

To: Riviera Beach CRA, Riviera Beach CDE, Inc., and City of Riviera Beach

From: Bryant Miller Olive P.A.

Date: November 8, 2021

Re: Remaining steps to be taken to align Riviera Beach Marina Event Center to be operated by the Riviera Beach CRA

At a recent meeting of the Riviera Beach Community Redevelopment Agency, the decision was made to have the Riviera Beach Marina Event Center placed under the control, operation and direction of the Riviera Beach CRA, which will assume the operation, maintenance and marketing expenses for this facility. To accomplish this end result, the remaining vestiges of the NMTC financing structure will need to be eliminated. In order to accomplish these steps, Bryant Miller Olive P.A. has prepared a series of resolutions and documents for consideration by the Riviera Beach CRA, the Riviera Beach CDE and the City of Riviera Beach, all of which will need to be approved in order to clear up the remaining NMTC structural items and have the Riviera Beach CRA assume full control and responsibility for the Marina Event Center. These actions and the reasons for them are outlined below.

Riviera Beach CDE, Inc.: Since the Riviera Beach CDE is in the central position of the NMTC structure, the CDE Board must first take a series of steps. The first step is to proceed with the dissolution of the RBCDE NMTC Investment Fund I, LLC, (the "Investment fund") which was the tax credit investment fund created for the NMTC financing, and is now a wholly owned entity of the Riviera Beach CDE. The Investment Fund is the "Lender" of \$6,790,000 in leasehold mortgage secured loans to Riviera Beach Event Center, LLC, another wholly owned subsidiary of Riviera Beach CDE, which is the ground lessee of the Event Center from the City. As part of a Plan of Dissolution to be adopted by the Riviera Beach CDE, the Investment Fund will discharge and satisfy the \$6,790,000 mortgage loans, freeing up the leasehold estate from the mortgage encumbrance. Following this discharge, the Investment Fund will be dissolved. Riviera Beach CDE also owes a potential obligation to the Riviera Beach CRA under a Recoverable Grant Agreement which was also part of the NMTC financing structure. In satisfaction of its obligations under the Recoverable Grant Agreement, the Riviera Beach CDE instructs its subsidiary to assign the ground lease with the City to the Riviera Beach CRA, upon the receipt of the City's consent to such assignment. Upon the assignment of the Ground Lease, the Facility Lease Agreement and the Parking Agreement will merge with the Ground Lease and will need to be terminated. In

order to clear the property records, the Riviera Beach Event Center and the Riviera Beach CRA will also enter an Agreement to Terminate the Facility Lease Agreement and an Agreement to Terminate the Parking Agreement.

City of Riviera Beach: Under the Ground Lease, the Riviera Beach Event Center, LLC does not have the authority or ability to assign its interest in the ground lease to another person. In order to transfer the ground lease to the Riviera Beach CRA, the City will have to agree to such assignment. Once the transfers are complete, the City and the Riviera Beach CRA may want to enter into an Amended and Restated Ground Lease to correctly spell out the ongoing business relationship between the City and the Riviera Beach CRA, but such changes are not required in order to place the Riviera Beach CRA into the position of the ground lessee from the City.

Riviera Beach CRA: The Riviera Beach CRA will need to accept the assignment of the Ground Lease from the Riviera Beach Event Center, and assume all of the obligations under the Ground Lease, and agree to accept the Ground Lease Assignment in satisfaction of the obligations of the Riviera Beach CDE under the Recoverable Grant Agreement. Upon the assignment of the Ground Lease, the Facility Lease Agreement and the Parking Agreement will merge with the Ground Lease and will need to be terminated. In order to clear the property records, the Riviera Beach Event Center and the Riviera Beach CRA will also enter an Agreement to Terminate the Facility Lease Agreement and an Agreement to Terminate the Parking Agreement.

Timing of Approvals: All three of the above summarized actions will need to be coordinated, and no approved action can be finalized until all three bodies have approved their respective Resolutions. As a result, all of the documents, agreements, and Plan of Dissolution will be dated as of the date of approval of the Resolution by the Riviera Beach CDE, but the agreements will not be effective until both the City of Riviera Beach and the Riviera Beach CRA adopt their respective Resolutions.