

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered this 8th day of August, 2008, by and between **HIGHLAND PARK VENTURES, L.L.C.**, a Florida limited liability company, its successors and assigns ("**Highland Park**"), whose address is 20141 NE 21st Avenue, Miami, FL (the "**Developer**") and the **CITY OF HALLANDALE BEACH**, a municipal corporation of the State of Florida, whose mailing address is 400 South Federal Highway, Hallandale Beach, Florida 33009 ("**City**").

WITNESSETH:

WHEREAS, Developer is the owner of that property located in the City of Hallandale Beach, Florida located at 129 NW 2nd Avenue and 112 NW 3rd Avenue, more particularly described on "**Exhibit A**" attached hereto (the "**Property**"); and

WHEREAS, the Developer proposes to construct a 53-unit multifamily project on the Property (the "**Proposed Development**"); and

WHEREAS, the Developer submitted applications to the City for the following development approvals: (i) rezoning of the Property RM-25 with an allocation of reserve units ("**Rezoning**"); (ii) site plan approval for the Proposed Development (the "**Site Plan**"); and

WHEREAS, Section 32-174(d)(4) of the City of Hallandale Beach Zoning and Land Development Code authorizes the City to enter into binding development agreements for the development of real property with persons having a legal or equitable interest in such property; and

WHEREAS, City and Developer desire to enter into this Agreement to provide for the terms and conditions upon which the Property can be developed in accordance with the Site Plan.

~~NOW, THEREFORE~~, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. **Recitations**. The recitations set forth above are true and correct are incorporated herein by this reference.

2. **Development of Property as a Residential Condominium**. For any residential development on the Property which is created, sold or operated as a condominium, Developer shall be required to comply with the applicable provisions and regulations as set forth in Chapter 718 of the Florida Statutes, as same may be amended from time to time.

3. **Parking and Dimensional Requirements.** The development of the Property with the Permitted Uses shall be in accordance with the parking requirements, setbacks, heights, landscaping and other site development standards set forth in the Site Plan attached as "**Exhibit B**".

4. **Reserve Unit Allocation and Related Obligations of Developer.** Developer acknowledges and agrees that in order to develop the Property in accordance with the Site Plan, an allocation of reserve units will be made to the Property by the City Commission in accordance with the flexibility rules of the City of Hallandale Beach and the Broward County Comprehensive Plan. Developer agrees to file for and process City and County land use plan amendment applications to change the Residential Low Medium Density land use on the property to the Residential High Density land use category within six (6) months of the allocation of the aforementioned reserve units, and Developer will process a recertification of the City's land use plan upon approval of Developer's land use plan amendment applications and the expiration of any appeal period applicable thereto without an appeal having been taken or, if taken, when finally dismissed with no further appeal permitted. Should the Developer fail to initiate the process for approval of the Applications within six (6) months of the allocation of the aforementioned reserved units, Developer will be required to pay a fine of Ten Thousand Dollars (\$10,000), payable to the City of Hallandale Beach. Developer will not, however be penalized if the applications are pursued with diligence and filed and processed in accordance with the relevant provisions of the Code, but due to no fault of the developer, the applications are not ultimately approved by the City and Broward County.

5. **Land Cost Subsidy.** In connection with the Developer's construction of affordable housing in accordance with the terms of the Declaration, The City hereby agrees that within thirty (30) days of the City's approval of this Agreement, the City shall make a payment to the Developer in the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00) to subsidize the land cost for the Property.

6. **Community Redevelopment Agency Grant Funds.** City & Developer, working in a partnership to ensure home affordability, hereby acknowledge the following:

- (a) For qualified applicants at or below the 80% Broward County Median Income – the City will provide up to \$50,000.00 as a homeownership grant.
- (b) For qualified applicants between 80%-120% of the Broward County Median Income – the City will provide up to \$25,000.00 as a homeownership grant.
- (c) To ensure affordability, water and sewer impact fees will be paid by the Community Redevelopment Agency.

7. **Special Conditions.** The Developer, its successors and assigns, shall comply with the conditions of major development approval which are set forth in "**Exhibit C**" hereto. It is further understood and agreed that failure to fulfill any provision of this Agreement, the Site Plan, or the conditions of approval, may result in non-issuance of

certificates of occupancy, certificates of completion, or other regulatory approvals with respect to the Proposed Development, as applicable pursuant to Exhibit "B," until such time as all conditions of the specific building permit or this Agreement are complied with, and that the City shall not be liable for any direct, indirect and/or consequential damages claimed for such non-issuance.

8. **Controlling Documents.** The Site Plan is hereby incorporated herein by reference. There shall be strict adherence to this Agreement and the Site Plan, subject to minor modification by the City Manager in his discretion, as same may be amended from time-to-time in accordance with the procedures set forth in the City's Zoning and Land Development Code or this Agreement. In the event that the Site Plan or any portion thereof is found to be in conflict with this Agreement, this Agreement shall control.

9. **Building Permits and Certificates of Occupancy.** The City agrees to issue to the Developer, upon application and approval, all required building permits, approvals or other required permits and Certificates of Occupancy for the construction, use and occupancy of the Proposed Development, subject to Developer's compliance with all applicable codes, ordinances, regulations, the Site Plan and this Agreement.

10. **Fees.** Approvals are also based upon payment of the City's usual and customary fees and charges for such applications, permits or services, in effect at the time of issuance of the permit or approval, and any financial contribution identified as part of this Agreement.

11. **Release or Modification.** Any amendment to this Agreement shall not be approved unless all parties subject to this Agreement agree to the amendment and such amendment is incorporated into the Agreement. The City Manager is hereby authorized to execute on behalf of the City any amendments to this Agreement to allow additional parties to participate in the provisions outlined in this document. All amendments not requiring City Commission approval shall be subject to the final approval by the City Manager on behalf of the City. Any amendments to this Agreement shall be recorded in the public records of Broward County.

12. **Binding Effect.** This Agreement shall be recorded in the Public Records of Broward County, Florida, and the provisions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns as a covenant running with and binding upon the Property.

13. **Breach of Agreement.** In the event that the Developer has materially breached the Agreement, the Developer shall commence to cure the breach within thirty (30) days of receipt of notice from the City. If the Developer is unable or unwilling to cure the breach and abide by the Agreement, the City shall exercise its right to take appropriate legal action for the purpose of curing the breach and enforcing this agreement.

14. **Hold Harmless.** Developer agrees to and shall hold the City, its officers, agents, employees, and representatives harmless from liability for damage or claims for damage for personal injury including death and claims for property damage which may arise from the direct or indirect operations of the Developer or those of the Developer's contractor, subcontractor, agent, employee, or other person acting on his behalf which relate to the Proposed Development, except for claims arising from the negligence of the City or its employees. Developer agrees to and shall defend the City and its officers, agents, employees, and representatives from actions for damages, suits and/or challenges, and shall pay for any legal expenses related thereto, or caused or alleged to have been caused by reason of Developer's activities in connection with the Proposed Development, except for claims arising from the negligence of the City or its employees.

15. **Monitoring Official.** The City of Hallandale Beach City Manager or his designee is appointed as the City's monitoring official of this Agreement. The City's representatives shall monitor the activities specified in such a manner to ensure that all requirements of this Agreement are met.

16. **Force Majeure.** In the event that Developer is delayed or hindered in or prevented from the performance required hereunder by reason of strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the party delayed in performing work or doing acts (hereinafter, "**Permitted Delay**" or "**Permitted Delays**"), Developer shall be excused for the period of time equivalent to the delay caused by such Permitted Delay. Notwithstanding the foregoing, any extension of time for a Permitted Delay shall be conditioned upon Developer seeking an extension of time by delivering written notice of such Permitted Delay to the City within ten (10) days of the event causing the Permitted Delay, and the maximum period of time which Developer may delay any act or performance of work due to a Permitted Delay shall be one hundred eighty (180) days.

17. **Notices.** Any notice, demand or other communication required or permitted under the terms of this Agreement shall be in writing, made by telegram, telex or electronic transmitter, Federal Express, Express Mail or other similar overnight delivery services or certified or registered mail, return receipt requested, and shall be deemed to be received by the addressee one (1) business day after sending, if sent by telegram, telex or electronic transmitter; one (1) business day after sending, if sent by Federal Express, Express Mail or ~~other similar overnight delivery service and three (3) business days after mailing, if sent by~~ certified or registered mail. Notices shall be addressed as provided below:

If to the City:

City of Hallandale Beach
Attn: City Attorney
400 South Federal Highway
Hallandale Beach, FL 33009
(954) 457-1325 —phone
(954) 457-1342 - fax

With counterpart to: City of Hallandale Beach
Attn: City Manager
400 South Federal Highway
Hallandale Beach, FL 33009
(954) 457-1325 phone
(954) 457-1342 fax

With counterpart to: City of Hallandale Beach
Attn: Development Services
400 South Federal Highway
Hallandale Beach, FL 33009
(954) 457-1375 phone
(954) 457-1488 fax

If to Developer: Highland Park Ventures, LLC
Attn: Richard Shan
224 South Dixie Highway
Hallandale Beach, FL 33009
(954) 454-6430 phone
(954) 454-6450 fax

With counterpart to: Ruden, McClosky
Attn: Dennis Mele, Esq.
200 East Broward Blvd ,15th Floor
Fort Lauderdale, Florida 33301
(954) 527-2409 phone
(954) 764-4996 fax

18. **Severability.** Invalidation of any provision of this Agreement shall not affect any other provision of this Agreement, which shall remain in full force and effect.

19. **Effective Date.** This Agreement shall become effective upon execution by all parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by the proper officers the day and year above written.

CITY:

ATTEST:

E. Dent McGough
E. Dent McGough, City Clerk

Date: 8-14-08

CITY OF HALLANDALE BEACH

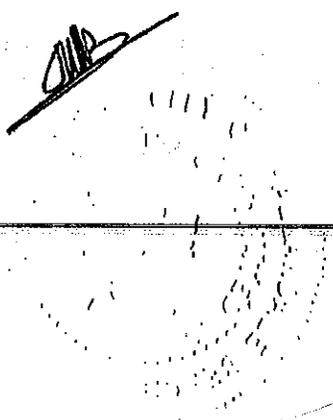
By: [Signature]
D. Milt Good, City Manager

[Signature]

ENDORSED AS TO FORM
AND LEGALITY FOR THE
USE AND RELIANCE OF THE
CITY OF HALLANDALE ONLY

[Signature]
City Attorney

RJC
07.27.08



[Handwritten mark]

DEVELOPER:

Signed, sealed and delivered in
the presence of:

WITNESSES:

HIGHLAND PARK VENTURES, L.L.C.

a Florida limited liability company

HOPE W. CALHOUN
Print
Name:

By: [Signature]
Print Name: Richard D. Shan

[Signature]
Print
Name: J. Frastari

Title: Co-Manager
Address: 20141 NE 21st Avenue
Miami, FL 33179

STATE OF FLORIDA)
)SS
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 30 day of June, 2008, by Richard D. Shan, as Co-Manager of **HIGHLAND PARK VENTURES, L.L.C.**, a Florida limited liability company, freely and voluntarily on behalf of said company. He is personally known to me or has produced _____ as identification.

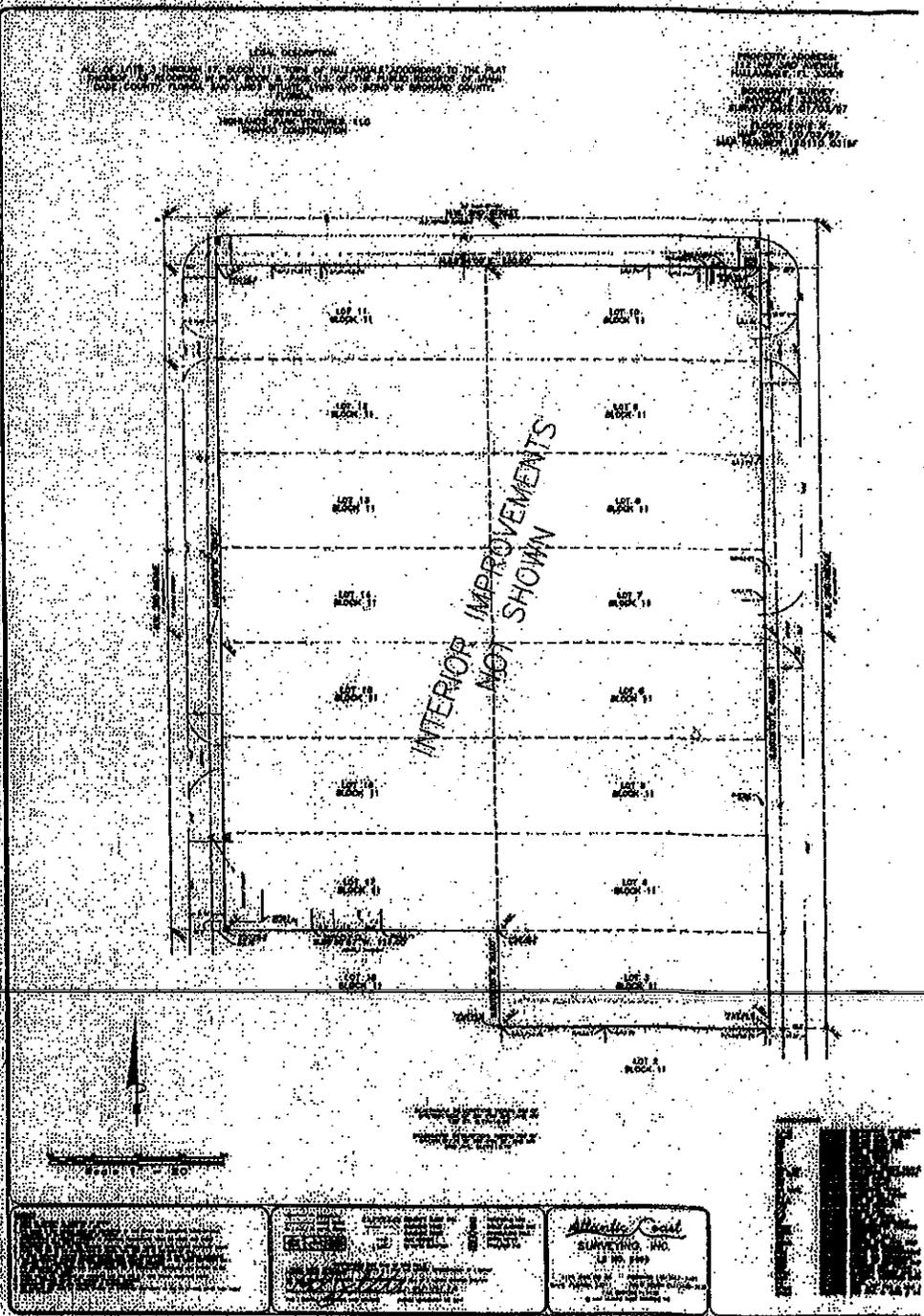
[Signature]
Notary Public, State of Florida
My Commission Expires:



[Handwritten mark]

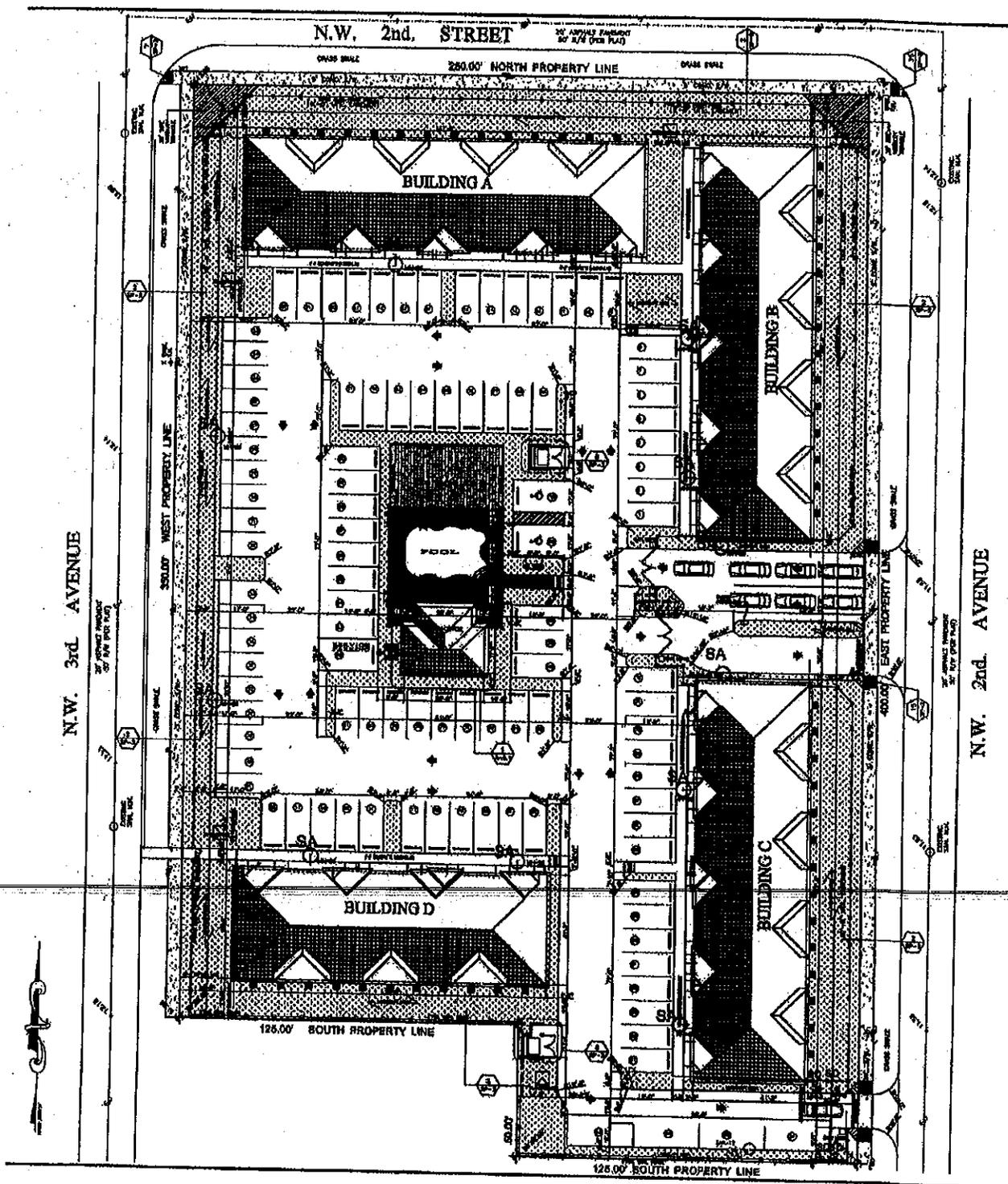
"EXHIBIT A"
Property

All of Lots 3 through 17, Block 11 "TOWN OF HALLANDALE," according to the Plat thereof, as recorded in Plat Book B, Page 13, of the Public Records of Miami-Dade County, Florida.



"EXHIBIT B"

Site Plan



"EXHIBIT C"
HIGHLAND PARK VILLAGE CONDITIONS

The development shall be restricted to a total of 53 multifamily units.

Since the City is partnering with the Developer to ensure affordability is maintained, and to control carrying costs, the project will not start construction until it is 50% pre-sold.

Prior to Building Permit

1. Provision of a 12 foot utility easement to Broward County prior to issuance of the building permit.
2. A knockbox as requested by the Fire Marshall shall be placed within the complex.
3. The Developer/owner shall pay \$50,880 as its charge for the sewer plant capacity at the Hollywood Treatment Plant pursuant to the laws of the City's Land Use Agreement with the City of Hollywood.
4. The Developer/owner shall construct all utilities servicing the buildings underground including any existing above ground utilities to be utilized within the scope of the project.
5. The Developer shall partner with the City in selling the units to the targeted market.
6. The Developer shall partner with the City to ensure affordability is maintained for any units not sold once the project has been completed.
7. To ensure affordability is maintained, there will be a restrictive covenant recorded on the property.

Prior to the Certificate of Occupancy

1. The developer shall file the City and Land Use Plan Map amendment to enable the City to recapture the 23 Reserve Units assigned to the project as described in item #4 of the attached Development Agreement.