

SPIRITUS LAW

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February 10, 2021

Mr. Jeremy Earle, Executive Director
Hallandale Beach Community Redevelopment Agency
400 South Federal Highway
Hallandale Beach, FL 33009

Re: Engagement Letter for Fiscal Year 2020-21

Dear Mr. Earle:

You asked that we represent the Hallandale Beach Community Redevelopment Agency ("HBCRA" or "you") as its general counsel as described more fully below. The Firm's only client in the engagement is the HBCRA. The engagement is not an agreement to represent any of HBCRA's directors unless the Firm has specifically agreed to do so in writing. Further, the Firm's representation of the HBCRA in the engagement will not give rise to any conflict of interest in the event other clients of the Firm are adverse to any HBCRA's directors.

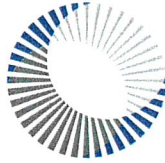
Over the years, it has been our experience that things go more smoothly if we have a clear understanding of your needs and the role we need to play. The purpose of this engagement letter is to modify an agreement concerning representation and the payment of our fees and expenses. This engagement letter will govern all subsequent matters in which we may become involved on your behalf unless a separate arrangement is made. We have also attached as Exhibit 1 a copy of the Spiritus Law, LLC's Standard Terms of Engagement for Legal Services. All terms and conditions in that document are incorporated by reference as part of this engagement letter.

We will do our very best to meet your needs in any matters we undertake for you, but as you know, we cannot and do not make any representations or warranties concerning the outcome. We will give you our best advice, render opinions, and seek to obtain the desired result. In this regard, it is most important that we communicate regularly.

As we are sure you recognize, we have a legitimate business concern in being paid in a timely fashion and will issue regular invoices that detail the fees and costs incurred in the engagement, usually on a monthly basis. Payment is due within thirty (30) days from the date of the invoices.

The following arrangement is proposed regarding fees and costs:

1. Flat Monthly Fee of \$2,500 for each of the nine (9) remaining months of the fiscal year with respect to HBCRA monthly Board meetings (includes preparation of all resolutions, preparation and attendance at meeting and after action). The total fiscal year flat fee for this category of work is \$22,500.00.



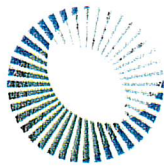
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2. Hourly Monthly Fees with a cap for routine HBCRA staff matters including, but not limited to; residential loans documentation, drafting and revising agency governance documents and policies, agreement amendments, routine projects, and consultation with staff and Board Members. Such fees will be billed on an hourly basis at the Rate (as defined below) not to exceed, on a monthly basis, fees capped at \$5,000, for a maximum total remaining fiscal year fee capped of \$45,000.

Accordingly, the maximum total amount of fees for regular Board meetings, routine services and title and lien searches as set forth in #8 below for the remaining fiscal year is anticipated to be \$72,500; provided, however the parties agree to review this maximum total in June to ensure it is working out fairly.

3. All legal fees related to Redevelopment Agreements are to be paid from private party developer application fees on a cost recovery basis implemented and managed by the HBCRA; provided, however, the HBCRA will remain fully responsible to Spiritus Law, LLC ("Firm") for payment of the Firm's invoices in the event the private party fails to pay. Such applies to any Redevelopment Agreements not yet executed and those executed Redevelopment Agreements for which the HBCRA collected an application fee and there is a balance remaining from such application fee. To the extent there are Redevelopment Agreements for which the application fee was not paid or which application has or becomes exhausted, legal fees shall be on an hourly basis at the Rate (as defined below) and paid by the HBCRA. For new agreements, we will provide an original proposed budget when a proposal is received. Changes to the proposed budget will require the pre-approval of the Executive Director.
4. All legal fees for commercial loan closings to be paid by the borrower from the loan proceeds on an hourly basis at the Rate (as defined below).
5. All legal fees for all non-routine projects to be estimated and budgeted with input from the Executive Director and paid on an hourly basis at the Rate (as defined below). Non-routine projects shall be identified by written notice to the Executive Director prior to the commencement of any billable time.
6. All legal fees for all real estate transactions shall be paid on an hourly basis at the Rate (as defined below). With respect to real estate purchases, the Firm shall act as the title agent and provide a discount to the legal fees in the amount of 20% of the agent's share of the title insurance premium earned for that transaction.
7. The foregoing does not include litigation matters for which we will estimate and prepare a proposed budget for approval by the HBCRA Board.
8. Title and lien searches for residential programs in the amount of \$5,000. The Firm will order the searches from a title company as requested by the HBCRA and provide the searches to the HBCRA at cost without markup.



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Except as set forth above, our firm will charge for services on an hourly basis at the blended hourly rate of \$225 per hour for all shareholders and of counsel at the firm and \$175 for all associates at the firm (collectively, the "Rate") who perform legal services hereunder. I will be primarily responsible for all legal work performed. We reserve the right to utilize other members of the Firm whenever, in our discretion, we deem it appropriate. Further, subject to your prior approval, paralegal, staff, computer research, and other technology may also be utilized if and when appropriate and in your best interest. Along with other out of pocket costs and expenses for which prior approval is not required, such as long distance telephone charges, postage, delivery charges, overnight courier service, facsimile and photocopy charges, travel expenses including parking, mileage, meals and hotel costs, and use of outside service providers including printers or experts, the HBCRA will be billed for the use of the same and responsible for all such costs in addition to the attorney fees described above.

Because our representation of many other clients, it is possible that there may arise in the future an adversity of interests between another client and/or former client and you. Our acceptance of the current representation of you may preclude us from accepting future representations adverse to you absent informed consent. We will request a client waiver of conflict for any matters involving representation of other clients in the future who may have interests adverse to you before undertaking any such representation.

If this meets with your approval, please indicate by having the extra copy of this letter signed in the space provided below and return it to our offices. Your approval of this letter will include agreement regarding the fees and costs arrangement.

We appreciate the confidence and trust you have reposed in us in asking us to represent you and encourage you to communicate with me if at any time you have questions on the status or progress of your matters. I look forward to working with you and your staff on any matters you deem appropriate. If you have any questions, please do not hesitate to contact me.

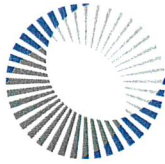
Sincerely,

Steven W. Zelkowitz

The terms of this Engagement Letter are accepted
as of February ____, 2021

Hallandale Beach Community Redevelopment Agency

By: _____
Jeremy Earle, Executive Director



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SPIRITUS LAW STANDARD FEE ADDENDUM

This Addendum sets forth the standard terms and conditions upon which SPIRITUS LAW (the “**Firm**”) provides legal services to its clients and bills for those services. This Addendum accompanies a letter (the “**Accompanying Letter**”) addressed to a party or parties (collectively, the “**Client**”) who has/have agreed to become obligated to the Firm for the payment of all fees charged and costs incurred by the Firm (collectively, the “**Financial Obligations**”). This Addendum and the Accompanying Letter comprise the entire agreement between the Client and the Firm with regard to the Financial Obligations and may not be modified or amended by past or future oral statements or by course of conduct, but only pursuant to a writing signed by the Client and the Firm.

1. **Professional Undertaking:** An attorney of the Firm who has signed the Accompanying Letter (the “**Attorney in Charge**”) will have primary responsibility for the representation of the Client, and may, in his or her discretion, utilize the services of other attorneys and legal assistants in the Firm to assist in performing the work. If at any time the Client has any questions concerning the utilization of other attorneys or legal assistants, or any other matters, the Client should contact the Attorney in Charge.

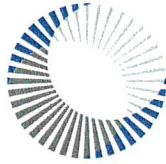
If the Client is an entity, the Firm’s representation of that entity does not by itself make any of that entity’s constituent members (e.g., partners, members or shareholders) clients of the Firm, nor does it signify that the Firm, either directly or indirectly, owes any professional duty to any of those members, notwithstanding that such member may be responsible for payment of the Client’s Financial Obligations to the Firm as an Additional Responsible Party as described in Paragraph 9 below. Consequently, the Firm will not be responsible, and will not be required to withdraw from representing the Client, in the event that representation is, or might become, adverse to the individual interests of any of the Client’s constituent members.

2. **Fees:** The fees charged by the Firm are determined by a process through which we identify and analyze all factors that we consider relevant and necessary to measure the fair and reasonable value of our services. The principal factor is the amount of time spent in the handling of each matter. For that purpose, the Firm has established an hourly billing rate for each of its attorneys and other personnel for whose time the Firm charges. Those rates are based on the respective years of experience, areas of practice and levels of professional attainment of those individuals. The Firm’s rates are also adjusted from time to time. Unless the Firm and the Client agree otherwise, the Firm’s fees will be calculated by multiplying the time spent in performing the work during the period covered by the invoice, by the established hourly rates of the Firm personnel who performed that work.

Clients must understand that because the Firm’s fees are a function of the amount of time spent in the representation, the amount of the fees may not always bear a proportional relationship to the amounts involved in the representation itself since, while important enough to the Client to engage counsel, the amounts involved may turn out to be relatively small in proportion to the amount of time required for the Firm to effectively handle the representation. Conversely, there may also be circumstances where the work performed produces a result, the value of which to the Client far exceeds what was originally anticipated. In that event, and only if the Firm and the Client have previously agreed or agree at that time, the Firm may charge an additional fee in excess of our normal time charges in order to more fairly reflect the true value of the result obtained by the Firm for the Client.

3. **Expenses and Costs:** In order to facilitate the representation, the Firm often finds it necessary or expedient to incur certain expenses on behalf of the Client. The Firm has established rates for many of those expenses. Those rates, which may change from time to time in the Firm’s discretion, may exceed the direct costs of providing such goods and services. From time to time, the Firm may also find it necessary or expedient to advance its own funds and then invoice the Client for reimbursement of various other third party costs, including, without limitation, travel (transportation, meals and lodging), overnight messenger service, title and lien searches, court reporter fees and transcription services, and fees for the filing, recording and certification of documents. If any of the costs are substantial or the Firm otherwise deems it necessary, the Firm may require the Client to pay the vendor’s invoice directly.

4. **Employment of Outside Professionals; Firm Recommendations:** To the extent that outside professionals are needed to assist in the handling of a matter for the Client, the decision on which outside professional to retain shall be made by the Client. Although the Firm may recommend or even select an outside professional that the Firm feels is appropriate for the matter, the Client shall, nevertheless, be obligated to undertake its own investigation as to whether it is satisfied that the outside professional is appropriate for the Client’s purposes. Retention of all such outside professionals shall be on the basis that the outside professional will look solely to the Client for payment, whether such outside professional is directly retained by the Client or is directly retained



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by the Firm. Reimbursement of the Firm by the Client for invoices from outside professionals paid by the Firm will be subject to the provisions of Paragraph 8 of this Addendum.

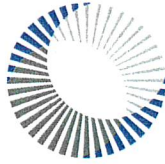
5. **Retainers:** It is the Firm's general policy to require an advance, non-refundable retainer and/or cost deposit before committing to representation of a Client. The amount of the retainer and/or cost deposit is set forth in the Accompanying Letter. Any retainer amount received will be credited to the Client's account and may be applied to invoices from the Firm or, at the Firm's option, the retainer and cost deposit, if un-used, may be applied by the Firm in payment of interim invoices. The retainer is non-refundable and no amount of the retainer fee will be refunded to the Client. In the case of any cost-deposit, the Client will be required to replenish the cost deposit should any cost exceed available cost-deposit funds. Un-used cost-deposit fees will be refunded to the Client after full payment of the Client's final invoice or may be applied to a final invoice at the Firm's option. If and when the Firm anticipates the need for a substantial investment of time or expense, such as for the engagement of an outside professional, extensive discovery proceedings or an impending trial, the Firm will require an additional retainer or cost deposit, as applicable, but in no event shall the Firm be obligated to advance such funds and prior funds received as a retainer will not serve to satisfy such client obligation. Any funds identified as cost deposits by the Firm will be held in Trust and used for such purposes only until the end of the representation when the Firm may, in its sole discretion, apply any cost-deposit balances to a final invoice and then refund any remaining balance. Any funds received as earned fees and/or non-refundable retainers may be applied to the Firm's operating account as such and may be used by the Firm for payment of invoices and balances. However, no amount of the retainer fee will be refunded to the Client. You will receive monthly statements of account and may confirm remaining retainer amounts at any time.

6. **Billings:** The Firm's invoices are generally prepared and mailed during the month following the month in which services that it covers are rendered and the expenses and costs that it covers are reported to the Firm's books. Each invoice is payable in full upon receipt. Failure to question any invoice in writing within twenty (20) days after receiving it will be considered an approval and acceptance of that invoice. In the event the Firm receives a payment from a Client at a time when more than one invoice is outstanding on any one or more matters, the Firm will apply that payment to any such open invoice, unless the payment is accompanied by the remittance copy of the invoice being paid or some other written indication from the Client directing how the payment is to be applied. When in the course of or at the conclusion of the representation the Firm receives money on the Client's behalf, such as a money judgment or settlement or the closing of a transaction, the Firm will be entitled, at its option, to pay the Firm's outstanding invoices from such monies. Similarly, if attorneys' fees are awarded to the Client and are paid by the other party involved, the Client hereby assigns its right to receive those fees to the Firm as payment towards the Financial Obligations owed to the Firm.

7. **Late Payments, Costs of Collection and Partial Invalidation:** Because the Firm has ongoing overhead expenses and cost of funds, a monthly late charge is added for late payments of fees and/or costs. On the first day of each month the balance of any invoice then unpaid for more than one (1) month will be subject to a late charge of one percent (1%) per month, whether or not that charge appears on the Firm's invoices to the Client. That rate may be adjusted from time to time. In the event that it is necessary to institute legal proceedings to collect the Firm's fees and costs, the Firm will also be entitled to a reasonable attorney's fee, paralegal fees and charges and other costs of collection, even if such services and costs are provided by the Firm. Any provision of this Addendum which is unenforceable or invalid or the inclusion of which would adversely affect the validity, legality or enforcement of this Addendum shall be of no effect, but all the remaining provisions of this Addendum shall remain in full force and effect.

8. **Security for Financial Obligations:** Florida law provides the Firm with the right to impose a lien upon and retain, as security for payment of the Financial Obligations, all documents, money and other intangibles and materials coming into the Firm's possession (except to the extent that such a lien on funds deposited with the Firm in trust for a specific purpose is prohibited). Additionally, the Firm can acquire a lien, to the extent permitted by law, on all judgments, awards, damages or other assets or the proceeds thereof and/or all other monies which are recoverable or distributable to the Client as a result of any settlement, compromise, or court award then or thereafter obtained or achieved on its behalf in the matter, whether by the Client, by us, or by any other attorneys who may succeed us in the matter. These retaining and charging liens may be asserted by the Firm in such circumstances as the Firm believes to be necessary or appropriate.

9. **Responsibility for Payment:** The Client will be responsible to the Firm for all Financial Obligations arising out of the services rendered by the Firm to the Client. However, when the Firm is engaged to represent entities (whether currently existing or newly created) that are closely held, whose principal assets are leveraged, to be leveraged, are not readily marketable, or the continued existence or value of which depends on the services that the Firm is being engaged to provide, the Firm may seek to avoid any potential credit or payment difficulties by requiring individuals that are involved in the ownership of such entities to



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assume responsibility, on a joint and several basis, for the Financial Obligations owed by the Client to the Firm (the “**Additional Responsible Parties**”). The Client (and the Additional Responsible Parties, if any) shall be jointly and severally liable for the Financial Obligations of the Client and for all services rendered to any entity affiliated with the Client for which the Firm is asked to provide services. If the Firm is required to testify, produce documents or respond to other requests in connection with proceedings commenced by third parties that relate to the Firm’s representation of the Client, the Client (and the Additional Responsible Parties, if any) shall be liable for the reasonable fees and costs incurred by the Firm.

10. **Credit Checks:** The Firm may, at its sole option, conduct a credit investigation, including but not limited to requesting a consumer report or an investigative consumer report (a “**Credit Check**”), on the Client and/or any of the Additional Responsible Parties. By execution and delivery of the Accompanying Letter, the Client and the Additional Responsible Parties, if any, hereby individually and collectively authorize the Firm to undertake such Credit Checks.

11. **Client Expectations:** Unless the Firm has agreed otherwise in a writing signed by the Attorney in Charge, the Client’s responsibility for payment of its Financial Obligations will not be contingent or in any way dependent on the outcome of the representation or the results obtained. Since the fees and costs relating to this matter are not predictable, any estimate of fees and costs that may have been discussed represents only an estimate. Unless otherwise agreed by the Firm in writing, the Firm makes no commitment to the Client concerning the maximum fees and costs that will be necessary to resolve or complete this matter. Although the merits of the Client’s position may be emphasized and optimism concerning the likelihood of success may be expressed, the Client understands that legal matters frequently take courses that cannot be anticipated and can have outcomes that cannot be predicted. Accordingly, the Client acknowledges that no guarantees have been given by the Firm and that no statements made by any person on behalf of the Firm may be relied upon by the Client concerning the outcome of any matter.

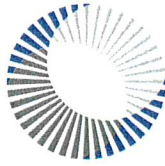
12. **Title Insurance:** If the transaction for which the Client has retained the Firm requires the issuance of a title insurance policy, the Firm may issue the policy and/or commitment therefor as agent of the title insurance company. If the cost thereof is to be paid by the Client, the title insurance premiums charged by the Firm for the issuance of any such commitment or policy will be based upon the minimum premium rate promulgated by the State of Florida Insurance Commissioner. The Firm is an agent for many title insurance companies and may act as agent for the title company issuing title insurance in the Client’s transaction. As is standard with all title insurers in Florida, the Firm will receive a percentage of the premium, as agent for the title insurance Company. Sums received by the Firm for acting as agent for a title insurer are in addition to, and not in lieu of, the Firm’s standard fees as described in this Addendum.

13. **Choice of Law, Venue and Forum Selection:** This Addendum and the Accompanying Letter will be governed and construed under Florida law. The Firm, the Client, and the Additional Responsible Parties, if any, do hereby agree and consent that the State and Federal Courts situated in Miami Dade County, Florida, will have exclusive jurisdiction to adjudicate any claim, dispute and/or controversy of any nature arising out of or relating to this Addendum, the Accompanying Letter or the legal services provided pursuant thereto.

14. **Termination:** Every Client has the right to terminate the Firm’s representation at any time and for any reason. The Firm has the same right, and under certain circumstances it may be required, to terminate its representation of the Client, upon reasonable notice to the Client. Among the reasons for which the Firm may terminate are: (i) nonpayment or repeated late payment of the Client’s Financial Obligations to the Firm after the Client has been notified that the Firm intends to withdraw unless such Financial Obligations are paid timely, (ii) the Client’s breach or failure to comply with the terms of the Firm’s engagement, including the provisions of the Accompanying Letter or this Addendum, (iii) the Client’s failure or refusal to be forthright, cooperative and supportive of the Firm’s efforts, (iv) the Client’s misrepresentation of, or failure or refusal to disclose facts to the Firm which the Firm deems necessary for, or relevant to, the engagement, (v) the Client’s refusal to accept or implement the Firm’s advice, (vi) the Client’s persistence in pursuing, or having the Firm pursue, an objective which the Firm considers to be criminal, fraudulent, actionable, repugnant or imprudent, (vii) discovery of a conflict with another client of the Firm, and/or (viii) any other reason permitted or required under the Rules of Professional Conduct that govern the legal profession in Florida. Upon termination of the engagement, either by the Firm or by the Client, the Client must sign all papers and documents which the Firm believes necessary to accomplish its withdrawal from the representation.

Regardless of when or by whom the representation is terminated, and until such time as all outstanding Financial Obligations which are owed to the firm (whether billed or unbilled) have been paid in full:

- (i) the Firm reserves the right, to the extent permitted by law, to retain all of our files concerning the Client and to hold all documents, monies, or other property of the Client then in our possession; and



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(ii) the Firm will have a lien, to the extent permitted by law, on all judgments, awards, damages or other assets or the proceeds thereof and/or all other monies which are recoverable or distributable to the Client as a result of any settlement, compromise, or court award then or thereafter obtained or achieved on its behalf in the matter whether by Client, by the Firm, or by any other attorneys who may succeed us in the matter.

15. **File Destruction:** At any time following the conclusion or other termination of the Firm's representation of the Client with respect to a particular matter, the Firm shall have the right, but not the obligation, to mail or e-mail notice to the Client, at the Client's last known mailing or e-mail address, as applicable, in the Firm's records, asking the Client to elect whether or not the Client wants the Firm's files (or a designated portion thereof) relating to that particular matter sent to the Client. If, within twenty (20) days of the mailing or e-mailing of that notice to the Client, the Firm has not received written (which includes e-mail) notification that the Client has elected to have those files or designated portion thereof sent to the Client, the Firm shall have the right, but not the obligation, to destroy all or any portion of such files or designated portion thereof and all or any portion of the contents thereof.

16. **Federal Tax Advice:** The United States Treasury Department has issued certain Regulations governing our ability to render written advice on federal tax issues, which includes the federal tax treatment of an item of income, gain, loss, deduction or credit, the existence or absence of a taxable transfer of property, or the value of property for federal tax purposes. During the course of our representation of you, we may provide you from time to time with written advice regarding federal tax issues. This written advice may include letters, e-mails, or memoranda. Please note that as a result of such Regulations, any written advice provided to you may not be used or relied upon by you for the purpose of (i) avoiding tax-related penalties that may be imposed by the Internal Revenue Service, or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein, unless the author of such advice should specifically provide in writing that it is intended to be a "reliance opinion" or a "covered opinion" as such terms are defined under applicable Treasury Regulations.