

RETURN TO:
CITY CLERK
City of Riviera Beach
600 West Blue Heron Blvd
Riviera Beach, FL 33404

**CODE ENFORCEMENT RELEASE
OF LIEN SETTLEMENT AGREEMENT**

THIS CODE ENFORCEMENT RELEASE OF LIEN SETTLEMENT AGREEMENT (hereinafter “Settlement Agreement”) is made this _____ day of August, 2018, by and between **THE CITY OF RIVIERA BEACH**, a municipal corporation operating and existing under the laws of the State of Florida (hereinafter “City”), and **Millennia Housing Management, Ltd.**, acting as agent for GMF-Stonybrook, LLC., a Tennessee Limited Liability Company, the owner of the property described herein (hereinafter “Millennia”).

This Settlement Agreement serves to resolve all City of Riviera Beach code enforcement fines and liens existing and / or recorded against the subject property located at 1555 Dr. Martin Luther King, Jr. Blvd, Riviera Beach, Florida (a/k/a: The Stonybrook Apartments; PCN 56-43-42-32-06-000-0090) (legally described as “TAYLORS WM SUB TR 9 LYG S OF & ADJ TO SR 710 R/W (LESS W 10 FT AVE S, 50 FT W 8TH ST & TRGLR PARS SR 710 R/WS)”, (hereinafter “Property”).

WHEREAS, the Property is currently owned by GMF-Stonybrook, LLC, (hereinafter “Owner”), and the Owner has entered into a contract for the sale and purchase of the Property with Millennia Housing Development, Ltd. to be assigned to its affiliate Stonybrook FL, LLC; and

WHEREAS, pursuant to Section 162.09(3), Florida Statutes, and Section 2-338, Code of Ordinances of the City of Riviera Beach, FL, the Code Enforcement Special Magistrate imposed the following code enforcement fines and liens against the Property for code violations committed by the Owner:

<u>Lien No.</u>	<u>Daily Fine</u>	<u>Date</u>	<u>Lien Amount</u>	<u>O.R. Book/Page</u>
CEB 13-269 & CEB 16-185	\$250.00	08/15/13	\$377,250 thru 8/20/18	26452/135 & 27255/1042

and including any other Code Enforcement case against the Property, which may be pending with or without any fines (“Code Enforcement Lien”); and

WHEREAS, Stonybrook FL, LLC and/or its successor affiliate (hereinafter jointly and severally referred to as the “Purchaser”) wish to significantly rehabilitate the Property, to the extent of approximately \$13.0 million dollars; and

WHEREAS, both the City and the Purchaser desire to support and ensure the health, safety and welfare of the residents of the Property post acquisition by Purchaser and during the period of rehabilitation of the Property; and

WHEREAS, Purchaser is unable to obtain clear and marketable title with the City’s Code Enforcement Lien in place, and therefore would be unable to purchase and substantially rehabilitate the Property; and

WHEREAS, the City Council of the City of Riviera Beach desires to support and encourage said rehabilitation in an expeditious manner; and

WHEREAS, the City has determined that resolution of the Code Enforcement Lien, which currently total \$377,250.00, in order to have the Property rehabilitated for low-income housing serves a valid public purpose and is in the best interests of the City based on fulfillment of the conditions described below.

NOW, THEREFORE, in consideration of the mutual promises and consideration set forth herein, the sufficiency of which is hereby acknowledged by each party, the City and Millennia agree as follows:

1. The foregoing recitals are hereby incorporated into this Settlement Agreement.
2. This Settlement Agreement is subject to approval by the City Council for the City of Riviera Beach.
3. If approved by the City Council, this Settlement Agreement shall be recorded in the public records of Palm Beach County, Florida, by the Purchaser.
4. A reduced administrative fine in the amount of **\$286,000.00** shall be paid to the City within sixty (60) days following the date of Purchaser’s closing of the acquisition loan for the Property. The Purchaser’s closing of the acquisition loan must occur within **160 (One Hundred Sixty) days** of the City Council’s approval of this Settlement Agreement. If the **\$286,000.00** is not paid to the City and/or the Purchaser fails to close on the acquisition loan within the timeframe stated, the City shall have the option to terminate this Settlement Agreement in its sole discretion. In the event of termination of this Settlement Agreement by the City, the City will subtract the reduced administrative fine amount (if paid by the Purchaser) from the Code Enforcement Lien amount and the parties shall be relieved of all other responsibility under this Settlement Agreement. Thereafter, the City shall have the right to enforce its Code Enforcement Lien against the Property in accordance with Florida law.

5. The abovementioned reduced administrative fine amount is in recognition of the Purchaser's submittal of site plan application to substantially rehabilitate the entire Property with an expected cost of approximately \$13,000,000.00, which supports the parties' joint goal to have the Property rehabilitated.
6. If the City Council approves this Settlement Agreement, the City shall execute a full release of the Code Enforcement Lien, the form of which is to be mutually agreed by City and Purchaser, and the City Clerk shall forward the same to the City Attorney who shall deposit such release with Everest Land Title Agency, the escrow agent for the Property acquisition closing transaction. Promptly upon receipt of the \$286,000.00 from Purchaser, the City shall notify Everest Land Title Agency, which shall then record the release along with a restrictive covenant reflecting the Purchaser's obligations set forth in this Settlement Agreement and containing a provision which authorizes the City, in the event of Purchaser's failure to comply with said obligation, to record a lien for \$91,250.00, plus \$250.00 per day commencing on the effective date of the City's termination of this Settlement Agreement until the Property is brought into compliance. The restrictive covenant shall be in a form mutually agreed to by City and Purchaser, both acting in good faith and shall contain a provision stating that the restrictive covenant shall automatically terminate upon the issuance of all Certificates of Occupancy and/or Certificates of Completion for the rehabilitation of the Property. Provided there is no event of default under the restrictive covenant, the City shall, from time to time, subordinate the restrictive covenant to the extent requested by the Purchaser's mortgage lender.
7. In additions to the obligations set forth above for the Purchaser, the following conditions shall be satisfied by the Purchaser:
 - a. Beginning with the City Council's approval of this Settlement Agreement and until the final completion of the construction and rehabilitation of the Property (including receipt of all Certificates of Occupancy and/or Certificates of Completion for the Property), the Purchaser shall use commercially reasonable efforts to maintain the occupied units at Stonybrook in a safe and sanitary condition and in accordance with the City's Code of Ordinances and the Florida Building Code including the applicable Fire Code. The Purchaser shall use commercially reasonable efforts to conduct monthly meetings at the Property for the tenants, local stakeholders and City staff and City Officials to discuss ongoing maintenance efforts and the status of the construction and rehabilitation of the Property. Written notice of said meetings shall be provided to the City Manager, Building Official and City Clerk via e-mail at least ten (10) days prior to the meeting unless said meetings are scheduled to occur on the same day, time and location each month. All maintenance, rehabilitation progress and tenant issues that may arise at the monthly meetings shall be addressed in the biannual inspection reports submitted to the City as noted in the City's conditions for site plan approval for the Property. The Purchaser shall promptly address and reasonably resolve all complaints from the

tenants at the Property and City staff and Officials regarding the conditions of the units at the Property through completion of the construction and rehabilitation of the Property.

- b. The Purchaser shall comply with all the City's conditions for site plan approval of the Property as approved by the City Council.
8. If the Purchaser fails to materially satisfy the above conditions once this Settlement Agreement has been approved by the City Council and through completion of the construction and rehabilitation of the Property, the City shall deliver written notice to the Purchaser (via hand-delivery at the Property's office and via e-mail to Purchaser's General Counsel at Landerson@mhmlltd.com) identifying the Purchaser's failure to satisfy said conditions. If the failure is not corrected within thirty (30) days from receipt of the City's notice or the correction is not reasonably pursued within thirty (30) days from the receipt of the City's notice, the City shall have the option to terminate this Settlement Agreement. In the event of termination of this Settlement Agreement by the City, the City will subtract the reduced administrative fine amount (if paid by the Purchaser) from the Code Enforcement Lien amount and the parties shall be relieved of all other responsibility under this Settlement Agreement. Thereafter, the City shall have the right to enforce its Code Enforcement Lien in accordance with Florida law.
 9. During the term of this Settlement Agreement, the Code Enforcement Lien amount shall be tolled and shall not accrue any fines. If this Settlement Agreement is terminated by the City under Paragraph 4 and/or Paragraph 8 above and the violation(s) identified in the City's Code Enforcement Lien has not been brought into compliance, the Code Enforcement Lien will begin to re-accrue a fine of \$250 per day as of the effective date of termination of this Settlement Agreement and any pending case (not yet subject to fines or liens as of the date of this Settlement Agreement) may be pursued by the City until the violation(s) is brought into compliance.
 10. The parties to this Settlement Agreement agree to bear their own attorney's fees and costs relating to or resolved by this Settlement Agreement.
 11. If any legal action or other proceeding is brought for the enforcement of this Settlement Agreement, or because of an alleged dispute, the successful or prevailing party or parties shall be entitled to recover its reasonable attorney fees, court costs and all expenses (including, without limitation all such fees, costs and expenses incident to appeals).
 12. This Settlement Agreement shall be interpreted in accordance with the laws of the State of Florida, and venue shall be in Palm Beach County, Florida.
 13. If any term or provision of this Settlement Agreement, shall to any extent, be held invalid or enforceable, the remainder of this Settlement Agreement shall not be affected, and every other term and provision of this Settlement Agreement shall be deemed valid and enforceable to the extent permitted by law.

14. If this Settlement Agreement is terminated by the City prior to the Property being rehabilitated, the Purchaser shall not be relieved of any other obligation it may have to the City under the site plan approval or any other obligation to the City as it relates to or arises from the Property.
15. This Settlement Agreement shall not be construed more strongly against any party regardless of who was more responsible for its preparation.
16. Each party binds itself and its partners, successors, executors, administrators, future council members and assigns to the other parties of this Settlement Agreement and to the partners, successors, executors, administrators, future council members and assigns of such other parties, in respect to all covenants, provision or obligation of this Settlement Agreement.
17. This Settlement Agreement may be amended by the parties by written agreement and fully executed by each party.

SIGNATURE PAGES FOLLOW

IN WITNESS WHEREOF, and in consideration of the mutual related promises and intending to be legally bound thereby, the parties have caused their hand and seal to be set on this Settlement Agreement on the date first written above.

Millennia Housing Management, Ltd., acting as agent for GMF-Stonybrook, LLC.

Name:
Title:

STATE OF _____
COUNTY OF _____

SWORN TO, SUBSCRIBED AND ACKNOWLEDGED before me this ____ day of August 2018, by _____, who is personally known or has produced identification.

NOTARY PUBLIC

Stonybrook FL, LLC, as the Purchaser

Name:
Title:

STATE OF _____
COUNTY OF _____

SWORN TO, SUBSCRIBED AND ACKNOWLEDGED before me this ____ day of August 2018, by _____, who is personally known or has produced identification.

NOTARY PUBLIC

CITY SIGNATURE PAGE FOLLOWS

CITY OF RIVIERA BEACH

BY: _____
THOMAS A. MASTERS
MAYOR

ATTEST:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

CITY CLERK

CITY ATTORNEY'S OFFICE