5 of 8 Pages.

251 **17. DISCLOSURES:**

252 **(a) Commercial Real Estate Sales Commission Lien Act:** The Florida Commercial Real Estate Sales
253 Commission Lien Act provides that a broker has a lien upon the owner's net proceeds from the sale of
254 commercial real estate for any commission earned by the broker under a brokerage agreement. The lien upon the
255 owner's net proceeds is a lien upon personal property which attaches to the owner's net proceeds and does not
256 attach to any interest in real property. This lien right cannot be waived before the commission is earned.

257 **(b) Special Assessment Liens Imposed by Public Body:** The Property may be subject to unpaid special
258 assessment lien(s) imposed by a public body. (A public body includes a Community Development District.) Such
259 liens, if any, shall be paid as set forth in Paragraph 9(e).

260 **(c) Radon Gas:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in
261 sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that
262 exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon
263 and radon testing may be obtained from your county public health unit.

264 **(d) Energy-Efficiency Rating Information:** Buyer acknowledges receipt of the information brochure required by
265 Section 553.996, Florida Statutes.

266 **18. RISK OF LOSS:**

267 **(a)** If, after the Effective Date and before closing, the Property is damaged by fire or other casualty, Seller will
268 bear the risk of loss and Buyer may cancel this Contract without liability and the deposit(s) will be returned to
269 Buyer. Alternatively, Buyer will have the option of purchasing the Property at the agreed upon purchase price and
270 Seller will credit the deductible, if any and transfer to Buyer at closing any insurance proceeds, or Seller's claim
271 to any insurance proceeds payable for the damage. Seller will cooperate with and assist Buyer in collecting any
272 such proceeds. Seller shall not settle any insurance claim for damage caused by casualty without the consent of
273 the Buyer.

274 **(b)** If, after the Effective Date and before closing, any part of the Property is taken in condemnation or under the
275 right of eminent domain, or proceedings for such taking will be pending or threatened, Buyer may cancel this
276 Contract without liability and the deposit(s) will be returned to Buyer. Alternatively, Buyer will have the option of
277 purchasing what is left of the Property at the agreed upon purchase price and Seller will transfer to the Buyer at
278 closing the proceeds of any award, or Seller's claim to any award payable for the taking. Seller will cooperate
279 with and assist Buyer in collecting any such award.

280 **19. ASSIGNABILITY; PERSONS BOUND:** This Contract may be assigned to a related entity, and otherwise ☒ is not
281 assignable ☐ is assignable. If this Contract may be assigned, Buyer shall deliver a copy of the assignment agreement
282 to the Seller at least 5 days prior to Closing. The terms "Buyer," "Seller" and "Broker" may be singular or plural. This
283 Contract is binding upon Buyer, Seller and their heirs, personal representatives, successors and assigns (if
284 assignment is permitted).

285 **20. MISCELLANEOUS:** The terms of this Contract constitute the entire agreement between Buyer and Seller.
286 Modifications of this Contract will not be binding unless in writing, signed and delivered by the party to be bound.
287 Signatures, initials, documents referenced in this Contract, counterparts and written modifications communicated
288 electronically or on paper will be acceptable for all purposes, including delivery, and will be binding. Handwritten or
289 typewritten terms inserted in or attached to this Contract prevail over preprinted terms. If any provision of this Contract
290 is or becomes invalid or unenforceable, all remaining provisions will continue to be fully effective. This Contract will be
291 construed under Florida law and will not be recorded in any public records.

292 **21. BROKERS:** Neither Seller nor Buyer has used the services of, or for any other reason owes compensation to, a
293 licensed real estate Broker other than:

294 **(a) Seller's Broker:** NA
295 _____
(Company Name) (Licensee)

(Address, Telephone, Fax, E-mail)

296 who ☐ is a single agent ☐ is a transaction broker ☐ has no brokerage relationship and who will be compensated by
297 ☐ Seller ☐ Buyer ☐ both parties pursuant to ☒ a listing agreement ☐ other (specify) _____
298 _____
299 _____

300 **(b) Buyer's Broker:** NA
301 _____
(Company Name) (Licensee)

(Address, Telephone, Fax, E-mail)

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is Page 6 of 8 Pages.

302 who ☐ is a single agent ☐ is a transaction broker ☐ has no brokerage relationship and who will be compensated by
303 ☐ Seller's Broker ☐ Seller ☐ Buyer ☐ both parties pursuant to ☐ an MLS offer of compensation ☐ other (specify)
304

305 (collectively referred to as "Broker") in connection with any act relating to the Property, including but not limited to
306 inquiries, introductions, consultations, and negotiations resulting in this transaction. **Seller and Buyer** agree to
307 indemnify and hold Broker harmless from and against losses, damages, costs and expenses of any kind, including
308 reasonable attorneys' fees at all levels, and from liability to any person, arising from (1) compensation claimed which is
309 inconsistent with the representation in this Paragraph, (2) enforcement action to collect a brokerage fee pursuant to
310 Paragraph 10, (3) any duty accepted by Broker at the request of **Seller** or **Buyer**, which is beyond the scope of
311 services regulated by Chapter 475, Florida Statutes, as amended, or (4) recommendations of or services provided and
312 expenses incurred by any third party whom Broker refers, recommends, or retains for or on behalf of **Seller** or **Buyer**.

313 **22. OPTIONAL CLAUSES:** (Check if any of the following clauses are applicable and are attached as an addendum to
314 this Contract):

315 <input type="checkbox"/> Arbitration	<input type="checkbox"/> Seller Warranty	<input type="checkbox"/> Existing Mortgage
316 <input type="checkbox"/> Section 1031 Exchange	<input type="checkbox"/> Coastal Construction Control Line	<input type="checkbox"/> Buyer's Attorney Approval
317 <input type="checkbox"/> Property Inspection and Repair	<input type="checkbox"/> Flood Area Hazard Zone	<input type="checkbox"/> Seller's Attorney Approval
318 <input type="checkbox"/> Seller Representations	<input type="checkbox"/> Seller Financing	<input checked="" type="checkbox"/> Other <u>Addendum</u>

319 **23. ADDITIONAL TERMS:**

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342 **THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE**
343 **ADVICE OF AN ATTORNEY PRIOR TO SIGNING. BROKER ADVISES BUYER AND SELLER TO VERIFY ALL**
344 **FACTS AND REPRESENTATIONS THAT ARE IMPORTANT TO THEM AND TO CONSULT AN APPROPRIATE**
345 **PROFESSIONAL FOR LEGAL ADVICE (FOR EXAMPLE, INTERPRETING CONTRACTS, DETERMINING THE**
346 **EFFECT OF LAWS ON THE PROPERTY AND TRANSACTION, STATUS OF TITLE, FOREIGN INVESTOR**
347 **REPORTING REQUIREMENTS, ETC.) AND FOR TAX, PROPERTY CONDITION, ENVIRONMENTAL AND OTHER**

Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is Page 7 of 8 Pages.

ADVICE. BUYER ACKNOWLEDGES THAT BROKER DOES NOT OCCUPY THE PROPERTY AND THAT ALL REPRESENTATIONS (ORAL, WRITTEN OR OTHERWISE) BY BROKER ARE BASED ON SELLER REPRESENTATIONS OR PUBLIC RECORDS UNLESS BROKER INDICATES PERSONAL VERIFICATION OF THE REPRESENTATION. BUYER AGREES TO RELY SOLELY ON SELLER, PROFESSIONAL INSPECTORS AND GOVERNMENTAL AGENCIES FOR VERIFICATION OF THE PROPERTY CONDITION, SQUARE FOOTAGE AND FACTS THAT MATERIALLY AFFECT PROPERTY VALUE.

Each person signing this Contract on behalf of a party that is a business entity represents and warrants to the other party that such signatory has full power and authority to enter into and perform this Contract in accordance with its terms and each person executing this Contract and other documents on behalf of such party has been duly authorized to do so.

Avenue D'Arts FLL, LLC, a Florida Limited Liability Company

(Signature of Buyer) Date: _____

(Typed or Printed Name of Buyer) Tax ID No.: _____

Title: _____ Telephone: _____

(Signature of Buyer) Date: _____

(Typed or Printed Name of Buyer) Tax ID No.: _____

Title: _____ Telephone: _____

Buyer's Address for purpose of notice _____

Facsimile: _____ Email: _____

Fort Lauderdale Community Redevelopment Agency, an agency created under F.S. Part III, Chapter 183.

(Signature of Seller) Date: _____

Chris Lagerbloom
(Typed or Printed Name of Seller) Tax ID No.: _____

Title: CRA Executive Director Telephone: _____

(Signature of Seller) Date: _____

(Typed or Printed Name of Seller) Tax ID No.: _____

Title: _____ Telephone: _____

Seller's Address for purpose of notice: _____

Facsimile: _____ Email: _____

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Buyer () () and Seller () () acknowledge receipt of a copy of this page, which is Page 8 of 8 Pages.

EXHIBIT "A"

Parcel 1 (713 NW 3 Street and 717 NW 3 Street)

Lot 28, Block A, of SUBDIVISION FOR FT. LAUDERDALE LAND AND DEVELOPMENT CO. BLOCK 6, according to the Plat thereof as recorded in Plat Book 1, Page 57, of the Public Records of Dade County, Florida, together with the South ½ of the vacated alley abutting to the North thereof. Said land situate, lying and being in Broward County, Florida

Together With

Lot 29 and 30, Block A, of SUBDIVISION OF FT. LAUDERDALE LAND AND DEVELOPMENT CO. BLOCK 6, according to the Plat thereof as recorded in Plat Book 1, Page 57, of the Public Records of Dade County, Florida, together with the South ½ of the vacated alley abutting to the North thereof. Said land situate, lying and being in Broward County, Florida

(Parcel ID 5042-10-12-0540 and 5042-10-12-0550)

Parcel 2 (723 NW 3 Street)

Lot 24 and 25, Block A, of SUBDIVISION FOR FT. LAUDERDALE LAND AND DEVELOPMENT CO. BLOCK 6, according to the Plat thereof as recorded in Plat Book 1, Page 57, of the Public Records of Dade County, Florida, together with the South ½ of the vacated alley abutting to the North thereof. Said land situate, lying and being in Broward County, Florida

(Parcel ID 5042-10-12-0520)

**ADDENDUM TO
COMMERCIAL CONTRACT**

SELLER TO BUYER

PARTIES: **FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY**, an agency created under F.S. Part III, Chapter 163, whose mailing address is 914 Sistrunk Boulevard, Suite 200, Fort Lauderdale, FL 33311 (hereinafter, “SELLER” or “CRA”)

-and-

Avenue D'Arts FLL, LLC, a Florida Limited Liability Company, whose principal address is 404 NW Hall of Fame Drive, Lake City, FL 32055 (hereinafter, “BUYER”)

PROPERTY: **SEE COMMERCIAL CONTRACT (the “Property”)**

The following Addendum amends the Commercial Contract and the parties do hereby agree as follows:

1. **Purchase and Sale.** Subject to the terms and conditions of the Commercial Contract, as amended by this Addendum, Seller shall sell to Buyer, and Buyer shall purchase from Seller, all of Seller’s right, title and interest in the Property, subject to taxes for the year of closing and subsequent years, oil, gas, mineral rights with right of entry released, matters of plat, reservations, restrictions, easement, covenants and conditions of record, governmental regulations, matters of record, unpaid code violations, unpaid utility bills and special assessments.

1.1. **Check, if applicable**_____ **Apply**___ **NA**___ **Do Not Apply.**
 Appropriation of Funds. This Agreement is not valid or enforceable until the Board of Commissioners has appropriated sufficient funds for this transaction.

1.2 Seller reserves the right to withdraw its offer to sell the Property(s) pursuant to the Commercial Contract if the Contract and Addendum are not signed by both parties on or before May ²⁹, 2019.

2. **Closing Date.** This transaction shall be closed and the deed and possession of the Property shall be delivered, simultaneously with closing on the Buyer’s construction/permanent financing unless extended by other provisions of this Contract or separate agreement. Authority is hereby delegated to the Executive Director to execute any agreements or amendments respecting extension or acceleration of the Closing Date.

2.1 Place of Closing. Closing shall be at the office of the closing agent selected for this transaction.

2.2 The Closing Agent shall prepare the Closing Statement.

3. Closing.

3.1 Conveyance. Seller's conveyance of title to the Property shall be by Special Warranty Deed and subject to taxes for the year of closing and subsequent years, reservations, restrictions, easements, oil, gas and mineral rights with right of entry released, matters of plat, covenants and conditions of record, governmental regulations, unpaid code violations, unpaid utility bills and special assessments and matters of record. Seller shall not be liable to cure any title defects. Buyer shall secure evidence of title during its due diligence period. If Buyer is unable to secure marketable title, then its sole remedy is to terminate this Agreement on or before the end of the Cancellation Period of the Due Diligence Period (defined below). In addition, Buyer agrees to take title subject to the following, Conditions: Develop the Property in furtherance of the CRA Plan.

3.2 Owner's Title Insurance Policy and Other Closing Costs. The expense of the Owner's Title Insurance Policy for the Property(s), lien searches, unsatisfied code violations, unpaid utility bills and special assessments, taxes on the deed and other closing costs shall be paid by the Buyer except for Seller's attorney's fees and recording fees needed to cure title defects. Certified, confirmed and ratified special assessment liens as of the Closing Date shall be paid by Buyer.

4. Inspections, Testing and Examination.

(a) Buyer shall be provided a period ("Due Diligence Period") for investigation, testing and examination of the Property as set forth herein. The "Due Diligence Period" shall be a period starting with the Effective Date of this Agreement and ending **sixty (60) days** thereafter. During the Due Diligence Period, Buyer shall have the absolute right, through its agents, servants, employees and contractors, to enter upon the Property for the purpose of investigation, discovery, inspection and testing of the Property, including, without limitation soil testing and boring, environmental studies or any other testing Buyer determines to be necessary or appropriate to the evaluation of the purchase and sale of the Property, including inspection as provided in paragraph 7(b) of the Contract. Seller agrees to cooperate, at no expense to Seller, in regard to Buyer's efforts to obtain all relevant information respecting the investigation, discovery and testing, providing to Buyer within **ten (10) days** of the Effective Date hereof copies of (i) Seller's books and records respecting any previous environmental assessments of the Property, including those books and records, owner's title insurance policy or survey in the possession of Seller or any of its agents.

(b) In connection with such inspection, there shall be no invasive tests that can or may cause damage to the Property unless Buyer has received Seller's prior written approval of such tests. The Seller's Executive Director is authorized hereby to provide such written approval of

such tests on behalf of Seller. All such entries shall be at the risk of Buyer; Seller shall have no liability for any injuries sustained by Buyer or any of Buyer's agents or contractors. Buyer agrees to repair or restore promptly any damage to the Property caused by Buyer, its agents and contractors under this Paragraph. Upon completion of Buyer's investigations and tests and in the event this transaction does not close, the Property will be restored to the same condition, as it existed before Buyer's entry upon the Property. Buyer's obligations under this Paragraph and paragraph 7 (b) of the Commercial Contract shall survive termination of this Contract.

6. Extension of time. In the event Buyer's investigation reveals a need for the parties to extend the times under this Contract, then either the (i) Due Diligence Period (Paragraph 7 (b) of the Commercial Contract and 4 of the Addendum), or (ii) Closing Date (§2 of the Addendum) or both (i) or (ii) may be extended by written instrument signed by both Seller and Buyer. As to the Seller, the Seller's Executive Director shall have the authority to execute any such instrument extending time under this § 6 of the Addendum, but in no event shall the extension exceed one (1) year.

7. Right of Cancellation. Buyer shall have the absolute and unqualified right to terminate and cancel this Contract by delivering written notice of such cancellation to Seller no later than 5:00 PM on the fifth (5th) day after the Due Diligence Period has elapsed. The right of cancellation may be exercised upon the discovery of any condition determined to be unacceptable to Buyer in its sole discretion.

8. Leases. Conveyance of title to the Property shall be free of any leasehold interests or claims by persons in possession of the Property, except for N/A.

9. Possession and Occupancy. Other than reservation of interests and easement rights in the Property(s) in favor of the FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, the City of Fort Lauderdale, Broward County and any other governmental authority, title, use, possession and occupancy of the Property(s) shall pass to Buyer at Closing.

10. Personal Property. All of Seller's personal property shall be removed from the Property(s) by the Seller prior to Closing.

11. Service Contracts. Seller represents and acknowledges that there are no Service Contracts concerning the Property(s) and Seller will not enter into any service contracts concerning the Property(s) prior to or after the Closing which would bind Buyer or the Property(s) without the written consent of Buyer, which may not be unreasonably withheld.

12. Destruction or Condemnation of the Property(s).

(a) In the event that all or any portion of the Property(s) is damaged or destroyed by any casualty or by a taking or condemnation under the provisions of eminent domain law after the Effective Date but prior to the Closing, Seller shall give Buyer prompt written notice of same ("Condemnation/Casualty Notice").

(b) Within **fifteen (15) days** after receipt of the Condemnation/Casualty Notice, Buyer shall have the option of (i) taking the Property in “AS IS” condition at the agreed upon purchase price, together with an assignment of the insurance proceeds, if any, or (ii) terminating this Agreement, Contract and Addendum by delivery of written notice to Seller. If the Closing date falls within such **fifteen (15) day** period, the Closing date shall be extended until the day after the expiration of the **fifteen (15) day** period.

(c) In the event Buyer elects under subsection (b)(i) above to take Property(s) in “AS IS” condition, then Seller shall, upon Closing, assign to Buyer all claims of Seller under or pursuant to any casualty insurance coverage, or under any provisions of eminent domain law, as applicable, and all proceeds from any such casualty insurance or condemnation awards received by Seller on account of any such casualty or condemnation, as the case may be (to the extent the same have not been applied by Seller prior to the Closing Date to repair the resulting damage), and there shall be no reduction in Purchase Price (except that in connection with a casualty covered by insurance, Buyer shall be credited with the lesser of the remaining cost to repair the damage or destruction caused by such casualty or the amount of the deductible under Seller’s insurance policy, if any, [except to the extent such deductible was expended by Seller to repair the resulting damage]).

13. Representations and Warranties.

13.1 CRA hereby represents and warrants the following to Buyer:

(a) Authority. Seller has all requisite power and authority to execute and deliver, and to perform all of its obligations under, this Contract.

(b) Enforceability. This agreement constitutes a legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability relating to or affecting the enforcement of creditor’s rights and general equitable principles.

(c) No Bankruptcy or Dissolution. No “Bankruptcy/Dissolution Event” (as defined below) has occurred with respect to Seller. As used herein, a “Bankruptcy/Dissolution Event” means any of the following: (a) the commencement of a case under Title 11 of the U.S. Code, as now constituted or hereafter amended, or under any other applicable federal or state bankruptcy law or other similar law; (b) the appointment of a trustee or receiver of any property interest; (c) an assignment for the benefit of creditors; (d) an attachment, execution or other judicial seizure of a substantial property interest; (e) the taking of, failure to take, or submission to any action indicating an inability to meet its financial obligations as they accrue; or (f) a dissolution or liquidation, death or incapacity.

(d) Litigation. Except as disclosed in Exhibit 1, to the best of our knowledge, Seller has received no written notice of any pending or threatened action, litigation, condemnation or other proceeding against the Property(s) or against Seller with respect to the Property(s), nor is

Seller aware of any such pending or anticipated action or litigation regarding the Property or against Seller with respect to the Property(s).

(e) Compliance. Except as disclosed in Exhibit 2 to the best of our knowledge, Seller has received no written notice from any governmental authority having jurisdiction over the Property(s) to the effect that the Property(s) is not in compliance with applicable laws, ordinances, rules or regulations.

(f) Foreign Person. Seller is not a "foreign person" within the meaning of the Internal Revenue Code, and at Closing, Seller shall deliver to Buyer an affidavit to such effect. Seller acknowledges and agrees that Buyer shall be entitled to fully comply with Internal Revenue Code Section 1445 and all related sections and regulations, as same may be amended from time to time, and Seller shall act in accordance with all reasonable requirements of Buyer in order to effect such full compliance by Buyer.

(g) Updated Certification. At Closing, the Seller shall provide to Buyer an updated certification certifying that all the above representations and warranties of the Seller continue to be true and correct and remain in full force and effect.

13.2 Buyer hereby represents and warrants the following to FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, which representations and warranties shall survive closing:

(a) Power and Authority. Buyer has the full power and authority to make, deliver, enter into and perform pursuant to the terms and conditions of this Agreement, and has taken all necessary action or its equivalent to authorize the execution, delivery and performance of the terms and conditions of this Agreement. The individual executing this Agreement on behalf of the Buyer is duly authorized and has the power and authority to enter into a binding agreement on behalf of Buyer.

(b) Good Standing. Buyer is duly organized, validly existing and in good standing under the laws of the State of Florida.

(c) Valid and Binding Obligation. This Agreement, and the documents to be executed and delivered by Buyer in connection with the consummation of this Agreement, are and shall be valid and binding upon Buyer in accordance with their respective terms and conditions.

(d) No Violation of Law, Agreements, etc. The execution, delivery and performance by Buyer of this Agreement are not precluded or proscribed by, and will not violate any provision of any existing law, statute, rule or order, decree, writ or injunction of any court, governmental department, commission, board, bureau, agency or instrumentality, and will not result in a breach of, or default under any agreement, mortgage, contract, undertaking or other instrument or document to which Buyer is a party or by which Buyer is bound or to which Buyer or any portion of the Property is subject.

14. Computation of Days. In computing any period of time expressed in day(s) in this Contract, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. When the period of time prescribed or allowed is less than seven (7) days, intermediate Saturdays, Sundays, and legal holidays shall be excluded in the computation.

15. Notices. All notices, requests and consents hereunder to any party, shall be deemed to be sufficient if in writing and (i) delivered in person, (ii) delivered via facsimile or via e-mail, if a confirmatory mailing in accordance herewith is also contemporaneously made, (iii) duly sent by first class registered or certified mail, return receipt requested, and postage prepaid or (iv) duly sent by overnight delivery service, addressed to such party at the address set forth below (or at such other addresses as shall be specified by like notice):

BUYER: Avenue D'Arts FLL, LLC.
404 NW HALL OF FAME DR
LAKE CITY, FL 32055
Attn:
Phone:
Email:

SELLER: Christopher J. Lagerbloom, Executive Director
Fort Lauderdale Community Redevelopment Agency
100 North Andrews Avenue
Fort Lauderdale, Florida 33301
Telephone: (954) 828-5129
FAX: (954) 828-5021
CLagerbloom@fortlauderdale.gov

with a copy to:

Alain Boileau, General Counsel
Fort Lauderdale Community Redevelopment Agency
100 North Andrews Avenue
Fort Lauderdale, Florida 33301
Telephone: (954) 828-5036
FAX: (954) 828-5915
Aboileau@fortlauderdale.gov

All such notices and communications shall be deemed to have been given when transmitted in accordance herewith to the foregoing persons at the addresses set forth above; provided, however, that the time period in which a response to any such notice must be given shall commence on the

date of receipt thereof; provided, further, that rejection or other refusal to accept or inability to deliver because of changed address for which no notice has been received shall also constitute receipt. The respective attorneys for Seller and Buyer are authorized to send notices and demands hereunder on behalf of their respective clients.

16. Documents for Closing. All documents for closing prepared by Seller shall be submitted to Buyer for approval at least two (2) days prior to Closing.

17. Brokers. Seller and Buyer warrant and represent to each other that N/A has been employed with respect to the sale of the Property and that Buyer is obligated to pay a commission of N/A (0%) at Closing without credit, deduction or setoff against the Purchase Price or any other funds owed to Seller. Other than as represented above, neither this Contract nor any subsequent transaction between Seller and Buyer involving the Property has been brought about through the efforts of any other Broker. Seller and Buyer agree that in the event of a breach of this warranty and representation, the offending party shall indemnify and hold the non-offending party harmless with respect to any loss or claim for brokerage commission, including all reasonable attorneys' fees and costs of litigation through appellate proceedings. This paragraph shall survive expiration of this Contract.

18. Proceeds of Sale. All payments made by Buyer shall be made in the form of U.S. currency, or escrow account check drawn on the account of the Title Insurance Agent or Attorney licensed to practice law in the State of Florida or wire transfer of funds or equivalent drawn on a financial institution with branches in Broward, Miami-Dade or Palm Beach County which must have at least one branch in Broward County.

19. Purchase "As Is". Subject to the provisions herein, Buyer acknowledges that it has performed, or will perform pursuant to this Contract, sufficient physical inspections of the Property in order to fully assess and make itself aware of the physical condition of the Property, and that Buyer is purchasing the Property in an "AS IS" condition. Except as may be expressly set forth herein, Buyer acknowledges that the Seller has made no other representations or warranties as to the condition or status of the Property and that Buyer is not relying on any other representations or warranties of the Seller, any broker(s), or any agent of Seller in purchasing the Property. Except as may be expressly set forth herein, Buyer acknowledges that neither Seller nor any agent of Seller has provided any other representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to:

- (a) The nature, quality or condition of the Property, including, without limitation, the water, soil and geology;
- (b) The income to be derived from the Property;
- (c) The suitability of the Property for any and all activities and uses which Buyer may conduct thereon;

- (d) The compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;
- (e) The habitability, merchantability or fitness for a particular purpose of the Property; or
- (f) Any other matter with respect to the Property.

Without limiting the foregoing, Seller does not and has not made and specifically disclaims any other representation or warranty regarding the presence or absence of any hazardous substances, as hereinafter defined, at, on, under or about the Property or the compliance or non-compliance of the Property with any laws, rules, regulations or orders regarding Hazardous Substances (collectively the "Hazardous Substance Laws") other than the representation that the Seller has not received any notice from any governmental agency of any violation of any Hazardous Substance Laws relating to the Property. For purposes of this Contract, the term "Hazardous Substances" shall mean and include those elements or compounds which are contained in the list of Hazardous Substances adopted by the United States Environmental Protection Agency and the list of toxic pollutants designated by Congress or the Environmental Protection Agency or under any Hazardous Substance laws. Hazardous Substances shall also include Radon Gas. Buyer further acknowledges that neither Seller nor any agent of Seller has provided any representation or warranty with respect to the existence of asbestos or other Hazardous Substances on the Property other than as may be specifically set forth in this Contract.

Buyer acknowledges that it has completed its own market due diligence of the Property, and that the Purchase Price reflects Buyer's informed judgment as to the matters set forth herein.

20. Check _____, if applicable. Disclosure Of Beneficial Interest(s). If the Seller is a partnership, limited partnership, corporation or if title to the Real Property is held by Seller in any other form of representative capacity, as more particularly set forth in § 286.23, Florida Statutes, then, simultaneous with the Contract being submitted to the Buyer, Seller must submit to the Seller Attorney a public disclosure notice in writing, under oath and subject to the penalties for perjury ("Public Disclosure"). The Public Disclosure must be executed by the chief executive officer of the Seller and must state his or her name and address and the name(s) and address (es) of each and every person having a beneficial interest in the Property; provided, however, disclosure of beneficial interests in nonpublic entities shall not be required as to persons or entities holding less than five (5%) per cent of the beneficial interest in the Seller.

(b) The beneficial interest in any entity registered with the Federal Securities Exchange Commission or registered pursuant to Chapter 517, whose interest is for sale to Buyer is exempt from the provisions of this Section.

(c) If the Seller is an individual or individuals, no Public Disclosure is required.

21. Conflict. In the event of any conflict or ambiguity between this Addendum and the underlying Contract that it modifies, this Addendum shall control.

22. Expenses of Closing. The premium for an Owner's policy of title insurance and Documentary Stamps on the deed of conveyance shall be paid by Buyer in accordance with Florida Statute Sec. 201.01 (2017).

23. Miscellaneous.

(a) Incorporation of Exhibits. All exhibits attached and referred to in Contract and Addendum are hereby incorporated herein as fully set forth in.

(b) Time of the Essence. Time is of the essence of this Agreement.

(c) Severability. If any term or provision of this Contract or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Contract, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Contract shall be valid and be enforced to the fullest extent permitted by law.

(d) Interpretation. Words used in the singular shall include the plural and vice-versa, and any gender shall be deemed to include the other. Whenever the words "including", "include" or "includes" are used in this Contract, they should be interpreted in a non-exclusive manner. The captions and headings of the Paragraphs of this Contract are for convenience of reference only, and shall not be deemed to define or limit the provisions hereof. Except as otherwise indicated, all Exhibits and Paragraph references in this Contract shall be deemed to refer to the Exhibits and Paragraphs in this Contract. Each party acknowledges and agrees that this Contract (a) has been reviewed by it and its counsel; (b) is the product of negotiations between the parties, and (c) shall not be deemed prepared or drafted by any one party. In the event of any dispute between the parties concerning this Contract, the parties agree that any ambiguity in the language of the Contract is to not to be resolved against Seller or Buyer, but shall be given a reasonable interpretation in accordance with the plain meaning of the terms of this Contract and the intent of the parties as manifested hereby.

(e) No Waiver. Waiver by one party of the performance of any covenant, condition or promise of the other party shall not invalidate this Contract, nor shall it be deemed to be a waiver by such party of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature). No failure or delay by one party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Contract or shall prevent the exercise of any right by such party while the other party continues to be so in default.

(f) Consents and Approvals. Except as otherwise expressly provided herein, any approval or consent provided to be given by a party hereunder shall not be unreasonably withheld, delayed or conditioned.

(g) Governing Law. The laws of the State of Florida shall govern this Contract.

(h) Third Party Beneficiaries. Except as otherwise expressly provided in this Contract, SELLER and Buyer do not intend by any provision of this Contract to confer any right, remedy or benefit upon any third party (express or implied), and no third party shall be entitled to enforce or otherwise shall acquire any right, remedy or benefit by reason of any provision of this Agreement.

(i) Amendments. This Agreement may be amended by written agreement of amendment executed by all parties, but not otherwise.

(j) Jurisdiction: Venue. Each party hereby consents to the exclusive jurisdiction of any state or federal court located within the jurisdiction where the Property is located. Each party further consents and agrees that venue of any action instituted under this Contract shall be proper solely in the jurisdiction where the Property is located, and hereby waives any objection to such venue.

(k) Waiver of Trial by Jury. The parties hereby irrevocably waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of this Contract. This waiver shall apply to any subsequent amendments, renewals, supplements or modifications to this Contract. In the event of litigation, this Contract may be filed as a written consent to a trial by the court.

(l) Proration of Taxes. If applicable, in accordance with Florida Statutes, Section 196.295, Seller, at closing, shall pay to the Broward County Tax Collector an amount equal to the current year's taxes prorated to the date of transfer of title, together with any taxes or special assessments due for prior and future years. The Seller shall be required to place in escrow with the Tax Collector an amount equal to the current taxes prorated to the date of transfer of title, based upon the current assessment and millage rates on the Property. The escrowed funds shall be used to pay any ad valorem taxes and special assessments due and the remainder of taxes which would otherwise have been due for the current year shall stand cancelled. Upon payment of the final bill, if additional funds in excess of the escrowed balance are owed, upon demand from the Buyer, the Seller shall immediately remit the difference to the Tax Collector in U.S. Funds. This provision shall survive closing.

(m) Rights Reservation. Pursuant to F.S. 270.11 (2017), the Seller reserves all right, title or interest in phosphate, minerals, metals or petroleum, in, on or under the Property in the event the same is mined or developed. However, the Seller X releases _____ does not release its right of entry.

(n) Sovereign Immunity. Nothing herein shall be construed or deemed a waiver of sovereign immunity in favor Seller pursuant F.S. Section 768.28 (2017).

(o) Buyer's Option To Effectuate A Tax Free Exchange.

(1) Buyer, at Buyers' option, may elect to have the subject transaction treated as a tax deferred exchange of real estate pursuant to § 1031, Internal Revenue Code.

(2) This Contract may be assigned to a qualified intermediary for the purposes of completing the exchange. The Seller shall be notified in writing when and if this assignment is made.

(3) Seller shall cooperate with Buyer in effecting the exchange of property contemplated hereby and execute such documents as may be necessary to effectuate the §1031 tax deferred exchange, provided that Seller shall be held harmless from any and all loss, liability, costs, claims, demands, expenses, claims, damages, actions, causes of actions, and suits (including, without limitation, reasonable attorney's fees and costs of litigation, if any), and Seller shall not be exposed to, suffer or incur any additional cost, expense, liability or diminution of title to the Property as a result of cooperation in this like-kind exchange.

(4) If Buyer elects the like kind exchange, the closing contemplated by the Contract shall not be delayed without the written consent of Seller.

24. **Default.** In the event Seller or Buyer fails to close or if Buyer is unable to receive marketable title to the Property, the sole remedy for each party is to terminate the Contract at which time both parties shall be released from liability. Neither party shall be entitled to a claim for damages, to seek specific performance or to pursue any other legal or equitable remedies against the other.

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IN WITNESS WHEREOF, the parties have set their hands and seal the day and year written above.

WITNESSES:

**FORT LAUDERDALE COMMUNITY
REDEVELOPIVIENT AGENCY**, an
agency created pursuant to F.S. Part III,
Chapter 163

[Witness type or print name]

By _____
Christopher J. Lagerbloom,
Executive Director

ATTEST:

(CORPORATE SEAL)

Jeffrey A. Modarelli, CRA Secretary

APPROVED AS TO FORM:
Alain Boileau, General Counsel

By: _____
Lynn Solomon
Assistant General Counsel

STATE OF FLORIDA:
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by **Christopher J. Lagerbloom**, Executive Director of the FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY. He is personally known to me and did not take an oath.

(SEAL)

Notary Public, State of Florida
(Signature of Notary taking
Acknowledgment)

Name of Notary Typed,
Printed or Stamped

My Commission Expires:

Commission Number

WITNESSES:

Avenue D'Arts FLL, LLC, a Florida
Limited Liability Company

[Witness print or type name]

[Witness print or type name]

By _____

Print Name: _____

Print Title: _____

STATE OF _____:

COUNTY OF _____:

The foregoing instrument was acknowledged this ____ day of _____,
2019, by _____, as _____ of **Avenue D'Arts FLL, LLC**, a Florida
limited liability company. He/she is personally known to me or has produced
_____ as identification and did not take an oath.

(SEAL)

Notary Public, State of Florida
(Signature of Notary taking Acknowledgment)

Name of Notary Typed,
Printed or Stamped

My Commission Expires:

Commission Number

EXHIBIT "1"

**PENDING LITIGATION
RESPECTING
PROPERTY:
NONE**

EXHIBIT "2"

**Notice(s) from Governmental Authority
that PROPERTY is not in compliance with
laws, ordinances, rules or regulations**

NONE

DEVELOPMENT INCENTIVE PROGRAM LOAN LETTER OF INTENT

May __, 2019

Mr. Minesh Patel
Manager
Avenue D'Arts FLL, LLC
404 NW Hall of Fame Drive
Lake City, Florida 32055

Re: Letter of intent to provide a forgivable loan in an amount not to exceed Three Million and No/100 Dollars (\$3,000,000) to Avenue D'Arts FLL, LLC, a Florida limited liability company ("Arts Avenue" or "Borrower") to be secured by real property located at 713, 717 and 723 NW 3rd Street, Fort Lauderdale, Florida and adjacent property owned by Borrower or its affiliates (the "Property") to assist in the development and operation of a Comfort Suites hotel or comparable hotel with the same industry standard rating or higher (the "Hotel") on the Property

Dear Mr. Patel:

This letter is intended to establish a framework for a Development Agreement under the Development Incentive Program (the "Development Agreement") by and between the Fort Lauderdale Community Redevelopment Agency (the "Lender" or "CRA") and Arts Avenue. Subject to the terms and conditions set forth herein and in the Development Agreement, Lender agrees to lend to Borrower an amount not to exceed Three Million and No/100 Dollars (\$3,000,000) for a Development Incentive Program forgivable loan (the "DIP Loan") that will be disbursed in equal payments over a three year period starting from the issuance of a certificate of occupancy by the appropriate governmental authority for the Hotel and an approval letter from the CRA and thereafter, on the anniversary date of issuance of the Certificate of Occupancy. The CRA shall receive the same personal guarantees given by Mahendra Patel, individually and Minesh Patel, individually, to its lender for the Hotel and Property.

By resolution, the CRA Board hereby authorizes the CRA General Counsel or outside legal counsel to prepare the Development Agreement in consultation with the CRA's Executive Director and to incorporate the following general terms and conditions as provided herein.

ACQUISITION OF LAND: Simultaneously with approval of this Letter of Intent, the CRA has approved the sale and transfer to Arts Avenue the real property located at 713, 717 and 723 NW 3rd Street, Fort Lauderdale, Florida ("CRA Property") in

DEVELOPMENT INCENTIVE PROGRAM LOAN LETTER OF INTENT

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Manager
Avenue D'Arts FLL, LLC
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Lake City, Florida 32055

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ACQUISITION OF LAND: Simultaneously with approval of this Letter of Intent, the CRA has approved the sale and transfer to Arts Avenue the real property located at 713, 717 and 723 NW 3rd Street, Fort Lauderdale, Florida ("CRA Property") in

consideration of payment of \$355,000.00 and other terms and conditions. Closing on the DIP Loan shall occur simultaneously with closing on the CRA Property. It is anticipated that the parties shall negotiate and execute a Development Agreement within nine (9) months after the CRA board approves this award of funding and sale of the CRA Property.

COMPLETION DATE: The Hotel and ancillary elements shall be completed within twenty four (24) months from the date of this letter subject to extensions granted by the CRA's Executive Director for delays caused by circumstances beyond the Borrower's control but not due to a lack of funding to complete the Project, and is defined as the date on which a Certificate of Occupancy has been issued by the City of Fort Lauderdale or other governing authority and an approval letter of the Project has been issued by the Agency.

USES OF PROCEEDS: Arts Avenue acknowledges that the proceeds of the DIP Loan will be used only for reimbursement of hard costs of construction of a hotel consisting of 100 suites, parking area and other amenities. (the "Project" or "Hotel") according to a construction budget approved by the CRA Executive Director, as may be amended by Borrower and its construction lender, and such other costs as may be approved by the Lender, so long as such expenses are allowed in accordance with Part III, Chapter 163, Florida Statutes. The CRA proceeds shall not be used for operating and administrative expenses of the Project. Further, hard costs are defined as costs for work, labor and materials required to construct a new hotel on the Property.

LOAN AMOUNT AND DISBURSEMENTS: The total allocation for this Project is 3,000,000.00 which shall be disbursed over three (3) years at \$1,000,000 per CRA fiscal year. Disbursements will be made subject to an absence of uncured defaults under the Development Agreement or the Second Mortgage.

The first disbursement is conditioned on the following requirements:

- (i) Completion of the Hotel;
- (ii) Satisfactory evidence that Arts Avenue has invested an amount equal to the DIP Loan in the Project; and
- (iii) Proof of insurance as required under the Development Agreement; and
- (iv) Such other reasonable conditions imposed by the Executive Director in the exercise of his discretion.

The second and third disbursements are conditioned on the following requirements:

- (i) Continuous operation and management of the Hotel; and

- (ii) Proof of Insurance as required under the Development Agreement; and
- (iii) Such other reasonable conditions imposed by the Executive Director in the exercise of his discretion.

LOAN PAYMENTS: This is a forgivable loan and repayment shall not be required except in the event of default as defined in the Development Agreement. Such events of defaults include, but are not limited to, failure to operate and manage a Hotel on the Property for a minimum of five (5) years. Further, Borrower shall be required to fulfill the Job Creation Requirement described below.

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 2019, subject to the approval as to form and substance by the CRA's General Counsel and City Auditor. Such obligations to annually appropriate and disburse the DIP Loan are subordinate to overhead and administrative costs related to operations of the CRA and senior CRA debt and previously approved CRA projects.

JOB CREATION REQUIREMENT: Starting from issuance of the Certificate of Occupancy and each year thereafter for a total of two (2) years and to the extent Borrower creates new non-construction jobs at the Hotel, it agrees to provide job training and to hire and continuously maintain Full Time Job Hours for at least twenty percent (20%) of the Hotel employees or labor force from residents within the Northwest-Progresso-Flagler Heights Community Redevelopment Area ("Residential Target Goal"). The Job Creation Requirement for the Residential Target Goal is calculated based on the sum of: (i) Full Time Equivalent (FTE) Job Hours for CRA residents, multiplied by (ii) 40 hours per week, multiplied by (iii) 52 weeks times 2 years. Full Time Job Hours shall include each and every hour for which the CRA Resident is paid or entitled to payment for a period of time in which no duties are performed due to vacation, holiday, illness, incapacity (including disability, layoff, jury duty, military duty or leave of absence). Other than federal, state or local laws regarding minimum wages, this Letter of Intent does not impose a minimum wage requirement. Notwithstanding the foregoing, Borrower shall have five (5) years to meet the Two (2) year Job Creation Requirement for the Residential Target Goal.

In the event the Job Creation Requirement for CRA Residents is not met, the Borrower shall pay a penalty equal to \$100,000 per job (i.e. 4160 Full Time Job Hours). Failure to pay the penalty or to provide the requested information regarding payroll and employment data shall be deemed an event of default. In addition, the CRA Second Mortgage shall not be released until the Job Creation Requirement has been met or the penalty is paid. The CRA reserves the right to withhold the penalty from the DIP Loan disbursement.

JOBS REPORT: At its expense, Borrower shall provide to the Lender a certified

annual written job report, in form and substance approved by the CRA, prepared by an independent licensed accountant for the immediately previous calendar year stating:

- 1) The total number of Full Time Equivalent job hours created for the Project, date of hire, type of job for each employee and whether the hires are residents of the Northwest-Progresso-Flagler Heights Community Redevelopment Area.

The annual report shall be provided no later than October 31st of the first full year after issuance of the Certificate of Occupancy and by October 31st thereafter for a period of five (5) years. The CRA reserves the right to reject FTE Job Hours in the event the CRA receives credible evidence that Borrower, or its agents, has provided false, inaccurate, misleading or fraudulent information relating to satisfaction of the Job Creation Requirement. Notice of any disapproval shall be provided by the CRA within 60 days after the reports have been received. Otherwise, such report shall be deemed approved and accepted by the CRA.

LOAN DOCUMENTS: Borrower shall execute;

- (a) Promissory Note in the amount of \$3,000,000; and
- (b) Second Mortgage in a form reasonably acceptable to the Lender which mortgage shall encumber the CRA Property and adjoining property owned by Borrower; and
- (c) Development Agreement; and
- (d) Corporate Authorization; and
- (e) Personal Guarantees of Mahendra Patel and Minesh Patel as provided to and required by the construction/permanent lender (s); and
- (f) Satisfactory evidence that Borrower holds marketable title in the adjoining property; and
- (g) Regulatory Agreement; and
- (h) Such other documents and assurances as are reasonably requested by the CRA.

The Loan shall carry an interest rate of 0% per annum, except in the event of a default, interest shall accrue at the maximum rate permitted by law, and be forgivable after a period of five (5) years after issuance of the Certificate of Occupancy and issuance of an approval letter by the CRA. Payment of the outstanding principal amount of the DIP Loan or penalty shall not be required except for an uncured default

ASSIGNMENT: During the loan period, the Borrower and other related entities shall not sell, assign, convey or transfer (all of the foregoing referred to as an "Assignment") its interest in the Project or Property to any person, or a controlling interest in such entities which hold the right, title and interest in the Property, the franchise and the developer of the Project, without the express written consent of the CRA which consent shall not be unreasonably withheld. CRA shall either approve such Assignment or specify in reasonable detail the basis for its disapproval within thirty (30) days after request for such approval. Such Assignment shall not be valid until the CRA has consented in writing to such Assignment and there shall have been delivered to CRA a true copy of the proposed instruments effecting such Assignment, and an original counterpart of an agreement in which each such assignee assumes and agrees to perform all the terms, covenants and conditions under the DIP Loan on Borrower's, or such applicable entity's, part to be performed, including those for matters that arose or became due prior to the effective date of the Assignment, and proof that the assignee has been approved as the successor under the franchise or licensing agreement by the appropriate organization with authority to approve franchise or licensing rights over the Hotel. After the aforesaid instruments have been delivered to CRA and CRA has consented in writing to such Assignments, then from and after the effective date of Assignment, the assigning party shall be released of all obligations under the DIP Loan for matters arising after the effective date of the Assignment, but shall remain liable to the CRA for all obligations under the DIP Loan relating to matters that arose or became due prior to the effective date of the Assignment. The factors upon which CRA may base its decision on whether to grant consent to an Assignment will be limited to whether (i) the proposed assignee and/or any of the direct or indirect principals of such proposed assignee (as may be set forth in a certification to the Agency by a certified public accountant) meets standards of creditworthiness and have sufficient financial resources to acquire, operate, manage and maintain the Project, (ii) the proposed assignee has the reasonable ability to perform the obligations of the Borrower under the DIP Loan; (iii) the proposed assignee has prior business experience related to operating property with uses similar to the Project, (iv) the reputation of the proposed assignee, and (vi) the form of the documents evidencing the assignment and the assumption), and (vii) other reasonable factors. Borrower agrees to disclose the principals with controlling interest in the Borrower, owner of the land and building and the developer of the Project and to provide such documents as evidence of same.

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

The individuals executing this Letter of Intent are authorized to execute this letter on behalf of the respective entities.

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

Lender and Borrower agree to act in good faith to formalize the Development

under the Development Agreement, and/or Second Mortgage ("Loan Default"). Provided that there is not an uncured default, the Loan will be forgiven.

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 the First Mortgage shall include a notice provision requiring the First Mortgagee to provide notice of default and an opportunity to cure in favor of the CRA. Any approvals of 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 CRA General Counsel.

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 the goal of achieving a minimum 30% participation for minorities.

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 operate and manage the Hotel for a minimum of five (5) years under the terms and conditioned contain herein; or
- 2) A final order, judgment or decree is entered by any court of competent jurisdiction adjudicating the Borrower bankrupt or insolvent; or
- 3) Any misrepresentation made by Borrower in any material respect and which adversely affects the rights, duties and obligations of the CRA; or
- 4) Foreclosure proceedings have commenced against the Project; or
- 5) A default under the First Mortgage; or
- 6) Failure to meet the Job Creation Requirement and to pay the penalty.

MAINTENANCE/REPAIRS: Upon completion of the Project, Borrower, its successors and/or assigns, shall have a continuing obligation to maintain the Project in good repair and provide adequate insurance coverages at its expenses, all as set forth in the Development Agreement. All construction will be done in accordance with necessary approvals and the permitted and approved set of plans and specifications by the appropriate governing authority.

INSURANCE: The Borrower and/or the general contractor for the Project, as applicable, shall purchase and maintain at its own expense, insurance, as may be required by the Lender and shall include the Lender as an "Additional Insured".

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

CROSS DEFAULT: The Development Agreement, and the Second Mortgage will be cross defaulted with the construction loan and First Mortgage.

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

TERMINATION: Prior to execution of the Development Agreement, 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 for any of its property;
- b. Admit in writing an inability to pay its 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; or
- h. Failure by Borrower to close on the CRA Property

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

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first written above.

WITNESSES:

AGENCY

**FORT LAUDERDALE COMMUNITY
REDEVELOPMENT AGENCY**, a
Community Redevelopment Agency created
pursuant to Chapter 163, Part III,
Florida Statutes

Print Name

By _____
Dean J. Trantalis, Chair

Print Name

By _____
Christopher J. Lagerbloom, Executive Director

ATTEST:

CRA General Counsel:
Alain E. Boileau, General Counsel

Jeffrey A. Modarelli, CRA Secretary

Lynn Solomon, Assistant General Counsel

AGREED TO AND ACCEPTED this _____ of May, 2019.

AVENUE D'ARTS FLL, LLC, a
Florida limited liability company

Minesh Patel, Manager

**JOINDER AND CONSENT
Holder of Franchise Rights**

Samuel Patel, individually