

1
2 **AGREEMENT FOR DISPOSITION OF PROPERTY, SITE DEVELOPMENT**

3 **AND**

4 **PROPERTY OF DISTINCTION GRANT**

5 **(BLUE LAGOON PROJECT)**

6
7 **between**

8
9 **RIVIERA BEACH**

10 **COMMUNITY REDEVELOPMENT AGENCY**

11
12 **and**

13
14 **BLUE LAGOON PLAZA, LLC,**

15 **a Florida limited liability company**

16
17
18 **Dated as of _____, 2017**

TABLE OF CONTENTS

1.01	Definitions.....	7
1.02	Use of Words and Phrases.....	12
<i>ARTICLE 2. PURPOSE PROPOSAL; PROJECT DEVELOPMENT SCHEDULE.....</i>		<i>12</i>
2.01	Purpose of Agreement.	12
2.02.	Developer’s Proposal.	12
2.03	Cooperation of the Parties.....	13
2.04	Authorized Representative.....	13
<i>ARTICLE 3. PROJECT SITE.....</i>		<i>13</i>
3.01	Project Site.....	13
<i>ARTICLE 4. CONCEPTUAL AND FINAL SITE PLAN.....</i>		<i>14</i>
4.01	Conceptual Site Plan and Final Site Plan.	14
4.02	Preparation of Conceptual and Final Site Plan.	14
4.03	Approval of Modifications or Revisions to Final Site Plan by Executive Director...	14
<i>ARTICLE 5. REGULATORY PROCESS.....</i>		<i>14</i>
5.01	Not a Development Order or Permit.....	14
<i>ARTICLE 6. PROJECT FINANCING.....</i>		<i>14</i>
6.01	Property of Distinction Incentive Program Grant.....	14
6.03	Disbursement of Loan Proceeds	15
6.02	Closing of Loan	15
6.04	Agreement to Subordinate Commercial Façade Improvement Incentive Loan and Property & Business Improvement Loan.	15
<i>ARTICLE 7. CONSTRUCTION OF PROJECT.....</i>		<i>16</i>
7.01	Conditions Precedent to Construction.....	16
7.02	Construction of the Project.....	16
7.03	Intentionally Deleted.....	17
7.04	Monitor Progress.	17
7.05	Completion.....	17
7.06	Agency Not in Privity with Contractors.	17

8.01	Leasing Requirements	17
8.02	Leasing Reports.....	18
8.03	Default of Property of Distinction Agreement.	18
8.04	No Subordination of Regulatory Agreement.....	18
8.05	Survival.....	19
ARTICLE 9. INDEMNIFICATION.....		19
9.01	Indemnification.....	19
9.02	Limitation of Indemnification.....	20
ARTICLE 10. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.		20
10.01	Representations and Warranties of Developer.	20
ARTICLE 11. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AGENCY		22
11.01	Representations and Warranties.....	22
11.02	Covenants.....	23
ARTICLE 12. RESTRICTIONS ON ASSIGNMENT AND TRANSFER		23
12.01	Representations as to Development.....	23
12.02	Restriction on Transfer of Interests Prior to the Satisfaction Date.	24
12.03	Notification to Agency as to Ownership Changes.....	24
12.04	Restrictions On Transfer, Assignment and Encumbrance of Project Site and Assignment of Agreement.	25
12.05	Survival	25
ARTICLE 13. DEFAULT; TERMINATION.....		26
13.01	Default by the Developer.....	26
13.02	Agreement Termination.....	28
ARTICLE 14. INTENTIONALLY OMITTED.....		28
ARTICLE 15. ARBITRATION		28
15.01	Mediation Prior to Arbitration.....	28
15.02	Agreement to Arbitrate.....	28

15.03	Appointment of Arbitrators.....	29
15.04	General Procedures.	29
15.05	Decision of Arbitrators.....	30
15.06	Expense of Arbitration.	30
15.07	Accelerated Arbitration.....	30
15.08	Applicable Law.....	31
15.09	Arbitration Proceedings and Records.....	31
<i>ARTICLE 16. INTENTIONALLY OMITTED.....</i>		<i>31</i>
<i>ARTICLE 17. FIRE OR OTHER CASUALTY; CONDEMNATION.....</i>		<i>31</i>
17.01	Loss or Damage to Project.	31
17.02	Partial Condemnation of Project or Project Site; Application of Proceeds.	32
<i>ARTICLE 18. PROJECT INSURANCE PROCEEDS</i>		<i>32</i>
18.01	Project Insurance Proceeds.....	32
18.02	Notice of Loss or Damage to Project.....	32
<i>ARTICLE 19. MISCELLANEOUS.....</i>		<i>32</i>
19.01	Notices	32
19.02	Severability	32
19.03	Applicable Law and Construction.....	32
19.04	Venue; Submission to Jurisdiction.....	32
19.05	Captions.	32
19.06	Holidays	32
19.07	Exhibits and Attachment.....	32
19.08	No Brokers.....	32
19.09	Not an Agent of City or Agency.....	32
19.10	No Recording.....	32
19.11	Public Purpose.....	32
19.12	No General Obligation.....	32
19.13	Disclaimer As To Governmental Authority	32
19.14	Term; Expiration	32

19.15	Approvals Not Unreasonably Withheld.....	32
19.16	Time of the Essence.....	32
19.17	Standing and Enforceability	32
19.18	Nonrecourse.....	32
19.19	Audit Right and Retention of Records.....	32
19.20	Public Records.....	32
19.21	Non-Action on Failure to Observe Provisions of this Agreement	32

AGREEMENT FOR PROPERTY DISPOSITION, SITE DEVELOPMENT
AND
PROPERTY OF DISTINCTION GRANT
(THE BLUE LAGOON PLAZA PROJECT)

This AGREEMENT FOR PROPERTY DISPOSITION, SITE DEVELOPMENT AND PROPERTY OF DISTINCTION (the “Agreement”) is made as of this ____ day of _____, 2017, by and between the RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic of the State of Florida created pursuant to Part III, Chapter 163, Florida Statutes (the “Agency”), BLUE LAGOON PLAZA, LLC, a Florida limited liability company (“Developer”).

WITNESSETH:

WHEREAS, the Agency was created to eliminate “slum and blight” and to stimulate community redevelopment;

WHEREAS, the Riviera Beach Community Redevelopment Plan (“Redevelopment Plan”) was amended most recently on July 20, 2011 and provides for redevelopment of the Riviera Beach Community Redevelopment Area (the “Redevelopment Area”);

WHEREAS, the Agency owns property located at 200 W. Blue Heron Boulevard, more specifically defined in Exhibit “A” attached hereto; and

WHEREAS, pursuant to the Property Acquisition and Disposition Program (“Policy”) adopted by the Agency it was determined that said Property should be made available for sale or redevelopment; and

WHEREAS, pursuant to the Policy and Section 163.380, Florida Statutes, notice of disposition was advertised in a newspaper of general circulation soliciting proposal for the use of the property in conformity with the adopted community redevelopment plan (“Notice of Disposition”); and

WHEREAS, the Agency received two responses to the Notice of Disposition; and

WHEREAS, the proposal submitted by Developer was the proposed use is in the public interest and consistent with the Adopted Community Redevelopment Plan; and

WHEREAS, the Agency, pursuant to the Redevelopment Plan, has created certain business incentive programs to stimulate redevelopment within the Area including the Property of Distinction Program (the “Program”);

WHEREAS, the Developer, pursuant to the terms of the Program, has applied for funding to construct a building of approximately 4,860 square feet square feet (the “Project”);

WHEREAS, on March 29, 2017, the Agency approved the Developer’s proposal for purchase of the Property and construction of the Project;

WHEREAS, after review of the Developer’s Proposal (as hereinafter defined), the Agency accepted Developer’s Proposal as being in the public interest and in furtherance of the goals, objectives and provisions of the Redevelopment Plan and authorized negotiation of a development agreement between the Agency and Developer setting forth the terms and conditions for the funding and development of the Project;

WHEREAS, the Agency and Developer have entered into and concluded negotiations for said site development and Property of Distinction Grant, which negotiations have resulted in this Agreement;

WHEREAS, the members of Developer have approved this Agreement and have authorized and directed certain individuals to execute this Agreement on behalf of Developer.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

ARTICLE 1. DEFINITIONS.

1.01 Definitions. The terms defined in this Article 1 shall have the following meanings in this Agreement, except as herein otherwise expressly provided:

“Act” means the Constitution of the State of Florida; Section 163.01, Florida Statutes, Part III, Chapter 163, Florida Statutes, et. seq.; and other applicable provisions of law, and ordinances and resolutions of Palm Beach County, the City of Riviera Beach and the Agency pertaining to the redevelopment of the Redevelopment Area (as in after defined).

“Agency” means the Riviera Beach Community Redevelopment Agency, and any successors or assigns thereto, provided that such successors and assigns shall be limited to governmental entities.

“Agreement” means this Agreement for Property Disposition, Site Development and Property of Distinction Grant, including any Exhibits, and any amendments hereto or thereto.

“Arbitrable Event” shall mean a dispute or disagreement between the parties concerning the occurrence or nonoccurrence of any event or whether a set of facts meets criteria set forth in

this Agreement, which such dispute or disagreement shall be resolvable by resort to arbitration under Article 15 hereof.

“Authorized Representative” means the Executive Director or his designee, as to the Agency and George A. Steele or his designee, as to the Developer, and person or persons designated and appointed from time to time as such by the Agency, or the Developer pursuant to Section 2.04.

“Building Code” means the code which governs building and construction standards, review of plans for construction, issuance of building permits, inspections for compliance with construction standards, issuance of Certificate of Occupancy, issuance of Certificate of Completion and other matters pertaining to construction of structures in the City.

“Building Permit” means, for each part of the Project to be constructed on the Project Site, any building permit issued by the appropriate department, office or official of the City (or other governmental authority having jurisdiction over the Project Site) charged with reviewing the plans, specifications, drawings, details and other construction documents for compliance with the Building Code and other similar codes applicable to that part of the Project being constructed thereon, and having the authority to issue building permits for construction of buildings, structures or other improvements in accordance with construction documents therefor reviewed and approved by such department, office or official.

“Certificate of Completion” means a certificate of completion or temporary certificate of completion issued by the City or other appropriate governmental authority for the commercial components of the Project.

“City” means the City of Riviera Beach, Florida, a Florida Municipal Corporation, and any successors or assigns thereto.

“City Codes” or “Codes” means the ordinances and codes of the City that regulate the development and construction of projects and buildings, including the Building Code and zoning regulations.

“City Council” means the elected governing body of the City, by whatever name known or however constituted from time to time.

“Closing Date” means the date on which the Property is transferred and closed which shall be simultaneous with the Construction First Lien Financing.

“Commencement Date” means the date on which the Developer commences construction of the Project, as further defined in Section 7.02(a).

“Completion Date” means the date on which a Certificate of Completion is issued for the commercial components of the Project which date shall be no later than 365 days after the Commencement Date, subject to Unavoidable Delays and extensions by the Executive Director.

“Construction First Lien Financing” means, the funds provided by the Construction First Lien Lender to pay Hard Costs and Soft Costs and other related soft costs of Developer for developing the Project, and the design, construction and equipping of the Project, and which may be secured by a first priority mortgage, security interest, pledge, lien or other encumbrances and includes all modifications, renewals, extensions and replacements thereof and future advances thereunder.

“Construction First Lien Financing Documents” means any loan commitment, agreement, note, mortgage or other instrument setting forth the terms of the Construction First Lien Financing.

“Construction First Lien Lender” means any Person(s) providing the Construction First Lien Financing but not including the Developer or Holdings, which Person(s) may include a senior lender, other junior lenders and/or preferred equity investors.

“Contractor” means one or more Persons constituting a general contractor or Major Subcontractor properly licensed by the State of Florida or other appropriate jurisdiction to the extent required by applicable law, authorized to perform construction contractor services in the State of Florida, registered with the City as required by applicable law, bonded and insured to the extent required by applicable law and this Agreement.

“Developer” means Blue Lagoon Plaza, LLC, a Florida limited liability company, and successors and/or assigns approved by the Agency in accordance with the provisions of Article 14 hereof.

“Effective Date” means the date on which the last of the party executes this Agreement.

“Executive Director” means the designate executive director of the Agency.

“Exhibits” means those agreements, diagrams, drawings, specifications, instruments, forms of instruments, and other documents attached hereto and designated as exhibits to, and incorporated in and made a part of, this Agreement.

“Expiration Date” means the date on which the Agreement expires, as evidenced by the Agreement Expiration Certificate in the Public Records of Palm Beach County, Florida pursuant to Section 20.14 hereof.

“Final Site Plan” shall have the meaning set forth in Section 4.01.

“Hard Costs” means costs for work, labor and materials required to construct and complete the Project.

“Grant Agreement” means an agreement in substantially the form of Exhibit “B” attached hereto between the Developer and the Agency containing the conditions and terms of the Property of Distinction Grant in the amount of \$195,000.

“Loan” means a loan in the principal amount of One Hundred Eighty Thousand Dollars (\$180,000.00) to the Developer to finance the acquisition of the Property.

“Loan Documents” mean the Mortgage and Security Agreement, Note, and such other documents contemplated by the Development Agreement to secure the Purchase Money Mortgage.

“Purchase Money Mortgage and Security Agreement” means a mortgage and security agreement in substantially the form of Exhibit “C” hereto encumbering the Project Site that upon recordation shall constitute a second lien on said Project Site together with the improvements located and constructed thereon.

“Major Subcontractor” means the Contractors for site development work (infrastructure), structural improvements, underground water and sewer utilities, mechanical, (HVAC), plumbing and electrical.

“Permits” means all zoning, variances, special exceptions, yard modifications, zoning approvals, development orders respecting land use and consents required to be granted, awarded, issued, or given by any governmental authority relative to the regulation of land use or zoning in order for construction of the Project, or any part thereof, to commence, and to be completed.

“Person” means any natural person, firm, partnership (general or limited), corporation, company, association, joint venture, joint stock association, estate, trust, business trust, cooperative, limited liability corporation, limited liability partnership, limited liability company or association, or body politic, including any heir, executor, administrator, trustee, receiver, successor or assignee, or other person acting in a similar representative capacity.

“Project” means the development and operation of a multi bay office/retail on the Project Site consisting of approximately 4,860 square feet and supportive permitted accessory uses subject to modifications set forth in the Concept and/or Final Site Plan. The Project shall also include any other development and use obligations of Developer under this Agreement relative to the Project Site. The term shall also include the phrase “or portion thereof” as the context may require.

“Project Site” shall have the meaning set forth in the first WHEREAS..

“Promissory Note” means a promissory note in substantially the form of Exhibit “D” hereto payable to the order of the Agency in the principal amount of One Hundred Eighty Thousand Dollars (\$180,000.00).

“Proposal” means the proposal for development of the Project Site presented by Developer to the Agency’s Board of Commissioners on March 29, 2017.

“Property of Distinction Incentive Grant” means the funds provided by the Agency pursuant to this Agreement and Grant Documents to advance to the Developer for eligible costs associated Hard and Soft construction costs for the Project not to exceed One Hundred Ninety Five Thousand Dollars (\$195,000).

“Public Property” means those portions of the Project Site consisting of: (i) streets, alleys and other public ways and (ii) land, including plazas, on which Infrastructure Improvements will be constructed and dedicated to the public, if any.

“Redevelopment Area” shall have the meaning set forth in the second WHEREAS clause.

“Redevelopment Plan” shall have the meaning set forth in the second WHEREAS clause.

“Regular Scheduled Meeting” means a regularly scheduled meeting of the Agency that is presently scheduled for the third Tuesday of each month, at which a quorum is present.

“Satisfaction Date” means the earlier of (i) the date that the Loan is completely forgiven pursuant to the terms of the Promissory Note or (ii) the date a satisfaction of the Mortgage and Security Agreement is recorded in the public records of Palm Beach County, Florida.

“Soft Costs” means those costs associated with the development and construction of the Project which are not Hard Costs, including, without limitation, architectural and engineering fees, consultant fees, professional fees, real estate taxes, insurance and bonding costs, and interest and financing fees; provided that “Soft Costs” shall not include developer fees, general overhead charges or other similar fees payable to Affiliates of the Developer.

“Sources and Uses of Funds Schedule” means the form attached to the Grant Agreement that memorializes the understanding of all parties as to the distribution of Loan funds.

“Termination Date” means the date on which any party terminates this Agreement as provided in Section 14.01.

“Unavoidable Delay” means any of the following events or conditions or any combination thereof: acts of God, acts of a public enemy, riot, insurrection, war, act of terrorism, pestilence, archaeological excavations required by law, unavailability of materials after timely ordering of same, epidemics, quarantine restrictions, freight embargoes, fire, lightning, hurricanes, earthquakes, tornadoes, floods, inclement weather (as indicated by the records of the local weather bureau for a ten (10) year period preceding the Effective Date), exercise of the power of condemnation as to a portion of the Project Site bearing a material relationship to the improvements to be constructed, strikes or labor disturbances, any of which shall be beyond the reasonable control of the party performing the obligation, adverse economic conditions, delays due to proceedings under Chapters 73 and 74, Florida Statutes, restoration in connection with any of the foregoing or any other cause beyond the reasonable control of the party performing the obligation in question, including, without limitation, such causes as may arise from the act of the

other party to this Agreement, or acts of or failure to act by any governmental authority, which such event(s) or condition(s) or any combination(s) thereof substantially frustrate on a commercially reasonable basis the performance contemplated by this Agreement.

1.02 Use of Words and Phrases

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural as well as the singular number, and the word “person” shall include corporations and associations, including public bodies, as well as natural persons. “Herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinabove,” “hereinafter” and other equivalent words refer to this Agreement and not solely to the particular portion thereof in which any such word is used

ARTICLE 2. PURPOSE PROPOSAL; PROJECT DEVELOPMENT SCHEDULE.

2.01 Purpose of Agreement.

(a) The purpose of this Agreement is to set forth the agreement between the Agency and Developer for the terms and conditions of the Grant, Loan and the development of the Project and to set forth mutual roles and responsibilities of each. It is also to further the implementation of the Redevelopment Plan by providing for the development and construction of the Project on the Project Site in accordance with the Conceptual Site Plan and the Final Site Plan, as approved by the Agency.

(b) Developer agrees to develop the Project by using its commercially reasonable efforts to (i) obtain approvals from governmental authorities necessary for the development of the Project, (ii) secure construction and permanent financing and (iii) construct various improvements on the Project Site consistent with the terms of this Agreement.

2.02. Developer’s Proposal.

(a) The Proposal is hereby found by the parties hereto: (i) to be consistent with and in furtherance of the objectives of the Redevelopment Plan, (ii) to conform to the provisions of the Act, (iii) to be in the best interests of the citizens and residents of the City, (iv) to further the purposes and objectives of the Agency, and (v) to further the public purpose of eradicating conditions of “slum and blight” in the Redevelopment Area.

(b) Based upon and as a result of the findings set forth in subsection (a) above, the Proposal, including such changes and revisions as are provided for by this Agreement, is hereby affirmed by the Developer and approved and accepted by the Agency.

(c) The parties hereto agree that the terms and conditions set forth in this Agreement do not, individually or collectively, constitute a substantial deviation from the Proposal.

2.03 Cooperation of the Parties.

The parties hereto recognize that the successful development of the Project and each component thereof is dependent upon continued cooperation of the parties hereto, and each agrees that it shall act in a reasonable manner hereunder. No cooperation or assistance by the Agency shall be construed or implied to constitute any action by the City or any board, commission or committee thereof acting in its governmental capacity.

2.04 Authorized Representative.

(a) The Agency has designated the Executive Director as its Authorized Representative to act on its behalf to the extent of the grant of authority to such representative. The Developer has designated George A. Steele as its Authorized Representative to act on its behalf. Written notice of the designation of such an Authorized Representative (and any subsequent change in the Authorized Representative) and the authority that may be exercised by such Authorized Representative, shall be given by the designating party to the other party in writing in accordance with the procedure set forth in Section 20.01 hereof.

(b) Except as otherwise expressly provided in this Agreement, whenever approval or action by the Developer or the Agency is required by this Agreement, such action or approval may, to the extent of authorization granted, be taken or given by the Authorized Representative thereof. Subject to any limitation of authority set forth in the written notice, a party to this Agreement may rely upon the representation of the other party's Authorized Representative that such person has the requisite authority to give the approval or take the action being done by that Authorized Representative.

ARTICLE 3. PROJECT SITE.

3.01 Project Site.

The Project Site is a parcel of together with all improvements thereon, located at the Northwest Intersection of West Blue Heron Boulevard and Avenue F, at 200 West Blue Heron Boulevard, Riviera Beach, Florida which property is more particularly described Exhibit "A".

3.02 Sale of Project Site to Developer.

The Agency shall convey the Project Site and its development rights to the Project Site to the Developer pursuant to the Contract for Sale and Purchase for One Hundred Eighty Thousand Dollars (\$180,000.00) attached hereto as Exhibit G, subject to the conditions precedent in the Contract, provided this Agreement is still in full force and effect. The conveyance shall be secured by a second priority mortgage, security interest, pledge, lien or other encumbrances and includes all modifications, renewals, extensions and replacements thereof and future advances thereunder, subject to subordination as set forth in Section 6.04.

ARTICLE 4. CONCEPTUAL AND FINAL SITE PLAN.

4.01 Conceptual Site Plan and Final Site Plan.

Agency acknowledges that Developer has prepared and completed the Conceptual Site Plan attached hereto as Exhibit “E” that was submitted and approved by the Agency Board of Commissioners. Developer shall prepare and submit to the Authorized Representative of the Agency a proposed final site plan for the Project, which shall be similar to the Conceptual Site Plan, but shall be set forth with greater detail as to elevations, building footprint, architectural features, landscaping, and parking for the entire Project (the “Proposed Final Site Plan”). Upon authorization and approval by the City Council of the Proposed Final Site Plan, the Proposed Final Site Plan shall be deemed the “Final Site Plan” and shall be attached hereto as Exhibit “E-1”.

4.02 Preparation of Conceptual and Final Site Plan.

Developer is responsible for and shall pay the cost of preparing, submitting and obtaining approval of any version of the Conceptual Site Plan and Final Site Plan and any revisions or modifications thereto.

4.03 Approval of Modifications or Revisions to Final Site Plan by Executive Director.

(a) Proposed modification(s) of or revision(s) to the Final Site Plan may be approved by the Executive Director of the Agency without further review or approval of the Agency.

(b) Any denial by the Executive Director under this Section 4.03 may be appealed by Developer to the Agency.

ARTICLE 5. REGULATORY PROCESS.

5.01 Not a Development Order or Permit

Agency and Developer agree that this Agreement is not intended to be and should not be construed or deemed to be a “development order” or “development permit” within the meaning of those terms in Section 163.3164, Florida Statutes.

ARTICLE 6. PROJECT FINANCING.

6.01 Property of Distinction Incentive Program Grant.

(a) The Agency agrees to grant to Developer up to One Hundred Ninety Five Thousand Dollars (\$195,000) (the “Property of Distinction Grant Amount”) in accordance with the terms of this Agreement and the Grant Documents to advance to the Developer for eligible costs as set forth in the Sources and Uses Fund Schedule associated with construction of the improvements to the

Project Site including Hard and Soft construction costs for the Project. The Agency shall disburse up to Seven Thousand Five Hundred Dollars (\$7,500) prior to Closing to defer certain preconstruction costs in accordance with the Sources and Uses Fund Schedule.

(b) The obligations of the Developer to return any portion of the Property of Distinction Grant shall expire ten (10) years subsequent to the Completion Date (the “Property of Distinction Grant Term”) provided that there is not an uncured event of default. The return of any portion of the Development Incentive Construction Grant shall not be required except for an uncured event of default. The returnable balance (the “Outstanding Balance”) of the Property of Distinction Grant shall be reduced proportionately over the Property of Distinction Grant Term, with 10% principal reduction per year or \$19,500, provided that there is not an uncured event of default in that year. Any amount not reduced in years 1 through 10 shall expire in year 10 provided that there is not an uncured event of default.

(c) In lieu of disbursing the Property of Distinction Grant Funds in accordance with Section 6.01(a) above, Agency agrees to immediately disburse such funds to a disbursing agent agreeable to the Agency, Developer, and the Construction First Lien Lender (the “Funding Agent”) in accordance with the terms of the Funding Agreement.

(d) The Construction First Lien Lender and the Funding Agent shall disburse the Funds on behalf of the Agency in accordance with the terms of the Funding Agreement.

6.02 Closing of Loan.

The Agency shall close on the conveyance of the Property to the Developer simultaneous with the closing of the Construction First Lien Financing in the amount set forth in the Sources and Uses Fund Schedule within 400 calendar days from the Effective Date of this Agreement. Failure to close on the Construction First Lien Financing within said period shall constitute an Event of Default.

6.03 Disbursement of Loan Proceeds.

(a) Developer shall use its own funds, funds obtained from the Construction First Lien Financing and funds from other financing sources for the amount needed to design, develop, construct, own, sell, operate and maintain the Project as contemplated by this Agreement. Agency funds provided herein shall be disbursed to the Funding Agent at Closing.

6.04 Agreement to Subordinate Commercial Façade Improvement Incentive Loan and Property & Business Improvement Loan.

(a) The Agency agrees to subordinate the Mortgage and Security Agreement securing the Loan to a permanent lender for Construction First Lien Financing.

ARTICLE 7. CONSTRUCTION OF PROJECT.

7.01 Conditions Precedent to Construction.

Subject to the termination of this Agreement pursuant to Section 14.01, the obligation of the Developer to commence construction on the Commencement Date is subject to the fulfillment of the following conditions:

- (a) Approval of the Final Site Plan by the City;
- (b) Developer shall have closed on the Construction First Lien Financing; and
- (c) The Building Permits for the commencement of construction and all other Permits necessary for construction to commence have been issued.

7.02 Construction of the Project.

(a) The Developer shall construct improvements on the Project Site substantially in accordance with the Final Site Plan. Subject to Unavoidable Delay and extensions provided by the Executive Director, the Developer shall commence construction of the improvements no later than sixty (60) days after Closing. For purposes of this Section 7.02, “commence construction” of the Project means commencement of meaningful physical development, including site work preparatory to vertical construction.

(b)(1) After the Commencement Date, Developer shall continue, pursue and prosecute the construction of the Project with due diligence to completion by the Completion Date and shall not at any time actually or effectively abandon (or its Contractor actually or effectively abandon) the Project. For purposes of this Subsection (b), “abandon” means to cease any significant construction work for a period in excess of sixty (60) consecutive days, where such cessation is not attributable to Unavoidable Delay, and which cessation effectively thwarts or frustrates advances in the construction of the Project toward completion, including removing all or substantially all the construction work force from the Project Site.

(b)(2) All obligations of the Developer with respect to commencement, continuation and completion of construction of each part of the Project shall be subject to extensions from time to time for Unavoidable Delay and defaults by Contractors. Developer shall not be deemed to be in default of this Agreement to the extent construction of the Project, or any part thereof, is not commenced or completed in accordance with the terms of this Agreement by reason of Unavoidable Delay.

(c) Upon issuance of a Building Permit for construction of building, structures or other improvements and prior to the Commencement Date, Developer shall deliver to Agency an estimated construction chart showing proposed start and finish dates of the various major subdivisions of work. Developer shall provide updated construction charts to the Agency when proposed dates in the estimated construction charts have changed. The estimated construction charts are for informational purposes only.

7.03 Intentionally Deleted.

7.04 Monitor Progress.

During all periods of design and construction, the Agency shall have the authority (at no cost to the Developer) to monitor compliance by the Developer with the provisions of this Agreement and the Final Site Plan. Insofar as practicable, the Agency shall coordinate such monitoring activity with those undertaken by the Construction First Lien Lender so as to minimize duplicate activity. To that end, during the period of construction and with reasonable prior notice to the Developer, representatives of the Agency shall have the right of access to the Project Site and to every structure on the Project during normal construction hours. Agency monitoring of compliance shall not be in lieu of normal engineering or building inspections for any element or sub-element of the Infrastructure Improvements as required by other jurisdictional authorities. Said required inspections shall be coordinated with the Developer. Developer shall be given the opportunity to be present at any inspections. The Developer shall not rely on this monitoring activity to guarantee any level of construction completion or quality thereof.

7.05 Completion.

Developer shall complete construction of the Project within One year of the Closing. Issuance of a Certificate of Completion with respect to any commercial space, shall constitute a conclusive determination by the parties hereto of the satisfaction and termination of the obligations of the Developer to construct the Project.

7.06 Agency Not in Privity with Contractors.

Except to the extent provide otherwise herein, the Agency shall not be deemed to be in privity of contract with any Contractor or provider of services with respect to the construction of any part of the Project.

ARTICLE 8. LEASING REQUIREMENTS.

8.01 Leasing Requirements.

Developer agrees to only lease the Premises to one of the following businesses without the express written permission of the Board of Commissioners of the Agency for a period of ten (10)

years from the Completion Date in accordance with the terms of the Property of Distinction Agreement:

Office

Beauty Salon

Barbershop

Medical

Consumer retail limited to clothing, flowers, arts and crafts, marine accessories
and jewelry

Restaurant

Professional Services

Banking

Security Services

Media (website & social media, CAD, and graphic art)

Grantee shall execute a memorandum of this agreement (“Memorandum of Agreement”) that shall be recorded in the Public Records of Palm Beach County.

8.02 Leasing Reports.

Developer shall provide to Agency an annual written report (“Leasing Report”) certifying compliance with the Leasing Requirement at the time of initial lease commencement. The first Rental Report shall be submitted within 6 months of a certificate of completion and each subsequent annual Rental Report shall be submitted by October 31 for the preceding calendar year.

8.03 Default of Property of Distinction Agreement.

Notwithstanding any other provision of this Agreement, any default of the Property of Distinction Agreement that occurs and is continuing after any applicable cure period, shall subject the Developer to a potential annual maximum penalty of Twenty Five Thousand Dollars (\$25,000) as the Agency’s sole and absolute remedy. The penalty for noncompliance shall be payable within ninety (90) days of written notice of noncompliance from the Agency. A penalty resulting from a Default of the Property of Distinction Agreement shall constitute a lien on the premises.

8.04 No Subordination of Regulatory Agreement.

Notwithstanding any other provision of this Agreement, Agency's right in or rights under the Regulatory Agreement including any liens resulting from a Default thereof, as the same may be modified, amended or renewed in accordance with the provisions of this Agreement, shall not be encumbered by or subordinated in any way to (a) any mortgage now or hereafter existing, (b) any other liens or encumbrances hereafter affecting, created or suffered by Developer on its interest, or (c) lease, sublease or any mortgages, liens or encumbrances now or hereafter placed on any interest of any tenants of subtenants. Developer shall in no event have any right or authority to create liens or encumbrances on or affecting any interest in or rights of Agency in the Regulatory Agreement.

8.05 Survival.

The provisions of this Article 8 shall survive termination or expiration of this Agreement until the expiration or termination of the Property of Distinction Agreement except for any unsatisfied liens.

ARTICLE 9. INDEMNIFICATION.

9.01 Indemnification.

(a) For consideration of \$10.00 and other good and valuable consideration herein provided, the receipt of which is hereby acknowledged by Developer, Developer agrees to indemnify, defend and hold harmless, the Agency, its respective agents, officers, or employees from any and all liabilities, damages, penalties, judgments, claims, demands, costs, losses, expenses or reasonable attorneys' fees which may be imposed upon or assessed against Agency both at the trial level and through appellate proceedings, for personal injury, bodily injury, death or property damage arising out of, or by reason of any act or omission of Developer, its agents, employees or contractors arising out of, in connection with or by reason of, the performance of any and all of Developer's obligations covered by this Agreement, or which are alleged to have arisen out of, in connection with or by reason of, the performance of any and all of Developer's obligations covered by this Agreement. In the event any action or proceeding shall be brought against the Agency by reason of any such claim, Developer shall defend such claim at Developer's expense by counsel selected by Developer, which counsel shall be reasonably satisfactory to the Agency.

(b) Developer's indemnification under subsection (a) shall survive termination or expiration of this Agreement for the applicable statute of limitations period relating to the occurrences, act or omission at issue, but shall apply only to occurrences, acts, or omissions that arise on or before the earlier of the Termination Date or the Completion Date.

(c) Developer's indemnity hereunder is in addition to and not limited by any insurance policy and is not and shall not be interpreted as an insuring agreement between or among the

parties to this Agreement, nor as a waiver of sovereign immunity for any party entitled to assert the defense of sovereign immunity.

9.02 Limitation of Indemnification.

Notwithstanding anything to the contrary contained herein, with respect to the indemnification by Developer as set forth in Section 10.01, the following shall apply:

(a) Developer shall not be responsible for damages that could have been, but were not, mitigated by the Agency;

(b) Developer shall not be responsible for that portion of any damages caused by the negligent or willful acts or omissions of the Agency;

(c) There shall be no obligation to indemnify hereunder in the event that the Agency (1) shall have effected a settlement of any claim without the prior written consent of Developer, or (2) shall not have subrogated Developer to the Agency's rights against any third party by an assignment to Developer of any cause or action against such third party.

(d) There shall be no obligation of indemnification on the part of Developer as to any contractual breaches by Developer under this Development Agreement.

ARTICLE 10. REPRESENTATIONS, WARRANTIES AND COVENANTS OF DEVELOPER.

10.01 Representations and Warranties of Developer.

Developer represents and warrants to the Agency that each of the following statements is currently true and accurate and agrees the Agency may rely upon each of the following statements:

(a) Developer is a Florida limited liability company duly organized and validly existing under the laws of the State of Florida, has all requisite power and authority to carry on its business as now conducted, to own or hold its properties and to enter into and perform its obligations hereunder and under each document or instrument contemplated by this Agreement to which it is or will be a party, and has consented to service of process upon a designated agent for service of process in the State of Florida.

(b) This Agreement and, to the extent such documents presently exist in form acceptable to the Agency and Developer, each document contemplated or required by this Agreement to which Developer is or will be a party has been duly authorized by all necessary action on the part of, and has been or will be duly executed and delivered by Developer, and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof:

(1) requires the approval and consent of any other party, except such as have been duly obtained or as are specifically noted herein.

(2) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on Developer, or

(3) contravenes or results in any breach of, default under or, other than as contemplated by this Agreement, results in the creation of any lien or encumbrance upon any property of the Developer under any indenture, mortgage, deed of trust, bank loan or credit agreement, the Developer's Articles of Organization, or, any other agreement or instrument to which the Developer is a party or by which Developer may be bound.

(c) This Agreement and, to the extent such documents presently exist in form accepted by the Agency and Developer, each document contemplated or required by this Agreement to which Developer is or will be a party constitutes, or when entered into will constitute, a legal, valid and binding obligation of Developer enforceable against Developer in accordance with the terms thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

(d) There are no pending or, to the knowledge of Developer, threatened actions or proceedings before any court or administrative agency against Developer, which question the validity of this Agreement or any document contemplated hereunder, or which are likely in any case, or in the aggregate, to materially adversely affect the consummation of the transactions contemplated hereunder or the financial condition of Developer.

(e) Developer has filed or caused to be filed all federal, state, local and foreign tax returns, if any, which were required to be filed by Developer prior to delinquency, and has paid, or caused to be paid, all taxes shown to be due and payable on such returns or on any assessments levied against the Developer.

(f) Developer agrees that as of the Closing Date and through the Completion Date, it shall use its commercially reasonable efforts to maintain the financial capacity necessary to carry out its obligations and responsibilities in connection with the development of the Project as contemplated in this Agreement.

(g) The principal place of business and principal executive offices of Developer are in the City of Riviera Beach, Palm Beach County, Florida.

(h) At the time of submitting its Proposal, Developer had, and will continue to have and at all times through the Completion Date, will maintain the experience, expertise, and knowledge to develop, cause the construction, and complete the Project and oversee and manage the design, planning, construction, completion, marketing and opening for business of the Project.

ARTICLE 11. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AGENCY.

11.01 Representations and Warranties.

The Agency represents and warrants to the Developer that each of the following statements is currently true and accurate and agrees that the Developer may rely on each of the following statements:

(a) The Agency is a validly existing body corporate and politic of the State of Florida, is the duly created community redevelopment agency of the City under the Florida Community Redevelopment Act, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations hereunder and under each document or instrument contemplated by this Agreement to which it is or will be a party.

(b) This Agreement and, to the extent such documents presently exist in form acceptable to the Agency and the Developer, each document contemplated or required by this Agreement to which the Agency is or will be a party, have been duly authorized by all necessary action on the part of, and have been or will be duly executed and delivered by the Agency, and neither the execution and delivery thereof, nor compliance with the terms and provisions thereof or hereof;

(1) requires the approval and consent of any other party, except such as have been duly obtained or as are specifically noted herein,

(2) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the Agency, or

(3) contravenes or results in any breach of, or default under or, other than as contemplated by this Agreement, results in the creation of any lien or encumbrance upon any property of the Agency under any indenture, mortgage, deed of trust, bank loan or credit agreement, applicable ordinances, resolutions or, on the date of this Agreement, any other agreement or instrument to which the Agency is a party, specifically including any covenants of any bonds, notes, or other forms of indebtedness of the Agency outstanding on the Effective Date.

(c) This Agreement and, to the extent such documents presently exist in form accepted by the Agency and the Developer, each document contemplated or required by this Agreement to which the Agency is or will be a party constitute, or when entered into will constitute, legal, valid and binding obligations of the Agency enforceable against the Agency in accordance with the terms thereof, except as such enforceability may be limited by public policy or applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

(d) As of the Effective Date there are no pending or threatened actions or proceedings before any court or administrative agency against the Agency or against any officer of the Agency which question the validity of any document contemplated hereunder or which are likely in any individual case, or in the aggregate, to materially adversely affect the consummation of the transactions contemplated hereunder or the financial condition of the Agency.

(e) Agency agrees that as of the Effective Date, it has the financial capacity to carry out its obligations and responsibilities as contemplated in this Agreement.

11.02 Covenants.

The Agency covenants with Developer that until the earlier of the Termination Date or the Completion Date, as the case may be:

(a) The Agency shall timely perform or cause to be performed all of the obligations contained herein which are the responsibility of the Agency to perform.

(b) During each year that this Agreement and the obligations of the Agency under this Agreement shall be in effect, the Agency shall cause to be executed and to continue to be in effect those instruments, documents, certificates, permits, licenses and approvals, and shall cause to occur those events contemplated by this Agreement that are applicable to and are the responsibility of the Agency.

(c) The Agency shall to the extent permitted by law assist and cooperate with the Developer to accomplish the development of the Project in accordance with this Agreement and the Final Site Plan, will carry out its duties and responsibilities contemplated by this Agreement, and will not violate any laws, ordinances, rules, regulations, orders, contracts, or agreements that are or will be applicable thereto, and, to the extent permitted by law, the Agency will not enact or adopt or urge or encourage the adoption of any ordinances, resolutions, rules, regulations or orders or approve or enter into any contracts or agreements, including issuing any bonds, notes, or other forms of indebtedness, that will result in any provision of this Agreement to be in violation thereof.

ARTICLE 12. RESTRICTIONS ON ASSIGNMENT AND TRANSFER.

12.01 Representations as to Development.

Developer represents and agrees that its undertaking pursuant to this Agreement, are, and will be used, for the purpose of development of the Project Site as set forth in the Agreement and not for speculation in land holding. Developer further recognizes the importance of the development of the Project Site to the general welfare of the community, and the substantial financial and other public commitments that have been made available by law and through the assistance of local government for the purpose of making such development possible. Developer

further acknowledges that the qualifications and identity of Developer, the Principals and their respective business experience, reputation, financial capacity to carry out the obligation and responsibilities in connection with the Project and their respective development track record within the community is of particular concern to the community and the Agency because it is by such experience, financial capacity, qualifications, reputation, past performance and identity, now in effect, that the Agency is entering into this Agreement with Developer for the benefit of the community and the Plan and, in so doing, is further willing to accept and rely on the obligations of Developer for the faithful performance of all undertakings and covenants described in this Agreement.

12.02 Restriction on Transfer of Interests Prior to the Satisfaction Date.

In reliance upon Section 13.01 above, Developer agrees that prior to the Satisfaction Date, without the prior approval of the Agency, which such approval shall be governed by the criteria set forth in Section 13.04(a) below,

(1) There shall be no sale or transfer of stock or memberships nor the entry of any voting trusts or shareholder or membership agreements or any other similar devices or arrangements within Developer which would result in the transfer of control of the Developer from the Principals to another Person; and

(2) There shall be no sale or transfer of stock or membership nor the entry of any voting trust or shareholder or membership agreements or any other similar devices or arrangements within any corporate member of the Developer which would result in the transfer of control of the Developer from the Principals to another Person.

However, a transfer of control resulting from the death or incapacity of a Principal shall not constitute an event of default under this Agreement.

12.03 Notification to Agency as to Ownership Changes.

In order to assist in the effectuation of the purposes of this Agreement, Developer agrees that during the period between the Effective Date and the Satisfaction Date that:

(a) Developer shall, at such time or times as the Agency may request, furnish Agency with a complete statement, under oath, setting forth all of the members of Developer, the proportion of the membership held, and in the event any other parties have a beneficial interest of 10% or more in any of the corporate members in Developer, their names and the extent of such interest, all as determined or indicated by the records of Developer and its corporate members; and

(b) Developer will promptly notify Agency of any material changes in the legal or beneficial ownership control over Developer.

12.04 Restrictions On Transfer, Assignment and Encumbrance of Project Site and Assignment of Agreement.

In light of Section 12.01 above, Developer represents and agrees for itself and its successors and assigns (except as so authorized by the provisions of this Agreement) that it will not, prior to the Satisfaction Date, as to a proposed assignment or transfer of the Project Site, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or master lease (which will not preclude Developer from selling or leasing individual units in the ordinary course of business without the approval of the Agency), or any trust or power, sale, transfer, or encumbrance other than First Lien Construction and Permanent Financing or other financing provided or approved by the Principals (hereinafter, collectively, known as "Transfer") in any other mode or form or with respect to this Agreement or the Project Site, without first obtaining the prior written approval of the Agency, which approval shall not be unreasonably withheld.

(a) The Agency shall be entitled to require, except as may otherwise be provided in this Agreement, as conditions to granting any such prior approval, that:

(1) Any proposed successor Developer or proposed successor Principals therein shall have the business experience and reputation, development track record and sufficient financial capacity to carry out the obligations under this Agreement, as determined, in the reasonable discretion of the Agency.

(2) Any proposed successor Developer, by instrument in writing satisfactory to the Agency, in its reasonable discretion, shall, for itself and its successors and assigns expressly assume all of the obligations of Developer under this Agreement and shall agree to abide by and be subject to all of the terms, conditions, obligations, reservations and restrictions ("terms and conditions") to which Developer is subject.

(3) There shall be submitted to the Agency for review all instruments and other legal documents reasonably necessary to assure compliance with Section 12.04(a)(1).

(4) The provisions of this Article respecting restrictions on Transfers shall not be construed in such a manner as to preclude transfer to the Construction First Lien Lender and its successors in interest. The term "successors in interest" is intended to include not only successors in interest to the Construction First Lien Lender, but also any transferee or assignee of the Construction First Lien Lender, including but not limited to purchasers at a foreclosure sale or acquisition by way of deed in lieu of foreclosure.

12.05 Survival.

The provisions of this Article 12 shall survive termination or expiration of this Agreement until the Satisfaction Date.

ARTICLE 13. DEFAULT; TERMINATION.

13.01 Default by the Developer.

(a) On or after the Closing Date through and including the Satisfaction Date, there shall be an “event of default” by Developer under this Agreement upon the occurrence of any one or more of the following:

(1) Developer shall fail to perform or comply with any material provision of this Agreement applicable to it within the time prescribed therefor and such failure is likely to have a material adverse effect on the Developer; or

(2) Developer shall make a general assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation or shall file an answer admitting, or shall fail reasonably to contest, the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Developer of any material part of such entity’s properties; or

(3) Within ninety (90) days after the commencement of any proceeding by or against Developer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed or otherwise terminated, or, if within ninety (90) days after the appointment without the consent or acquiescence of Developer of any trustee, receiver or liquidator of any of such entities or of any material part of any of such entity’s properties, then such appointment shall not have been vacated; or

(4) Developer shall fail to comply with the material terms of the Regulatory Agreement.

(b)(1) If an event of default by Developer described in subsection (a) above shall occur, the Agency shall provide written notice thereof to Developer, and,

(i) if such event of default shall not be cured by Developer within ninety (90) days after receipt of the written notice from the Agency specifying in reasonable detail the event of default by Developer; or

(ii) if such event of default is of such nature that it cannot be completely cured within such time period, then if Developer shall not have commenced to cure such default within such time period and shall not continue to diligently prosecute such cure to completion within such reasonable longer period of time as may be

necessary, then the Agency, for events of default described in subsection (a) above, may, but subject to Sections 6.03 and 6.04 hereof, pursue any and all legal remedies (excluding therefrom the right to pursue consequential punitive and incidental damages and “loss of projected tax revenue”), equitable remedies of specific performance, injunctive relief or rescission to which the Agency is entitled or require repayment of the unpaid principal balance of the Development Incentive Construction Loan.

(b)(2) In the event Developer commences to cure a default but finds that the default is of such a nature that it cannot be completely cured within time provided in subsection (b)(1) above and Developer intends to continue to diligently prosecute such cure to completion, then Developer shall be obligated to provide notice to Agency as to the time frame reasonably needed to cure such default, which such time frame shall be subject to the Agency’s approval in its commercially reasonable discretion. If Developer has failed to complete the cure by the end of the time frame designated as the reasonable additional time needed to cure, the Agency shall be permitted to pursue any and all legal or equitable remedies to which it is entitled, as limited by subsection (b)(1) above.

(c) In addition to any other rights of termination provided elsewhere in this Agreement, this Agreement may be terminated by the Agency or Developer after the occurrence of any of the following events or conditions:

(1) The entire Project Site is taken by the exercise of the power of eminent domain by a governmental authority (other than the City or the Agency) or a Person entitled to exercise such power or benefiting therefrom, or such part of the Project Site is taken by the power of eminent domain so as to render the Project Site unusable for its intended uses or economically unviable as contemplated by this Agreement, it being the intent of the parties that in the event a dispute arises as to whether a “taking” renders the Project unusable for its intended uses or economically unviable as contemplated by this Agreement, that such dispute shall be an Arbitrable Event;

(2) The appropriate governmental authority (including the City in exercise of its governmental and regulatory authority and responsibility), upon petition by Developer, denies or fails to:

(i) issue Building Permits where the application meets all requirements of the Codes and the terms of this Agreement,

(ii) approve a rezoning of the Project Site to a zoning classification consistent with this Agreement and the Conceptual Site Plan (if applicable), or

(iii) approve any other land use approval necessary to commence construction of the Project on the Project Site where the application meets all requirements of the law, and Developer has proceeded diligently, expeditiously and in good faith to obtain such approval, permits or other necessary actions including exhaustion of all

administrative remedies applicable thereto through the second level of certiorari review.

(d) In the event of a termination pursuant to this Subsection 13.01(c) above, neither Developer nor the Agency shall be obligated or liable one to the other in any way, financially or otherwise for any claim or matter arising from or as a result of this Agreement or any actions taken by Developer and the Agency, or any of them, hereunder or contemplated hereby, and each party shall be responsible for its own costs.

13.02 Agreement Termination.

(a) In the event of a termination of this Agreement pursuant to the terms of Section 14.01(c) above for any reason prior to the Completion Date, this Agreement shall no longer be of any force and effect except for those provisions hereof which expressly survive termination, the rights, duties and obligations of the parties hereto shall have been terminated and released (subject to those surviving provisions hereof) and, if the termination is prior to the Closing Date, then the Project Site shall no longer be subject to any restrictions, limitations or encumbrances imposed by this Agreement. However, if the termination is after the Closing Date and the termination is as to anything less than the entire Project Site, then such termination shall only be effective as to the remaining portion of the Project Site. Nothing in this Section shall prohibit Developer from completing any Building on which City has issued Building Permits and Developer commenced construction pursuant thereto.

ARTICLE 14. INTENTIONALLY OMITTED.

ARTICLE 15. ARBITRATION.

15.01 Mediation Prior to Arbitration.

If a dispute arises out of or relates to this contract, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration, litigation, or some other dispute resolution procedure.

15.02 Agreement to Arbitrate.

Any disagreement or dispute between the parties which has been specifically delineated in this Agreement as arbitrable may be arbitrated in the manner set forth in Article 16, provided no judicial or administrative action or proceeding is pending with regard to the same matter. Arbitration is limited to those disagreements or disputes which have specifically been delineated as an Arbitrable Event herein or which the parties mutually agree to be an Arbitrable Event. All parties hereby agree such arbitration, once commenced, shall be the exclusive procedure for resolving such disagreement or dispute and agree to be bound by the result of any such arbitration proceeding unless all parties mutually agree to terminate such proceedings prior to decision. If any

arbitration proceeding under this Article adversely affects the performance of any party hereunder, then any time periods provided herein for such performance by that party shall be tolled during the pendency of the arbitration proceeding affecting such performance.

15.03 Appointment of Arbitrators.

(a)(1) Unless accelerated arbitration as provided in Section 15.06 hereof is invoked, any party invoking arbitration herewith shall, within five (5) days after giving notice of impasse in the dispute resolution process or upon following the expiration of the time period for such dispute resolution occurrence of the event permitting arbitration to be invoked, give written notice to that effect to the other parties, and shall in such notice appoint a disinterested person who is on the list of qualified arbitrators maintained by the American Arbitration Association or a disinterested person not on such list to whom an objection is not made by any other party hereto within five (5) days of receipt of the notice of such appointment as the arbitrator or, if more than one (1) arbitrator is to be appointed, as one of the arbitrators.

(a)(2) Within ten (10) days after receipt of the notice described in Section 15.02(a)(1), the other parties shall by written notice to the original party acknowledge that arbitration has been invoked as permitted by this Agreement, and shall either accept and approve the appointment of such individual set forth in the original notice as a sole arbitrator or shall appoint one (1) disinterested person per party of recognized competence in such field as an arbitrator.

(b)(1) If two (2) arbitrators are appointed pursuant to Subsection (a) above, the arbitrators thus appointed shall appoint a third disinterested person who is on the list of qualified arbitrators maintained by the American Arbitration Association, and such three (3) arbitrators shall as promptly as possible determine such matter.

(b)(2) If the second arbitrator shall not have been appointed as provided in Subsection (a), the first arbitrator shall, after ten (10) days' notice to the parties, proceed to determine such matters.

(b)(3) If the two (2) arbitrators appointed by the parties pursuant to Subsection (a) shall be unable to agree within fifteen (15) days after the appointment of the second arbitrator upon the appointment of the third arbitrator, they shall be given written notice of such failure to agree to the parties and, if the parties then fail to agree upon the selection of such third arbitrator within fifteen (15) days thereafter, then within ten (10) days thereafter each of the parties upon written notice to the other parties hereto may request the appointment of a third arbitrator by the office in or for the State of Florida (or if more than one office, the office located closest to the City) of the American Arbitration Association (or any successor organization thereto) or, in its absence, refusal, failure or inability to act, request such appointment of such arbitrator by the Circuit Court in and for Palm Beach County, or as otherwise provided in Chapter 682, Florida Statutes, known and referred to as the Florida Arbitration Act, as amended.

15.04 General Procedures.

In any arbitration proceeding under this Article, those parties appointing arbitrators shall each be fully entitled to present evidence and argument to the sole arbitrator or panel of arbitrators. The arbitrator or panel of arbitrators shall only interpret and apply the terms of this Agreement and may not change any such terms, or deprive any party to this Agreement of any right or remedy expressed or implied in this Agreement, or award any damages or other compensation to any party hereto. The arbitration proceedings shall follow the rules and procedures of the American Arbitration Association (or any successor organization thereto) unless specifically modified by this Agreement, or as then agreed to by the parties hereto.

15.05 Decision of Arbitrators.

(a) If any decision reached by arbitration as provided in this Article requires performance by Developer covenants and agrees to comply with any decision of the arbitrator(s) promptly after the date of receipt by Developer of such decision, and to continue such performance to completion with due diligence and in good faith.

(b) If any such decision requires performance by the Agency, the Agency covenants and agrees to comply promptly with any decision reached by arbitrator(s) promptly after the date of receipt by the Agency of such decision, and to continue such performance to completion with due diligence and in good faith.

(c) Nothing in this Article, nor in any arbitration decision rendered under this part, shall be construed to require any payment by one party to the other not otherwise specifically provided herein.

(d) No arbitration decision under this Article shall be deemed to be binding upon the City, unless the City becomes the assignee of the Agency.

15.06 Expense of Arbitration.

The expenses of any arbitration proceeding pursuant to this Article shall be borne equally by the parties to such proceeding, provided, however, for the purpose of this Section 15.06 “expenses” shall include the fees and expenses of the arbitrators and the American Arbitration Association with respect to such proceedings, but shall not include attorneys’ fees or expert witness fees, or any costs incurred by attorneys or expert witnesses, unless (and to the extent) agreed to by the parties to such proceeding, which in the absence of such Agreement shall be the responsibility of the party incurring such fees or costs.

15.07 Accelerated Arbitration.

(a)(1) If any of the parties to any arbitration proceeding under this Article determines the matter for arbitration should be decided on an expedited basis, then after an initial election to invoke arbitration pursuant to Section 15.02 hereof has been made, either party to such proceeding may invoke accelerated arbitration by giving notice thereof to the other parties no later than three

(3) days after arbitration has been initially invoked and the other parties do not object within three (3) days thereafter.

(a)(2) Accelerated arbitration, for purposes of this Section 15.06, shall be accomplished by either party notifying the American Arbitration Association (or any successor organization thereto) that the parties have agreed to use a single arbitrator, qualified to decide the matter for arbitration, to be appointed by the American Arbitration Association (or any successor organization thereto) with the consent of the parties to such proceeding within three (3) days after receipt of the request and to decide such matter within five (5) days after such appointment.

(a)(3) If an arbitrator is not so appointed with consent of the parties to the proceeding within three (3) days after the notice referred to in Paragraph (2) is received by the American Arbitration Association, the accelerated proceeding under this Section 16.06 shall terminate and the procedures otherwise set forth in this Article 16 shall apply, unless the parties mutually agree to an extension of such time period.

(b) Developer and the Agency hereby agree to use such accelerated procedure only when reasonably necessary, to not contest the appointment of the arbitrator or his or her decision except as may be permitted by law, and that all other provisions of this Article, except as are in conflict with this Section 15.06, remain in effect and applicable to an accelerated arbitration proceeding.

15.08 Applicable Law.

To the extent not inconsistent with this Article, any arbitration proceeding under this Article shall be governed by the provisions of Chapter 682, Florida Statutes, as amended, known and referred to as the Florida Arbitration Code.

15.09 Arbitration Proceedings and Records.

Any arbitration hearing under this Article shall be considered a meeting subject to Section 286.011, Florida Statutes, and shall be open to any member of the public. Unless otherwise rendered confidential pursuant to or by the operation of any applicable law or order (other than an order by a sole arbitrator or panel of arbitrators acting under this part), the record of such proceedings shall be a public record under Chapter 119, Florida Statutes.

ARTICLE 16. INTENTIONALLY OMITTED.

ARTICLE 17. FIRE OR OTHER CASUALTY; CONDEMNATION.

17.01 Loss or Damage to Project.

Subject to the terms of the Construction First Lien Financing Documents, Developer shall diligently commence and complete the reconstruction or repair of any loss or damage caused by

fire or other casualty to each and every part of the Project in substantial conformance with the Final Site Plan for such reconstruction or repairs, provided the Project or portion thereof can be restored and be commercially feasible for its intended use as contemplated by this Agreement after the loss or damage; and, provided further, that nothing contained herein shall obligate Developer to restore any owner's or tenant's leasehold improvements.

17.02 Partial Condemnation of Project or Project Site; Application of Proceeds.

Subject to the terms of the Construction First Lien Financing Documents, in the event that part, but not all, of the Project Site shall be taken by the exercise of the power of eminent domain at any time during the term set forth in Section 18.01 above, the compensation awarded to and received by Developer shall be applied first to the restoration of the Project or portion thereof, provided the Project or portion thereof can be restored and be commercially feasible for its intended use as contemplated by this Agreement after the taking, and, if not, can be retained by Developer.

ARTICLE 18. PROJECT INSURANCE PROCEEDS.

18.01 Project Insurance Proceeds.

(a) For the term beginning with the Closing Date until the Completion Date (the "Term") whenever the Project, or any part thereof, shall have been damaged or destroyed, Developer shall promptly make proof of loss and shall proceed promptly to collect, or cause to be collected, all valid claims that may have arisen against insurers or others based upon such damage or destruction.

(b) Subject to the terms of the Construction First Lien Financing Documents, Developer agrees that all proceeds of property or casualty insurance, for casualty suffered during the Term received by Developer as a result of such loss or damage shall be used for payment of the costs of the reconstruction or repair of the Project to the extent necessary to repair or reconstruct the Project.

18.02 Notice of Loss or Damage to Project.

Developer shall promptly give the Agency written notice of any significant damage or destruction to the Project stating the date on which such damage or destruction occurred, the expectations of Developer as to the effect of such damage or destruction on the use of the Project, and the proposed schedule, if any, for repair, or reconstruction of the Project.

ARTICLE 19. MISCELLANEOUS.

19.01 Notices.

All notices under this Agreement to be given by one party to the other shall be in writing and the same shall only be deemed given if transmitted as follows:

(a) By facsimile, certified mail, return receipt requested, by courier or overnight service or personal hand-delivery to the following addresses:

DEVELOPER: Blue Lagoon Plaza, LLC
Attn: _____

Riviera Beach, FL

WITH COPIES TO: _____

AGENCY: City of Riviera Beach Community Redevelopment
Agency
Executive Director,

Riviera Beach, Florida

WITH COPIES TO: J. Michael Haygood
J. Michael Haygood, P.A.
701 Northpoint Parkway, Ste 209
West Palm Beach, FL 33407

Or to such other addresses as the parties may be writing designate to the other party from time to time. All notices, demands, deliveries, or other communications hereunder shall be deemed to have been given or served for all purposes hereunder on the day a facsimile is sent with confirmation of its sending, forty-eight (48) hours after the time that such communication was deposited in the United States mails (Saturdays, Sundays and legal holidays excluded), postage prepaid, in the manner aforesaid, one (1) day after delivery to a recognized overnight courier service, or upon delivery, whichever event shall first occur.

(b) Refusal by any person to accept delivery of any notice delivered to the office at the address indicated above (or as it may be changed) shall be deemed to have been an effective delivery as provided in this Section 21.01.

19.02 Severability.

If any term, provision or condition contained in this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, provision or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable, shall not be affected thereby, and each term, provision and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19.03 Applicable Law and Construction.

The laws of the State of Florida shall govern the validity, performance and enforcement of this Agreement. This Agreement has been negotiated by the Agency and Developer, and the Agreement, including without limitation, the Exhibits, shall not be deemed to have been prepared by the Agency or Developer, but by all equally.

19.04 Venue; Submission to Jurisdiction.

(a) For purposes of any suit, action or other proceeding arising out of or relating to this Agreement, the parties hereto do acknowledge, consent, and agree that venue thereof is Palm Beach County, Florida.

(b) Each party to this Agreement hereby submits to the jurisdiction of the State of Florida, Palm Beach County and the courts thereof and to the jurisdiction of the United States District Court for the Southern District of Florida, for the purposes of any suit, action or other proceeding arising out of or relating to this Agreement and hereby agrees not to assert by way of a motion as a defense or otherwise that such action is brought in an inconvenient forum or that the venue of such action is improper or that the subject matter thereof may not be enforced in or by such courts.

(c) If at any time during the term of this Agreement, Developer is not a resident of the State of Florida or has no office, employee, agency or general partner thereof available for service of process as a resident of the State of Florida, or if any permitted assignee thereof shall be a foreign corporation, partnership or other entity or shall have no officer, employee, agent or general partner available for service of process in the State of Florida, Developer hereby designates the Secretary of State, State of Florida, its agent for, the service of process in any court.

19.05 Captions.

The article and section headings and captions of this Agreement and the table of contents preceding this Agreement are for convenience and reference only and in no way define, limit, describe the scope or intent of this Agreement or any part thereof, or in any way affect this Agreement or construe any article, section, subsection, paragraph or provision hereof.

19.06 Holidays.

It is hereby agreed and declared that whenever a notice or performance under the terms of this Agreement is to be made or given on a Saturday or Sunday or on a legal holiday observed in the City, it shall be postponed to the next following business day.

19.07 Exhibits and Attachment.

Each Exhibit and Attachment referred to and attached to this Agreement is an essential part of this Agreement. The Exhibits and any amendments or revisions thereto, even if not physically attached hereto shall be treated as if they are part of this Agreement.

19.08 No Brokers.

The Agency and Developer hereby represent, agree and acknowledge that no real estate broker or other person is entitled to claim or to be paid a commission as a result of the execution and delivery of this Agreement, including any of the Exhibits and Attachment.

19.09 Not an Agent of City or Agency.

During the term of this Agreement, neither Developer nor Developer hereunder shall be an agent of the City or the Agency, with respect to any and all services to be performed by Developer or Developer (and any of its agents, assigns, or successors) with respect to the Project.

19.10 No Recording.

Neither this Agreement nor a short-form Memorandum of Agreement may be recorded in the Public Records of Palm Beach County, Florida.

19.11 Public Purpose.

The parties acknowledge and agree that this Agreement satisfies, fulfills and is pursuant to and for a public purpose and municipal purpose and is in the public interest, and is a proper exercise of the Agency's power and authority under the Act.

19.12 No General Obligation.

In no event shall any obligation of the Agency under this Agreement be or constitute a general obligation or indebtedness of the City or the Agency, a pledge of the ad valorem taxing power of the City or the Agency or a general obligation or indebtedness of the City or the Agency within the meaning of the Constitution of the State of Florida or any other applicable laws, but shall be payable solely from legally available revenues and funds. Neither Developer nor any other party under or beneficiary of this Agreement shall ever have the right to compel the exercise of the ad valorem taxing power of the City, the Agency or any other governmental entity or taxation in any form on any real or personal property to pay the City's or the Agency's obligations or

undertaking hereunder.

19.13 Disclaimer As To Governmental Authority.

Nothing in this Agreement shall be construed, interpreted or applied in such a manner as will constitute an undelegatable contracting away or waiver of any governmental power by the Agency or the City.

19.14 Term; Expiration.

Except as may be expressly specified otherwise herein, if not earlier terminated as provided in Article 14, this Agreement shall expire upon the Satisfaction Date. Thereafter, this Agreement shall no longer be of any force and effect, except as to such provisions of the Agreement which expressly survive expiration or termination thereof.

19.15 Approvals Not Unreasonably Withheld.

The parties hereto represent that it is their respective intent as of the Effective Date and do covenant and agree in the future that all approvals, consents, and reviews will be undertaken and completed as expeditiously as possible, in good faith, and will not be arbitrarily or unreasonably withheld, unless otherwise expressly authorized by the terms of this Agreement. If a matter to be consented to or approved by the Agency, requires the consideration of the Agency's Board of Directors (whether pursuant to this Agreement or the written opinion of the Agency's General Counsel), then, provided Agency gives Developer notice of such requirement within the time period provided for such consent or approval, such matter shall not be deemed approved or consented to unless the Agency shall fail to respond to Developer' request by the date which is three (3) days after the next Regular Scheduled Meeting of the Agency's Board of Director's which occurs no later than the next Regular Scheduled Meeting following receipt of such request (but in no event not later than forty five days following such request).

19.16 Time of the Essence.

Time is of the essence in the performance of all obligations and all approvals or reviews contemplated by this Agreement

19.17 Standing and Enforceability.

The parties stipulate and agree that for enforcement purposes during the term of this Agreement only Developer, Agency, and, if specifically permitted by this Agreement, their successors and assigns, shall have standing. No rights of enforcement of this Agreement shall accrue to or vest in any other person, entity or governmental body.

19.18 Nonrecourse.

In the event of any default or breach by Developer with respect to any of the terms, covenants and conditions of this Agreement, no property of the Principal shall be subject to levy, execution or other enforcement procedures for the satisfaction of Agency's remedies.

19.19 Audit Right and Retention of Records.

Agency shall have the right to audit the books, records, and accounts of Developer that are related to this Agreement. Developer shall keep, and such books, records, and accounts as may be necessary in order to record complete and correct entries related to this Agreement. All books, records, and accounts of Developer shall be kept in written form, or in a form capable of conversion into written form within a reasonable time, and upon request to do so, Developer shall make same available at no cost to City in written form.

Developer shall preserve and make available, at reasonable times for examination and audit by Agency in Palm Beach County, Florida, all financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement for the required retention period of the Florida public records law, Chapter 119, Florida Statutes, as may be amended from time to time, if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida public records law is determined by Agency to be applicable to Developer shall comply with all requirements thereof; however, Developer shall violate no confidentiality or non-disclosure requirement of either federal or state law. Any incomplete or incorrect entry in such books, records, and accounts shall be a basis for Agency's disallowance and recovery of any payment upon such entry.

Developer shall maintain during the term of the Agreement all books of account, reports and records in accordance with generally accepted accounting practices and standards for records directly related to this contract.

19.20 Public Records.

Each party shall maintain its own respective records and documents associated with this Agreement in accordance with the records retention requirements applicable to public records. Each party shall be responsible for compliance with any public documents request served upon it pursuant to Chapter 119, Florida Statutes, as same may be amended from time to time and any resultant award of attorney's fees for non-compliance with that law.

Developer and all contractors or subcontractors (the "**Contractor**") engaging in services in connection with construction and/or maintenance of the Project shall:

(a) Keep and maintain public records that ordinarily and necessarily would be required by Agency in order to perform the services rendered.

(b) Upon request from Agency's custodian of public records, provide Agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes (2016), as may be amended or revised, or as otherwise provided by law.

(c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law and as to Developer for the duration of the Agreement and as to Contractor for the duration of the contract term and following completion of said contract if Contractor does not transfer the records to Agency.

(d) Upon completion of said construction or maintenance at the Project, transfer, at no cost, to Agency all public records in possession of Developer or Contractor or keep and maintain public records required by Agency to perform the service. If Contractor transfers all public records to Agency upon completion of the Project, Developer and Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Developer or Contractor keeps and maintains public records upon completion of the Project, Developer and Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to Agency, upon request from Agency's custodian of public records, in a format that is compatible with the information technology systems of Agency.

(e) If Developer or any contractor has questions regarding the application of Chapter 119, Florida Statutes, to Developer or Contractor's duty to provide public records relating to its contract, contact the Agency's custodian of public records by telephone at 561-844-3408 or by e-mail at dhatcher@rbcr.com, 2001 Broadway, Ste 300, Riviera Beach, FL 33404 Attention: Custodian of Public Records.

19.21 Non-Action on Failure to Observe Provisions of this Agreement.

The failure of the Agency or Developer to promptly or continually insist upon strict performance of any term, covenant, condition or provision of this Agreement, or any Exhibits or Attachments hereto, or any other agreement, instrument or document of whatever form or nature contemplated hereby shall not be deemed a waiver of any right or remedy that the Agency or Developer may have, and shall not be deemed a waiver of a subsequent default or nonperformance of such term, covenant, condition or provision.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have set their hands effective as of the date set forth in the introductory paragraph.

AGENCY:

WITNESSES:

**RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY**, a body
corporate and politic of the State of Florida created
pursuant to Part III, Chapter 163

By:

Kashamba Miller Anderson, Chairman

[Witness print or type name]

[Witness print or type name]

ATTEST:

APPROVED AS TO FORM:

Scott Evans, CRA

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURE PAGES FOLLOW]

WITNESSES:

BLUE LAGOON PLAZA, LLC
a Florida limited liability company

President

Title: Manager

Print Name: _____

[Witness print or type name]

[Witness print or type name]

STATE OF FLORIDA:
COUNTY OF PALM BEACH:

The foregoing instrument was acknowledged before me this ____ day of _____, 2017 by _____ as Authorized Representative of BLUE LAGOON PLAZA, LLC on behalf of the company. He is personally known to me or has produced _____ as identification.

(SEAL)

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

Name of Notary Typed,
Printed or Stamped

My Commission Expires:

Commission Number

Exhibit "A"

**Property Description:
200 West Blue Heron Boulevard,
Riviera Beach FL, 33404**

**Legal Description:
Lots 22 23 and 24. Block 6 Blue Heron Park. An Additional to the City of Riviera Beach,
Florida according to the Plat thereof, as recorded in Plat Book 20. Page 87 of the Public
Records of Palm Beach County Florida: less the South 7 feet thereof.**



Parcel Control Number:

56-43-42-28-00-003-0090.

Parcel Size: +/- 0.41 acre.

Existing Use: Vacant Lot.

Zoning: Downtown General (DG) Zoning District.

Future Land Use: Downtown Mixed Use.

Exhibit “B”

**GRANT AGREEMENT
(Separate Attachment)**

Exhibit “C”

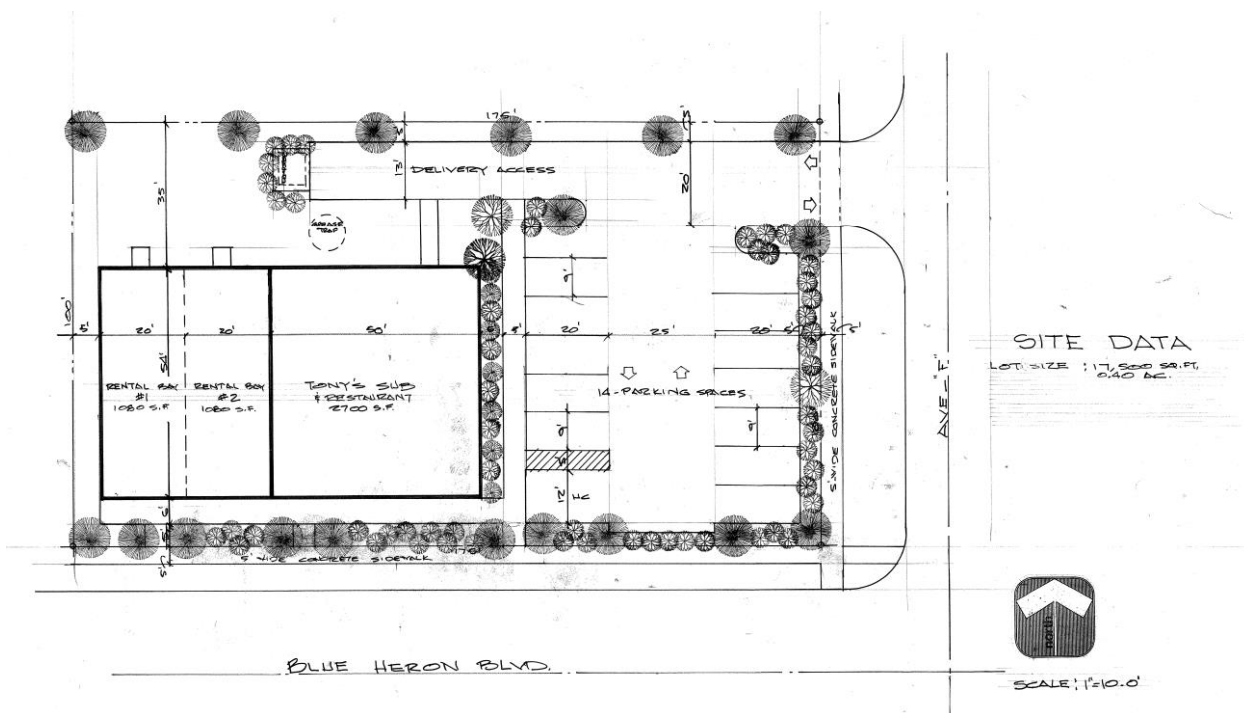
**MORTGAGE AND SECURITY AGREEMENT
(Separate Attachment)**

Exhibit “D”

**PROMISSORY NOTE
(Separate Attachment)**

Exhibit "E"

PROPOSED REDEVELOPMENT CONCEPT PLAN



**Exhibit “E-1”
Final Site Plan
(Added following City Council Approval)**

Exhibit “F” (RESERVED)

Exhibit “G”

**Contract for Sale of Property
(Separate Attachment)**