

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (the “**First Amendment**”) is made and entered into as of October 15, 2018 (the “**Effective Date**”), by and between MEGA DEVELOPERS, LLC, a Florida limited liability company (the “**Developer**”), and the HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic (the “**CRA**”).

R E C I T A L S

1. The CRA and the Developer entered into that certain Development Agreement and Addendum Number One to Development Agreement both dated March 31, 2016 (collectively, the “**Development Agreement**”).

2. The Developer and the CRA desire to incorporate certain modifications into the Development Agreement as set forth in this First Amendment.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in this First Amendment and the Development Agreement, the adequacy of which is hereby acknowledged, the Developer and the CRA agree as follows.

Section 1. **Recitals.** The foregoing recitals are true and correct and incorporated herein by this reference. All defined terms not defined in this First Amendment shall have the meanings set forth in the Development Agreement.

Section 2. **Bonds.** Section 5.2 of the Development Agreement is hereby deleted and replaced by the following:

“Developer has requested, and the CRA hereby agrees, to waive the requirement for the provision of Bonds subject to the terms and conditions of this Section 5.2. The Developer acknowledges and agrees that the CRA’s agreement to waive the requirement for the Bonds and, instead require cash collateral, is strictly an accommodation to the Developer and in not intended to, nor shall it, alter, amend or diminish (a) any obligations of the Developer to complete the Project in accordance with the Agreement and/or (b) the rights and remedies of the CRA in the event of a default by the Developer under the Agreement. The parties further acknowledge and agree that the requirement of cash collateral is supported as an alternative to the provision of Bonds as set forth in Section 255.05(7), Florida Statutes. All references in the Agreement to the Bonds and any requirements related thereto are hereby deleted as the context may dictate and the following procedure shall apply in their place and stead.

Prior to the commencement of the Work, or any portion thereof (including any demolition or site work), Developer shall transfer to the CRA the amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00) (“Developer’s Funds”), which amount represents the balance of Developer’s Equity. The CRA agrees to (a) hold the Developer’s Funds in escrow in a non-interest bearing escrow account established by the CRA in the name of the CRA and (b) disburse the Developer’s Funds in accordance herewith. The Developer hereby authorizes the CRA, and

the CRA hereby agrees, to disburse the Developer's Funds directly to the General Contractor in accordance with the terms of the Construction Contract and such other terms and conditions as may be imposed by the CRA. Following disbursement of the Developer's Funds, the CRA Financing shall be used to complete the financing of the Project. Developer acknowledges and agrees that the Developer remains responsible for any remaining costs to complete the Project in the event that the Developer's Funds and the CRA Financing are insufficient to finance the development of the Project. Except in the event of the gross negligence or willful misconduct of the CRA, the Developer hereby waives and releases the CRA from any claims, injuries, costs, damages, fees and judgments including attorneys' fees and costs (at both the trial and appellate levels) arising from, related to or in connection with the deposit and disbursement of the Developer's Funds."

Section 3. Developer Default. Section 8.1 of the Development Agreement is hereby amended by inserting the following subsection 8.1(k):

"(k) Failure to Commence Construction of the Work. If the Developer fails to commence construction of the Work within ninety (90) days following the closing of the CRA Financing."

The second line of the first full paragraph following subsection 8.1(k) is amended by deleting "(j)" and inserting "(k)".

Section 4. General Contractor. Section 12.1 of the Development Agreement is hereby amended by deleting "Stuart & Shelby Development, Inc." and inserting "RCL Construction, Inc."

Section 5. Conflicts. Except as expressly modified herein by this First Amendment, the provisions of the Development Agreement remain unmodified and in full force and effect and are hereby ratified by the parties. In the event of any conflict between the terms and provisions of this First Amendment and the terms and provisions of the Development Agreement, the terms and provisions of this First Amendment shall control.

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IN WITNESS WHEREOF, the undersigned have caused the execution hereof as of October 15, 2018.

DEVELOPER:

MEGA DEVELOPERS, LLC,
a Florida limited liability company

By: _____
William C. Delgado
Manager

CRA:

HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY,
a public body corporate and politic

By: _____
Nydia Rafols-Sallaberry
Interim Executive Director

Attest:

By: _____
Jenorgen M. Guillen
HBCRA Clerk

Approved as to form and legal sufficiency:

By: _____
Fox Rothschild LLP
HBCRA Attorney