

DEVELOPMENT AGREEMENT**Icebox Cafe**

THIS DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into as of this 11th day of July, 2016 (the "Effective Date"), by and between **ICEBOX CAFE RE, LLC**, a Florida limited liability company (the "Developer") and the **HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY**, a body public and corporate of the State of Florida (the "CRA").

RECITALS

1. The CRA is (a) the owner of four (4) parcels of real property with the following addresses: 301 N.E. 3rd Avenue, 219 N.E. 3rd Street, 203 N.E. 3rd Street and 207 N.E. 3rd Street (the "Phase 1 Property" legally described on Exhibit A-1) and (b) negotiating the purchase of two (2) parcels of real property with the following addresses: 211 N.E. 3rd Street and 215 N.E. 3rd Street (the "Phase 2 Property" legally described on Exhibit A-2), all in the City of Hallandale Beach, Florida (the "City"), (hereinafter referred to as the "Property"). Notwithstanding the foregoing, the "Property" shall not include the Phase 2 Property unless and until the Phase 2 Property is conveyed to Developer in accordance with the terms of this Agreement.

2. The CRA received an unsolicited proposal from the Developer to develop the Property for a Test Kitchen, Culinary Arts Center, Restaurant and Public Plaza in three phases as set forth in further detail below.

3. In response to the receipt of the unsolicited proposal and in order to dispose of the Property in accordance with applicable law, the CRA issued a public notice in accordance with Section 163.380, Florida Statutes, and no proposals were received.

4. At the CRA Board meeting held on May 16, 2016, the CRA Board has requested, and the Developer has agreed, that the Developer develop the Project (as defined below) subject to the terms and provisions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein set forth, the Developer and CRA hereby agree as follows:

Section 1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. General; Project; Definitions.

2.1 General. The purpose of this Agreement is to provide the terms and conditions pursuant to which the Developer shall develop the Property. The Property shall be developed in substantial accordance with the Site Plan (as defined below) and Applicable Laws (as defined below) with the Project to be completed by the Developer based upon the Plans and Specifications (as defined below). From and after the date of this Agreement, Developer shall diligently,

expeditiously, and in good faith take all action necessary to develop the Property for the Project in accordance with the terms and conditions of this Agreement.

2.2 Project. The Project will be developed in three (3) phases generally described as follows. Phase 1 generally consists of an approximately nine thousand three hundred (9,300) square foot Commissary for the Developer's retail outlets, a two thousand one hundred (2,100) square foot Greenhouse and the initial improvements to a Public Plaza area, to be developed on the Phase 1 Property. Phase 2 generally consists of the parking area contemplated for the Phase 2 Property. Phase 3 generally consists of the addition of three thousand (3,000) square foot Restaurant and further improvements to the Public Plaza area located on the Phase 1 Property. For Phase 1, parking may initially be provided off site until the CRA conveys the Phase 2 Property to Developer in accordance with the terms hereof. With respect to parking for Phase 1, the Developer has requested that when the CRA acquires the Phase 2 Property the Phase 2 Property shall be used for parking as reflected in the Site Plan. The improvements and parking together with related amenities and utilities, all as specified on the Site Plan and Plans and Specifications collectively comprise the "Project", which is generally set forth on the "Site Plan" attached as Exhibit "B" to this Agreement. The Project will be developed on the Property with the Property being contributed by the CRA to the Developer in accordance with the terms and conditions of this Agreement. Without limiting the foregoing, unless otherwise expressly set forth herein, all Developer covenants, agreements obligations and requirements shall apply to all Phases of the Project as the context may dictate.

2.3 Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Agreement" shall mean this Development Agreement.

"Applicable Laws" shall mean any applicable law, statute, code, ordinance, regulation, permit, license, approval or other rule or requirement now existing or hereafter enacted, adopted, promulgated, entered, or issued by Governmental Authorities including but not limited to, the Code and the Florida Building Code.

"Borrower" shall mean Icebox Cafe, L.C., a Florida limited liability company, which Borrower is an affiliate of the Developer.

"Business Day" shall mean any day that the City is open for business.

"Certified CBP Achievement" means an independent third party certification of the total dollar amount of Total Project Costs allocable to work, supplies, services or materials attributable to the performance of CBP. This amount divided by Total Project Costs is the Certified CBP Achievement percentage.

"City" shall have the meaning provided in the first recital hereto.

"Code" shall mean the City's Charter, Code of Ordinances, and Land Development Regulations now existing or hereafter enacted, adopted, promulgated, entered, or issued by the City.

“Construction Contract” shall have the meaning provided in Section 4.3.

“Construction Documents” shall have the meaning provided in Section 3.7

“CRA” shall have the meaning provided in the introductory paragraph herein.

“CRA Contribution” shall mean the CRA’s contribution to the Project, which contribution shall include the following: (a) the aggregate of the value of (i) the Phase 1 Property in the amount of Five Hundred Eighty Thousand Four Hundred Twenty and 00/100 Dollars (\$588,420.00) which is the gross purchase price plus closing costs paid by the CRA for the Phase 1 Property and (ii) the gross purchase price plus closing costs paid by the CRA for the Phase 2 Property; provided that the Phase 2 Property is conveyed to Developer in accordance with the terms of this Agreement; and (b) the CRA Financing.

“CRA Financing” shall mean the an aggregate of Four Hundred Fifty Five Thousand and 00/100 Dollars (\$455,000.00) consisting of (a) that certain loan to be provided by the CRA to the Borrower in the amount of Two Hundred Fifty Five Thousand and 00/100 Dollars (\$255,000.00) pursuant to those certain loan documents on terms and conditions acceptable to the CRA (the “CRA Loan”) and (b) a grant in the amount of Two Hundred Thousand and 00/100 Dollars (\$200,000.00) (the “Gap Grant”) to be provided upon Final Completion of Phase 3 as set forth in Section 4.7 below. CRA Financing shall mean and refer to the CRA Loan and the GAP Grant for the Project. The general terms of the CRA Loan are (x) fixed interest rate of 2.0% per annum with interest accruing during construction and (y) upon Final Completion, the Borrower shall have the option to either (i) repay the CRA Loan along with all accrued and unpaid interest or (ii) renew the CRA Loan for an additional a five (5) year term, in which case, the accrued and unpaid interest shall be added to the principal and the Borrower shall make interest only payments with a balloon principal payment upon maturity. The CRA Loan shall be evidenced by loan documents prepared by the CRA Attorney within twenty (20) days following the Effective Date including, but not limited to, a promissory note, loan and security agreement and such other loan documents typically provided with respect to commercial loans, which loan documents shall be cross defaulted with this Agreement and vice versa. The collateral for the CRA Loan shall generally consist all accounts, chattel paper, instruments, general intangibles, personal property and fixtures, goods, equipment, fixtures and inventory. The Borrower shall pay all costs associated with the closing of the CRA Loan including documentary stamp taxes on the note and the CRA’s legal fees. The CRA acknowledges and agrees that the CRA Financing shall be subordinate to the Developer Financing and all other indebtedness of Borrower and the CRA shall execute all documentation reasonably required by Lender or any other lenders to which Borrower is indebted to evidence such subordination. Developer and the CRA shall cooperate with the Lender to finalize and execute a tri-party or intercreditor agreement related to the CRA Financing and the Developer Financing which provides the CRA and the Lender with certain rights in the event of a default by Developer related to the Developer Financing and/or the CRA Financing.

“Developer Financing” shall mean the financing to be obtained by the Developer in the amounts necessary to develop the Project in accordance with this Agreement taking into account all other sources, which Developer Financing shall be from a Lender and on commercially reasonable terms and otherwise acceptable to the CRA. Developer Financing shall mean and refer to the Construction Loan for the Project.

“Developer Equity” shall mean the Developer’s equity contribution to the Project which shall be all amounts necessary to develop the Project other than the Developer Financing and the CRA Financing; provided, however, to the extent that the Lender requires Developer to provide equity in connection with the Developer Financing, the provision of such equity in connection with the Developer Financing will satisfy the requirement for the Developer Equity under this Agreement.

“Development Approvals” shall have the meaning provided in Section 3.5.

“Development Budget” shall have the meaning provided in Section 4.2.

“Developer” shall have the meaning provided in the introductory paragraph herein.

“Development Plan” shall have the meaning provided in Section 4.2.

“Governmental Authorities” shall mean the United States Government, the State of Florida, Broward County, the City or any other governmental agency or any instrumentality of any of them

“Hazardous Materials” shall mean any material which may be dangerous to health or to the environment, including without implied limitation all “hazardous matter”, “hazardous waste”, and “hazardous substances”, and “oil” as defined in or contemplated by any applicable federal, state or local law, rule, order or regulation relating to the protection of human health and the environment or hazardous or toxic substances or wastes, pollutants or contaminants, including all of the following statutes and their implementing regulations, as the same may have been amended from time to time:

(i) Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq.;

(ii) Toxic Substances Control Act, 15 U.S.C. §2601 et seq.;

(iii) Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136;

(iv) Hazardous Materials Transportation Act, 49 U.S.C. §§1801-1812;

(v) Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq.;

(vi) Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.;

(vii) Clean Air Act, 42 U.S.C. §7401 et seq.;

(viii) Safe Drinking Water Act, 42 U.S.C. §3808 et seq.; or

(ix) Applicable or equivalent laws and regulations of the State of Florida relating to hazardous matter, substances or wastes, oil or other petroleum products, and air or water quality.

“Lender” shall mean with (a) an established federally chartered United States bank, United States trust company or other such recognized United States financial institution (or consortium

thereof) of, (b) private fund, (c) private investor, or (d) any individual, group, business, or entity qualified to be considered capable of providing the financing for the Project. The selection of the Lender will be subject to the prior written approval of the CRA and the Developer and such approval shall take into account the reputation, financial condition and legal qualifications of such entity or person. The CRA hereby acknowledges and agrees that Bank of America, N.A., or an affiliate, is an approved Lender.

“Phase 1 Inspection Period” shall mean the period expiring at 5:00 P.M. Eastern Standard Time on the date which is forty five (45) days after the Effective Date.

“Pre-Development Budget” shall have the meaning provided in Section 3.4.

“Project” shall have the meaning provided in Section 2.2 above.

“Property” shall have the meaning provided in the second recital hereto.

“Site Plan” shall have the meaning provided in Section 3.4.

“Total Project Cost” shall mean the sum of all Project hard costs, soft costs, financing costs, and fees paid to third parties.

Section 3. Pre-Development.

3.1 Due Diligence Inspection. During the Phase 1 Inspection Period, CRA shall permit Developer and its authorized representatives to inspect that portion of the Property which and to perform due diligence, surveys, soil analysis and environmental investigations. Developer will conduct any physical inspections, tests, examinations, studies, and appraisals only on Business Days. Developer may only enter upon the Phase 1 Property, provided (i) Developer provides CRA with at least twenty-four (24) hours prior notice (which notice may be oral or written) of its intent to inspect, test, survey or study, (ii) if requested by CRA, Developer is accompanied by a representative of CRA and (iii) Developer or Developer’s agents or contractors, as applicable, furnishes to CRA a certificate of insurance acceptable to CRA naming CRA as an additional insured and with an insurer and insurance limits and coverage reasonably satisfactory to CRA. Developer and its agents and representatives shall not perform any invasive testing without the prior written consent of CRA, which consent shall not be unreasonably withheld. All inspection fees, appraisal fees, engineering fees and all other costs and expenses of any kind incurred by Developer relating to the inspection of the Property for itself and/or its lender (collectively, the “Inspection Costs”) shall be the responsibility of and paid for by the Developer. To the extent that Developer or any of its representatives, agents or contractors damages or disturbs the Property or any portion thereof, Developer shall return the same to substantially the same condition which existed immediately prior to such damage or disturbance. Developer hereby agrees to and shall indemnify, defend and hold harmless CRA from and against any and all expense, loss or damage which CRA may incur (including, without limitation, reasonable attorney’s fees actually incurred) as a result of any act or omission of Developer or its representatives, agents or contractors arising from, related to, or in connection with the due diligence inspections including any soil analysis and environmental investigations, other than any expense, loss or damage to the extent arising from any act or omission of CRA during any such inspection and other than any expense, loss or damage resulting from the discovery or release of any Hazardous Substances at the Property for

which discovery or release Developer shall have no liability, unless such discovery or release was caused by the negligence or intentional conduct of Developer or its representatives, agents or contractors and/or such Hazardous Substances were brought on to the Property by Developer or its representatives, agents or contractors). Developer shall promptly upon its receipt thereof, deliver to CRA, copies of all such audits and assessments obtained by Developer. Developer shall itself (and shall require its consultants to) keep the Property free and clear of all liens and encumbrances, including but not limited to mechanics' liens, arising out of any of Developer's (and such consultants') activities on the Property, including its consultants' investigations. When the CRA advises Developer in writing that it has acquired title to the Phase 2 Property, Developer will have an inspection period of 45 days from the date on which Developer receives such written notification (the "Phase 2 Inspection Period") to conduct due diligence pursuant to this paragraph for the Phase 2 Property. Developer shall have until expiration of the Phase 2 Inspection Period, to determine, in Developer's sole opinion and discretion, the suitability of the Phase 2 Property for that phase of the Project. If Developer determines that the Phase 2 Property is not suitable for that phase of the Project, Developer shall have the right to terminate this Agreement in accordance with Section 3.2 below, but only as this Agreement relates to the Phase 2 Property and Developer shall have the right to refuse to accept the conveyance of the Phase 2 Property at any time on or before said time and date of expiration of the Phase 2 Inspection Period by giving written notice to the CRA of such election. On the first (1st) day of the Phase 2 Inspection Period, the CRA shall provide Developer with copies of all environmental and other due diligence reports obtained by the CRA related to the Phase 2 Property and Developer shall have the right to update said report and have said reports certified to Developer at Developer's sole cost and expense.

3.2 Termination of Agreement. Developer shall have until the expiration of the Phase 1 Inspection Period to determine, in Developer's sole opinion and discretion, the suitability of the Phase 1 Property for that phase of the Project. Developer shall have the right to terminate this Agreement for any reason or no reason at any time on or before said time and date of expiration of the Phase 1 Inspection Period by giving written notice to CRA of such election to terminate. The CRA shall have the right to terminate this Agreement for reasons related to the environmental condition of the Property at, on or before said time and date of expiration of the Phase 1 Inspection Period by giving written notice to the Developer of such election to terminate. If Developer or the CRA so elects to terminate this Agreement pursuant to this Section 3.2, the Developer shall pay the Inspection Costs whereupon, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement. If Developer fails to so terminate this Agreement prior to the expiration of the Phase 1 Inspection Period, Developer shall have no further right to terminate this Agreement pursuant to this Section 3.2.

3.3 Condition of the Phase 1 Property. Unless this Agreement is terminated by Developer pursuant to Section 3.2 above, as a material inducement to CRA to execute this Agreement, and except as otherwise expressly set forth in this Agreement, Developer agrees, represents and warrants that (i) the Developer will have fully examined and inspected the Phase 1 Property, including the environmental condition of such Property, (ii) Developer will have accepted and will be fully satisfied in all respects with the foregoing and with the physical condition of such Property, (iii) Developer will have decided to develop such Property for Phase 1 of the Project solely on the basis of its own independent investigation. Developer hereby acknowledges and agrees that CRA has not made, does not make, and has not authorized anyone

else to make any representation and warranty as to the present or future physical condition, value, financing status, leasing, operation, use, tax status, income and expenses and prospects, or any other matter or thing pertaining to the Property, except as expressly set forth in this Agreement. CRA shall not be liable for, or be bound by, any verbal or written statements, representations or information pertaining to the Property furnished by any employee, agent, servant or any other person unless the same are specifically set forth in writing in this Agreement. Except for the representations and warranties expressly set forth herein, all information and documentation relating to the Property that have been provided or that may be provided to Developer during the course of Developer's due diligence investigation of the Property have been maintained by CRA in the ordinary course of CRA's business and Developer acknowledges and agrees that such information and documentation is provided without warranty of any kind, including as to the accuracy, validity, or completeness of any such information or documentation.

3.4 Pre-Development Plan and Pre-Development Budget. The parties acknowledge and agree that the CRA has previously approved a pre-development plan and reviewed the budget for the Project prepared by the Developer (as approved by the CRA, the "Pre-Development Plan and the Pre-Development Budget"), which Pre-Development Plan and Pre-Development Budget are attached hereto as Exhibit "C" and by this reference made a part hereof. As used in this Agreement, the defined term Pre-Development Plan shall also include the Pre-Development Budget.

3.5 Governmental Approvals. The term "Development Approvals" as used in this Agreement shall mean all City approvals, consents, permits, amendments, rezonings, platting, conditional uses or variances, site plan approval, as well as such other approvals and official actions of the Governmental Authorities which are necessary to develop the Project. No later than forty five (45) days after the expiration of the Phase 1 Inspection Period, the Developer shall submit to the CRA for its review and approval (a) a schedule which shall serve as the Developer's time frame for performance with respect to obtaining the Development Approvals and (b) all applications and other submittals required to obtain the Development Approvals, such approval for each not to be unreasonably withheld, delayed or conditioned provided the schedule, applications and other submittals are consistent with the Project. Following such review and approval, the CRA hereby agrees to execute and deliver to the Developer in the CRA's capacity as the owner of the CRA Property all applications and other submittals required to obtain the Development Approvals. If any such documents in which CRA's joinder is requested contain material financial obligations binding (or which may become binding) upon CRA, such obligations must be included in the Pre-Development Budget or Development Budget, as applicable. If this Agreement is terminated, then upon CRA's request, Developer shall withdraw all of its pending applications and terminate all agreements which are terminable and/or withdrawable by Developer, with respect to the Development Approvals, which foregoing obligations shall survive termination of this Agreement. The Developer will be responsible for initiating and diligently pursuing the Development Approvals applications on behalf of the CRA in accordance with the approved schedule. The CRA shall cooperate with the Developer in processing all necessary Development Approvals to be issued by the City as well as all other Governmental Authorities. The parties recognize that certain Development Approvals will require the City and/or its boards, departments or agencies, acting in their police power/quasi-judicial capacity, to consider certain governmental actions. The parties further recognize that all such considerations and actions shall be undertaken in accordance with established requirements of Applicable Laws in the exercise of

the City's jurisdiction under the police power. Nothing in this Agreement is intended to limit or restrict the powers and responsibilities of the City in acting on such applications by virtue of the fact that the CRA may have been required to consent to such applications as the owner of the Property. Nothing in this Agreement shall entitle the Developer and/or the CRA to compel the City to take any action in its police power/quasi-judicial capacity, except to timely process the applications. Subject to Section 11 below, the Developer shall pay for all permit fees, impact fees and all other costs and expenses associated with the Development Approvals and as required by Applicable Laws, which amounts shall be included in the applicable Pre-Development and Development Budget for the Project. The CRA agrees to use its good faith efforts to assist the Developer in expediting the review and approval process with applicable Governmental Authorities. Nothing in this Agreement is intended to, nor shall be construed as, zoning by contract.

3.6 Site Plan. The Developer has previously provided a site plan and elevations to the CRA for the Project as referenced on Exhibit "B" attached hereto (the attached site plan and elevations are collectively, the "Site Plan"). The CRA hereby acknowledges and agrees that the Site Plan is acceptable to the CRA. The foregoing shall in no way constitute or be construed as the approval or issuance of a development order, it being expressly acknowledged and agreed by the Developer that the Site Plan will require separate submission, review, and approval pursuant to the requirements of the City's Code. Except for a Permitted Change (as hereinafter defined), no changes, alterations or modifications shall be made to the Site Plan (either prior to or after approval by the City) without the prior written approval of the CRA, which approval shall not be unreasonably withheld, delayed or conditioned; provided, however such approval may be withheld in the CRA's sole and absolute discretion if the requested change, alteration or modification consists of a Material Change. For purposes of this Agreement, a "Material Change" means and refers to a requested change, alteration or modification to that (i) in the aggregate with all other changes, alterations and modifications increases or decreases the square footage of the any building and/or the Plaza Area by ten percent (10%) or more, (ii) changes the number of stories of a building, and/or (iii) deletes any Project amenities. Following approval of the Site Plan for the Project by the City staff pursuant to the City's Code, except for Permitted Changes, the Developer shall not initiate or request review by City staff of any changes or alterations to the approved Site Plan for the Project without the prior written approval of the CRA, which approval shall not be unreasonably withheld, conditioned or delayed. In the event the approval process by the Governmental Authorities results in changes to the Site Plan that materially and adversely impacts the Developer's development scheme, plan, marketability, profitability and/or financeability of the Project, then Developer shall have the right to terminate this Agreement by giving written notice to the CRA whereupon all obligations and liabilities of the parties hereunder shall terminate and the Developer shall pay the Inspection Costs.

3.7 Plans and Specifications; Construction Documents. Following approval of the Site Plan and prior to commencement of any construction for the Project, Developer shall prepare and submit to the CRA for review and its reasonable approval, all design documents prepared or furnished, in connection with the Work (as hereinafter defined) for Phase 1 of the Project including, without limitation, architectural, structural, mechanical, electrical, plumbing, fire protection and any other engineering documents necessary for the permitting and construction of Phase 1 of the Project for and through all phases of design and construction (e.g., schematic, design

development, and construction) (collectively referred to as the "Plans and Specifications"). The Plans and Specifications for Phases 2 and 3 will be provided to the CRA in accordance with the schedule for obtaining Development Approvals. Notwithstanding the foregoing, the parties agree that following expiration of the Phase 1 Inspection Period, Developer may commence demolition and site work prior the approval of the Site Plan and/or the Plans and Specifications for Phase 1 of the Project and closing on the Phase 1 Property (the "Initial Site Work"). The Initial Site Work may include all site preparation work that may be performed by Developer pursuant to the applicable provisions of the City Code prior to receiving site plan approval. The CRA shall execute all documents required by Developer to obtain approvals for said work and shall also execute a temporary easement or other appropriate documentation as and when required by Developer which grants Developer the right to enter the Phase 1 Property to perform the Initial Site Work. Unless otherwise agreed in writing, Developer shall not proceed with construction of Phase 1 beyond demolition and site work without the aforementioned approval by the CRA of the Plans and Specifications. The Plans and Specifications shall comply with all Applicable Laws including, without limitation, the Florida Building Code and all design requirements established by the Florida Accessibility Code and the Americans with Disabilities Act. CRA shall provide its written approval or disapproval (specifying the basis for disapproval and/or comments) to any such Plans and Specifications within ten (10) Business Days of receipt of request for same, it being understood that CRA review and approval of the Plans and Specifications as set forth herein is not the review required by the City, but only a general review for compliance with the terms and conditions of this Agreement and, therefore, such review need not be limited to, governmental requirements; provided, however, if the CRA fails to either approve or disapprove (either with or without conditions) the submitted Plans and Specifications within ten (10) Business Days following submittal by Developer to CRA, the Plans and Specifications in the form submitted shall be deemed approved by CRA. Without limiting the foregoing, the approval of the Plans and Specifications pursuant to this Agreement shall in no way constitute or be construed as the approval or issuance of a development order, it being expressly acknowledged and agreed by Developer that the Plans and Specifications will require separate submission, review, and approval pursuant to the requirements of the City's Code and/or its applicable rules and regulations; provided, further, the Developer hereby releases the CRA from any claims, judgments, liabilities, defects, errors and omissions associated with the Plans and Specifications. Once any Plans and Specifications receive the written approval of the CRA or are deemed approved pursuant to this Agreement, such Plans and Specifications shall be deemed the "Construction Documents." The Construction Documents for the Project or any portion thereof shall consist of: (a) working drawings and technical specifications signed and sealed by the Developer's design professional, (b) schedule for accomplishing improvements, and (c) such other information as may be required by the City in accordance with its Code and as otherwise necessary to confirm compliance with this Agreement. No material changes or alterations (other than Permitted Changes) shall be made to any Construction Documents, without the prior written approval of the CRA. Developer is hereby authorized to make Permitted Changes without CRA approval. A "Permitted Change" shall mean (i) a change which is required to be made to comply with Applicable Laws, including changes required by the City or other Governmental Authorities during the Development Approvals process; (ii) a change which involves only substituting materials of comparable or better quality; (iii) a change required by the failure of the Construction Documents to satisfy field conditions where the change will not have a material adverse effect on the quality, appearance or function of Project; (iv) a change which is made to correct inconsistencies in various Construction

Documents; and (v) modifications to the schedule that do not extend the Substantial Complete Date, unless otherwise authorized by this Agreement. The Developer shall provide written notice to the CRA prior to making any Permitted Changes except to the extent such Permitted Change is required in an emergency situation, in which event the Developer shall provide notice to the CRA as soon as reasonably possible thereafter. The approval or deemed approval by the CRA of any Plans and Specifications, site plans, designs or other documents submitted to CRA pursuant to this Agreement shall not constitute a representation or warranty that such comply with all Applicable Laws and/or procedures of all applicable Governmental Authorities, it being expressly understood that the responsibility therefore shall at all times remain with the Developer.

3.8 Proof of Developer Equity; Funding Capacity. Notwithstanding anything herein to the contrary, within forty five (45) days of the Effective Date, Developer shall provide the CRA with evidence of the Developer Equity in a form and substance acceptable to the CRA in all respects including, but not limited to, proof of funds. If such evidence of Developer Equity is not acceptable to the CRA, in its sole and absolute discretion, the CRA shall have the right to terminate this Agreement by giving written notice to the Developer of such election to terminate. If the CRA so elects to terminate this Agreement pursuant to this Section 3.8, the Developer shall pay the Inspection Costs whereupon, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement.

Section 4. Development Services.

4.1 General Obligations. Subject to the terms and provisions of this Agreement, Developer shall be responsible for the design, engineering, permitting and construction for the Project substantially in accordance with the Construction Documents. In connection therewith, Developer shall provide or cause to be provided and furnish or cause to be furnished, all materials, supplies, apparatus, appliances, equipment, fixtures, tools, implements and all other facilities provided for in the Construction Documents, and shall provide all labor, supervision, transportation, utilities and all other services, as and when required for or in connection with the construction, furnishing or equipping of, or for inclusion or incorporation in each phase of the Project (collectively, the "Work" or as to each phase the "Phase 1 Work", "Phase 2 Work" and "Phase 3 Work", as applicable). Developer shall cause the design, engineering, permitting and construction of the Project to be prosecuted with diligence and continuity and will achieve Substantial Completion (as hereinafter defined) of the Work, free and clear of liens or claims for liens for materials supplied and for labor or services performed in connection therewith on or before the applicable Completion Date (as hereinafter defined). The CRA may look to the Developer and/or the applicable design professional, General Contractor and/or subcontractor with respect to any design and/or construction defect claims. For the purposes of this Agreement, "Substantial Completion" shall mean (i) the Project architect shall have certified in his/her reasonable discretion that the Project has been completed substantially in accordance with the Construction Documents subject to punch-list items, (ii) all temporary certificates of occupancy (or their equivalent) and all other certificates, licenses, consents and approvals required for the temporary occupancy, use and operation of the Project shall have been issued by or obtained from the appropriate Governmental Authorities (provided that in order for the Project to be deemed finally completed based upon the issuance of temporary certificates of occupancy [or their

equivalent], following the issuance thereof, Developer shall diligently and in good faith proceed to obtain the issuance of all permanent certificates of occupancy [or their equivalent] and all other certificates, licenses, consents, and approvals required for the permanent occupancy, use and operation of the Project, all within the time frames required by Applicable Laws including any legally permitted extension periods) and (iii) all construction costs and other costs and expenses incurred in connection with the Work have been paid in full or bonded, other than the costs to complete any punch list work or otherwise necessary to obtain the final certificates of occupancy. For the purposes of this Agreement, "Final Completion" shall mean (a) the Project and all Work shall have been fully completed including all punch list items substantially in accordance with Construction Documents, (b) all final certificates of occupancy (or their equivalent) all other certificates, licenses, consents and approvals required for the permanent occupancy, use and operation of the Project shall have been issued or obtained from the appropriate Governmental Authorities, (c) all construction costs and other costs and expenses incurred in connection with the Work including punch list items have been paid in full or bonded, (d) all contractor certificates and final waivers of lien for the Work have been obtained, and (e) all record drawings (other than as-builts to be delivered pursuant to Section 5.7) and electronic files have been delivered to the CRA. Substantial Completion for each Phase shall occur not later than the Substantial Completion Date (as defined below) for that Phase, and Final Completion for each Phase shall occur no later than ninety (90) days after the Substantial Completion Date for each Phase, subject to a day for day extension for events of Force Majeure (the "Project Completion Date" and along with the Substantial Completion Date, the "Completion Dates"). For purposes of this Agreement, the parties acknowledge and agree that the Substantial Completion Date shall be based upon number of calendar days from the issuance of the Notice to Proceed subject only to a day for day extension for events of Force Majeure including delays due to inclement weather. Prior to the issuance of an Notice to Proceed, the Developer and CRA shall in good faith negotiate and mutually agree upon the Substantial Completion Date, which Substantial Completion Dates shall then be set forth in a written amendment to this Agreement. If the Developer and CRA cannot agree on the Substantial Completion Date or the CRA Board fails to approve the amendment, then either party may elect to terminate this Agreement upon written notice to the other party, and the Developer shall pay the Inspection Costs, whereupon, except for those provisions of this Agreement which by their express terms survive the termination of this Agreement, no party hereto shall have any other or further rights or obligations under this Agreement. The Notice to Proceed for each Phase may only be issued following receipt of all Development Approvals necessary for that particular Phase of the Project.

4.2 Development Plan and Development Budget. Prior to commencing the Phase 1 Work (excluding the Initial Site Work), Developer shall prepare a proposed development plan and development budget (as approved by the CRA, the Development Plan) for this phase of the Project and submit the same to the CRA for its approval, which approval may be granted or withheld by the CRA in its sole but reasonable discretion. The Development Plan shall include the following information, if not previously provided to CRA: (a) a description in reasonable detail of the development requirements; (b) a line item budget for the estimated cost of the construction of the Work for Phase 1 based upon the eighty percent (80%) Construction Documents (as approved by the CRA, the "Development Budget"); (c) a construction schedule for Phase 1, which shall be updated throughout construction and shall encompass design and engineering, and all of the trades necessary for the construction of the Work; (d) a description of the Developer Financing (including

term sheets and commitment letters from Lenders) and Developer Equity (including sources thereof and proof of funds); (e) such other information as the CRA may reasonably request; and (f) any relevant information provided by the CRA to the Developer. As used in this Agreement, the term Development Plan shall also include the approved Development Budget. The Development Budget for Phases 2 and 3 shall be submitted in accordance with the Development Schedule.

4.3 Construction Contract. Contemporaneously with approval of the Development Plan pursuant to Section 4.2, the Developer shall enter into a general construction contract or design-build agreement the form of which shall be solely the Developer's decision (the "Construction Contract") with a general contractor (the "General Contractor"), which General Contractor shall be subject to the reasonable approval of the CRA. Prior to entering into each Construction Contract, the Developer shall submit the initial and final forms of the Construction Contract to the CRA for its review and approval, such approval not to be unreasonably withheld, unreasonably conditioned or unreasonably delayed. The Construction Contract shall require the General Contractor to competitively select the contractors providing electrical, plumbing, structural and mechanical services (collectively, the "Major Subcontractors") in substantially the same manner that Applicable Laws would require the CRA to competitively select such contractors. Notwithstanding the foregoing, the CRA and Developer acknowledge that neither Developer nor its contractor are subject to comply with public bidding requirements. The Developer shall also include in the Construction Contract and all other direct contracts for the design, engineering, construction, administration, and inspection of the Work (a) an indemnity, release and hold harmless agreements by the General Contractor, Major Subcontractors, design professional, consultant, contractor or subcontractor (for themselves and their agents, employees, invitees and licensees) in favor of the CRA relating to their acts or omission arising from, related to, or in connection with their portion of the Work and otherwise in compliance with Fla. Stat. §725.06 and §725.08, as applicable, (b) a requirement that the CRA be copied on all notices of default from the Developer to the General Contractor, Major Subcontractors defined as contractors providing electrical, plumbing, structural and mechanical services, design professional, consultant, contractor or subcontractor, and vice versa, (c) the consent of the design professional, consultant, contractor or subcontractor to the assignment of the applicable contract by the Developer to the CRA (subject to the Lender's rights), at the CRA's option, in the event of an uncured default by Developer, and the assumption of the applicable contract by the CRA (subject to Lender's rights); provided, however, that as between the CRA and Developer, the Developer shall remain responsible for any loss or damage relating to its default, which loss or damage may be cured by making a claim on the Bonds, following written notice by CRA to Developer and a reasonable opportunity to cure as appropriate in the context of the default. Nothing contained herein shall, however, create any obligation on the CRA to assume the Construction Contract or any contractor contract or consultant contract or make any payment to any contractor or consultant unless CRA chooses to request contractor or consultant to perform pursuant to this Section 4.3 or as otherwise provided in this Agreement, and nothing contained herein shall create any contractual relationship between the CRA and any contractor, subcontractor, consultant or subconsultant (other than the benefit in favor of the CRA of certain provisions as set forth in the applicable contracts).

4.4 Financing of Project. The Developer hereby advises the CRA that the Developer plans to obtain a Construction Loan (as defined below) for the construction of Phase 1 of the

Project. The Developer shall use its good faith and diligent efforts to obtain from a Lender a commitment letter and loan document package for a construction loan for the Project in an amount consistent with the Development Budget and on terms reasonably acceptable to the Developer (the "Construction Loan") within sixty (60) days following receipt of the Development Approvals. If the Developer fails to obtain the Construction Loan within sixty (60) days following receipt of the Development Approvals and cannot otherwise provide evidence to the reasonable satisfaction CRA that the Developer has adequate funding to complete the Project, the CRA may terminate this Agreement by written notice to the Developer and, upon such termination, the parties shall have no further right and/or obligations to each other except for any obligations that expressly survive the termination of this Agreement. To the extent Developer is able to obtain a commitment letter and loan document package for the Construction Loan, provided that the Developer has met all other conditions precedent under Section 5.1 below (other than obtaining the Construction Loan) and any other conditions precedent to the closing of the Construction Loan, the Developer shall be obligated to close on the Construction Loan. The failure of the Developer to close on the Construction Loan shall be considered a material default of this Agreement entitling the CRA to its rights and remedies hereunder.

4.5 Conveyance of the Phase 1 Property. The Phase 1 Property shall be conveyed to Developer within thirty (30) days following fulfillment to the satisfaction of the CRA, in its reasonable discretion, of the last of the following conditions: (a) an Event of Default on the part of Developer has not occurred which remains uncured at the time of such conveyance, (b) the Developer has provided the CRA with satisfactory proof of the Developer's Equity contribution, (c) the Developer has closed on the Construction Loan, (d) the Borrower has closed on the CRA Loan and (e) a covenant (the "Covenant") to be recorded in the Public Records simultaneously with the Deed (as defined below) pursuant to which (i) the Developer agrees that: (A) the Property shall not be used for any purposes other than the Project uses described in this Agreement, or any other use as may be permitted by the CRA from time to time, for a minimum period of fifteen (15) years and (B) if a breach of the prohibition set forth in the foregoing subsection (A) remains uncured thirty (30) days after Developer's receipt of written notice of such breach from the CRA, then the Developer agrees to pay to the CRA, as the CRA's sole remedy, a sum equal to the unamortized amount as of the date of such breach of Five Hundred Eighty Thousand Four Hundred Twenty and 00/100 Dollars (\$588,420.00) amortized on a straight line basis over the fifteen (15) year period. The Covenant shall be in form and substance reasonably acceptable to the CRA and its legal counsel. The conveyance of the Property by the CRA to the Developer shall be by Special Warranty Deed (the "Deed") free and clear of all rights of possession, liens and encumbrances, subject to any easements or other restrictions of record including, but not limited to, the Covenant and the Declaration of Restrictive Covenants set forth below and otherwise on an "AS-IS" "WHERE-IS" basis with no representations or warranties of any kind whatsoever except for the warranty of title as set for in the Deed or any other documents executed by the CRA in connection with said conveyance. The CRA shall also provide an owner's affidavit as well as other documents and information reasonably required by the title company to issue to Developer an owner's title insurance policy for the Phase 1 Property without the "standard exceptions". In addition to the foregoing, the Developer agrees to accept title to the Phase 1 Property subject to a perpetual Declaration of Restrictive Covenants prepared by the CRA's legal counsel and in a form and substance reasonably acceptable to the CRA in all respects that provides for, among other things, (a) the maintenance, repair and replacement of the improvements on the Project so that it remains

consistent with the Site Plan for a period of fifteen (15) years, subject to any and all modifications to the Site Plan approved by the CRA from time to time, and (b) the prohibition of operation of the Phase 1 Property for the following uses: (i) a convenience or check cashing store, (ii) gas station or automobile repair facility, (iii) billiard parlor, night club or other place of recreation or amusement, (iv) any business serving alcoholic beverages except in conjunction with a restaurant operation, (v) a discount, variety, general or "dollar" store, (vi) a grocery store or supermarket, (vii) adult entertainment, adult bookstore or other store catering to adults only, (viii) smoke shop, (ix) pawn shop, (x) any business or facility used in growing, delivering, transferring, supplying, dispensing, dispersing, distributing or selling marijuana, whether by prescription, medical recommendation or otherwise, and whether consisting of live plants, seeds, seedlings or processed or harvested portions of the marijuana plant; or (xi) any combination of the foregoing uses. At any time prior to or after the conveyance of the Phase 1 Property to the Developer, the Developer may engage in marketing and presales at its cost and expense, as it deems necessary and appropriate. The CRA shall provide to Developer for review drafts of the Covenant and the Declaration of Restrictive Covenants within twenty (20) days after the Effective Date. If Developer elects to perform the Initial Site Work prior to the closing of the Construction Loan, prior to commencement of the Initial Site Work, the CRA agrees to deliver to Developer's attorney in escrow (the "Escrow") the executed closing documents conveying the Phase 1 Property to Developer in accordance with the terms hereof. The terms of the Escrow shall provide, in part, that the escrow agent shall be authorized to release the documents from escrow and record the Deed in the Public Records of Broward County, Florida, simultaneously with the closing of the Construction Loan. The CRA and Developer shall use commercially reasonable efforts to agree upon the form of all documents required by this Section 4.5 as well as the terms of the Escrow prior to the expiration of the Phase 1 Inspection Period.

4.6 Conveyance of the Phase 2 Property. The CRA shall use its best efforts to acquire title to the Phase 2 Property as soon as possible after the Effective Date. The Phase 2 Property shall be conveyed to Developer within thirty (30) days of Developer's receipt of written notification from the CRA that it has acquired title to the Phase 2 Property, which conveyance will be undertaken pursuant to the same terms and conditions as provided in Section 4.5(a) and Section 4.5(d) with respect to the Phase 1 Property, provided, however, that the liquidated damages amount described in Section 4.5(e)(i)(B) shall be a sum equal to the unamortized amount as of the date of such breach of the gross purchase price plus closing costs paid by the CRA for the Phase 2 Property amortized on a straight line basis over the fifteen (15) year period. The CRA will provide written notice to Developer of the total amount of the gross purchase price plus closing costs paid by the CRA for the Phase 2 Property within three (3) days after the closing of the acquisition of the Phase 2 Property. In the event the CRA does not acquire the Phase 2 Property within thirty (30) days after issuance of the building permit for the principal building within Phase 1, then the CRA shall: (a) lease (the "Parking Lease") to Developer the property owned by the CRA located at the intersection of NE 2nd Avenue and NE 3rd Street (the "Adjacent Parcel" legally described on Exhibit D) for use as parking for the Phase 1 Property; and (b) complete the demolition and removal of the improvements located on the Adjacent Parcel as and when required by Developer. The Parking Lease shall terminate upon the CRA's conveyance of the Phase 2 Property to Developer in accordance with the terms hereof. The form of the Parking Lease shall be subject to the Developer's and the CRA's approval in their reasonable discretion, and shall provide, in part, as follows: (a) Developer shall only be required to pay nominal rent under the Parking Lease, (b)

Developer shall have the right to record a memorandum of the Parking Lease in the Public Records of Broward County, Florida, and (c) Developer shall have the right to commence and complete any or all of the Initial Site Work required by Developer with respect to the Adjacent Parcel so that it can use the Adjacent Parcel as and when required by Developer prior to approval of the Site Plan and the CRA shall execute all documents required by Developer in connection therewith. The CRA shall not encumber, develop, sell, lease, license, convey or otherwise permit the use of all or a portion of the Adjacent Parcel unless and until the Phase 2 Property is conveyed to Developer in accordance with the terms hereof. Notwithstanding the foregoing, in the event the CRA receives a development proposal for the Adjacent Parcel, the CRA, the Developer and such third party developer shall work together to accommodate the required parking for Developer's uses, as well as such use and parking for the third party.

4.7 Community Benefits Plan. The Developer acknowledges and agrees that an integral element of the Project is a Community Benefit Plan, which will be organized and managed by the CRA. As noted in the Developer's unsolicited proposal, the Project at completion is anticipated to create 144 permanent jobs within the City. Developer hereby agrees to use commercially reasonable efforts to achieve the CBP goal of thirty percent (30%) of the new employees hired for each phase of the Project to be residents of Hallandale Beach. In addition, the Developer will work with the HOP Administrator, as described below, to assist in the hiring of Hallandale Beach residents for construction work at each phase of the Project and utilize Hallandale Beach vendors in both the construction materials and on-going operations of the Project. The Developer will establish and operate a culinary arts training program which may be implemented in cooperation with a third party provider, including but not limited to the FIU Culinary Center. The City has established an Administrator (Hallandale Opportunities Project Administrator, or "HOP Administrator") to oversee all contracts with CBP commitments. The Developer shall submit its draft CBP to the HOP Administrator, and will thereafter work with the HOP Administrator to reduce the CBP to final form acceptable to the HOP Administrator. The HOP Administrator will be responsible for tracking the Developer's compliance with its CBP throughout the duration of the Project, and reporting such compliance to the CRA Board and City Commission. To the extent that the Developer needs assistance in meeting its CBP commitment, the HOP Administrator will serve as a resource to the Developer by providing points of contact to pursue in order to achieve their established goals (local vendor participation or local workforce hiring). It is noted, however, that development of the CBP remains the sole responsibility of the Developer, as does compliance with the approved CBP. The CBP for Phase 1 shall be submitted to and approved by the CRA prior to the issuance of the building permit for Phase 1. In the event the Developer fails to use commercially reasonable efforts to achieve the 30% CBP hiring goal per phase outlined in the CBP approved for Phase 1, the "Gap Grant" provided below in Section 4.8 may be withheld by the CRA. The Developer and the CRA acknowledge and agree that no commitment by the Developer to the CBP is intended, nor shall it be deemed or construed, to (a) replace, supersede, alter, amend and/or diminish any requirements of Applicable Laws and/or (b) place any affirmative obligation upon Developer in violation of Applicable Laws. Notwithstanding anything herein to the contrary, the General Contractor shall not be required to contract with any party that is (a) unlicensed, (b) uninsured or underinsured, (c) not financially stable, and/or (d) does not meet the bonding requirements of the General Contractor's surety.

4.8 Gap Grant. Following Final Completion of Phase 3 of the Work and provided that an Event of Default on the part of Developer has not occurred or circumstances exists that with the passage of time and the giving of notice would constitute an Event of Default on the part of Developer, the CRA shall provide the Gap Grant to the Developer. The CRA shall be entitled to offset any amounts due and owing by the Developer to the CRA against the Gap Grant.

Section 5. Performance of the Work.

5.1 The Phase 1 Work. The Work as used in this Section 5 shall exclude any site work which may be undertaken by the Developer upon the conveyance of the Phase 1 Property to Developer. The Developer shall commence the Work immediately following the satisfaction (or waiver in writing by all of the parties hereto) of the following conditions: (a) approval of the applicable Plans and Specifications by Governmental Authorities, the issuance of all required Development Approvals and the expiration of any and all appeal periods with respect thereto without the filing of any appeals, including, without limitation, issuance by the City of a building permit authorizing the construction of the Work, (b) the Developer has provided proof of Developer Equity and Developer Financing, both in a form and substance acceptable to the CRA, and closed on the Construction Loan, which Construction Loan is sufficient to fund the costs of the Work remaining to be funded under the Development Budget, (c) the CRA and Developer have closed on the Construction Loan, (d) the Development Plan has been approved by the CRA (provided Developer has submitted such to the CRA as required by this Agreement), (e) a written amendment to this Agreement setting forth the Substantial Completion Date(s) has been executed and delivered by the parties, (f) the Construction Contract consistent with the requirements of this Agreement and the Development Plan has been fully executed and (g) the Bonds are in place, and (h) the completion guarantee has been delivered to the CRA. Notwithstanding the foregoing, Developer shall be authorized to commence demolition and site work for Phase 1 immediately after conveyance of the Property. The Work for Phases 2 and 3 shall commence in accordance with the Development Schedule and upon satisfaction of the conditions precedent as outlined in this Agreement. In any case, the Work shall not commence unless and until a Notice to Proceed has been issued by the CRA to the Developer for each Phase, which Notice to Proceed shall not be issued until receipt of all Development Approvals for such Phase. The Developer and CRA agree to use their respective good faith and diligent efforts to satisfy the foregoing conditions for which each party is responsible and to otherwise cooperate with each other in this regard; provided, however, if any of the foregoing conditions are not satisfied within one hundred eighty (180) days from the date hereof, the parties shall continue to use their good faith and diligent efforts to satisfy such condition(s) for up to an additional ninety (90) days. If following such good faith and diligent efforts to satisfy such conditions the parties cannot do so by the expiration of the ninety (90) day extension period, unless the parties mutually waive in writing the conditions at issue, then either party may elect to terminate this Agreement upon written notice to the other party, in which case the Developer shall pay the Inspection Costs and the parties shall be relieved of all rights and obligations hereunder, except any rights or obligations that expressly survive termination. Following commencement of the Work, Developer shall diligently pursue in good faith the completion of the Work so that Substantial Completion of each phase the Project is achieved no later than the applicable Substantial Completion, subject to extension as provided in this Agreement.

5.2 Prior to commencement of the Work Developer shall cause its General Contractor to obtain and deliver to the CRA, and at all times during the performance of the Work require and obtain performance bonds and labor and material payment bonds reasonably acceptable to the CRA (collectively referred to herein as the "Bonds") which shall be substantially in the form of the A1A A312 Bond forms for the Project, which Bonds shall be dual obligee bonds in favor of Developer and the CRA. The Bonds shall in all respects conform to the requirements of the laws of the State of Florida and shall (a) name the Developer and CRA as obligees; and (b) be in a form and substance reasonably satisfactory to the CRA and its legal counsel. The surety(ies) providing the Bonds must be licensed, duly authorized, and admitted to do business in the State of Florida and must be listed in the Federal Register (Dept. of Treasury, Circular 570). The cost of the premiums for the Bonds shall be included in the Development Budget. Within ten (10) days of issuance, Developer shall record the Bonds in the Public Records of Broward County, which may be recorded by attaching the same to the notice of commencement.

5.3 Except as may be otherwise expressly set forth in this Agreement, Developer shall be responsible for all costs and expenses for the design, engineering, permitting, construction, administration, and inspection of the Work including, but not limited to, the following: (a) all labor and materials for the construction of the Work; (b) all compensation for the design professionals and engineers (and any other consultants) in connection with the preparation of the site plan, Construction Documents, and other documents; (c) all permit, license, connection and impact fees and other fees of Governmental Authorities which are legally required at any time during the Developer's performance of the Work; (d) all costs associated with the installation, connection, removal, replacement, relocation and protection of all utilities and all related infrastructure including but not limited to water, sewer, stormwater drainage, telephone, cable, or electric, (e) all sales, consumer, use and other similar taxes for the Work, which are legally required at any time during the Developer's performance of the Work; and (f) all royalties and license fees that are legally required at any time during the Developer's performance of the Work. The parties acknowledge and agree that such costs and expenses are to be included in the Pre-Development Budget and/or Development Budget. The Developer shall defend all suits or claims for infringement of any patent rights related to the Work to be performed by Developer hereunder and shall hold CRA harmless from any loss, liability or expense on account thereof, including reasonable attorneys' fees (at both the trial and appellate levels) unless any claim results from an act of the CRA or arises in connection with the CRA performing its obligations hereunder. CRA represents to the Developer that there is adequate water and sewer capacity available to the Property for the Project and that water, sewer and electric connections are available at the Property boundaries.

5.4 The Developer agrees that the Work performed under this Agreement shall be performed in accordance with Applicable Laws including the Florida Building Code.

5.5 The Developer agrees and represents that the direct contracts entered into by General Contractor shall require that (i) the Major Subcontractors, subcontractors, design professionals, engineers and consultants possess the licenses required by Applicable Laws to cause to be performed the Work, and (ii) the Work shall be executed in a good and workmanlike manner, free from defects, and that all materials shall be new (not used or reconditioned), except as otherwise expressly provided for in the Construction Documents.

5.6 As each subsequent phase of the Project is undertaken, such phase of the Work will be undertaken pursuant to the provisions of this Section 5, as applicable at the time.

5.7 The Developer will have no obligation to commence the Phase 3 Work unless and until reconstruction of 1st Avenue from Hallandale Beach Blvd. north to NW 3rd Street has been completed pursuant to the conceptual plans for same as set forth in Exhibit E attached hereto and made a part hereof (the "1st Avenue Improvements") within three (3) years of the Effective Date of this Agreement. However, in the event the Developer chooses to construct Phase 3 notwithstanding the status of the 1st Avenue Improvements, if the Developer completes Phase 3 within five (5) years of the Effective Date of this Agreement, the Gap Grant will be paid pursuant to Section 4.8 hereof.

Section 6. Books and Records.

6.1 The Developer shall maintain complete and accurate books, records and accounts of all costs and expenses incurred in connection with the development of the Project. Upon the request of the CRA, all such books and records of the Developer which relate to the Project shall be available for inspection and audit by the CRA or any of its authorized representatives at all reasonable times during normal business hours. The CRA acknowledges and agrees that such books and records are limited to the books and records of the Developer and not the books and records of the members of the Developer. The Developer shall be entitled to retain such copies of the books and records as the Developer deems appropriate.

6.2 Developer's books and records shall be maintained or caused to be maintained in accordance with Generally Accepted Accounting Principles in a consistent manner, together with the pertinent documentation and data to provide reasonable audit trails for a period of seven (7) years following Final Completion. The foregoing obligation shall expressly survive the expiration or earlier termination of this Agreement.

Section 7. Developer's Responsibility for Costs.

7.1 The Developer shall be responsible for all costs of the Work for the Project, including, but not limited to, labor and materials, but only excluding (a) the CRA Financing, (b) costs and expenses incurred by the CRA in connection with the performance of the CRA's obligations under this Agreement or the administration of this Agreement by the CRA and (c) costs and expenses incurred as a result of a breach by the CRA of its obligations under this Agreement.

Section 8. Default; Termination.

8.1 Developer Default. An "Event of Default" or "default" entitling CRA to its remedies below shall occur by the Developer on the happening of any of the following events:

(a) Inaccuracy of Representations and Warranties or Failure to Observe Agreement. The Developer shall breach any representation or warranty set forth herein or fail to observe, satisfy or perform any material term, covenant or agreement contained in this Agreement and such breach or failure shall continue unremedied for thirty (30) days after written notice

thereof from the CRA to the Developer; provided, however, that if such breach cannot reasonably be cured within thirty (30) days, such breach or failure shall not constitute an Event of Default so long as the Developer provides CRA with written notice within fifteen (15) days of receipt of the CRA's default notice advising the CRA that the default cannot be reasonably cured within thirty (30) days and specifying the reasons therefore and, within the thirty (30) day period, commences and thereafter is in good faith proceeding diligently and continuously to remedy such breach or failure, but in no event shall any additional time to cure granted hereunder exceed ninety (90) days in the aggregate after Developer's receipt of the original written default notice; or

(b) Work Stoppage. Construction of the Project and/or the Work shall at any time be discontinued or interrupted for more than sixty (60) consecutive days other than as a result of Force Majeure, government action and/or legal proceedings initiated by a party other than the Developer or CRA; or

(c) Failure to Complete by Completion Dates. The failure of the Developer to complete the Project by the Substantial Completion Date or Project Completion Date, as applicable, subject to Force Majeure; or

(d) Abandonment. The Developer abandons the development and construction of the Project and/or the Work or any substantial part thereof for more than sixty (60) consecutive days other than as a result of Force Majeure, government action and/or legal proceedings initiated by a party other than the Developer or CRA; or

(e) Bankruptcy. The Developer or its members shall generally fail to pay debts as such debts become due or shall admit in writing its or their inability to pay its or their debts as such debts become due or shall make a general assignment for the benefit of creditors; the Developer or its members shall commence any case, proceeding, or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or them or its or their debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian, or other similar official for it or them or for all or any substantial part of its or their property; or any case, proceeding or other action against the Developer or its members shall be commenced seeking to have an order for relief entered against the Developer or its members, as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of the Developer or its members or their debts under any law relating to insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official for the Developer or its members or for all or any substantial part of their respective properties, and (i) the Developer or its members shall by any act or omission, indicate its consent or approval, of, or acquiescence in such case, proceeding or action, (ii) such case, proceeding or action results, in the entry of an order for relief that is not fully stayed within sixty (60) days after the entry thereof, or (iii) such, case, proceeding or action remains undismissed for a period of ninety (90) days or more or is dismissed or suspended only pursuant to Section 305 of the United States Bankruptcy Code or any corresponding provision of any future United States bankruptcy law; or

(f) Unpermitted Transfer. If the Developer effectuates a Transfer not permitted by this Agreement.

(g) Default of CRA Loan. A default under the CRA Loan documents by the Borrower beyond any applicable notice, grace and cure period shall constitute a material breach of this Agreement entitling the CRA to its rights and remedies herein without the need for further notice to the Developer, and the Developer shall not be entitled to an additional cure period with respect to a default under the CRA Loan documents by the Borrower hereunder.

The parties acknowledge and agree that with respect to the Events of Default set forth in subsections (b) through (g) above, Developer is not entitled to any cure period except as may be expressly set forth herein. Upon the occurrence of an Event of Default by the Developer which remains uncured after any and all applicable notice and cure periods, the CRA may terminate this Agreement upon seven (7) days written notice to the Developer and shall thereafter be entitled to all rights and remedies available at law or in equity on account of such Event of Default.

8.2 CRA Default. An "Event of Default" or "default" entitling the Developer to its remedies below shall occur if the CRA shall fail to observe, satisfy or perform any material term, covenant or agreement contained in this Agreement and such failure shall continue unremedied for thirty (30) days after written notice thereof from the Developer to the CRA; provided, however, that if such failure is capable of cure but cannot reasonably be cured within thirty (30) days, such failure shall not constitute an Event of Default so long as the CRA provides the Developer with written notice within fifteen (15) days of receipt of the Developer's default notice advising the Developer that the default cannot be reasonably cured within thirty (30) days and specifying the reasons therefore and, within the thirty (30) day period, commences and thereafter is in good faith proceeding diligently and continuously to remedy such failure, but in no event shall any additional time to cure granted hereunder exceed ninety (90) days in the aggregate after CRA's receipt of the original written default notice. Upon the occurrence of an Event of Default by the CRA, the Developer may terminate this Agreement upon seven (7) days written notice to the CRA and shall thereafter be entitled to all rights and remedies available at law or in equity on account of such Event of Default.

8.3 Legal Proceedings; No Consequential or Punitive Damages. Except as expressly limited by this Agreement, either party may proceed to protect or enforce this Agreement by an action or actions at law or in equity or by any appropriate proceedings, including, without limitation, an action for specific performance of any of the other party's obligations hereunder, or, in the aid of the exercise or execution of any right, remedy or power granted herein or by law. Notwithstanding anything in this Agreement to the contrary, neither party shall be entitled to, nor shall either party make a claim for, consequential damages or punitive damages.

8.4 Termination. This Agreement shall terminate upon the occurrence of the earlier of the following events:

- (a) A termination under Section 8.1 or 8.2 above; or
- (b) The completion of the development and construction of the Work and the remaining obligations of the parties under this Agreement with respect to the Project pursuant to the terms and conditions of this Agreement.

8.5 Effect of Termination. Upon termination of this Agreement under Section 8.1 above, the CRA shall be entitled to its rights and remedies as set forth in Section 8.3 above. Additionally, the CRA shall have the right, but not the obligation, to require the Property to be conveyed by the Developer back to the CRA; provided, however, that such right shall automatically terminate and no longer be of any force or effect upon the earlier to occur of: (i) the closing of the Developer Financing or (ii) commencement of any work on any portion of the Phase 1 Property, the Phase 2 Property or the Adjacent Parcel, including, but not limited to, any Initial Site Work on any portion of such property. In the event that the CRA elects to exercise such right, then the Developer shall execute and deliver a Special Warranty Deed conveying the Property to the CRA or its designee including payment of all documentary stamp taxes, as soon as practicable but in no event later than the fifteenth (15th) day after such notice is given. Additionally, the CRA may require that the Developer, which shall also be accomplished as soon as practicable but in no event later than the fifteenth (15th) day after such notice is given:

(a) Deliver to the CRA all materials, equipment, tools and supplies, keys, contracts and documents relating to the Project, and copies of such other accountings, papers, and records as the CRA shall request pertaining to the Project;

(b) Assign such existing contracts relating to the development of the Project as the CRA shall require;

(c) Vacate any portion of the Project then occupied by the Developer as a consequence of this Agreement; and

(d) Furnish all such information and otherwise cooperate in good faith in order to effectuate an orderly and systematic ending of the Developer's duties and activities hereunder including the delivery to the CRA any written reports required hereunder for any period not covered by prior reports at the time of termination. With regard to the originals of all papers and records pertaining to the Project, the possession of which are retained by the Developer after termination, the Developer shall: (i) reproduce and retain copies of such records as it desires; (ii) deliver the originals to the CRA; and (iii) not destroy originals without first offering to deliver the same to the CRA.

Notwithstanding anything herein to the contrary, all representations and warranties of Developer shall survive the termination of this Agreement for a period of one (1) year, along with any other obligations of Developer that expressly survive termination or by their nature need to survive termination in order to provide the CRA with ability to enforce its rights and remedies hereunder.

Section 9. Indemnification.

9.1 Indemnification by the CRA. Subject to the provisions and monetary limitations of Section 768.28, Florida Statutes, as such may be amended, the CRA agrees to indemnify and hold the Developer, its managers, members, officers, directors, partners, agents and employees harmless to the fullest extent permitted by law from and against any and all liabilities, losses, interest, damages, costs or expenses (including, without limitation, reasonable attorneys' fees, whether suit is instituted or not, and if instituted, whether incurred at any trial or appellate level or

post judgment) threatened or assessed against, levied upon, or collected from, the Developer, arising out of, from, or in any way arising from the negligence, gross negligence, fraud, and/or breach of trust of the CRA or from a failure of the CRA to perform its obligations under this Agreement. Notwithstanding the foregoing, the CRA shall not be required to indemnify the Developer with respect to any liability, loss, damages, cost or expense suffered as a result of the negligence, gross negligence and/or willful misconduct of Developer.

9.2 Indemnification by the Developer. The Developer agrees to indemnify and hold the CRA, its board members, and employees harmless to the fullest extent permitted by law from all liabilities, losses, interest, damages, costs or expenses (including without limitation, reasonable attorneys' fees, whether suit is instituted or not and if instituted, whether incurred at any trial, appellate or post judgment level), threatened or assessed against, levied upon, or collected from, the CRA arising out of, from, or in any way connected with or arising from the negligence, gross negligence, fraud, and/or breach of trust of the Developer or from a failure of the Developer to perform its obligations under this Agreement. Notwithstanding the foregoing, the Developer shall not be required to indemnify the CRA with respect to any liability, loss, damages, cost or expense suffered as a result of the negligence, gross negligence and/or willful misconduct of the CRA. To the extent this indemnification clause or any other indemnification clause in this Agreement is subject to the provisions of Chapter 725, Florida Statutes, and such does not comply with Chapter 725, Florida Statutes, as such may be amended, such provision shall hereby be interpreted as the parties' intention for the indemnification clauses and to comply with Chapter 725, Florida Statutes, as such may be amended.

9.3 Notice of Indemnification. A party's duty to indemnify pursuant to the provision of this Section 9 shall be conditioned upon the giving of notice by such party of any suit or proceeding and upon the indemnifying party being permitted to assume in conjunction with the indemnitor the defense of any such action, suit or proceeding in accordance with Section 9.4 hereof.

9.4 Third Party Claim Procedure. If a third party (including, without limitation, a governmental organization) asserts a claim against a party to this Agreement and indemnification in respect of such claim is sought under the provisions of this Section 9 by such party against another party to this Agreement, the party seeking indemnification hereunder (the "Indemnified Party") shall promptly (but in no event later than ten (10) Business Days prior to the time in which an answer or other responsive pleading or notice with respect to the claim is required) give written notice to the party against whom indemnification is sought (the "Indemnifying Party") of such claim. The Indemnifying Party shall have the right at its election to take over the defense or settlement of such claim by giving prompt written notice to the Indemnified Party at least five (5) Business Days prior to the time when an answer or other responsive pleading or notice with respect thereto is required. If the Indemnifying Party makes such election, it may conduct the defense of such claim through counsel or representative of its choosing (subject to the Indemnified Party's approval of such counsel or representative, which approval shall not be unreasonably withheld), shall be responsible for the expenses of such defense, and shall be bound by the results of its defense or settlement of claim to the extent it produces damage or loss to the Indemnified Party. The Indemnifying Party shall not settle any such claim without prior notice to and consultation with the Indemnified Party, and no such settlement involving any equitable relief or which might have a material and adverse effect on the Indemnified Party may be agreed to without its written

consent. So long as the Indemnifying Party is diligently contesting any such claim in good faith, the Indemnified Party may pay or settle such claim only at its own expense. Within twenty (20) Business Days after the receipt by the Indemnifying Party of written request by the Indemnified Party at any time, the Indemnifying Party shall make financial arrangements reasonably satisfactory to the Indemnified Party, such as the posting of a bond or a letter of credit, to secure the payment of its obligations under this Section 9 in respect of such claim. If the Indemnifying Party does not make such election, or having made such election does not proceed diligently to defend such claim, or does not make the financial arrangements described in the immediately preceding sentence, then the Indemnified Party may, upon three (3) Business Days' written notice (or shorter notice if a pleading must be filed prior thereto) and at the expense of the Indemnifying Party, take over the defense of and proceed to handle such claim in its exclusive discretion and the Indemnifying Party shall be bound by any defense or settlement that the Indemnified Party may make in good faith with respect to such claim. The parties agree to cooperate in defending such third party claims and the defending party shall have access to records, information and personnel in control of the other party or parties which are pertinent to the defense thereof.

9.5 Survival. The provisions of this Article 9 shall survive the expiration or earlier termination of this Agreement for the applicable Statute of Limitations with respect to the applicable claim.

Section 10. Insurance.

10.1 Developer's Insurance. Developer shall provide the following insurance coverages at all times during the Term and furnish a certificate of insurance to CRA evidencing:

(a) Worker's Compensation insurance coverage in accordance with Florida statutory requirements.

(b) Employers' Liability insurance coverage with limits of \$500,000 for bodily injury by accident per accident/\$500,000 for bodily injury by disease per employee/\$500,000 for bodily injury by disease policy limit.

(c) Commercial general liability insurance coverage with limits of no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, which policy shall include coverage of the contractual liabilities contained in this Agreement.

(d) Business Auto Liability including hired and non-owned auto coverage with minimum limits of \$1,000,000 combined single limit.

(e) Builder's risk insurance during any period of construction of improvements upon the Property insuring such improvements on a progressively insured basis for not less than 100% of the replacement cost.

(f) Umbrella/excess liability insurance coverage, with limits of no less than \$5,000,000 per occurrence and \$5,000,000 in the aggregate.

The certificate shall provide that CRA will be given at least fourteen (14) days prior written notice of cancellation of the policy, to the extent such notice is commercially available at

reasonable rates. The cost of the Developer's insurance shall be included in the Pre-Development Budget and Development Budget as a Project expense.

10.2 General Contractor's and Subcontractor's Insurance. The Developer shall cause (a) its General Contractor to maintain and (b) the Construction Contract shall require that all Major Subcontractors brought onto the Property have insurance coverage in the following minimum amounts:

(a) Worker's Compensation insurance coverage in accordance with Florida statutory requirements.

(b) Employers' Liability insurance coverage with limits of \$500,000 for bodily injury by accident per accident/\$500,000 for bodily injury by disease per employee/\$500,000 for bodily injury by disease policy limit.

(c) Commercial general liability insurance coverage with limits of no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

(d) Business Auto Liability including hired and non-owned auto coverage with minimum limits of \$1,000,000 combined single limit.

(e) Professional Liability Insurance with minimum limits of Two Million Dollars (\$2,000,000) per occurrence with respect to Developer's architects and design consultants.

This insurance will be primary and noncontributory with respect to insurance outlined in Section 10.1. Developer shall ensure that Developer and CRA are named as additional insureds on the Contractor's Commercial General Liability and Umbrella/excess insurance policies. Developer shall require the Contractor and its insurers to waive rights of subrogation with respect to the CRA and the Developer for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Agreement or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Developer, and to the extent commercially available at reasonable rates.

10.3 Certificates of Insurance. Developer shall obtain and keep on file Certificates of Insurance for any independent contractors performing services on the CRA's premises, Developer must obtain the CRA's permission to waive any of the above requirements. Higher amounts may be required if the work to be performed is sufficiently hazardous.

10.4 Waiver of Subrogation Rights. CRA and Developer, for themselves and anyone claiming through them, hereby waive all rights of their insurers to subrogation against the other to the extent permitted by law. To the extent commercially available at reasonable rates, the CRA and Developer agree that their policies will include such a waiver or an endorsement to that effect. This mutual waiver of subrogation shall apply regardless of the cause or origin of the loss or damage, including negligence of the parties hereto, their respective agents and employees except that it shall not apply to willful conduct.

Section 11. Representations and Warranties.

11.1 Developer. The Developer represents and warrants to the CRA as follows:

(a) That (i) it and its members are duly organized, validly existing and in good standing under the laws of Florida; (ii) the execution, delivery and performance of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized and upon execution and delivery by the Developer will constitute the valid and binding agreement of the Developer enforceable in accordance with its terms; and (iii) the execution and delivery of this Agreement and the performance by the Developer hereunder, will not conflict with, or breach or result in a default under, any agreement to which it is bound.

(b) That there are no pending, threatened, judicial, municipal or administrative proceedings, consent decrees or judgments against Developer which would materially and adversely affect Developer's ability to perform its obligations hereunder.

(c) That the Developer is adequately capitalized with sufficient financial resources to commence and complete the Project, subject to the closing of the Construction Loan.

(d) The general contractor for the Project is John McCann, and the architect for the Project is Tseng Consulting Group, Inc.; provided, however, that nothing set forth herein shall prohibit Developer from changing the general contractor or architect at any time, provided that Developer delivers written notice of such change to the CRA.

11.2 CRA. The CRA represents and warrants to the Developer as follows:

(a) That it is a public body corporate and politic of the State of Florida duly organized under the laws of the State of Florida, (ii) the execution, delivery and performance of transactions provided for this Agreement have been duly authorized and upon execution and delivery by the CRA will constitute the valid and binding agreement of the CRA enforceable in accordance with its terms; and (iii) the execution and delivery of this Agreement and the performance by the CRA hereunder, will not conflict with, or breach or result in a default under any agreement to which it is bound.

(b) That there are no pending, threatened, judicial, municipal, or administrative proceedings, consent decrees or judgments against the CRA which would materially and adversely affect the CRA's ability to perform its obligations hereunder.

(c) That the CRA has sufficient financial resources available to meet its funding obligations under this Agreement.

11.3 Survival. The representative and warranties set forth in this Article 12 shall survive the expiration or earlier termination of this Agreement.

Section 12. Restrictions on Transfer, Assignment and Encumbrance of Property and Assignment of Agreement.

12.1 Restrictions on Transfer. Developer represents and agrees for itself and its successors and assigns (except as so authorized by the provisions of this Agreement) that it shall not, prior to the completion of the Project transfer Developer's interest in the Property or any portion thereof and/or this Agreement, or suffer to be made or created, any total or partial assignment, sale, transfer, or encumbrance of this Agreement (excluding a collateral assignment of this Agreement in connection with any financing for the Project) (hereinafter, collectively known as "Transfer") in any other mode or form or with respect to this Agreement without first obtaining the prior written approval of the CRA, which approval the CRA may withhold in its sole and absolute discretion. The CRA, in its determination of whether to approve a Transfer, shall be entitled to require, as conditions to granting any such prior approval, that:

(a) Any proposed successor Developer 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 sole discretion of the CRA. If proposed successor developer is an entity, proof of existence and good standing from the state of origination as well as Florida shall be required.

(b) Any proposed successor Developer, by instrument in writing satisfactory to the CRA, in its sole discretion, and in recordable form, shall, for itself and its successors and assigns expressly assume all of the obligations of the successor Developer under this Agreement with respect to the interest assigned and shall agree to abide by and be subject to all of the terms, conditions, obligations, reservations and restrictions to which the transferor Developer is subject. As part of the Transfer, the Developer and proposed successor thereto shall deliver an assignment and assumption agreement ("Assignment Agreement") in a form and substance satisfactory to the CRA and its legal counsel which shall contain an indemnification and hold harmless provision by the Developer in favor of the CRA and the successor to Developer for any liabilities and obligations as the Developer under this Agreement prior to the date of the Assignment Agreement.

(c) There shall be submitted to the CRA for review all instruments and other legal documents reasonably necessary to review compliance with this Section 13. A copy of the instruments and other legal documents, including the Assignment Agreement, shall be provided the CRA for review and approval at least thirty (30) days prior to being executed by Developer and the proposed successor to Developer. The CRA agrees to diligently proceed with and complete its review and approval as soon as possible, but in no event sooner than fifteen (15) days after receipt of such instruments and documents.

(d) In connection with any proposed Transfer, the Developer shall pay the CRA the actual costs of time and materials incurred by the CRA in conjunction with the CRA review and prior written approval of any Assignment Agreement under this Agreement, including instruments and other legal documents which costs shall not exceed Twenty Five Thousand and 00/100 Dollars (\$25,000.00) which amount shall be paid in advance with a reconciliation to be made after review and approval of any Assignment Agreement. The payment of the Twenty Five Thousand and 00/100 Dollars (\$25,000.00) by the Developer shall be a prerequisite to the CRA obligation to review any proposed Transfer and Assignment Agreement.

12.2 No Release on Transfer. As to any Transfer approved prior to the Project Completion Date, Developer shall not be released from its liabilities and obligations as the Developer under this Agreement until the completion of the Project. Developer and its members and managers shall have the right to make Transfers between and among their affiliates, however, no Transfer may effect a change in the Developer's and/or Manager's (as defined below) officers, and directors as provided in this Section 13.2, but the positions that the officers hold may change from time to time.

Section 13. Ownership and Control of Developer.

Developer represents and warrants that:

- (a) As of the Effective Date, the membership interests of the Developer are owned by the following persons in the following percentages: Robert Siegmann / 100% owner.
- (b) As of the Effective Date, Robert Siegmann is the Manager of the Developer (the "Manager").
- (c) Subject to Section 12 above, the members of Developer and Manager shall remain the same through the Project Completion Date.

Unless otherwise approved by the CRA, the members of the Developer shall not be changed, removed or substituted before the Project Completion Date without the prior approval of the CRA. The CRA agrees not to unreasonably withhold its approval to any substitute, provided the qualifications of the substitute are at least equal to or better than those of the team member being substituted.

Section 14. Inspections.

14.1 Upon no less than twenty four (24) hours prior notice (which for purposes hereof may include oral and/or telephone notice) the CRA shall have reasonable access to the Work for inspection thereof provided that CRA's inspections do not interfere with the Work, but CRA shall not be obligated to conduct any such inspection. The Developer shall provide proper and safe facilities for such access and inspection by the CRA. If any of the Work is required to be inspected or approved by any public authority, the Developer shall cause such inspection or approval to be performed.

14.2 No inspection performed or failed to be performed by CRA shall be a waiver of any of the Developer's obligations or be construed as an approval or acceptance by CRA of the Work or any part thereof.

Section 15. No Liens.

15.1 Developer acknowledges and agrees that the Property owned by the CRA upon which the Work or any portion thereof is to be performed is excluded from the definition of "real property" upon which liens may be placed as set forth in Section 713.01(24), Florida Statutes. The Developer shall include a provision substantially similar to this Section 15.1 in each of its contracts and purchase orders, requiring contractors, subcontractors, materialmen, vendors and suppliers to

waive any claim or entitlement to a mechanic's or materialmen's lien on the Property owned by the CRA upon which the Work or any portion thereof is to be performed and to look solely to the credit of the Developer or its surety or the credit of the contractor or its surety for payment of any sums due in connection with the Work.

15.2 The Developer shall not voluntarily permit any laborer's, materialmen's, mechanic's, or other similar lien to be filed or otherwise imposed on any part of the Work or the Property on which the Work is performed. If any laborer's, materialmen's, mechanic's, or other similar lien or claim thereof is filed, the Developer shall cause such lien to be released and discharged forthwith, or file a bond in lieu thereof. The Developer hereby indemnifies and holds harmless CRA from all claims, losses, demands, causes of action, expenses including attorneys' fees, or suits of whatever nature arising out of any such lien.

15.3 The CRA acknowledges and agrees that nothing set forth in this Section 15.1 shall preclude Developer from encumbering the Property with (a) the lien of the mortgage related to the Developer Financing or (b) notices of commencement from time to time in connection with the Project. The CRA shall execute all notices of commencement as may be required by Developer in connection with any work to be completed by Developer in accordance with the terms of this Agreement during the period of time that the CRA is the owner of all or any portion of the Property.

Section 16. Miscellaneous.

16.1 Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand delivered, delivered by overnight courier by a nationally recognized courier, delivered by facsimile or mailed (airmail or international) by registered or certified mail (Postage prepaid), return receipt requested, addressed to:

(a) If to the CRA:

Hallandale Beach Community Redevelopment Agency
400 S. Federal Highway
Hallandale Beach, Florida 33309
Attn: Daniel A. Rosemond, Executive Director

With a copy to:

Gray Robinson, P.A.
333 S.E. 2nd Avenue
Suite 3200
Miami, Florida 33131
Attn: Steven W. Zelkowitz, Esq.

(b) If to the Developer:

Icebox Café RE, LLC
1855 Purdy Avenue

Miami Beach, FL 33139
Attn: Robert Siegmann

With a copy to:

Holland & Knight
515 East Las Olas Boulevard
Suite 1200
Attn: Debbie M. Orshefsky, Esq.

Each such notice shall be deemed delivered (a) on the date faxed with confirmation of receipt, (b) next business day after deposited with an overnight courier, (c) the date of delivery if delivered by hand, and (d) on the date upon which the return receipt is signed or delivery is refused, as the case may be, if mailed. For purposes of this Agreement, copies of notices shall not constitute notice and may be delivered by means other than as required herein.

16.2 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one and the same instrument.

16.3 Assignment. The Developer may not assign this Agreement or any of its rights and obligations hereunder, in whole or in part, without the prior written consent of the CRA (which may be withheld in the CRA's sole discretion). The CRA shall not assign its respective rights and/or obligations under this Agreement.

16.4 Project Representatives. The CRA hereby appoints the CRA Executive Director to serve as its representative. The CRA Executive Director shall have the right and authority to provide all consents and approvals, and take other actions, required hereunder on behalf of the CRA including executing any Change Orders; provided, however, (i) the CRA Executive Director shall obtain the consent of the CRA Board to the extent required by Applicable Laws, and (ii) the CRA Executive Director may, in the CRA Executive Director's discretion, submit any matter to the CRA Board for their review and approval. The Developer hereby appoints Steven Sorensen, Watermark, Inc. to serve as its representative. The Developer's representative shall have the right and authority to provide all consents and approvals, and take other actions, required hereunder on behalf of the Developer including executing any Change Orders. The parties may change their respective designated representative at any time by providing written notice thereof to the other party.

16.5 No Permit. This Agreement is not and shall not be construed as a development agreement under Chapter 163, Florida Statutes, nor a development permit, development approval or authorization to commence development.

16.6 Governing Law. The nature, validity and effect of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

16.7 Captions. Captions are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

16.8 Entire Agreement and Amendment. This Agreement constitutes the entire agreement between the parties hereto related to the development and construction of the Project and no modification hereof shall be effective unless made by a supplemental agreement in writing executed by all of the parties hereto.

16.9 No Joint Venture. The Developer shall not be deemed to be a partner or a joint venturer with the CRA, and the Developer shall not have any obligation or liability, in tort or in contract, with respect to the Property, either by virtue of this Agreement or otherwise, except as may be set forth to the contrary herein.

16.10 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

16.11 Successors. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

16.12 Pronouns. Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter.

16.13 Attorneys' Fees. If any party commences an action against the other party to interpret or enforce any of the terms of this Agreement or as the result of a breach by the other party of any terms hereof, the non-prevailing party shall pay to the prevailing party all reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action, including those incurred in any appellate proceedings, and whether or not the action is prosecuted to a final judgment.

16.14 Further Assurances. The parties to this Agreement have negotiated in good faith. It is the intent and agreement of the parties that they shall cooperate with each other in good faith to effectuate the purposes and intent of, and to satisfy their obligations under, this Agreement in order to secure to themselves the mutual benefits created under this Agreement; and, in that regard, the parties shall execute such further documents as may be reasonably necessary to effectuate the provisions of this Agreement; provided that the foregoing shall in no way be deemed to inhibit, restrict or require the exercise of the City's police power or actions of the City when acting in a quasi-judicial capacity.

16.15 Equitable Remedies. In the event of a breach or threatened breach of this Agreement by any party, the remedy at law in favor of the other party will be inadequate and such other party, in addition to any and all other rights which may be available, shall accordingly have the right of specific performance in the event of any breach, or injunction in the event of any threatened breach of this Agreement by any party.

16.16 Force Majeure. For purposes of this Agreement, "Force Majeure" shall mean the inability of either party to commence or complete its obligations hereunder by the dates herein required resulting from delays caused by strikes, picketing, acts of God, tropical storms,

hurricanes, tornados, war, governmental action or inaction, acts of terrorism, emergencies, Unforeseen Circumstances (as defined in Section 7.2) or other causes beyond either party's reasonable control which shall have been timely communicated to the other party. Events of Force Majeure shall extend the period for the performance of the obligations for the period equal to the period(s) of any such delay(s).

16.17 Third Party Rights. The provisions of this Agreement are for the exclusive benefit of the parties to this Agreement and no other party (including without limitation, any creditor of the CRA or the Developer) shall have any right or claim against the CRA or the Developer by reason of those provisions or be entitled to enforce any of those provisions against the CRA or the Developer.

16.18 Survival. All covenants, agreements, representations and warranties made herein or otherwise made in writing by any party pursuant hereto shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

16.19 Remedies Cumulative; No Waiver. The rights and remedies given in this Agreement and by law to a non-defaulting party shall be deemed cumulative, and the exercise of one of such remedies shall not operate to bar the exercise of any other rights and remedies reserved to a non-defaulting party under the provisions of this Agreement or given to a non-defaulting party by law.

16.20 No Waiver. One or more waivers of the breach of any provision of this Agreement by any party shall not be construed as a waiver of a subsequent breach of the same or any other provision, nor shall any delay or omission by a non-defaulting party to seek a remedy for any breach of this Agreement or to exercise the rights accruing to a non-defaulting party of its remedies and rights with respect to such breach.

16.21 Signage. Subject to the reasonable approval of the CRA and in accordance with Applicable Laws, the Developer shall have the right to place one or more appropriate signs upon the Property. Additionally, the CRA shall have the right to place its own signage on the Property indicating the CRA is a sponsor of the Project.

16.22 Construction. This Agreement shall be interpreted without regard to any presumption or rule requiring construction against the party causing this Agreement to be drafted.

16.23 JURISDICTION; VENUE; AND WAIVER OF JURY TRIAL. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY (A) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE BROUGHT IN THE FEDERAL OR STATE COURT SITUATED IN BROWARD COUNTY, FLORIDA; (B) CONSENTS TO THE JURISDICTION OF EACH SUCH COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING; (C) WAIVES ANY OBJECTION WHICH IT MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY OF SUCH COURTS; AND (D) AGREES THAT SERVICE OF ANY COURT PAPER MAY BE EFFECTED ON SUCH PARTY BY MAIL, AS PROVIDED IN SECTION 13.1 HEREOF, OR IN SUCH OTHER MANNER AS MAY BE PROVIDED UNDER APPLICABLE LAWS

OR COURT RULES. EACH PARTY WAIVES ALL RIGHTS TO ANY TRIAL BY JURY IN ALL LITIGATION RELATING TO OR ARISING OUT OF THIS AGREEMENT.

Section 17. Safety and Protection.

17.1 Developer shall be responsible for initiating, maintaining and supervising commercially reasonable safety precautions and programs in connection with the Work taking into consideration the effect on the Development Budget. Developer shall take all necessary precautions required by Applicable Laws and that certain Developer's General Contractor's Safety Manual (the "Developer's Safety Manual") for the safety of, and shall take commercially reasonable precautions, taking into consideration the effect on the Development Budget, to prevent damage, injury or loss to:

- (a) all persons on Property or who may be affected by the construction;
- (b) all Work and materials and equipment to be incorporated in the Project, whether in storage on or off the Property; and
- (c) other property at the Property or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadway, structures, utilities and underground facilities (i.e., the Force Main) not designated for removal, relocation or replacement in the course of construction.

17.2 Developer shall comply with Applicable Laws of Governmental Authorities and the Developer's Safety Manual having jurisdiction for safety or persons or property to protect them from damage, injury or loss; and shall erect and maintain commercially reasonable safeguards for such safety and protection, taking into consideration the effect on the Development Budget. Developer shall notify owners of adjacent property regarding the commencement of the Work (and other matters as reasonably determined by Developer), and of underground facilities and utility owners as required by Applicable Laws and the Developer's Safety Manual. All damage, injury or loss to any property caused, directly or indirectly, in whole or in part, by the negligent acts of Developer, any contractor, subcontractor, materialman, supplier, vendor, or any other individual or entity directly or indirectly employed by any of them to perform or furnish any of the Work or anyone for whose acts any of them may be liable, shall be remedied by Developer. Developer's duties and responsibilities for safety and for protection of the construction shall continue until Final Completion.

17.3 The Developer shall protect and prevent damage to all phases of the Work, and any existing facilities or improvements, including but not limited to the protection thereof from damage by the elements, theft, or vandalism. During the course of the Work, the Developer shall remain responsible for the risk of loss of the Work and shall promptly remedy, repair and replace all damage and loss (other than damage or loss insured under required insurance) to the Work caused in whole or in part by the Developer, the General Contractor, a contractor, subcontractor, or anyone directly or indirectly employed or controlled by any of them, or by anyone for whose acts they may be liable and for which the Developer is responsible.

17.4 In connection with the approval of the Construction Contract, the parties may mutually agree to cause the General Contractor to designate a qualified and experienced safety representative at the Property whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

17.5 Developer shall cause its General Contractor to be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the site in accordance with Applicable Laws and the Developer's Safety Manual.

17.6 In emergencies affecting the safety or protection of persons or the construction or property at the Property Site or adjacent thereto, Developer, without special instruction or authorization from the CRA, is obligated to act to prevent threatened damage, injury or loss. Developer shall give CRA prompt written notice if Developer believes that any significant changes in the construction or variation from the Construction Documents have been caused thereby.

17.7 In the event of any conflict between the requirements of Applicable Laws and the Developer's Safety Manual, the more restrictive requirements shall control.

18. Use of Property and Other Areas.

18.1 Developer shall confine construction equipment, the storage of materials and equipment and the operations of construction workers to the Property and other land and area permitted by Applicable Laws and regulations, rights-of-way, permits and easements, and shall not unreasonably encumber any such land or area's with construction equipment or other materials or equipment.

18.2 During the performance of the Work, Developer shall keep the Property free from accumulations of waste materials, rubbish, dust and other debris resulting from the construction. Upon Final Completion of the Work, Developer shall remove all waste materials, rubbish and debris from and about the premises as well as all tools, appliances, construction equipment, temporary construction and machinery and surplus materials. Developer shall leave the Property clean and ready for occupancy by the tenants at Substantial Completion except as necessary to achieve Final Completion.

18.3 Regardless of whether such is permitted by Applicable Laws, the Developer shall not allow, or seek to allow, Work to occur outside of the City's designated hours for construction without the prior written consent of the CRA in each instance.

18.4 Developer shall require the General Contractor to (a) submit a mobilization plan prior to commencement of any Work, (b) identify any offsite storage or holding areas for materials, supplies and/or equipment, (c) providing a parking plan for General Contractor's employees as well as all subcontractors and their employees, and (d) provide a traffic management plan for all Work including site deliveries.

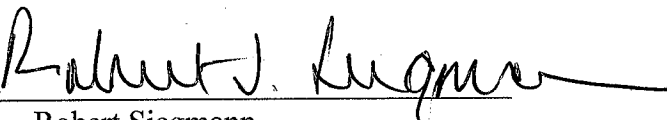
19. CRA's Representative. The parties acknowledge and agree that the CRA may engage in one or more consultants to assist the CRA in the administration of this Agreement and the Project. Any such consultants shall act as an "owner's representative" and shall not have authority to bind the CRA or direct the Developer. Developer agrees to reasonably cooperate with any such consultants engaged by the CRA.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed by their duly authorized officer where applicable and sealed as of the date first above written.

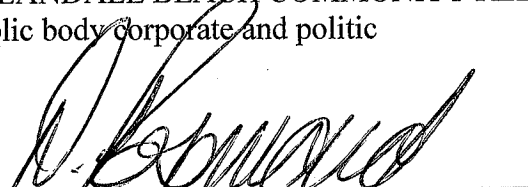
DEVELOPER:

ICEBOX CAFE RE, LLC,
a Florida limited liability company

By: 
Robert Siegmann
Managing Member

CRA:

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

By: 
Daniel A. Rosemond
Executive Director

Attest:

By: 
Mario Bataille, CMC
CRA Clerk

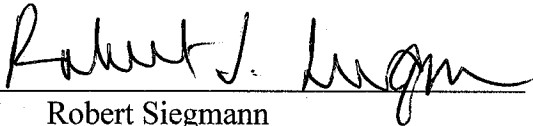
Approved as to form and legal sufficiency:

By: 
Gray Robinson, P.A.
CRA Attorney

JOINDER AND CONSENT

The undersigned hereby joins in and consent to the Agreement but solely to confirm its rights and obligations related to the CRA Loan described in the Agreement.

ICEBOX CAFE, L.C.,
a Florida limited liability company

By: 
Robert Siegmann
Managing Member