

**Pompano Beach
Community Redevelopment Agency**

and

City of Pompano Beach

**Property Disposition and
Development Agreement**

with

Sonata Apartments, Ltd.

PROPERTY DISPOSITION AND DEVELOPMENT AGREEMENT

THIS PROPERTY DISPOSITION AND DEVELOPMENT AGREEMENT (the “Agreement”), is made and entered into by and between

CITY OF POMPANO BEACH, a Florida municipal corporation, whose address is 100 West Atlantic Boulevard, Pompano Beach, Florida 33060 (“CITY”)

and

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic, whose address is 100 West Atlantic Boulevard, Pompano Beach, Florida 33060 (the “CRA”),

and

SONATA APARTMENTS, LTD. a Florida limited partnership, whose address is 2100 Hollywood Boulevard, Hollywood, FL 33020 (the “Developer”);

collectively referred to as “the Parties.”

WHEREAS, CITY is the legal owner of six properties located along Dixie Highway, assigned the following Broward County property folio numbers: 484235001210; 484235001220; 484235001230; 484235001240; 484235001250; and 484235001251 (collectively, the “City Property” or “Property”), legally described as provided in Exhibit 1, attached and incorporated in this Agreement; and

WHEREAS, Developer desires to lease the City Property and, along with three parcels adjacent to the City Property that it is currently under contract to purchase (Broward County property folio numbers: 484235110070, 484235000120 and 484235000130), proposes to build a 121 unit mixed-use, mixed-income housing development to be known as the Sonata Apartments, which will include approximately 3500 square feet of retail space (the “Project”); and

WHEREAS, the Parties acknowledge and understand that the Project (i) is critically important to the community’s general welfare and abutting areas; (ii) fosters and develops a mixed-use, mixed-income development within one of the City’s flexibility zones; and that (iii) substantial financing and other public assistance made available by federal, state and local governments makes this Project possible; and

WHEREAS, the Parties recognize there is an existing dry retention area on the City Property which requires relocation in order to complete the Project; and

WHEREAS, the Project and relocation of the dry retention area are redevelopment initiatives consistent with the NWCRA Plan and the CRA’s overall redevelopment objectives for the NWCRA District; and

WHEREAS, the CRA is willing to lend financial assistance to the cost of relocating the dry retention area and additional public infrastructure costs; and

WHEREAS, the CRA is also willing to lease the retail space within the Project for a period of ten years, subject to the Developer's contribution to tenant improvements and the CRA's right to sublease the retail space for the duration of the lease term; and

WHEREAS, the CITY believes the Project can transform the vacant land into a mixed-use, mixed-income housing development that adds to the tax base of the City and contributes positively to local community and helps to stabilize surrounding neighborhoods; and

WHEREAS, the CITY, consistent with its Community Development Block Grant Annual Action Plan, desires to strategically utilize its financial resources to address gaps in affordable housing developments through its Affordable Housing Trust Fund Program and has committed a reduced interest rate loan to the Developer for the Project; and

WHEREAS, the Parties desire to enter into this Agreement to set forth their mutual understandings and obligations regarding development and use of the Property; and

NOW, THEREFORE, in consideration of the conditions, covenants and mutual promises set forth in this Agreement, the Parties agree as follows.

ARTICLE 1 DEFINITIONS

As used in this Agreement the following terms shall have the following meanings. Other terms not defined in this Article shall have the meanings assigned to them elsewhere in this Agreement. Words used in the singular shall include the plural and words in the masculine/feminine/neuter gender shall include words in the masculine/feminine/neuter where the text of this Agreement requires.

Authorized Representative: the person(s) designated and appointed from time to time by either the CITY, the CRA or Developer to represent that entity in administrative matters as opposed to policy matters.

Building and Improvements: new construction of three buildings containing 121 units of mixed-use, mixed-income residential housing development with approximately 3500 square feet of retail space on the ground floor of one of the buildings.

Building Official: the City's official in the City of Pompano Beach Building Department charged with authority under the Florida Building Code to review and approve building plans on behalf of the City and to issue building permits.

Building Permit: refers to the approvals required from the City of Pompano Beach needed to begin construction of the Project.

Certificate of Occupancy or “CO”: wherever either of these terms are used in this Agreement, they shall refer to a temporary or final certificate of occupancy issued by the City pursuant to the Florida Building Code.

Completion Date: November 4, 2022 or, where construction is phased, the date when the CITY issues a final Certificate of Occupancy for the respective Project Phase.

Conceptual Site Plan: the Conceptual Site Plan submitted by the Developer.

Construction Plans: refers to the plans prepared by a licensed architect and/or engineer required for the issuance of the Building Permit.

Construction Financing: any financing provided for all or any portion of the Project.

Contractor: one or more individuals or firms constituting a general contractor properly licensed by the City or other appropriate jurisdiction to the extent required by applicable law to perform contracting services to construct the Buildings and Improvements, bonded and insured to the extent required by applicable law and contract specification.

Contract Administrator: for the CITY, the City Manager or his/her designee; for the CRA, its Executive Director or his/her designee as provided for in writing; for Developer, Leon Wolfe, Jorge Lopez or Mara Makes, as principals of Sonata Apartments, Ltd. or their designee as provided for in writing.

Declaration of Covenants and Restrictions: refers to a land use regulatory agreement that will be recorded in connection with the allocation of tax credits from the Florida Housing Financing Corporation or a similar type of affordability restrictive covenant from any lender or the declaration of covenants and restrictions required by the CRA in Article 7.

Development Approvals: any or all of the following approvals (collectively, the “Development Approvals”):

- a. Site Plan
- b. Building Permits
- c. Drainage Permits
- d. All Site Development Permits
- e. Approvals by other governmental agencies having jurisdiction

Development Drawings: preliminary development plans that include, but are not limited to, a graphic depiction of the residential units and retail space, including floor plans and elevations.

Financing Commitment(s): letters of firm commitment from one or more lenders or tax credit investors providing construction financing evidencing Developer’s capacity to timely perform its obligations under this Agreement in accordance with this Agreement and the Project Schedule. If the Financing Commitments are received from more than one source, they shall

cumulatively provide an adequate amount of total financing and/or equity to comply with the foregoing.

Governmental Authorities: the City, CRA, and any other federal, state, county, municipal or other government department, entity, authority, commission, board, bureau, court, agency or any instrumentality of any of them.

Improvements: improvements on the Property to be constructed with and in support of the Project in accordance with this Agreement, including but not limited to, the residential units, retail space, common areas, paving, lighting, irrigation, landscaping and all other improvements made to the Property.

Lease: means the Ground Lease of the City Property to be entered into between the City and the Developer.

Loan: refers to construction financing for the Project.

Notice of Completion: after Developer's receipt of the Certificate of Occupancy for the Project, the Notice of Completion shall be the CITY's and CRA's written notice to Developer memorializing the CITY and CRA's satisfaction with Developer's completion of the Building and Improvements.

Permitted Delays: all delays or extensions approved by the CITY or the CRA and all delays attributable to an event of force majeure as provided for in Article 37.

Permitted Plans: the collective development plans approved by the City and CRA for the Project, including but not limited to the Site Plan; Landscape Plan; engineering/infrastructure paving, grading and drainage plans; architectural, mechanical and structural drawings and specifications prepared by the Developer and/or its agents, and ultimately approved by the City, in its regulatory capacity, and through which all relevant permits are issued by the City.

Project Budget: the budget prepared by the Developer that shows the anticipated line items and estimated costs for all the line items that Developer expects to incur in connection with development of the Project as described in the Proposal.

Project Lender: refers to the lender or lenders who will provide all financing needed to complete the Project.

Project Schedule: the schedules and time frames given by the Developer to the CITY and the CRA for submittal of applications for approvals and commencement and completion of the Building and Improvements as required by this Agreement.

Project Site: refers to the City Property and the Developer Property as described in Exhibits 1 and 2 to be utilized for construction of the Project in accordance with this Agreement.

Site Plan Approval: the final, unconditional granting of the site plan approval from the Governmental Authorities, including all applicable appeal periods.

Work: the construction and services required under this Agreement, whether completed or partially completed, including all other labor, materials, equipment, goods, products and services provided or to be provided by Developer to fulfill Developer's obligations under this Agreement. The Work shall include the complete design, permitting, financing, and construction of the Project.

ARTICLE 2 REPRESENTATIONS

2.1 Representations of the CITY and the CRA. The CITY and the CRA make the following representations to Developer which the CITY and the CRA acknowledge that Developer has relied upon in entering into this Agreement.

2.1.1 This Agreement is a valid, binding and permissible activity within the power and authority of the CITY and the CRA and does not violate any City Code, City Charter provision, rule, resolution, ordinance, policy, CRA Redevelopment Plan, or agreement of the City or the CRA, or constitute a default of any agreement or contract to which the City or the CRA is a party.

2.1.2 The CITY is leasing the City Property in a physically "as is" condition.

2.1.3 The individuals executing the Agreement on behalf of the CITY and the CRA are duly authorized to take such action, which action shall be, and is, binding upon the CITY and the CRA.

2.1.4 The CITY intends to unify the lease area of the six (6) CITY parcels into one (1) folio.

2.2 Representations of Developer. Developer makes the following representations to the CITY and the CRA which the CITY and the CRA rely upon in entering into this Agreement.

2.2.1 The Developer is a Florida limited partnership, duly organized, existing and in good standing under the laws of the State of Florida with the power and authority to enter into this Agreement.

2.2.2 The execution, delivery, consummation and performance under this Agreement will not violate or cause the Developer to be in default of any provisions of its governing documents or rules and regulations or any other agreement to which Developer is a party or constitute a default thereunder or cause acceleration of any obligation of Developer thereunder.

2.2.3 By execution of this Agreement, the Developer certifies to the CITY and the CRA that the person executing this Agreement, on behalf of the Developer, has been duly authorized by the Developer to enter into, execute and deliver this Agreement and all other documents, certificates, agreements, consents and receipts, and to take any and all other actions of any kind

whatsoever in order to accomplish the purposes and undertakings and such action shall be, and is, binding on Developer.

2.2.4 There are no actions, suits or proceedings pending or threatened against or affecting the Developer or its partners, which Developer is aware of in any court or before or by any federal, state, county or municipal department, commission, board, bureau, agency or other governmental body which would have any material effect on Developer's ability to perform its obligations under this Agreement.

2.2.5 Developer represents that, upon obtaining Financing Commitments as described in this Agreement, it has the ability, skill and resources to complete its obligations under this Agreement.

2.2.6 Developer acknowledges this Agreement has been entered into to construct a mixed-use, mixed income residential housing development consisting of 121 units with approximately 3500 square feet of retail space in the CRA's Northwest CRA District in accordance with the infill housing goals of the CRA's NWCRA community redevelopment Plan (the "NWCRA Plan") and as further described in the Developer's Conceptual Site Plan, prepared and incorporated in City Resolution 2020-43, passed and adopted October 22, 2019, and later amended in P&Z Case No. 20-12000028, heard and approved by the Planning and Zoning Board on January 27, 2021, and as further described in Exhibit 2, attached and incorporated to this Agreement.

2.2.7 Developer also acknowledges and understands that the CITY and the CRA, by entering into this Agreement, are relying on the Developer for the faithful performance of all undertakings and covenants contained in this Agreement.

2.2.8 Developer further acknowledges that its failure to faithfully perform any of the provisions of this Agreement constitutes default on its part, and Developer fully agrees to the CITY's and the CRA's remedies for default as set forth in this Agreement.

2.2.9 Developer agrees that construction of the Building and Improvements on the Project Site shall be substantially completed according to the Project Schedule, but that in no event shall the completion of construction extend beyond January 1, 2024, including Permitted Delays and Force Majeure.

ARTICLE 3 APPLICABILITY OF CONDITIONAL TERM SHEET AND INCORPORATION BY REFERENCE

On July 19, 2020, the CRA Board approved a Conditional Term Sheet outlining its proposed Project. The Term Sheet is attached as Exhibit 3 and incorporated in this Agreement. The Conditional Term Sheet and all Exhibits attached to this Agreement form an integral part of this Agreement and are specifically incorporated in this Agreement by reference. In the event there is a conflict between the Conditional Term Sheet and this Agreement, the express terms and conditions of this Agreement shall prevail and supersede those inconsistent terms in the Conditional Term Sheet.

ARTICLE 4 PROJECT

4.1 The CITY leases to the Developer, and the Developer agrees to lease from CITY, the real property, legally described in Exhibit 1, to design, finance and construct a mixed-use, mixed income residential housing development consisting of 121 units with approximately 3500 square feet of retail space. Of the 121 residential units, 15 units will be rentable at market rate with no income restrictions. Fifty-seven (57) units will be rentable at or below seventy percent (70%) of the Pompano Beach Average Median Income (“AMI”) as will be more particularly set forth in the Declaration of Covenants and Restrictions.

4.2 This Agreement is contingent upon the Developer closing on the Construction Financing. If the closing on the Construction Financing has not occurred within twelve (12) months of the Effective Date (as defined in Article 5), this Agreement shall automatically terminate unless, at the request of the Developer and upon written consent of the CITY and the CRA, which consent shall not be unreasonably withheld, this period is extended for an additional six (6) months.

4.3 Project Funding: Developer shall be solely responsible for obtaining all funds necessary to design, construct and market the Buildings and Improvements on the Property as described in this Agreement.

4.4 The Developer will also be responsible for relocating the drainage provided by the existing dry retention pond located on the Property consistent with governing jurisdictions by installing the new Stormtech system. The CRA will reimburse the Developer up to \$420,000 of its costs for relocating the existing dry retention pond and installing the Stormtech system. Once the installation is completed, the Developer will submit an invoice evidencing such costs to the CRA. Following the CRA’s verification of such costs and satisfactory completion of the installation, the CRA will reimburse such funds to the Developer.

4.5 The Developer will be solely responsible for maintenance and repairs of the Stormtech system. If the Developer fails to pay for such maintenance and repairs, the CITY shall have the right to pay for such maintenance and repairs and seek reimbursement from the Developer or seek other legal remedy.

4.6 Financial Assistance

4.6.1 The CRA has also agreed to make a deferred payment loan to Developer in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) (“CRA Loan”) in furtherance of the Project’s construction, specifically to secure construction financing. The Loan shall be secured by a mortgage and noninterest-bearing promissory note, with the principal balance due and payable, if at all, thirty-five (35) years after Developer receives the final certificate of occupancy for the Project. The Mortgage and Note shall be substantially similar in form as the Mortgage and Note attached and incorporated in this Agreement as Exhibit "5", and shall be executed at Closing. Loan proceeds will be advanced to the Developer in the amount of \$300,000 per year for a period of five years commencing on October 1, 2022, and thereafter on each

consecutive October 1st until disbursed in full. The parties hereto agree that this loan shall be forgiven, in the CRA's discretion, if: (a) a Certificate of Occupancy is issued for the Building and Improvements and (b) if the Developer complies with the provisions of the Declaration of Covenants and Restrictions.

4.6.2 The CITY has agreed to lend the Developer Seven Hundred Eighty-Three Thousand Two Hundred Fifty Dollars (\$783,250) ("City Loan") in furtherance of the Project's construction, specifically to secure construction financing. The Loan shall be secured by a mortgage and promissory note bearing an interest rate of one percent (1%), with the principal balance and interest due and payable thirty-three (33) years after Developer receives the final certificate of occupancy for the Project. The Mortgage and Note shall be substantially similar in form as the Mortgage and Note attached and incorporated in this Agreement as Exhibit "6", and shall be executed at Closing. Loan proceeds will be payable at Closing.

4.6.3 Repayment of City and CRA Funds. The City and CRA Loans shall be repaid to the respective Mortgagee/Lender, at the respective Mortgagee/Lender's election, in the event that the Developer fails to preserve the affordability aspect of the Project as set forth in that Declaration of Covenants and Restrictions (the "Declaration") recorded in favor of the City and CRA that is substantially similar in form as Exhibit "7", attached and incorporated in this Agreement, or fails to comply with its written commitment to develop at least fifteen (15) market rate units.

4.6.4 The Developer agrees to enter into a lease with CRA for the retail space proposed in the Project and agrees to construct and install up to \$150,000 in tenant improvements as directed and required by the CRA. The desired tenant improvements shall be determined, estimated and completed according to the terms of the lease to be executed between the Developer and the CRA and shall be consistent with and in furtherance of this Agreement. Developer agrees that the CRA shall pay rent in the amount of \$10 per square foot for a period of ten (10) years with no rent escalation cost.

ARTICLE 5 TERM

The term of this Agreement shall commence on the date this Agreement is executed by the later of the CITY, the CRA or Developer ("Effective Date") and continue for the term of the Developer's lease with the CITY. During this period, the Developer shall be bound by, and must comply with, the terms and conditions imposed upon the Property by this Agreement and all related documents.

ARTICLE 6 CONDITIONS PRECEDENT

The CITY shall have no obligation to lease the City Property to Developer unless all conditions precedent to such lease have been satisfied, completed or performed. The following are conditions precedent to the CITY's lease of the City Property to Developer:

6.1 Evidence of Financing Commitment(s) For Construction Financing. Developer acknowledges that it has sole responsibility for all Project expenses. This Agreement and lease of the City Property is expressly made contingent upon Developer providing the CITY with evidence satisfactory to the CITY that Developer has Financing Commitments and sufficient equity capital for construction of all the Building and Improvements on the Project Site. The Financing Commitments shall: (i) be in a form and content reasonably acceptable to the CITY and the CRA; (ii) subject to all the terms and conditions of this Agreement; and (iii) provided that Project Lenders give the CITY and the CRA notice of any defaults by the Developer.

6.1.1 Upon Developer delivering the Financing Commitments to the CITY and the CRA, the CITY and the CRA shall respond in writing within ten (10) business days as to the acceptability of such commitment(s) with approval not to be unreasonably withheld, conditioned or delayed. If the Financing Commitments are unacceptable to the CITY and the CRA, the CITY and the CRA shall specify the matters which are unacceptable and provide Developer with a sixty (60) day period to resubmit acceptable Financing Commitments. If the CITY and the CRA fail to respond as specified above, the Financing Commitments shall be deemed acceptable.

6.1.2 In the event the Developer is unable to satisfactorily provide the Financing Commitments on or before January 1, 2022, this Agreement shall automatically and without further notice terminate and be null and void and of no further force and effect, in which event the parties shall be released of all further obligations and liabilities to the other, except those which expressly survive termination.

6.2 Developer shall provide evidence satisfactory to the CITY and the CRA that it has all necessary development approvals.

6.3 Pre-Closing Access to Property for Testing, Inspections and other Examinations. Prior to the CITY's lease of the City Property to Developer, the CITY shall permit Developer's representatives to have access, at all reasonable times, to any part of the Project Site to which the CITY holds title for the purpose of obtaining data and making various tests concerning the Project Site necessary to carry out this Agreement. The data and testing may include, but is not limited to, location and preconstruction surveys; soil borings; tests of on-site infrastructure; or other examinations of the Project Site which require that full possession of the Project Site be given to Developer.

6.3.1 Developer shall be solely responsible for repair of any damage to the Project Site or any property adjacent to the Project Site caused by Developer's pre-closing access to the Project Site for testing, inspections and any other activities conducted by Developer on the Project Site.

6.3.2 Developer shall indemnify and hold the CITY and the CRA harmless as to any and all claims arising from Developer's access to the Project Site under this Article 6. The CITY shall provide Developer copies of available information regarding the Project Site, including site surveys, utility location drawings, soil borings, environmental reports and other similar documentation concerning the Project Site in its possession, but shall not be obligated to obtain, create or draft such documents if such are not within the CITY's possession or control. Notwithstanding the execution and delivery of this Agreement, Developer shall take no possession

of the Project Site, other than the temporary access provided in this Article, until the CITY leases it to Developer in accordance with this Agreement.

ARTICLE 7 MIXED INCOME RESTRICTIONS

7.1 Permitted Use. Developer shall design, construct and market the residential Buildings and Improvements, excluding the retail space, on the Project Site for multi-family residential use in accordance with this Agreement.

7.2 Mixed Income Restrictions. Developer acknowledges and agrees that fifteen (15) of the residential units will be rentable at market rate (unrestricted) at all times. Developer further acknowledges that fifty-seven (57) of the residential units will be rentable at or below seventy percent (70%) of AMI during the term of the Declaration of Covenants and Restrictions.

7.3 Modification to Mixed Income Restrictions. No change in the mixed-income restrictions shall be made until such change has been presented to and formally approved by the CRA and the CITY. In the event of any conflict between the insurance coverages required by this Agreement and Lease, the terms of the Lease shall control.

ARTICLE 8 INSURANCE

8.1 At all times during the Term, the Developer shall, at the Developer's sole cost and expense, but for the benefit of the City and CRA, maintain the insurance prescribed in Exhibit 8, attached and made a part of this Agreement.

8.2 Policies Obtained by Independent Contractors. Developer may cause its independent contractors to provide some or all of the insurance coverages required. To the extent that such independent contractors carry such coverages, Developer shall not be required to carry such coverages, so long as the coverages obtained by Developer and such independent contractors together satisfy the requirements of this Article. City, CRA, Developer and any Approved Leasehold Mortgagees shall be named as additional insureds as to any such coverages obtained by Developer's independent contractors.

8.3 Delivery of Insurance Policies. All public liability and worker's compensation policies shall be retained by Developer. Subject to the rights of any Approved Leasehold Mortgagee, all other policies of insurance required to be furnished pursuant to this Article shall be held jointly by City, CRA and Developer. Insurance company certificates evidencing the existence of all of these policies of insurance shall be delivered to City and/or CRA.

8.4 Required Policy Provisions. All policies of insurance required to be provided and obtained pursuant to this Article shall provide that they shall not be amended or canceled on less than thirty (30) days' prior written notice to City, CRA and all insureds and beneficiaries of the policies; provided, however, that if thirty (30) days' notice is ever commercially unavailable, then the required number of days' notice shall be reduced to such number as is commercially available. All

such policies shall contain waiver of subrogation rights endorsements as required below. City and CRA shall have no obligation to pay premiums or make contributions to the insuring company or any other Person or satisfy any deductible.

8.5 Delivery. No less than thirty (30) days prior to the expiration date of any policy required to be carried pursuant to this Article, Developer shall deliver to City and any Approved Leasehold Mortgagee the applicable respective policies and insurance company certificates evidencing all policies of insurance and renewals required to be furnished. Receipt of any documentation of insurance by City, CRA, or by any of its representatives which indicates less coverage than required shall not constitute a waiver by City or CRA of Developer's obligation to fulfill the insurance requirements.

8.6 City's Right to Obtain. If Developer fails to pay insurance premiums when due or to comply with other insurance requirements set forth in this Agreement, City and CRA shall have the right, at their option, to order insurance policies and to advance such sums as are required to maintain or procure such insurance, and to the extent of the money so advanced, City or CRA shall be entitled to reimbursement by Developer upon demand. Unless there would ensue a lapse of coverage, City or CRA shall, before making any such advance, provide Developer with ten (10) days' prior written notice and the opportunity to obtain the required policies.

8.7 Insurer to Be Approved; Premium Receipts. All policies of insurance of the character described in this Article shall be effected under policies issued by insurers permitted to do business in the State of Florida and rated in Best's Insurance Guide, or any successor thereto (or, if there is none, an organization having a national reputation for rating insurance companies) as having a general policyholder rating of "A" and a financial rating of at least "VII". On written request by City or CRA, Developer shall provide photocopies of receipts showing the payment of premiums for all insurance policies required to be maintained by this Agreement.

8.8 Developer Waiver. Developer expressly, knowingly, and voluntarily waives and releases any right of recovery that it may have against the City or CRA for loss or damage to its property, and property of third parties in the care, custody, and control of Developer, and loss of business (specifically including business interruption by Developer) directly or by way of subrogation or otherwise as a result of the acts or omissions of the City or CRA specifically including the negligence of City or CRA and the intentional misconduct of the City or CRA, to the extent any such claims are covered by the property, rental income, business income, or extra expense insurance carried or required to be carried under the terms of this Agreement (whether or not actually carried by either party), or other property insurance that Developer may carry at the time of an occurrence or under a so-called "special perils" or "special form causes of loss" property insurance policy or under a so-called "contents" insurance policy (whether or not actually carried). Developer shall each, on or before the earlier of the Agreement Execution Date or the date on which Developer first enters the Property for any purpose, obtain and keep in full force and effect at all times thereafter a waiver of subrogation from its insurer concerning the commercial general liability, commercial automobile liability, workers' compensation, employer's liability, property, rental income, and business interruption insurance maintained by it for the Project and the property

located in the Property. This section shall control over any other provisions of this Agreement in conflict with it and shall survive the expiration or sooner termination of this Agreement.

8.9 Endorsements. Developer shall cause its insurer(s) to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with the Property.

8.10 Prior to commencement of construction, Developer shall obtain, or cause each of its construction contractors who are acting as general contractors to obtain, payment and performance bonds, insuring the performance of the completion of the Project, acceptable in all respects to the CITY and CRA from a corporate surety authorized to do business in the State of Florida, reasonably acceptable to the CITY and CRA, and naming the CITY and the CRA as dual obligees.

ARTICLE 9 CONTRACT ADMINISTRATOR

9.1 For the purposes of the day-to-day conduct during planning, development, construction and operation of the Project, the Developer's Contract Administrator is Josh Tonnesen, or his/her designee, and Nola Castillo for operations.

9.2 For the purposes of the day-to-day conduct during planning, development, construction and operation of the Project, the CITY's Contract Administrator is its City Manager or his designee.

9.2 For the purposes of the day-to-day conduct during planning, development, construction and operation of the Project, the CRA's Contract Administrator is its Executive Director or his/her designee.

ARTICLE 10 DEVELOPER'S OBLIGATION TO CONSTRUCT BUILDINGS AND IMPROVEMENTS

Developer covenants and agrees to construct the Building and Improvements upon the Project Site in a good and workmanlike manner and in accordance with this Agreement and the construction plans for the Project to be approved by the CITY and the CRA (the "Construction Plans"). Furthermore, with regard to the Building and Improvements, the Developer covenants and agrees with the provisions set forth below.

10.1 Notwithstanding any other provision or term of this Agreement or any Exhibit hereto, the Construction Plans for the Building and Improvements and any and all other work by Developer with regard to the Project shall be designed and prepared in compliance with all relevant federal, state and local laws, rules, regulations, ordinances and Building Code provisions. In addition, the Construction Plans and the actual construction of the Building and Improvements shall fully comply with the provisions set forth in this Agreement.

Developer agrees that the failure of this Agreement to address a particular permit, condition, fee, term or restriction, shall not relieve Developer of the necessity of complying with the law governing said permitting requirements, conditions, fees, terms or restrictions.

10.2 The Building and Improvements shall be constructed and paid for wholly at the expense of the Developer.

10.3 The Construction Plans for the Building and Improvements must be prepared by an architect and engineer who is licensed ("Licensed Architect" and "Licensed Engineer") to practice as such, and who actually practices as such, in the State of Florida.

10.4 The CITY and the CRA agree to subordinate their property interest in such Construction Plans to liens of the Project Lenders contemplated by this Agreement for development and completion of the Project. In the event this Agreement is terminated, the CITY and the CRA shall retain their property interest in the Construction Plans, subject to such subordination.

10.4 The Building and Improvements must be built by a general contractor ("General Contractor") duly licensed under the laws of the State of Florida. The Developer or an affiliate of the Developer may also be the General Contractor if Developer or such affiliate is a duly licensed general contractor.

10.5 A final site plan for the Building and Improvements must be prepared and submitted to the CITY's and the CRA's Contract Administrator for their written approval prior to submittal for development approval by any governmental authority including a Building Permit Application to CITY, as a regulatory agency.

10.6 Modifications to the Conceptual Site Plan must be approved consistent with Chapter 155, City Code, and where exempted, without further review or formal approval by the City Commission or the CRA Board in the following circumstances:

10.6.1 Alterations to proposed or existing buildings or structures which do not result cumulatively in more than 10% modification to the floor area per building or structure as found in the initially approved Site Plan;

10.6.2 Alterations to the interior of any proposed building which do not alter the external appearance of such building;

10.6.3 Minor cosmetic alterations of the external façade of proposed buildings, including new or renovated signage;

10.6.4 Minor alterations or adjustments in the location of proposed structures or site improvements on the Property.

10.6.5 Parking and driveway radius may be adjusted to improve open space;

10.6.6 Building locations may be adjusted or rotated to improve open space;

10.6.7 Sidewalks may be modified to connect to revised building entrances and increase impervious area except that perimeter sidewalks must be maintained. As to the perimeter sidewalks or walkways, Developer may substitute suitable materials such as paver block, asphaltic material, etc., subject to administrative review and approval;

10.6.8 Total caliper inches of replacement trees and the required trees and species mix as shown on the Planning & Zoning approved Site Plan may be increased. Tree species may be modified to meet availability at the time of planting and shall be subject to administrative review and approval;

10.6.9 Interior floor plan design alterations may meet or exceed the square footages stated in the Developer's proposal presented to the CITY and the CRA; and

10.6.10 Minor adjustment or additions to site features.

10.7 Any modification to the Site Plan that does not fit into the criteria identified in Paragraph 10.6.1 through 10.6.10 above shall require approval by the CITY and CRA, and approval consistent with the City Code.

10.8 No modification or adjustment may be made under this Article which results in a modification of the express terms of this Agreement.

10.9 Developer shall submit building plans and specifications to the Contract Administrators for preliminary approval. Upon receiving approval from the Contract Administrators, Developer shall submit the aforementioned plans and specifications to the City's Building Department to facilitate issuance of a building permit (the "Building Permit"). After receipt of the Building Permit, Developer will proceed with and complete construction of the Project in accordance with the terms of this Agreement.

10.10 The Project Site and all Building and Improvements shall be maintained in a clean, sanitary and safe condition by Developer. The Project Site shall be appropriately landscaped and maintained with a mechanical sprinkling system in accordance with City Code. No portion of the Project shall be allowed to become or remain overgrown or unsightly.

10.11 All repairs made by Developer shall be at least similar or equal in quality and class to the original work. Under the terms of this Agreement, Developer shall keep and maintain all portions of the Project under Developer's control in a clean and orderly condition, free of dirt, rubbish and unlawful obstructions. Repairs or maintenance work by Developer shall begin immediately upon Developer's knowledge of the need for such repairs or maintenance or upon written notice by the City or CRA.

**ARTICLE 11
CITY AND CRA PARTICIPATION**

The CITY's and the CRA's participation in the Project shall be subject to execution of the City lease of the City Property to the Developer and the Developer lease of the retail space to the CRA, satisfactory relocation of the existing dry retention area, completion of the public infrastructure improvements, completion of the Building and Improvements and verification that the mixed-income requirements have been met.

**ARTICLE 12
CONDITIONS PRECEDENT TO COMMENCEMENT OF CONSTRUCTION**

12.1 Approval of Construction Plans.

12.1.1 Developer shall submit the Construction Plans to the CITY's and the CRA's Contract Administrators for approval concurrently with a building permit application to the City. Within 30 calendar days of receipt of the Construction Plans, the CITY and CRA Contract Administrators shall review the Construction Plans for compliance with this Agreement and in writing either approve ("Notice of Plan Approval for Contract Compliance") or disapprove ("Notice of Plan Disapproval for Contract Compliance") the Construction Plans, providing explanation for any areas of noncompliance. If the CITY's and the CRA's Contract Administrators fail to deliver to the Developer within the 30-day period either of these two Notices, the CITY and the CRA will be deemed to have delivered a "Notice of Plan Approval for Contract Compliance" and the Construction Plans will be deemed to have been approved.

12.1.2 If the CITY and CRA Contract Administrators disapprove the Construction Plans for not being in conformity with this Agreement, the Notice of Plan Disapproval for Contract Compliance shall set forth in detail the reasons for such disapproval. Developer shall submit corrected Construction Plans to the CITY's and the CRA's Contract Administrator which are in accordance with this Agreement within 30 calendar days of receiving the Notice of Plan Disapproval for Contract Compliance. If the CITY's Contract Administrator fails to provide a written response to the Developer within fifteen (15) business days of the City's receipt of the corrected Construction Plans, the CITY and the CRA will be deemed to have delivered a "Notice of Plan Approval for Contract Compliance" and the Construction Plans will be deemed to have been approved.

12.1.3 Intentionally Omitted.

12.1.4 Developer shall provide the CITY's and the CRA's Contract Administrators with written notice that the City has issued the Building Permit or Building Permit Ready Letter within five (5) business days of the issuance and Developer's receipt of the Permit or Letter. If Developer is otherwise in compliance with this Agreement's terms, the CITY's Contract Administrator shall provide Developer with written Notice to Proceed within five (5) business days of receipt of the written notice that the Building Permit or Letter has been issued. In no event shall any construction commence on the Project until the Building Permit has been issued by the City and the Notice to Proceed has been issued by the CITY's Contract Administrator. However, if the CITY's Contract

Administrator fails to provide the Notice to Proceed to the Developer within five (5) business days of the City's receipt of the written notice that the Building Permit has been issued, the CITY and the CRA will be deemed to have delivered a "Notice to Proceed."

12.2 Construction Notice and Commencement Submittals. Developer shall deliver a construction notice to the CITY's Contract Administrator (the "Construction Notice") within sixty (60) calendar days from the date of the Notice to Proceed as provided above. The Construction Notice shall state that the Developer will commence construction of the Building and Improvements within ninety (90) calendar days of such notice and shall provide an estimate of construction costs, an updated construction schedule which critically paths all construction activity for completion of the Building and Improvements on the Property, and evidence of construction contract(s) and insurance as described in this Agreement.

12.3 Estimate of Construction Cost. Simultaneous with submittal of the Construction Notice, Developer shall provide the CITY's and the CRA's Contract Administrators with a revised estimate of the construction costs for the Building and Improvements according to the Construction Plans, including an estimate of all professional fees to be incurred in connection with construction.

12.4 Construction Contract. Simultaneous with submittal of the Construction Notice, Developer shall provide the CITY's and the CRA's Contract Administrators with a copy of Developer's contract with the General Contractor (if a general contractor is retained by Developer) under which the General Contractor has agreed to construct the Building and Improvements in accordance with the Construction Plans and to pay for all labor and materials for the cost of construction. The General Contractor, or if none, the Developer agrees to the provisions set forth below.

12.4.1 The General Contractor or Developer agrees to protect, defend, indemnify and hold harmless the CITY and the CRA and their officers, employees and agents from and against any and all losses, penalties, damages, settlements, costs, charges or other expenses or liabilities of every kind in connection with or arising directly or indirectly out of the Work agreed to or performed but excluding any such occurrence arising out of the gross negligence of the City and/or CRA or resulting from the intentional torts of the CITY or the CRA (the "Indemnification").

12.4.2 Without limiting the foregoing, any and all such claims and suits, relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation, or decree of any court shall be included in the Indemnification. The General Contractor or Developer further agrees to investigate, handle, respond to, provide defense for and defend any such claims at their sole expense and agree to bear all other costs and expenses related thereto.

12.4.3 The General Contractor or Developer shall require all of its subcontractors to provide the Indemnification in all contracts and subcontracts entered into and arising out of Work.

12.5 Failure to Satisfy Conditions Precedent. Failure to satisfy the conditions precedent to commencement of construction contained in this Article shall constitute a material default under this Agreement.

**ARTICLE 13
CHANGES IN CONSTRUCTION PLANS**

Developer may make changes to the originally approved Construction Plans within the limitations imposed by Article 10 and such changes may be approved administratively by the CITY's and the CRA's Contract Administrators without seeking City Commission or CRA Board approval.

**ARTICLE 14
CONTINUOUS CONSTRUCTION; PERMITTED DELAYS**

14.1 Once construction has commenced, Developer shall diligently and continuously proceed to completion of construction and issuance of a certificate of occupancy without any interruption that exceeds thirty (30) days, unless such interruption is caused by a Permitted Delay. Developer shall, within five (5) days of the beginning of any interruption of construction anticipated to exceed thirty (30) days, request written approval by the CITY and the CRA of a Permitted Delay, which request shall explain the reason for the interruption of construction and the anticipated period of such interruption. Approval of the Permitted Delay shall be in writing and shall include the date on which the Permitted Delay ends, unless further extended in writing by the CITY and the CRA.

14.2 An interruption in construction that exceeds thirty (30) days and is not approved by the CITY and the CRA as a Permitted Delay shall constitute a material default by Developer. Permitted Delays in completing construction of the Building and Improvements shall not constitute a material default by the Developer provided that Developer resumes and continues construction within five (5) business days following the date on which such Permitted Delay ends. Notwithstanding the foregoing, all parties acknowledge that Project Lenders may impose specific requirements on the Developer to cure delays and as such the Developer is obligated to comply with the Project Lenders' delay provisions as set forth under the Project Lenders' loan documents.

**ARTICLE 15
CARE AND MAINTENANCE DURING AND AFTER CONSTRUCTION**

15.1 During construction of the Building and Improvements, the Developer shall safely maintain the construction site, protect against damage to persons and property by reason of construction activities, and provide adequate security during non-construction periods.

15.2 In the case of damage or loss to the Building and Improvements, Developer shall, as soon as possible after the occurrence of such loss or damage, repair or rebuild them so that the Building and Improvements are of the same general character as the approved construction plans and at least equal in value to the Building and Improvements prior to such loss or damage. Developer shall comply with Article 8 of this Agreement as to insurance requirements and the use of insurance funds for such damage or loss.

15.3 All repairs to the Building and Improvements, except in cases where Permitted Delays are approved, shall be completed within sixty (60) calendar days following the occurrence of the event necessitating such repairs or the City or CRA's notice of such event necessitating a repair. If

rebuilding is required, subject to obtaining any required Building Permits which Developer shall process as expeditiously as possible, rebuilding shall begin within 120 calendar days after such occurrence and in either case shall be completed in a reasonable time provided insurance funds are available. In no event shall commencement of repairs or rebuilding be delayed beyond 180 days from the date of occurrence. The Developer shall pay for all such repairing and rebuilding so that the Property and the Building and Improvements shall be free and clear of all liens of mechanics and materialmen and similar liens arising out of such repair, rebuilding or reconstruction of the Building and Improvements.

ARTICLE 16 COMPLETION OF CONSTRUCTION

The Developer shall complete the construction of all Building and Improvements, except for Permitted Delays, as set forth in the Project Schedule. It is understood and agreed that completion shall mean the final Certificate of Occupancy and the Notice of Completion have been issued on all Building and Improvements. Developer's failure to complete construction of the Building and Improvements within the time frames set forth in the Project Schedule, subject to extension for Permitted Delays, shall constitute a material default in accordance with the provisions of this Agreement.

ARTICLE 17 NOTICE OF COMPLETION

Within five (5) business days after Developer's completion of the Building and Improvements as evidenced by issuance of the Certificate of Occupancy, the CITY and the CRA shall inspect the Building and Improvements for satisfactory completion. If, in their sole but reasonable discretion, the CITY and the CRA find the Building and Improvements have been satisfactorily completed in accordance with this agreement, the CITY shall promptly furnish Developer with a Notice of Completion.

ARTICLE 18 OTHER DUTIES OF THE DEVELOPER

18.1 Access to Work. Developer agrees that, upon two (2) calendar days' notice, representatives of the City, CRA and other applicable regulatory agencies shall have access to the Work performed pursuant to this Agreement, during regular business hours and that the Developer will provide proper facilities for such access and inspection. Any access by a regulatory agency provided by general law is not prohibited or preempted by this Agreement.

18.2 Anti-Kickback Act. Developer shall comply with regulations of the Secretary of Labor of the United States of America made pursuant to the Anti-Kickback Act of June 13, 1934, 40 U.S.C. 276(c) and any amendments or modifications thereto. Developer shall ensure appropriate provisions are inserted in its subcontracts to insure Developer's subcontractors are in compliance with the Anti-Kickback Act; subject, however, to any reasonable limitations, variations, tolerances and exemptions from the requirements of said Anti-Kickback Act as the Secretary of Labor may specifically provide.

18.3 Minority, Women and Lower Income Person Participation.

18.3.1 Developer acknowledges and agrees that with all due diligence and to the extent possible, it will involve the participation of minorities, females and lower income persons in construction and marketing of the Project.

18.3.2 Developer shall use its commercially reasonable efforts to achieve participation of local minority-owned business enterprise (“MBE”) and women-owned business enterprise (“WBE”) contracting and subcontracting firms. For the purposes of this Article, local MBE or local WBE shall mean MBE/WBE with a principal place of business in Broward County with a preference for WBE/MBE firms from the Pompano Beach area.

18.4 Compliance with Land Use Regulations. Developer shall develop the Project for use in compliance with all applicable land use, land development and zoning regulations and the same shall govern development of the Project for the duration of this Agreement.

**ARTICLE 19
EVALUATION, MONITORING REPORTS
AND OWNERSHIP OF DOCUMENTS**

19.1 Upon request, Developer shall provide the CITY and the CRA, in a format reasonably acceptable to both parties, information, data and reports to be used by the CITY and the CRA in monitoring Developer’s performance in carrying out the Project. Developer understands and agrees the CITY and the CRA will carry out periodic monitoring and evaluation activities as it deems necessary and that continuation of this Agreement is dependent upon satisfactory evaluation conclusions. Such evaluation will be based on the terms of this Agreement, comparisons of planned versus actual progress relating to Project scheduling, budgets, construction and marketing.

19.2 All reports, plans, surveys, information, documents, maps and other data procedures developed, prepared, assembled or completed by Developer for the purposes of this Agreement including, but not limited to, as-built surveys, shall be owned by the Developer without restriction, reservation or limitation of its use, and shall be made available by Developer at any time upon request by the CITY or the CRA. Upon completion of all Work contemplated under this Agreement, copies of all of the above data shall be delivered to the CITY representative upon the CITY or the CRA’s written request.

**ARTICLE 20
DEFAULT AND REMEDIES**

20.1 Default by Developer. The following shall constitute an Event of Default under the Agreement:

20.1.1 Failure of Developer to meet the development timelines provided for in the Project Schedule and Budget (Exhibit 4), subject to any amendments executed by the parties which extended the development timelines or modified line items or payments and events of force

majeure, and such default continues for a period of thirty (30) days after written notice from the CITY and the CRA;

20.1.2 Failure of Developer to comply with the material terms, conditions or covenants of this Agreement that Developer is required to observe or perform and such default continues for a period of thirty (30) days after written notice from the CITY and the CRA, except where Permitted Delays are granted by the CITY and CRA and where, in the sole discretion of the CITY and CRA, the Developer is proceeding reasonably and diligently to cure such failure to comply;

20.1.3 This Agreement, the Project or any part of the Building and Improvements are taken upon execution or by other process of law directed against Developer, or are taken upon or subjected to any attachment by any creditor of Developer or claimant against Developer, and such attachment is not discharged within ninety (90) days after its levy;

20.1.4 Developer shall be unable to pay the Developer's debts as the same shall mature;

20.1.5 Developer shall file a voluntary petition in bankruptcy or voluntary petition seeking reorganization or to effect a plan or an arrangement with or for the benefit of Developer's creditors;

20.1.6 Developer shall apply for or consent to the appointment of a receiver, trustee or conservator for any portion of the Developer's property or such appointment shall be made without Developer's consent and shall not be removed within ninety (90) days;

20.1.7 Prior to completing the Building and Improvements, Developer abandons or vacates any portion of the Project for a period of more than thirty (30) consecutive days;

20.1.8 Failure of Developer to perform any other material covenants, agreements, undertakings or terms of this Agreement which are not cured within thirty (30) days of notice from the City and the CRA to the Developer unless such performance requires more than thirty (30) days to cure. In such case, the CITY and the CRA may grant the Developer additional time, but not more than ninety (90) days to cure so long as Developer is diligently attempting to cure; and

20.1.9 If the Developer fails to perform any of the following after reasonable notice and opportunity to cure: construction activities related to the Building and Improvements required to be undertaken by the Developer ("Construction Activities"): (i) failure to give the Construction Notice as set forth in this Agreement; or (ii) failure to complete the Construction Conditions Precedent to Commencement within the time set forth in this Agreement; or (iii) failure to undertake the Commencement of Construction in accordance with this Agreement; or (iv) after Commencement of Construction has begun, failure to timely and continuously pursue construction of the Building and Improvements, except for Permitted Delays; then the CITY and the CRA shall have the right to give Developer written notice of such failure.

20.1.10 A breach or default by Developer of this Agreement shall constitute an Event of Default by the Developer of the Lease between the CITY and the Developer or any affiliate. The Developer agrees to execute and deliver further documents and instruments as may be required by CITY to effectuate the cross-default contemplated in this provision.

Notwithstanding anything to the contrary in this Agreement, and following the effective date of the Lease, the Parties agree that the CITY will take no action to effect a termination of the Lease by reason of any Event of Default or any other breach unless such termination is permitted by the terms and conditions of the Lease, including but not limited to Article XIX and Section 25.5, and then, without giving the Developer's limited partners reasonable time, not to exceed thirty (30) days, to replace Developer's general partner and cause the new general partner to cure the Event of Default or other breach or default; provided, however, that as a condition of such forbearance, CITY and CRA must receive notice from the Developer's limited partner of the substitution of a new general partner of Developer within thirty (30) days following CITY's notice to Developer and its limited partners of the Event of Default or other breach or default, and Developer, following such substitution or admission of the general partner, shall thereupon proceed with due diligence to cure such Event of Default or other breach or default as soon as reasonably possible consistent with the terms and conditions of the Lease.

20.2 Default by CITY and the CRA. The following shall constitute an Event of Default under the Agreement:

20.2.1 Failure of the CITY or the CRA to comply with the material terms, conditions or covenants of this Agreement that the CITY or the CRA is required to observe or perform;

20.3 Remedies in the Event of Default.

20.3.1 General. If the Developer fails to cure an Event of Default within the time provided for such cure, subject to the rights of the Project Lenders to effectuate such cures as may be set forth in separate agreements or as otherwise provided for in this Agreement, the CITY and the CRA shall have the right to terminate this Agreement and seek damages, institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to, proceedings to compel Developer's specific performance, and, subject to rights held by the Project Lenders, forfeiture of Developer's interest in the Building and Improvements, pursuant to this Agreement and any applicable related documents.

20.3.2 Informal Dispute Resolution Process. The parties desire to minimize the adverse effect and cost of disputes in recognition of the complexities involved in implementing this Development Agreement. As to disputes between the CITY and the CRA and the Developer, the parties agree that in the first instance, their respective Contract Administrators shall endeavor to resolve every dispute amicably and to also define the nature and extent of any disagreement to the extent possible. All parties shall be entitled to have representatives present at any such meeting or conference.

If the parties' Contract Administrators are unable to reach an agreement within five (5) business days after the Notice of Default expires, the parties are encouraged, but not required, to seek the services of a mediator to facilitate dispute resolution. If the parties agree to mediation, the parties shall share the cost of such mediation equally.

However, in no instance is a party prevented from pursuing any available legal remedies through litigation.

20.4 Termination Prior to Lease.

20.4.1 If the CITY does not tender the lease of the City Property or possession thereof, in the manner and by the date provided in this Agreement, and such failure is not cured within ninety (90) days after the Developer provides a written demand to the CITY's Contract Administrator, Developer may terminate this Agreement or seek specific performance against the CITY.

20.4.2 If the Developer fails to timely provide the CITY and the CRA with evidence satisfactory to the CITY and the CRA that Developer has Financing Commitments and sufficient equity capital for construction within the time and in the manner set forth above, then this Agreement shall automatically terminate without further notice and without further extension of time to cure, and become null and void and of no further force and effect, in which event the parties shall be relieved of all further obligations and liabilities one to the other.

20.5 Termination by the CITY and the CRA. Except as may be specifically provided in this Agreement, upon the occurrence of the following condition, this Agreement and any rights of Developer with respect to the CITY and the CRA or the Project Site, shall be terminated at the CITY's and the CRA's option, in which case neither Developer nor the CITY and the CRA shall have any further rights against or liability to the other under this Agreement:

20.5.1 Developer or any successor assigns or attempts to assign this Agreement or any rights contained in this Agreement, or in the Project Site, or there is any change in the ownership or control of the Developer, other than (1) a replacement of the general partner in accordance with Section 19(C) of the Lease with notice to the City given as provided in said Section 19(C) of the Lease, and (2) transfers of limited partner interest in the Developer.

20.6 Reinvesting Title in the CITY upon Default Subsequent to Lease to Developer. If the CITY exercises its rights to terminate the leasehold relationship with the Developer or its successor in interest following a default by the Developer prior to the expiration of the Lease, all rights in the City Property shall reinvest in the CITY.

20.7 It is the intent of this provision, together with other provisions of this Agreement, that in the event of any material default, failure, violation, or other action or inaction by Developer as set forth in this Agreement which Developer fails to timely remedy, all rights in the City Property shall revert to the CITY and the Developer shall convey its leasehold interest and surrender the Project Site peacefully and quietly to the CITY, including the complete or incomplete Building and Improvements and any related equipment located on the Project Site. Developer further agrees to execute and deliver to CITY such instrument or instruments as shall be required by CITY as will properly evidence termination of Developer's rights under this Agreement or its interest in the Project Site.

Accordingly, in the event the CITY elects to exercise the rights described in this Article, the CITY shall have the right to repossess the City Property, the complete or incomplete Building and Improvements and any equipment located thereon. Developer acknowledges and agrees that Developer's interest and any and all rights therein shall terminate and the City Property and the

complete or incomplete Building and Improvements shall be the property of the CITY free and clear of any and all claims, rights, liens or encumbrances by, through or under the Developer, and that such title and all rights and interests of the Developer, and any assigns or successors in interest to and in the City Property shall revert to the CITY provided that under such condition subsequent, the CITY's reversionary interest and any reinvesting of title in the CITY shall always be subject and subordinate to and limited by, and shall not defeat, render invalid or limit in any way the lien of any mortgage, holders of mortgages, Letter of Credit, or Letter of Credit Providers authorized by this Agreement for development and completion of the Project.

20.8 Permitted Delay in Performance for Causes beyond Control of Party.

Neither the CITY nor the CRA nor Developer (or any successor in interest) shall be considered in breach of its obligations with respect to commencing and completing construction of the Building and Improvements in the event of Permitted Delays due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, strikes; walkouts; acts of God; failure or inability to secure materials or labor by reason of priority or similar regulation or enemy action; civil disturbance; fire or other casualty; and global health pandemic.

In the event of the occurrence of any such Permitted Delay, the intent and purpose of this provision is that the time(s) for performance of Developer's obligations with respect to construction and completion of the Building and Improvements shall be extended for the period of the Permitted Delay as determined by the CITY and the CRA, provided that the party seeking the benefit of these provisions shall, within five (5) business days of the beginning of any such delay, notify the other party in writing of the cause or causes and request an extension for the period of the delay.

20.9 Rights and Remedies Cumulative. The rights and remedies of the parties to this Agreement, whether provided by law or by the Agreement, shall be cumulative, and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party.

20.10 Party in Position of Surety with Respect to Obligations. The Developer, for itself and its successors and assigns, and for all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation or burden under this Agreement, hereby waives, to the fullest extent permitted by law and equity, any and all claims or defenses otherwise available on the ground of its (or their) being or having become a person in the position of a surety, whether real, personal, or otherwise or whether by agreement or operation of law, including, without limitation, any and all claims and defenses based upon extension of time, indulgence, or modification of terms of contract.

**ARTICLE 21
NOTICES AND DEMANDS**

21.1 A notice, demand, or other communication under the Agreement by either party to the other shall be given or delivered sufficiently if it is in writing and delivered personally, sent via facsimile or dispatched by registered or certified mail, postage prepaid to the representatives named below or, with respect to either party, is addressed or delivered personally at such other address as that party, from time to time may designate in writing and forward to the other party.

If to the CITY: City Manager
100 W. Atlantic Boulevard, 4th Floor
Pompano Beach, Florida 33060
954-786-4601 Phone
Greg.harrison@copbfl.com

If to the CRA: CRA Director
501 Dr. MLK Blvd, Suite 1
Pompano Beach, Florida 33060
954-545-7769 Phone
Nguyen.Tran@copbfl.com

If to Developer: Sonata Apartments, Ltd.
2100 Hollywood Boulevard
Hollywood, FL 33020
305-443-8288
Lenny.wolfe@cornerstonegrp.com

With copy to: TCC Sonata Apartments LLC
c/o Truist Community Capital, LLC
303 Peachtree Street, N.E., Suite 2200
Mail Code GA-ATL-0243
Atlanta, GA 30308
Attn: Asset Management – Sonata Apartments

21.2 Such Notices shall be deemed served or given on (i) the date received, if received by 5:00 p.m. on a Business day; otherwise, on the next Business Day, (ii) the date delivery of such Notice was refused or unclaimed, or (iii) the date noted on the return receipt or delivery receipt as the date delivery was determined impossible to accomplish because of an unnoticed change of address.

**ARTICLE 22
DEVELOPER’S INDEMNIFICATION OF CRA AND THE CITY**

22.1 The Developer shall protect, defend, indemnify and hold harmless the CITY and the CRA, their officers, employees and agents from and against any and all lawsuits, penalties, damages,

settlements, judgments, decrees, costs, charges, and other expenses including attorney's fees or liabilities of every kind in connection with or arising directly out of the Building and Improvements, operation, or possession of the Project Site by Developer except for any occurrence arising out of or resulting from gross negligence or intentional torts of the CITY or the CRA, their officers, agents and employees.

22.2 The Developer will indemnify and save the CITY and the CRA and the CITY's or the CRA's agents harmless from all claims growing out of the lawful demands of subcontractors, laborers, workmen, mechanics, materialmen and furnishers of machinery and parts thereof, equipment, tools, and all supplies, incurred in the furtherance of the performance of the Work.

22.3 Without limiting the foregoing, any and all such claims, suits, and causes of action, relating to: personal injury; death; damage to property; defects in construction; rehabilitation or restoration of the Building and Improvements; actual or alleged infringement of any patent, trademark, copyright, or other tangible or intangible personal or real property right; any actual or alleged violation of any applicable statute, ordinance, administrative order, rule, regulation or decree of any court, are included in the indemnity.

22.4 The Developer further agrees to investigate, handle, respond to, provide defense for, and defend any such claims at Developer's sole expense and agrees to bear all other costs and expenses related thereto, even if the claim(s) is/are groundless, false or fraudulent. The foregoing indemnification shall not be operative as to any claims by Developer for any causes of action the Developer has or may have for breaches or defaults by the CITY and the CRA under this Agreement.

ARTICLE 23 NON-ASSIGNABILITY AND SUBCONTRACTING

23.1 This Agreement is not assignable and Developer agrees it shall not sell, assign, transfer, merge or otherwise convey any of its interests, rights or obligations under this Agreement, in whole or in part, to any other person, corporation or entity.

23.2 In addition, this Agreement and the rights and obligations contained in this Agreement shall not be assignable or transferable by any process or proceeding in court, or by judgment, execution, proceedings in insolvency, bankruptcy or receivership, and in the event of Developer's insolvency or bankruptcy, the CITY and the CRA may at their option terminate and cancel this Agreement as provided for in Article 20.

23.3 Nothing in this Agreement shall be construed to create any personal liability on the part of the CITY and the CRA or their agent(s) nor shall it be construed as granting any rights or benefits under this Agreement to anyone other than the CITY, the CRA and Developer.

ARTICLE 24
ACCOUNTING AND RECORD KEEPING PROCEDURES

24.1 The CITY and the CRA shall have the right, upon reasonable advance notice, to inspect the Project and the Project Site, as well as the right to audit the books, records and accounts of Developer that are related to the Project. Developer shall keep such books, records and accounts as may be necessary in order to record complete and correct entries related to the Project.

24.2 Developer shall be required to record, preserve and make available, at reasonable times for examination by the CITY and the CRA, complete and accurate records for all activities and revenues generated under this Agreement, including all financial records, supporting documentation, statistical records, federal/state tax returns; and any other documents attendant to Developer's provision of goods and services under this Agreement for the required retention period of the Florida Public Records Act, Chapter 119, Florida Statutes, if applicable, or if the Florida Public Records Act is not applicable, for a minimum period of five years after termination of this Agreement.

24.3 However, if an audit has been initiated and audit findings have not been resolved, the records shall be retained until resolution of the audit findings. Any incomplete or incorrect entry (not promptly corrected) in such books, records and accounts shall be a basis for the CITY's and the CRA's disallowance and recovery of any such payment.

24.4 Public Records. The CITY and the CRA are public agencies subject to Chapter 119, Florida Statutes. The Developer shall comply with Florida's Public Records Laws, as amended. Specifically, the Developer shall:

24.4.1 Keep and maintain public records required by the CITY and the CRA in order to complete the Project.

24.4.2 Upon request from the CITY's and the CRA's custodian of public records, provide the CITY and the CRA with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.

24.4.3 Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the term of this Agreement and for such period that survives the expiration of this Agreement, if such records have not been transferred to the CITY and the CRA.

24.4.4 Upon completion of the Project, transfer, at no cost to the CITY, all public records in possession of the Developer, or keep and maintain public records required by the CITY and the CRA to complete the Project. If the Developer transfers all public records to the CITY upon completion of the Project, the Developer shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Developer keeps and maintains public records upon completion of the Project, the Developer shall meet all applicable requirements for retaining public records. All records stored electronically must be

provided to the CITY and the CRA, upon request from the CITY's custodian of public records in a format that is compatible with the information technology systems of the CITY.

24.4.5 Failure of the Developer to provide all public records to the CITY within a reasonable time may subject Developer to penalties under Section 119.10, Florida Statutes, as amended.

PUBLIC RECORDS CUSTODIAN

IF THE DEVELOPER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE DEVELOPER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

CITY CLERK
100 W. Atlantic Blvd., Room 253
Pompano Beach, Florida 33060
954-786-4611
asceleta.hammond@copbfl.com

ARTICLE 25 NONDISCRIMINATION, EQUAL EMPLOYMENT OPPORTUNITY AND ADA

25.1 There shall be no discrimination in the use and marketing of the Project Site or any Building or Improvements and Developer, while acting pursuant to this Agreement, shall not discriminate against any worker, employee, patron or member of the public on the basis of race, creed, religion, age, sex, familial status, disability or country of national origin.

25.2 Developer shall not unlawfully discriminate against any person in its activities attendant to the Project and shall affirmatively comply with all applicable provisions of the Americans with Disabilities Act (ADA), including Titles I and II regarding nondiscrimination on the basis of disability and all applicable regulations, guidelines, and standards. Developer shall also comply with Title I of the ADA regarding nondiscrimination on the basis of disability in employment and further shall not discriminate against any employee or applicant for employment because of race, age, religion, color, gender, sexual orientation, national origin, marital status, political affiliation, or physical or mental disability.

25.3 Developer's decisions regarding the delivery of services under this Agreement shall be made without regard to or consideration of race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation, or any other factor which cannot be lawfully or appropriately used as a basis for service delivery.

25.4 Developer shall take affirmative action to ensure that the qualified renters/lessees are treated without regard to race, age, religion, color, gender, sexual orientation, national origin, marital status, political affiliation or physical or mental disability during employment. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay, other forms of compensation, terms and conditions of employment, training (including apprenticeship), and accessibility.

**ARTICLE 26
PUBLIC ENTITY CRIMES ACT**

By execution of this Agreement and in accordance with Section 287.133, Florida Statutes, Developer certifies that it is not listed on the convicted vendors list maintained by the State of Florida, Department of General Services.

**ARTICLE 27
NO CONTINGENT FEE**

27.1 Developer warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Developer to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for Developer any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the making of this Agreement.

27.2 In the event of Developer's breach or violation of this provision, the CITY and the CRA shall have the right to terminate this Agreement without liability and, at the CITY's and the CRA's sole discretion, to recover the full amount of such fee, commission, percentage, gift or consideration.

**ARTICLE 28
WAIVER AND MODIFICATION**

28.1 Failure to insist upon strict compliance with any terms, covenants or conditions of this Agreement shall not be deemed a waiver of such, nor shall any waiver or relinquishment of such right or power at any time be taken to be a waiver of any other breach.

28.2 Any party may request changes to modify certain provisions of this Agreement; however, unless otherwise provided for in this Agreement, any such changes must be contained in a written amendment executed by both parties with the same formality as this Agreement. It is further agreed the omission of a term or provision contained in an earlier draft of this Agreement shall have no evidentiary significance regarding the contractual intent of the parties and that no modification, amendment or alteration in the terms or conditions contained in this Agreement shall be effective unless contained in a written document agreed to and executed by authorized representatives of both parties with the same formality as this Agreement.

28.3 All parties acknowledge that Project Lenders may require certain modifications to this Agreement and agree to use their best efforts to effectuate such modifications. Approvals of such modifications shall not be unreasonably withheld or conditioned. If commercially reasonable or customary modifications required by such parties are not effectuated such that funding pursuant to the Financing Commitments is not available from any lender or other financing sources, then Developer may terminate this Agreement upon written notice to the CITY and the CRA and the parties shall be relieved of any further liability under this Agreement, except as otherwise provided.

**ARTICLE 29
ABSENCE OF CONFLICTS OF INTEREST**

29.1 Developer represents it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with its performance under this Agreement. Developer further represents that no person having any conflicting interest shall be employed or engaged by it for said performance.

29.2 Developer shall promptly notify the CITY and the CRA in writing by certified mail of all potential conflicts of interest for any prospective business association, interest or other circumstance that may influence or appear to influence Developer's judgment or quality of services being provided under this Agreement. Such notification shall identify the prospective business interest or circumstance and the nature of work that Developer intends to undertake and shall request the CITY's and the CRA's opinion as to whether such association, interest or circumstance would, in the opinion of the CITY and the CRA, constitute a conflict of interest if entered into by Developer.

**ARTICLE 30
NO WAIVER OF SOVEREIGN IMMUNITY**

Nothing contained in this Agreement is intended to serve as a waiver of sovereign immunity as provided by Section 768.28, Florida Statutes, by the CITY or the CRA.

**ARTICLE 31
SEVERABILITY**

The invalidity of any provision hereof shall in no way affect or invalidate the remainder of this Agreement.

**ARTICLE 32
JURISDICTION, VENUE AND WAIVER OF JURY TRIAL**

32.1 This Agreement must be interpreted and construed in accordance with and governed by the laws of the State of Florida. The exclusive venue for any lawsuit arising from, related to, or in connection with this Agreement will be in the state courts of the Seventeenth Judicial Circuit in and for Broward County, Florida. If any claim arising from, related to, or in connection with this Agreement must be litigated in federal court, the exclusive venue for any such lawsuit will be in

the United States District Court or United States Bankruptcy Court for the Southern District of Florida.

32.2 BY ENTERING INTO THIS AGREEMENT, EACH PARTY EXPRESSLY WAIVES ANY RIGHTS EITHER PARTY MAY HAVE TO A TRIAL BY JURY OF ANY CIVIL LITIGATION RELATED TO THIS AGREEMENT. IF A PARTY FAILS TO WITHDRAW A REQUEST FOR A JURY TRIAL IN A LAWSUIT ARISING OUT OF THIS AGREEMENT AFTER WRITTEN NOTICE BY THE OTHER PARTY OF VIOLATION OF THIS SECTION, THE PARTY MAKING THE REQUEST FOR JURY TRIAL SHALL BE LIABLE FOR THE REASONABLE ATTORNEYS' FEES AND COSTS OF THE OTHER PARTY IN CONTESTING THE REQUEST FOR JURY TRIAL, AND SUCH AMOUNTS SHALL BE AWARDED BY THE COURT IN ADJUDICATING THE MOTION.

ARTICLE 33 BINDING EFFECT

Upon execution of this Agreement, a copy of this Agreement shall be recorded in the Public Records of Broward County, Florida by the Developer. This Agreement shall be binding upon and enforceable by and against the parties to this Agreement, their successors and assigns.

ARTICLE 34 ATTORNEY'S FEES

In the event of any litigation involving the terms and conditions of this Agreement or otherwise relating to the transaction encompassed by this agreement, it is understood and agreed that the prevailing party in such litigation shall be entitled to recover from the non-prevailing party reasonable attorney and paraprofessional fees, as well as all out-of-pocket costs and expenses incurred by the prevailing party in such litigation through all appellate levels. A court may award fees that exceed the contracted hourly rate amount if the nonprevailing party is ordered to pay attorney's fees and the judge finds that the amount of such ordered fees is reasonable.

ARTICLE 35 NO THIRD PARTY BENEFICIARIES

Developer, the CITY and the CRA acknowledge and agree that this Agreement, and other contracts and agreements pertaining to the Project, will not create any obligation on the part of Developer, the CITY or the CRA to third parties. No person not a party to this Agreement will be a third-party beneficiary or acquire any rights under this Agreement.

ARTICLE 36 APPROVALS

36.1 Whenever CITY or CRA approval is required for any action under this Agreement, either by the City Commission, CRA Board or the Contract Administrators, said approvals shall not be unreasonably withheld, conditioned or delayed.

36.2 Provided the CITY and the CRA do not incur any cost or liability for doing so, the CITY and the CRA shall cooperate with Developer and timely execute any documents necessary to secure Site Plan approval, connection to all utilities, and all required development permits.

ARTICLE 37 FORCE MAJEURE

37.1 Neither party shall be obligated to perform any duty, requirement or obligation under this Agreement if such performance is prevented by fire, tropical storm, hurricane, earthquake, explosion, war, civil disorder, sabotage, accident, flood, acts of God, pandemic, or by any reason of any other matter or condition beyond the control of either party which cannot be overcome by reasonable diligence and without unusual expense (“Force Majeure”). In no event shall economic hardship or lack of funds be considered an event of Force Majeure.

37.2 If either party is unable to perform or delayed in their performance of any obligations under this Agreement by reason of any event of force majeure, such inability or delay shall be excused at any time during which compliance is prevented by such event and during such period thereafter as may be reasonably necessary for either party to correct the adverse effect of such event of force majeure.

37.3 In order to be entitled to the benefit of this provision, within twenty (20) days after the beginning of any such delay, a party claiming an event of force majeure shall have given the other party written notice of the cause(s) of the event, requested an extension for the period and also diligently proceeded to correct the adverse effect of any force majeure. The parties agree that, as to this Article, time is of the essence.

ARTICLE 38 INDEPENDENT CONTRACTOR

Developer is an independent contractor under this Agreement and services provided by Developer pursuant to this Agreement shall be subject to the supervision of the CITY and the CRA. In performance of its obligations under this Agreement, neither Developer nor its agents shall act as officers, employees or agent of the CITY and the CRA. This Agreement shall not constitute or make the parties a partnership or joint venture.

ARTICLE 39 OWNERSHIP OF DOCUMENTS

Intentionally deleted.

ARTICLE 40 ENTIRE AGREEMENT AND INTERPRETATION

40.1 This Agreement incorporates and includes all prior negotiations, correspondence, conversations, agreements, or understandings applicable to the matters contained in this Agreement and both parties agree there are no commitments, agreements or understandings

concerning the subject matter that are not contained in this Agreement. Accordingly, all parties agree no deviation from the terms of this Agreement shall be predicated upon any prior representations or agreements, whether oral or written.

40.2 This Agreement shall be interpreted as if drafted by all parties equally and each party has had the opportunity to be represented by counsel of their choice. Regardless of which party or party's counsel prepared the original draft and subsequent revisions of this Agreement, CITY, CRA and Developer and their respective counsel have had equal opportunity to contribute to and have contributed to its contents, and this Agreement shall not be deemed to be the product of, and therefore construed against either party.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF POMPANO BEACH

By: _____
REX HARDIN, MAYOR

By: _____
GREGORY P. HARRISON, CITY MANAGER

Attest:

ASCELETA HAMMOND, CITY CLERK

(SEAL)

APPROVED AS TO FORM:

MARK E. BERMAN, CITY ATTORNEY

Signed, Sealed and Witnessed
In the Presence of:

**POMPANO BEACH COMMUNITY
REDEVELOPMENT AGENCY**

Print Name: _____

By: _____
Rex Hardin, Chairman

Print Name: _____

ATTEST:

Marsha Carmichael, Secretary

APPROVED AS TO FORM:

Claudia McKenna, CRA Attorney

EXECUTIVE DIRECTOR:

Print Name: _____

By: _____
Gregory P. Harrison, Executive Director

Print Name: _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this _____ day of _____, 2021 by Rex Hardin as Chairman, Gregory P. Harrison as Executive Director, and Marsha Carmichael as Secretary of the Pompano Beach Community Redevelopment Agency, who are personally known to me.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA


(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

"DEVELOPER":


Signed, Sealed and Witnessed
In the Presence of:

SONATA APARTMENTS, LTD.
a Florida limited partnership
By: Cornerstone Sonata, LLC, General Partner




Print Name: John Tonnasen

By: Mara Mades
Mara S. Mades, Manager




Print Name: Sonia C. Rodriguez

ATTEST:
By: 

STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this 18 day of May, 2021, by Leon J. Wolfe, as Manager of Cornerstone Sonata, LLC, General Partner of SONATA APARTMENTS, LTD, a Florida limited partnership, on behalf of the limited partnership, who is personally known to me, or who has produced _____, as identification.

NOTARY'S SEAL:



NOTARY PUBLIC, STATE OF FLORIDA
(Signature of Notary Taking Acknowledgement)
Jacqueline Silva

(Name of Acknowledger Typed, Printed or Stamped)
GG 202744

Commission Number

JES:jrm
2/17/21
L:agr/realpropertymgr/2021-326

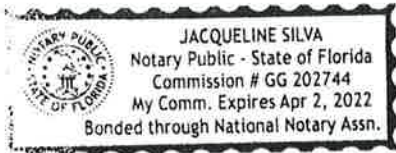


Exhibit 1 – City Property Legal Description & Sketch

LEGAL DESCRIPTION:

A PORTION OF PARCELS 105, 108 & 109, FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP SECTION 86170-2508, ACCORDING TO THE MAP THEREOF AS RECORDED IN RIGHT OF WAY MAP BOOK 13, PAGE 39, OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID PARCEL 109; THENCE SOUTH 87°56'39" WEST ALONG THE NORTH LINE OF SAID PARCEL 109, 65.83 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 39°03'01" EAST; 47.92 FEET TO A POINT ON LINE LYING 80.00 FEET WEST OF AND PARALLEL WITH THE EAST RIGHT OF WAY LINE FOR DIXIE HIGHWAY AS SHOWN ON SAID RIGHT OF WAY MAP; THENCE SOUTH 13°57'20" WEST, ALONG SAID PARALLEL LINE, 436.49 FEET TO A POINT ON THE SOUTH LINE OF SAID PARCEL 105, ALSO BEING THE NORTH LINE OF PARCEL "A", J.W. PLAT, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 112, PAGE 22 OF THE PUBLIC RECORD OF BROWARD COUNTY, FLORIDA; THENCE SOUTH 87°56'39" WEST, ALONG SAID SOUTH LINE 126.77 FEET TO A POINT ON THE EAST LINE OF SUMTER'S ADDITION TO POMPANO FIRST ADDITION, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 10, PAGE 67 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA; THENCE NORTH 13°57'20" EAST, ALONG SAID EAST LINE, 476.31 FEET TO NORTHWEST CORNER OF SAID PARCEL 109; THENCE NORTH 87°56'39" EAST, ALONG THE NORTH LINE OF SAID PARCEL 109, 86.95 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING IN THE CITY OF POMPANO BEACH, BROWARD COUNTY, FLORIDA AND CONTAINING 57,276 SQUARE FEET (1.31 ACRES) MORE OR LESS.

SURVEY NOTES:

1. THE LEGAL DESCRIPTION SHOWN HEREON WAS PREPARED BY THE SURVEYOR, BASED ON FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT OF WAY MAP SECTION 86170-2508, AS RECORDED IN RIGHT OF WAY MAP BOOK 13, ON PAGE 39, OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA.
2. KEITH AND ASSOCIATES, INC. CERTIFICATE OF AUTHORIZATION NUMBER IS L.B.#6860.
3. THIS SKETCH IS NOT VALID WITHOUT THE SIGNATURE AND ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
4. IT IS A VIOLATION OF RULE 5J-17 OF THE FLORIDA ADMINISTRATIVE CODE TO ALTER THIS SKETCH AND DESCRIPTION WITHOUT THE EXPRESS PRIOR WRITTEN CONSENT OF THE SURVEYOR. ADDITIONS AND DELETIONS MADE TO THE FACE OF THIS SKETCH AND DESCRIPTION WILL MAKE THIS DOCUMENT INVALID.
5. THIS SKETCH AND DESCRIPTION DOES NOT CONSTITUTE A BOUNDARY SURVEY.
6. BEARINGS SHOWN HEREON ARE BASED ON AN ASSUMED BEARING OF SOUTH 13°57'20" WEST ALONG THE EAST LINE OF PARCEL 109, F.D.O.T. RIGHT OF WAY MAP SECTION 86170-2508, AS RECORDED IN RIGHT OF WAY MAP BOOK 13, ON PAGE 39, OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA.
7. LANDS SHOWN HEREON WERE NOT ABSTRACTED FOR RIGHTS OF WAY, EASEMENTS, OWNERSHIP, OR OTHER INSTRUMENTS OF RECORD.
8. THE INTENDED DISPLAY SCALE FOR THIS SKETCH IS 1"= 60' OR SMALLER.

CERTIFICATION:

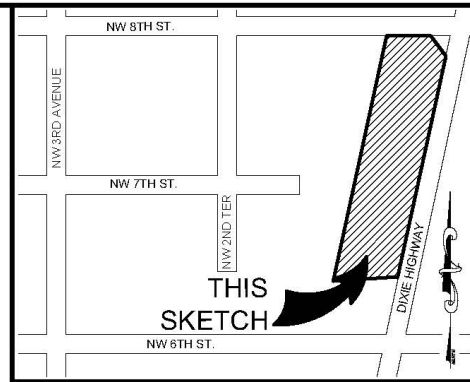
I HEREBY CERTIFY THAT THE ATTACHED SKETCH & DESCRIPTION OF THE HEREON DESCRIBED PROPERTY IS DEPICTED TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THE INFORMATION AS WRITTEN UNDER MY DIRECTION ON JUNE 25, 2020 MEETS THE STANDARD OF PRACTICE (FORMERLY RULE 5J-17 OF THE FLORIDA ADMINISTRATIVE CODE), PURSUANT TO SECTION 472.027, FLORIDA STATUTES, SUBJECT TO THE QUALIFICATIONS NOTED HEREON.

KEITH & ASSOCIATES, INC.
CONSULTING ENGINEERS



Timothy H Gray
2020.07.06
09:55:27-04'00'

TIMOTHY H. GRAY
PROFESSIONAL SURVEYOR AND MAPPER
REGISTRATION No. 6604
STATE OF FLORIDA



LOCATION MAP:
NOT TO SCALE

SKETCH & DESCRIPTION

A PORTION OF PARCELS 105, 108, & 109, PER THE F.D.O.T. RIGHT OF WAY MAP SECTION 86170-2508 R.M.B. 13, P.G. 39, B.C.R.

CITY OF POMPANO BEACH BROWARD COUNTY



301 EAST ATLANTIC BOULEVARD
POMPANO BEACH, FLORIDA 33060-6643
(954) 788-3400 FAX (954) 788-3500
EMAIL: mail@KEITHteam.com LB NO. 6860

SHEET 1 OF 2

DRAWING NO. 10020.76-SKETCH & DESCRIPTION.dwg

DATE 06/25/20

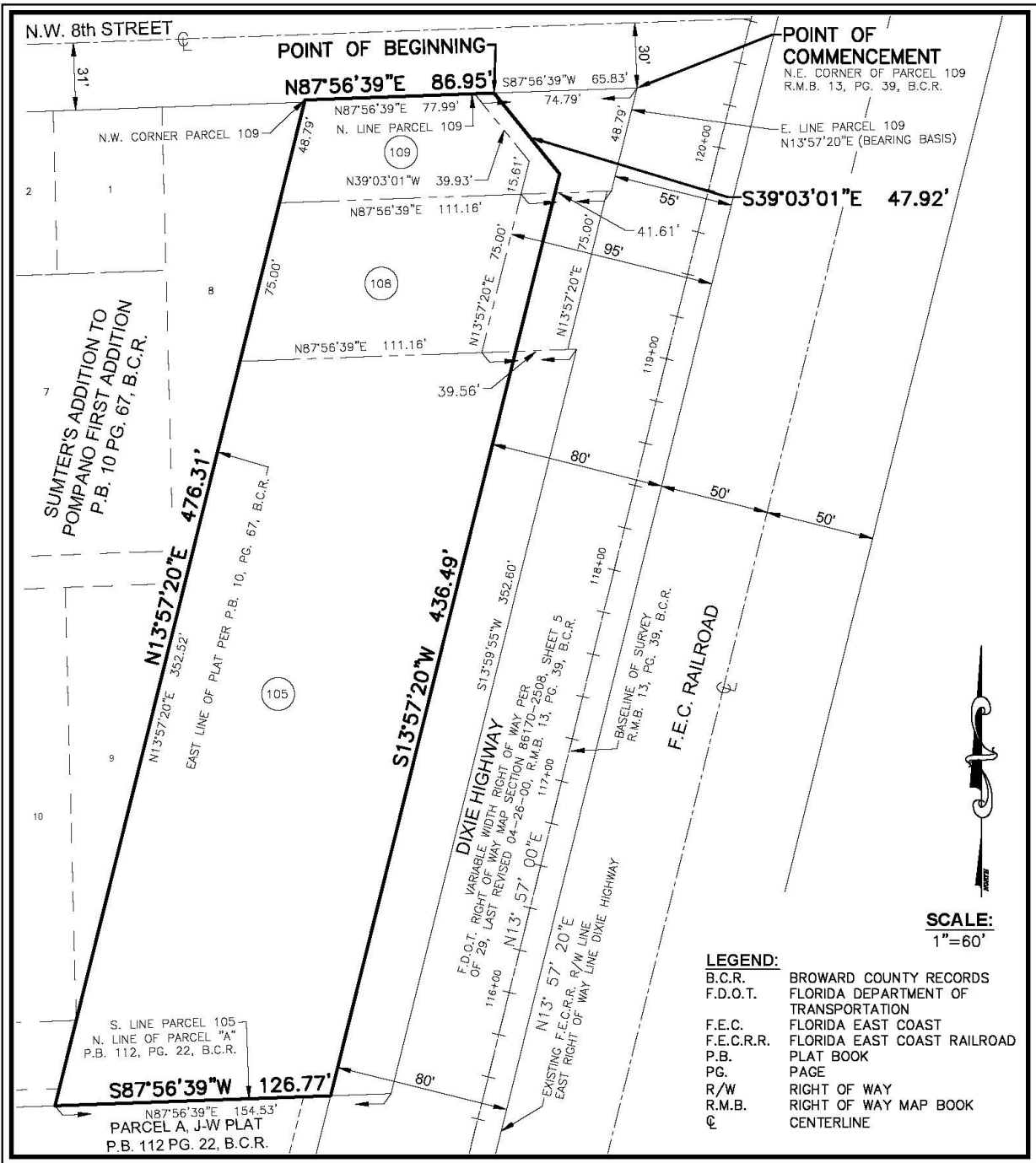
SCALE 1"=60'

FIELD BK. N/A

DWNG. BY DDB

CHK. BY THG

DATE	REVISIONS



SKETCH & DESCRIPTION

A PORTION OF PARCELS 105, 108, & 109, PER THE F.D.O.T. RIGHT OF WAY MAP SECTION 86170-2508 R.M.B. 13, PG. 39, B.C.R.

CITY OF POMPANO BEACH BROWARD COUNTY

KEITH

301 EAST ATLANTIC BOULEVARD
POMPANO BEACH, FLORIDA 33060-6643
(954) 788-3400 FAX (954) 788-3500
EMAIL: mail@KEITHteam.com LB NO. 6860

SHEET 2 OF 2

DRAWING NO. 10020.76-SKETCH & DESCRIPTION.dwg

DATE 06/25/20

SCALE 1"=60'

FIELD BK. N/A

DWG. BY DDB

CHK. BY THG

DATE	REVISIONS

Exhibit 2 – Developer’s Conceptual Site Plan

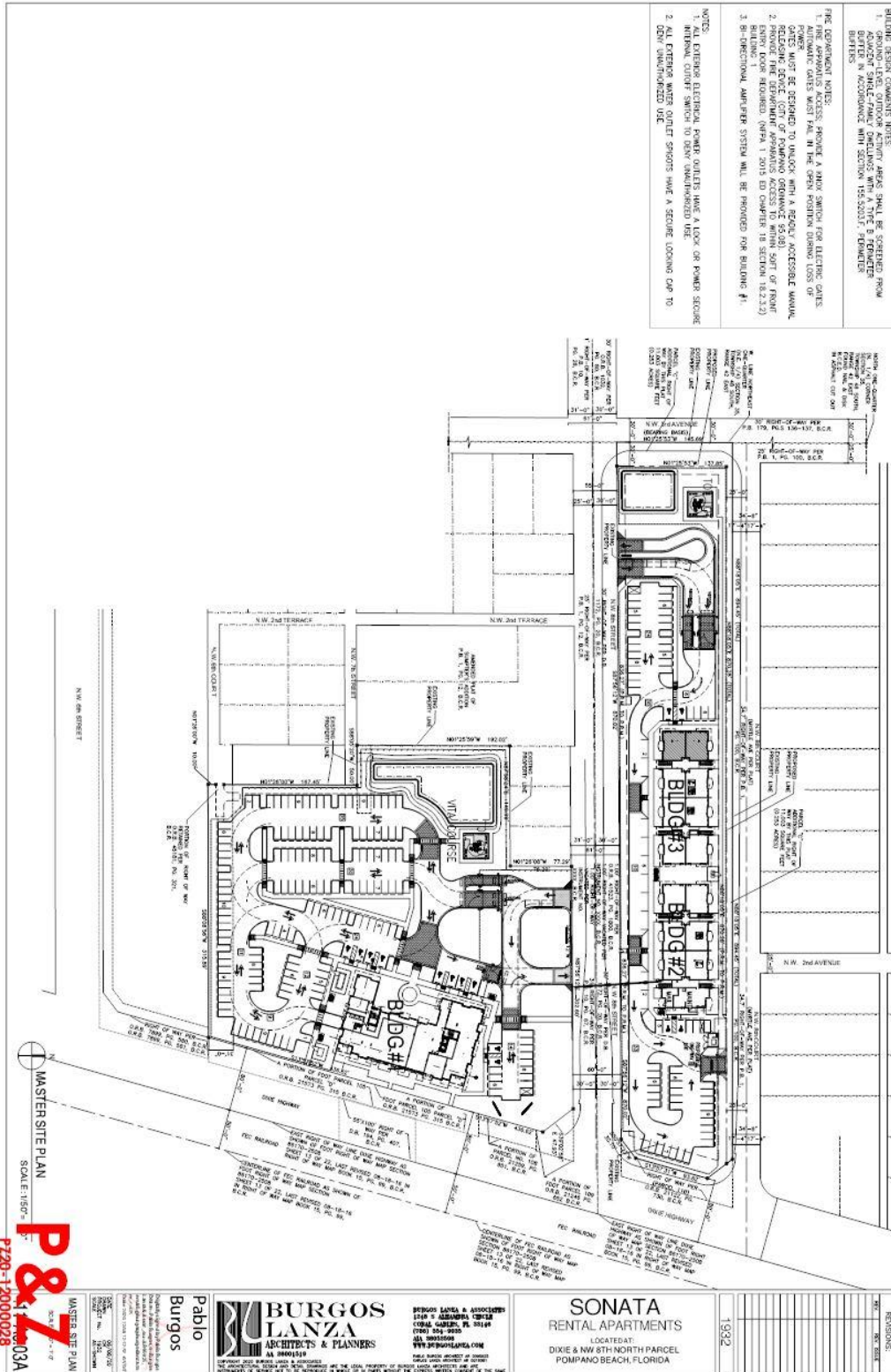


Exhibit 3 – Developer Conditional Term Sheet

Sonata

Date: July 2020

CONDITIONAL TERM SHEET BETWEEN THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY ("CRA") AND CORNERSTONE SONATA, LLC ("DEVELOPER") IN ANTICIPATION OF A DEVELOPMENT AGREEMENT REGARDING SONATA APARTMENTS, A MIXED-USE HOUSING DEVELOPMENT (THE "PROJECT")

Upon execution of this Conditional Term Sheet ("Term Sheet"), the parties will, after all conditions have been met by Developer, enter into good-faith negotiations to resolve any remaining questions and produce the necessary binding agreements, including a development agreement, consistent with the terms described below. The CRA and DEVELOPER recognize that any binding agreements will be subject to approval by the CRA. Additional issues not addressed in this Term Sheet may be identified and included in the binding agreements.

This Term Sheet does not bind the parties to specific actions, decisions, or approvals, but rather is a commitment to negotiate in good faith a development agreement consistent with the terms described below. The parties will strive to complete the binding agreements expeditiously as possible. If the parties are not able to complete binding agreements consistent with this Term Sheet after negotiating in good faith, neither party shall be further bound by this Term Sheet.

1. Location: The redevelopment site is generally located at the southwest corner of Dixie Highway and NW 8th Street (the "Subject Site").

2. Ownership: All parcels are either under contract with the Developer or owned by the City of Pompano Beach ("City") to be leased to the Developer and contains the following Broward County Property Folio numbers: 484235110070, 484235001210, 484235001220, 484235001230, 484235001240, 484235001251 and 484235001250.

3. Representations: None.

4. Conditions: Prior to any negotiations between the CRA and the Developer, the Developer shall have satisfied the following conditions:

4.1 Lease with City: The Developer shall obtain a fully executed lease with the City of Pompano Beach ("City") for the following properties: 484235001210, 484235001220, 484235001230, 484235001240, 484235001251 and 484235001250. Such lease shall provide that the existing dry retention area may be relocated by the CRA from its current location along Dixie Highway ("Dixie Highway Drainage") so that the Project can be located along Dixie Highway.

4.2 Site Plan Approval: The Developer shall have received site plan approval for the Project.

5. Deposit: No Deposits have been taken.

6. Dixie Highway Drainage: The CRA will pay, on a reimbursement basis, for the relocation of the dry retention area for Dixie Highway from the current location along Dixie Highway an amount not to exceed \$420,000. The agreed-to cost of moving the dry retention area will be paid by the Developer and reimbursed by the CRA, based upon verifiable receipts. Should the Project require retention capacity in excess of the capacity of the existing dry retention area, the cost of such additional capacity shall be the sole obligation of the Developer (“Project Drainage”).

7. Sources and Uses of Funds: Except otherwise specified herein, Developer shall be solely responsible for securing its financing and other funding sources required for designing, planning, construction and development of the mixed-use development. In addition to relocation of the Dixie Highway Drainage, CRA will lend Developer \$1.5 Million Dollars, payable in the amount of \$300,000 per year for 5 years beginning in FY 2022 for public infrastructure costs.

8. Pre-Development Expenses: The Developer shall be responsible for project pre-development expenses; provided, that, for the avoidance of doubt, the Developer shall have no obligation to reimburse the CRA for any pre-development expenses incurred by the CRA prior to the date of this Term Sheet.

9. Project Development Requirements: The CRA and Developer intend to work together in a collaborative and cooperative manner to develop the mixed-use housing development in a fiscally responsible manner. The Development will be named “Sonata Apartments” and will be designed as a 7-8 story building fronting along Dixie Highway. The ground floor will have +/- 3500 sq. ft. of retail space. The remainder of the ground floor will be used for amenities and offices serving the residential component. Residential units will be on floors 2-7 (or 8). Parking for the retail component will front Dixie Highway, and parking for the residential component may be located behind the building. Of the total units, 45 units will be leased at 70% AMI and 15 units will be market rate units. Upon obtaining a Certificate of Occupancy, the CRA will lease the retail component at \$10/sq. ft. for a period of 10 years. Developer will contribute \$150,000 towards Tenant Improvement (TI) costs.

The Developer shall be responsible for, and shall lead all phases of the planning, environmental review, design, development, and construction of, the mixed-use housing development and related infrastructure including drainage relocation. The CRA shall have the right to provide meaningful input with respect to the Project, which input the Developer shall reasonably consider in good faith. The parties intend that the entire project will be conducted as a cooperative, mutual endeavor in which the parties actively participate and work together with due diligence and in good faith. The parties will put in place and manage a design process for the Project whereby the CRA will have input and will participate in developing a design that achieves the best possible project within the agreed program description based on the proposed project budget. The CRA will be entitled to provide its input, and to the extent required by existing law will have approval rights, with respect

to the design at various stages of the design process, including Site Plan, design development, and construction document phases of the project. Developer proposes the following:

Total Levels (Story):	2-3 (Bldgs. 1&2) and 7-8 (Bldg. 1)
Total Parking Spaces:	72 (Bldgs. 1&2) and 125 (Bldg. 1)
Total Spaces on Street:	6
Total Units:	48 (Bldgs. 1&2) and 73 (Bldg. 1)
Unit Mix:	31 - 1 Bd (Unit A) @ 696 Sq. Ft. 59 - 2 Bd (Unit B) @ 1,024 Sq. Ft. 31 - 3 Bd (Unit C) @ 1,230 Sq. Ft.
Total Commercial/Retail Space:	3,500 Sq. Ft.

10. Schedule: The CRA and Developer shall work cooperatively and make all reasonable efforts to complete the mixed-use development as expeditiously as possible. Developer has submitted a schedule of milestones and estimates starting the following milestones according to the timeframes below:

Receive LIHTC Award:	Received
Submit Building Permits:	10/28/2020
Receive Building Permits:	4/2/2021
Obtain Funding/Closing:	4/2/2021
Construction Start:	4/2/2021
Construction Completion:	7/2022
Leasing Activities:	4/2022
Stabilized Operations:	12/2022

11. Local Participation: Developer will, to the greatest extent possible, perform community outreach to involve local community participation in the design and construction of this project. Outreach efforts may include but not limited to the marketing of and administering of job fairs, development of training and apprenticeship programs, setting hiring goals, etc.

ACCEPTED AND AGREED TO BY:

AS TO "DEVELOPER"
Cornerstone Sonata, LLC.

AS TO "CRA"

By: _____
Mara Madeo, Managing Member

By: _____
Gregory P. Harrison, Executive Director

Exhibit 4 – Project Schedule & Budget

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	3rd Quarter Jul, Aug, Sep	4th Quarter Oct, Nov, Dec	1st Quarter Jan, Feb, Mar	2nd Quarter Apr, May, Jun	3rd Quarter Jul, Aug, Sep	4th Quarter Oct, Nov, Dec	1st Q Jan
1	Task Mode	Land Development / Site Work	362 days	Mon 7/5/21	Tue 11/22/22								
2	Task Mode	Owner to Record Notice of Commencement	1 day	Mon 7/5/21	Mon 7/5/21								
3	Task Mode	Owner to Pay Impact Fees	2 days	Wed 7/7/21	Thu 7/8/21	2FS+1 day							
4	Task Mode	Owner to provide Building Permits to GC	2 days	Wed 7/14/21	Thu 7/15/21	3FS+3 days							
5	Task Mode	Mobilization of General Contractor	4 days	Fri 7/16/21	Mon 7/19/21	4							
6	Task Mode	Mobilization of Site Contractor	2 days	Fri 7/16/21	Mon 7/19/21	5SS							
7	Task Mode	Site Contractor to pull all Sub Civil Permits	3 days	Tue 7/20/21	Thu 7/22/21	6							
8	Task Mode	Receive all Civil permits	2 days	Fri 7/30/21	Mon 8/2/21	7FS+5 days							
9	Task Mode	Install SWPPP & Construction fence	7 days	Tue 8/3/21	Wed 8/11/21	8							
10	Task Mode	Clear & Grub entire site	9 days	Thu 8/12/21	Tue 8/24/21	9							
11	Task Mode	Balance site	6 days	Wed 8/25/21	Wed 9/1/21	10							
12	Task Mode	Building Pads w/ compaction	10 days	Mon 8/30/21	Fri 9/10/21	11FS-3 days							
13	Task Mode	Site Work	340 days	Wed 8/4/21	Tue 11/22/22								
14	Task Mode	Under Ground Utilities	80 days	Wed 8/4/21	Tue 11/23/21								
15	Task Mode	Road Work	136 days	Tue 5/17/22	Tue 11/22/22								
16	Task Mode	Building 1	291 days	Mon 9/13/21	Mon 10/24/22								
17	Task Mode	Underground MEP Work	15 days	Mon 9/13/21	Fri 10/1/21	12							
18	Task Mode	Structure	224 days	Mon 9/13/21	Thu 7/21/22								
19	Task Mode	Foundations	20 days	Mon 9/13/21	Fri 10/8/21								
20	Task Mode	Slab On Grade - After Top Out	25 days	Wed 5/11/22	Tue 6/14/22								
21	Task Mode	2nd Floor	101 days	Mon 10/25/21	Mon 3/14/22								
22	Task Mode	3rd Floor	94 days	Mon 11/29/21	Thu 4/7/22								
23	Task Mode	4th Floor	94 days	Mon 12/27/21	Thu 5/5/22								
24	Task Mode	5th Floor	99 days	Thu 1/20/22	Tue 6/7/22								
25	Task Mode	6th Floor	84 days	Tue 2/15/22	Fri 6/10/22								
26	Task Mode	7th Floor	77 days	Tue 3/1/22	Wed 6/15/22								
27	Task Mode	8th Floor	62 days	Fri 3/25/22	Mon 6/20/22								
28	Task Mode	Roof	30 days	Fri 4/22/22	Thu 6/2/22								
29	Task Mode	Roofing System	25 days	Fri 6/3/22	Thu 7/7/22								
30	Task Mode	Windows	45 days	Tue 3/22/22	Mon 5/23/22								
31	Task Mode	Stucco	78 days	Tue 3/29/22	Thu 7/14/22								
32	Task Mode	Paint	78 days	Tue 4/5/22	Thu 7/21/22								

Project: Sonata 16 Month Lend
Date: Tue 1/26/21

Task Summary: Inactive Milestone, Manual Task, Duration only

Manual Summary Rollup: Manual Summary, Start-only, Finish-only, External Tasks

External Milestone: Deadline, Progress, Manual Progress

ID	Task Mode	Task Name	Duration	Start	Finish	Predecessors	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
							Jul Aug Sep	Oct Nov Dec	Jan Feb Mar	Apr May Jun	Jul Aug Sep	Oct Nov Dec
33	Task Mode	Interior Work	170 days	Tue 3/1/22	Mon 10/24/22							
34	Task Mode	Ground Floor	80 days	Wed 6/8/22	Tue 9/27/22							
35	Task Mode	2nd Floor	110 days	Tue 3/1/22	Mon 8/1/22							
36	Task Mode	3rd Floor	97 days	Fri 3/25/22	Mon 8/8/22							
37	Task Mode	4th Floor	82 days	Fri 4/22/22	Mon 8/15/22							
38	Task Mode	5th Floor	80 days	Tue 5/3/22	Mon 8/22/22							
39	Task Mode	6th Floor	80 days	Tue 5/10/22	Mon 8/29/22							
40	Task Mode	7th Floor	80 days	Tue 5/17/22	Mon 9/5/22							
41	Task Mode	8th Floor	80 days	Tue 5/24/22	Mon 9/12/22							
42	Task Mode	Buck Hoist Units	25 days	Tue 9/20/22	Mon 10/24/22							
43	Task Mode	Elevators	60 days	Fri 6/24/22	Thu 9/15/22							
44	Task Mode	TCO Testing	30 days	Tue 9/6/22	Mon 10/17/22	41FS-5 days						
45	Task Mode	TCO	1 day	Tue 10/18/22	Tue 10/18/22	45						
46	Task Mode	CO	13 days	Wed 10/19/22	Fri 11/4/22	46						
47	Task Mode	Construction of Building #2 & #3	181 days	Wed 2/9/22	Wed 10/19/22							
48	Task Mode	Survey/Layout for buildings Tied to L5 Pour	3 days	Wed 2/9/22	Fri 2/11/22							
49	Task Mode	MEP undergrounds	15 days	Mon 2/14/22	Fri 3/4/22	49						
50	Task Mode	Excavate for Footers & Foundation	4 days	Mon 3/7/22	Thu 3/10/22	50						
51	Task Mode	Shell Construction	60 days	Fri 3/11/22	Thu 6/2/22	51						
52	Task Mode	Light Weight Concrete on Roof	10 days	Fri 6/3/22	Thu 6/16/22	52						
53	Task Mode	Roof Dry in	7 days	Fri 6/17/22	Mon 6/27/22	53						
54	Task Mode	Install Windows & SGDS	14 days	Fri 6/3/22	Wed 6/22/22	52						
55	Task Mode	Stucco Levels 1-Parapet	20 days	Thu 6/23/22	Wed 7/20/22	55						
56	Task Mode	Exterior Prime & Paint	10 days	Thu 7/21/22	Wed 8/3/22	56						
57	Task Mode	Balcony & Stair Rails	14 days	Thu 8/4/22	Tue 8/23/22	57						
58	Task Mode	Roof Complete	10 days	Wed 8/24/22	Tue 9/6/22	58						
59	Task Mode	Interior Construction	45 days	Tue 6/28/22	Mon 8/29/22	54						
60	Task Mode	TCO Testing	30 days	Tue 8/30/22	Mon 10/10/22	60						
61	Task Mode	TCO	1 day	Tue 10/11/22	Tue 10/11/22	61						
62	Task Mode	County to process final documents	5 days	Wed 10/12/22	Tue 10/18/22	62						
63	Task Mode	Certificate of Occupancy	1 day	Wed 10/19/22	Wed 10/19/22	63						

Project: Sonata 16 Month Lend
Date: Tue 1/26/21

Task Split Milestone Summary Project Summary

Inactive Task Inactive Milestone Manual Summary Rollup

Manual Task Manual Milestone Manual Summary

Duration-only External Tasks

External Milestone Deadline Progress Manual Progress

Development Budget

Project Name Sonata
 Number of Units 121
 Project Square Footage 117,756

Uses	Total Cost	Eligible Basis	Non-Eligible	Per Unit	Per SF
Land Acquisition	\$ 3,258,000	\$ -	\$ 3,258,000	\$ 26,926	\$ 27.67
Land Carry	\$ -	\$ -	\$ -	\$ -	\$ -
Broker Fee	\$ -	\$ -	\$ -	\$ -	\$ -
Impact Fees Not Refunded	\$ 347,278	\$ 347,278	\$ -	\$ 2,870	\$ 2.95
Planning Fees	\$ -	\$ -	\$ -	\$ -	\$ -
W&S Connection Fees	\$ 242,000	\$ 242,000	\$ -	\$ 2,000	\$ 2.06
Architect	\$ 338,800	\$ 338,800	\$ -	\$ 2,800	\$ 2.88
Engineer	\$ 90,750	\$ 90,750	\$ -	\$ 750	\$ 0.77
Surveying & Platting	\$ 60,000	\$ 60,000	\$ -	\$ 496	\$ 0.51
Environmental/Soils	\$ 36,300	\$ 36,300	\$ -	\$ 300	\$ 0.31
Borrower Legal Counsel	\$ 150,000	\$ 30,000	\$ 120,000	\$ 1,240	\$ 1.27
Finance Fees	\$ 393,000	\$ 290,000	\$ 103,000	\$ 3,248	\$ 3.34
Builders Risk Insurance	\$ 121,000	\$ 121,000	\$ -	\$ 1,000	\$ 1.03
Insurance	\$ 48,400	\$ -	\$ 48,400	\$ 400	\$ 0.41
P&P Bond	\$ 153,000	\$ 153,000	\$ -	\$ 1,264	\$ 1.30
Taxes	\$ 40,000	\$ 8,000	\$ 32,000	\$ 331	\$ 0.34
Title and Recording	\$ 157,300	\$ -	\$ 157,300	\$ 1,300	\$ 1.34
Inspection Fee	\$ 35,000	\$ 35,000	\$ -	\$ 289	\$ 0.30
Appraisal	\$ 10,000	\$ 10,000	\$ -	\$ 83	\$ 0.08
Market Study	\$ 5,000	\$ 5,000	\$ -	\$ 41	\$ 0.04
Accounting	\$ 45,000	\$ -	\$ 45,000	\$ 372	\$ 0.38
Tax Credit Fees	\$ 517,380	\$ -	\$ 517,380	\$ 4,276	\$ 4.39
Marketing w/ Lease Up Reserves	\$ 170,000	\$ -	\$ 170,000	\$ 1,405	\$ 1.44
Building Permit Fees	\$ 532,400	\$ 532,400	\$ -	\$ 4,400	\$ 4.52
PCA	\$ 3,000	\$ 3,000	\$ -	\$ 25	\$ 0.03
Green Building Cert	\$ 90,750	\$ 90,750	\$ -	\$ 750	\$ 0.77
Furniture & Fixtures	\$ 170,000	\$ 170,000	\$ -	\$ 1,405	\$ 1.44
Construction Interest	75% \$ 1,972,000	\$ 1,479,000	\$ 493,000	\$ 16,298	\$ 16.75
Construction Cost	\$ 23,476,000	\$ 23,361,050	\$ 114,950	\$ 194,017	\$ 199.36
Hard Cost Contingency	5% \$ 1,173,800	\$ 1,173,800	\$ -	\$ 9,701	\$ 9.97
Soft Cost Contingency	\$ 3,363,358 \$ 167,000	\$ 167,000	\$ -	\$ 1,380	\$ 1.42
Replacement Reserves	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Reserve	3 \$ 354,000	\$ -	\$ 354,000	\$ -	\$ 3.01
Developer Overhead	4.00% \$ 1,221,000	\$ 1,221,000	\$ -	\$ 10,091	\$ 10.37
Developer Profit	12.00% \$ 3,663,000	\$ 3,663,000	\$ -	\$ 30,273	\$ 31.11
TOTAL ACQUISITION COST	\$ 3,258,000	\$ -	\$ 3,258,000	\$ 26,926	\$ 27.67
TOTAL DEVELOPMENT COST	\$ 35,783,158	\$ 33,628,128	\$ 2,155,030	\$ 292,803	\$ 303.88
TOTAL USES	\$ 39,041,158	\$ 33,628,128	\$ 5,413,030	\$ 319,729	\$ 331.54

Sources	Total Cost	Eligible Basis	Non-Eligible	Per Unit	Per SF
Tax Credit Equity	27,664,000			228,628	235
First Mortgage Loan	29,000,000			239,669	246
First Mortgage Redemp.	(20,600,000)			(170,248)	(175)
Surtax/SHIP	-			-	-
HOME	-			-	-
SAIL	-			-	-
SAIL ELI	-			-	-
Other	-			-	-
NHTF	-			-	-
Broward Subsidy	-			-	-
Pompano Loan	783,250			6,473	7
CRA	1,500,000			12,397	13
Deferred Developer Fee	693,908			5,735	6
TOTAL SOURCES	\$ 39,041,158	\$ -	\$ -	\$ 322,654	\$ 331.54

Exhibit 5 – CRA Mortgage and Note

Prepared by, and after recording return to:
Brian J. McDonough
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, FL 33130

NOTE TO RECORDER: This Mortgage is given in relation to the financing of housing under Part V of Chapter 420 of the Florida Statutes and is exempt from taxation pursuant to Section 420.513 Florida Statutes.

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the “Mortgage”), is executed and delivered the ___ day of _____, 2021 by SONATA APARTMENTS, LTD., a Florida limited partnership, whose address is 2100 Hollywood Boulevard, Hollywood, FL 33020 (the “Mortgagor”), to the POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic, with offices at 100 West Atlantic Boulevard, Pompano Beach, FL 33060 (the “Mortgagee”).

WITNESSETH, that in consideration of the premises and in order to secure the payment of the principal and any other sum payable under, pursuant to or by virtue of the Note or this Mortgage and the performance and observance of all of its provisions and of the Note, the Mortgagor does grant, bargain, sell, alien, remise, release, convey and confirm unto the Mortgagee, all of Mortgagor’s estate, right, title and interest in, to, under and with respect to all of the following described real and personal property, legally described on the attached Exhibit “A”, situate, lying and being in Broward County, Florida.

TOGETHER WITH all structures and improvements now and hereafter erected or located, the rents, and all easements, privileges, hereditaments, appurtenances to the Land or the Improvements or both, rents, royalties, power, mineral, oil and gas rights, water rights, and any incomes and profits of any of the foregoing, all furniture, furnishings, fixtures and equipment, and all additions and replacements, which real property, improvements and personalty shall collectively be referred to as the “Mortgaged Property”.

TO HAVE AND TO HOLD the same, together with all tenements and hereditaments and appurtenances, unto the Mortgagee.

The Mortgagor warrants that Mortgagor has a good and marketable title to an indefeasible fee simple absolute estate in the Mortgaged Property; that the Mortgagor has full power and lawful right to convey the Mortgaged Property; that the Mortgagor covenants that this Mortgage is and

will remain a valid and enforceable mortgage on the Mortgaged Property; that Mortgagor has full power and lawful authority to mortgage the Mortgaged Property in the manner and form done and that Mortgagor will preserve such title and will forever warrant and defend the validity and priority of the Mortgage against the lawful claims of all persons claiming by, through, or under Mortgagor, save Senior Indebtedness as defined below.

PROVIDED ALWAYS, that if the Mortgagor shall pay to the Mortgagee the indebtedness in the principal sum of \$1,500,000.00 evidenced by that certain Promissory Note, of even date, upon the terms provided in the Note, and together with all other sums advanced by Mortgagee to or on behalf of Mortgagor pursuant to the Note or this Mortgage, the final maturity date of this Mortgage being the thirty-fifth (35th) calendar year following the issuance of the last certificate of occupancy for the Project, and shall otherwise perform and comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Note and this Mortgage, then this Mortgage and the estate thereby created shall cease and terminate.

THE MORTGAGOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. PERFORMANCE OF NOTE, MORTGAGE AND HOUSING COVENANTS.

The Mortgagor shall pay all sums, including principal and interest, where applicable, secured by this Mortgage when due as provided for in the Note, and any renewal, replacement, extension or modification, and in this Mortgage, all such sums to be payable at the address specified in the Note, or at such other place as the holder of such Note may designate in writing. Mortgagor shall perform, comply with and abide by each and every of the agreements, conditions and covenants set forth in the Note and this Mortgage.

2. TAXES AND OTHER CHARGES. The Mortgagor shall pay before any interest, charge or penalty is due, all taxes, assessments, levies, liabilities, obligations, encumbrances, and all other charges or claims of every nature and kind which may be imposed or filed at any time against this Mortgage, the Mortgaged Property or any part or against the interest of the Mortgagee, or which by any present or future law may have priority over the secured indebtedness; provided, however, that if the Mortgagor in good faith and by appropriate legal action shall contest the validity of any such items or the amount, and shall have established on its books or by deposit of cash with the Mortgagee or the holder of any senior lien on the Mortgaged Property a reserve for the payment thereof in such amount as the Mortgagee may require, then the Mortgagor shall not be required to pay the item: (a) while the reserve is maintained; and (b) so long as the contest operates to prevent collection, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor. The Mortgagor shall furnish the Mortgagee with annual receipted tax bills evidencing payment within ninety (90) days from their due date.

3. HAZARD INSURANCE. Mortgagor shall keep the improvements now existing or later erected on the Property insured against loss by fire and such other hazards included within the term "extended coverage," and any other hazards including, but not limited to wind or floods for which insurance is required and as Mortgagee may require, in such amounts and for such periods as Mortgagee may require; provided, that Mortgagee shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

Unless otherwise required by the Mortgagee all such insurance shall be affected by Standard Fire and Extended Coverage Insurance policies, in amounts not less than necessary to comply with the coinsurance clause percentage of the value applicable to the location and character of the property to be covered. All such insurance shall be carried in companies approved by the Mortgagee and all policies therefore shall be in such form and shall have attached loss payable clauses in favor of the Mortgagee and any other party as shall be satisfactory to the Mortgagee. The insurance carrier providing the insurance shall be chosen by Mortgagor, subject to the Mortgagee's approval; provided that such approval shall not be unreasonably withheld.

All insurance policies and renewals shall be in a form acceptable to the Mortgagee and shall include a standard mortgage clause in favor of and in a form acceptable to the Mortgagee. Mortgagor shall promptly furnish to the Mortgagee all renew notices and all receipts of paid premiums. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and the Mortgagee, and the Mortgagee may make proof of loss if not made promptly by Mortgagor.

Unless the Parties otherwise agree in writing insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible, and the security of this Mortgage is not impaired. If such restoration or repair is not economically feasible, or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Mortgagor. If the Property is abandoned by Mortgagor or if Mortgagor fails to respond to the Mortgagee within thirty (30) days after notice by the Mortgagee to Mortgagor that the insurance carrier offers to settle a claim for insurance benefits, the Mortgagee is authorized to collect and apply insurance proceeds at the Mortgagee's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

During such repair and restoration period, the Mortgagee shall have the right to hold such insurance proceeds until the Mortgagee has had an opportunity to inspect such Property to ensure the work has been completed to the Mortgagee's satisfaction, provided that such inspection shall be undertaken promptly.

If the Property is acquired by the Mortgagee, all right, title, and interest of Mortgagor in and to any insurance policies and, in and to the proceeds (to the extent of the sums secured by this Mortgage immediately prior to such sale or construction) resulting from damage to the Property prior to the sale or construction shall pass to the Mortgagee.

4. PROTECTION OF MORTGAGEE'S SECURITY. The Mortgagee may, at its option, upon notice to Mortgagor, make such appearances, disburse such sums, and take such action as is necessary to protect the Mortgagee's interest, if Mortgagor fails to perform the covenants or agreements contained in this Mortgage or, if any action or proceeding is commenced which materially affects the Mortgagee's interests in the Property subject to this Mortgage, including but not limited to, eminent domain, insolvency, code enforcement, arrangements, or proceedings involving a bankruptcy.

5. PROTECTIVE ADVANCES. Mortgagee may, at its option, and without waiving its right to accelerate the secured indebtedness and to foreclose the same, pay after delinquency

any or all of those certain obligations required by the terms of this Mortgage to be paid by the Mortgagor for the protection of the Mortgage security or for the collection of the secured indebtedness. All sums so advanced or paid by Mortgagee shall bear interest from the date paid at the Default Rate specified in the Note as fully and to the same extent as though a part of the original indebtedness evidenced by the Note and secured by this Mortgage, excepting however, that sums shall be repaid to the Mortgagee within fifteen (15) days after demand by the Mortgagee to the Mortgagor for such payment.

6. ACCELERATION OF MATURITY. Mortgagee shall have the right to mature the indebtedness and foreclose this Mortgage in the event of the following:

(a) any breach of this Mortgage or default on the part of the Mortgagor which is not cured within thirty (30) days following written notice from the Mortgagee, or if such default cannot practicably be cured within thirty (30) days, then within such additional time as may be required to effect a cure (such additional time not to exceed sixty (60) days, so long as (i) the cure is commenced within thirty (30) days and is diligently prosecuted and (ii) the lack of a cure during such continuing cure period has no material adverse effect on the Mortgaged Property; or

(b) a failure to pay promptly and fully any sums of money referred to in this Mortgage within five (5) days after the same become due and payable, without demand or notice; or

(c) failure to maintain in reasonably good repair the buildings and any improvements, including but not limited to landscaping, on the Property; or

(d) failure to comply with any requirement, order, notice of violation of law, or ordinance issued by any governmental entity claiming jurisdiction over the Property; or

(e) failure to assign and deliver the policies insuring the buildings against loss by fire or in reimbursing the Mortgagee for premiums paid on such insurance, as provided in this Mortgage; or

(f) failure to keep, observe and perform any of the other covenants, conditions or agreements contained in this Mortgage; or

(g) in the event each and every stipulation, agreement, condition and covenant of the Note and this Mortgage are not duly, promptly and fully performed, discharged, executed, effected, completed, complied with and abided by, following the giving of notice and the expiration of applicable cure periods.

Then, in such events, the aggregate sum mentioned in the Note then remaining unpaid, and all monies secured by the Mortgage shall become due and payable at the option of the Mortgagee, as fully and completely as if all of the sums of money were originally stipulated to be paid on such day, anything in the Note or in this Mortgage to the contrary notwithstanding; and thereupon or thereafter, at the option of the Mortgagee, without notice or demand, suit at law or in equity, therefore, or thereafter begun, may be prosecuted as if all money secured this Mortgage had matured prior to its institution.

Notwithstanding anything to the contrary, the Note is a non-recourse obligation of the Mortgagor and its members and neither Mortgagor nor its partners have personal liability for repayment of the loan evidenced by the Note. Mortgagor's sole recourse shall be to the collateral which secures the Loan.

7. **APPOINTMENT OF RECEIVER.** At any time while a suit is pending to foreclose or to reform this Mortgage or to enforce any claims, the Mortgagee may apply to a court of appropriate jurisdiction for the appointment of a receiver, and such court shall appoint a Receiver of the Mortgaged Property, including all and singular the income, profits, rents, issues and revenues from whatever source derived. The Receiver shall have all the broad and effective functions and powers entrusted by a court to a Receiver, and such appointment shall be made by such court as an admitted equity and as a matter of absolute right to the Mortgagee without reference to the adequacy or inadequacy of the value of the Mortgaged Property, or to the solvency or insolvency of the Mortgagor or the Defendants. All income, profits, rents, issues and revenues collected by the Receiver shall be applied by such Receiver according to the lien of this Mortgage, and the practice of such court.

8. **LEASES AFFECTING MORTGAGED PROPERTY.** The Mortgagor shall comply with and observe its obligations as landlord under all leases, now existing or hereafter created, affecting all or any portion of the Mortgaged Property (the "Residential Leases"). Upon request, the Mortgagor shall furnish promptly to the Mortgagee executed copies of all such Residential Leases now existing or hereafter created.

9. **MORTGAGE CONSTITUTES SECURITY AGREEMENT.** This Mortgage also constitutes a security agreement as defined under the Uniform Commercial Code. The Mortgagor grants to the Mortgagee a security interest in and to all furniture, furnishings, equipment, machinery, and personal property of every nature whatsoever now owned or hereafter acquired by the Mortgagor located upon the Mortgaged Property together with all proceeds therefrom. The Mortgagor shall execute any and all documents as the Mortgagee may request, including, without limitation, financing statements pursuant to the Uniform Commercial Code as adopted by the State of Florida, to preserve and maintain the priority of the lien created on property which may be deemed personal property or fixtures. The Mortgagor authorizes and empowers the Mortgagee to execute and file on behalf of the Mortgagor all financing statements and refilings and continuations as the Mortgagee deems necessary or advisable to create, preserve or protect this lien. The Mortgagor and Mortgagee expressly agree that the filing of a financing statement shall never be construed as derogating from or impairing the express declaration and intention of the parties and that all such personalty located on or utilized in connection with the real property encumbered by this Mortgage shall, at all times and for all purposes, in all proceedings both legal and equitable, be deemed a part of the real property encumbered by this Mortgage.

10. **MORTGAGE SECURES INDEBTEDNESS.** It is expressly agreed and understood that this Mortgage secures the indebtedness and the obligation of the Mortgagor to the Mortgagee with respect to the Note, as the same is evidenced by the Note, and all renewals, extensions and modifications thereof. This Mortgage shall not be deemed released, discharged or satisfied until the entire indebtedness evidenced by the Note is paid in full.

11. FUTURE ADVANCES. Pursuant to the laws of the State of Florida, this Mortgage shall secure not only the existing indebtedness evidenced by the Note, but also such future advances as may be made by the Mortgagee to the Mortgagor in accordance with the Note or this Mortgage, whether or not such advances are obligatory or are to be made at the option of the Mortgagee, or otherwise, and as are made within twenty (20) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed two times the face amount of the Note, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property with interest on such disbursements at the rate designated in the Note to apply following a default thereunder.

12. NO WAIVER. It is expressly agreed and understood that a waiver by the Mortgagee of any right or rights conferred to it with regard to any one transaction or occurrence shall not be deemed a waiver of such right or rights to any subsequent transaction or occurrence. It is further agreed that any forbearance or delay by the Mortgagee in the enforcement of any right or remedy shall not constitute or be deemed a waiver of such right or remedy.

13. NOTICE. All notices given by Mortgagor or the Mortgagee in connection with this Mortgage must be in writing. Any notice to in connection with this Mortgage shall be deemed to have been given to Mortgagor when mailed by first class mail or when actually delivered to Mortgagor's notice address if sent by other means. The notice address shall be the address stated in this Mortgage unless instructed otherwise by a party. Mortgagor shall promptly notify the Mortgagee of Mortgagor's change of address. If the Mortgagee specifies a procedure for reporting Mortgagor's change of address, then Mortgagor shall only report a change of address through that specified procedure. There may be only one designated notice address under this Mortgage at any one time. Any notice to the Mortgagee shall be given by delivering it or by mailing it by first class mail to the Mortgagee's address unless the Mortgagee has designated another address by notice to Mortgagor. Any notice in connection with this Mortgage shall not be deemed to have been given to the Mortgagee until actually received by the Mortgagee. If any notice required by this Mortgage is also required under Florida law, the Florida law requirement will satisfy the corresponding requirement under this Mortgage.

14. GOVERNING LAW AND VENUE. This Mortgage shall be construed and enforced pursuant to the laws of the State of Florida, excluding all principles of choice of laws, conflict of laws and comity. Any action or dispute arising between the parties pertaining to this Mortgage shall, to the extent permitted by law, be in courts of jurisdiction for Broward County and no other venue. All meetings to resolve said dispute, including voluntary arbitration, mediation, or other alternative dispute resolution mechanism, will take place in Broward County.

15. PREVAILING PARTY. The prevailing party in any action to enforce this Mortgage, shall recover from the non-prevailing party all and singular the costs, charges and expenses, including but not limited to, reasonable attorney's fees, including but not limited to all trial, appellate, and bankruptcy litigation, including litigation for the amount as well as entitlement to such, costs, charges, and expenses, because of the failure on the part of the non-prevailing party

to perform, comply with, and abide by, each and every of the stipulations, agreements, conditions and covenants of this Promissory Note, whether or not suit is brought, and the fees and costs shall bear interest from that date at the maximum rate permitted by law.

16. PARTIES BOUND; NO ORAL MODIFICATIONS. Each and every of the terms, covenants and conditions contained in this Mortgage shall be binding upon the parties and their successors, and assigns. This Mortgage is not subject to modification other than by a written document or instrument executed by the party or parties to be charged with such modification, in the same formality.

17. WAIVER OF TRIAL BY JURY. MORTGAGOR (AND MORTGAGEE, BY ITS ACCEPTANCE) KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED ON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS MORTGAGE, OR THE FINANCING CONTEMPLATED, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR THE ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE MORTGAGEE EXTENDING THE LOAN SECURED BY THIS MORTGAGE.

18. AGREEMENT TO SUBORDINATE. Mortgagee agrees that: (i) this Mortgage and the Note that it secures is and shall be subordinated in right of payment to the indebtedness evidenced by such mortgage as may be held by construction and permanent loan providers (“Senior Lenders”) encumbering the Leasehold Estate for development of the Project as defined in the Development Agreement executed by the Parties and recorded in the public records of Broward County, Florida (“Senior Mortgages”) and (ii) this Mortgage and the Note it secures are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Mortgages and any other loan documents in favor of Senior Lenders (“Senior Loan Documents”) and to all advances made or which may hereafter be made pursuant to the Senior Mortgages and the other Senior Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Mortgages, curing defaults by the Borrower under the Senior Loan Documents or for any other purpose expressly permitted by the Senior Mortgages, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Leasehold Estate consistent with the Development Agreement executed by the Parties and recorded in the public records of Broward County, Florida).

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IN WITNESS WHEREOF, the Mortgagor has set its hand and seal the day and year first above written.

MORTGAGOR:

SONATA APARTMENTS, LTD., a Florida limited partnership

By: Cornerstone Sonata, LLC, a Florida limited liability company, its general partner

By: _____
Leon J. Wolfe, Manager

ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this _____ day of _____, 2021, by Leon J. Wolfe, as Manager of Cornerstone Sonata, LLC, a Florida limited liability company, General Partner of SONATA APARTMENTS, LTD, a Florida limited partnership, on behalf of the limited partnership, who is personally known to me, or who has produced _____, as identification.

NOTARY’S SEAL:

NOTARY PUBLIC, STATE OF _____
(Signature of Notary Taking Acknowledgement)

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

Exhibit A
Legal Description of The Property

PROMISSORY NOTE

Pompano Beach, Florida

\$1,500,000.00

_____, 2021

FOR VALUE RECEIVED the undersigned, SONATA APARTMENTS, LTD., a Florida limited partnership (the “Maker”) with offices at 2100 Hollywood Boulevard, Hollywood, FL 33020, promises to pay to the order of the POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic (the “Lender”), at 100 West Atlantic Boulevard, Pompano Beach, FL 33060 or such other location or address as the Lender may direct from time to time, the principal sum of **One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00)** (the “Promissory Note”).

This Promissory Note is secured by that certain Mortgage and Security Agreement (the “Mortgage”) of even date executed in favor of the Maker, relating to real property located in Pompano Beach, Florida and more particularly described in the Mortgage (the “Property”).

This Promissory Note shall bear no interest and the outstanding principal balance shall become due and payable on the thirty-fifth (35th) calendar year after the Maker receives a certificate of occupancy for the construction of a 121 Unit mixed-use, mixed-income housing development (“Project”), whether temporary or final, as defined in the Development Agreement, dated _____ 2021, by and between the Maker and Lender (the “Development Agreement”). Proceeds under this Promissory Note shall be advanced to Maker in the amount of Three Hundred Thousand and 00/100 Dollars (\$300,000.00) per year for a period of five (5) years commencing on October 1, 2022, and thereafter on each consecutive October 1st until disbursed in full. Notwithstanding the foregoing, this Promissory Note shall be forgiven, at Lender’s sole discretion if: (a) a Certificate of Occupancy is issued for the Building and Improvements and (b) if the Developer complies with the provisions of the Declaration of Covenants and Restrictions, as those terms are then defined in the Development Agreement.

At the option of the Lender, all sums advanced and all other sums due under this Promissory Note shall become immediately due and payable, without notice or demand, upon the occurrence of any one or more of the following Events of Default: (a) the Maker's failure to promptly pay in full any payment of principal or default interest due under this Promissory Note within ten (10) days following the date on which such payment is due; (b) Maker’s failure to comply with the terms, conditions and covenants agreed to in the Development Agreement entered into by Maker and Lender, or (c) any uncured breach, following the giving of notice and the expiration of any applicable cure period, by the Maker of any of the terms, covenants or conditions set forth in the Mortgage. Upon the occurrence of any of the foregoing events (each, an “Event of Default”), and in addition to any other remedies provided in the Mortgage, the amount disbursed under the Note, together with default interest at the rate provided in this Promissory Note, and all unpaid fees, charges and other obligations of the Maker due under the Note or under the Mortgage, shall, at Lender's option, be immediately due and payable.

No delay or omission on the part of the Lender in the exercise of any right under this Promissory Note shall operate as a waiver of such right or of any other right under this Promissory

Note. A waiver by the Lender of any right or remedy on any one occasion shall not be construed as a bar to, or waiver of, any such right or remedy as to any future occasion.

The Maker agrees that in the event each and every of the terms and conditions of this Promissory Note or any instrument which secures or collateralizes the payment of the sums is not duly performed, complied with, or abided by, subject to applicable notice and cure periods set forth in the Mortgage, the whole of the indebtedness then outstanding shall, at the option of the Lender, become immediately due and payable. If this Promissory Note becomes in default and is placed in the hands of an attorney for collection, the Maker agrees to pay all and singular the costs, charges, and expenses incurred by the Lender in the enforcement of its rights, including, but not limited to reasonable attorneys' fees and costs, at trial or on appeal.

The Maker and all persons becoming obligated or liable for the payment in this Promissory Note, do jointly and severally waive demand, notice of non-payment, protest, notice of dishonor and presentment.

The Maker does not intend or expect to pay, nor does the Lender intend or expect to charge, collect or accept, any interest greater than the highest legal rate of interest which may be charged under any applicable law. Should the acceleration of any charges made in this Promissory Note result in the computation or earning of interest in excess of such legal rate, any and all such excess shall be and the same is waived by the Lender, and any such excess shall be credited by the Lender to the outstanding balance.

Each Maker, endorser, or any other person, firm or corporation liable for the payment of the loan evidenced by this Promissory Note, consents to any renewals, extensions, modifications, releases of security or any indulgence shown to or any dealings between the Lender and any party obligated under this Promissory Note, without notice, and jointly and severally agree that they shall remain liable notwithstanding any such renewals, extensions, modifications or indulgences, until the debt evidenced is fully paid.

Upon the occurrence of any Event of Default, all sums outstanding under this Promissory Note shall immediately bear interest at the highest legal rate of interest which may be charged under Florida law ("Default Interest Rate") per annum from the date of disbursement, without notice to the Maker or any guarantor or endorser of this Promissory Note, and without any affirmative action or declaration on the part of the Lender.

This Promissory Note shall be construed and enforced according to the laws of the State of Florida, excluding all principles of choice of laws, conflict of laws or comity. Any action pursuant to a dispute under this Promissory Note must be brought in Broward County and no other venue. All meetings to resolve said dispute, including voluntary arbitration, mediation, or other alternative dispute resolution mechanism, will take place in this venue.

The terms of this Promissory Note may not be orally changed.

The prevailing party in any action to enforce this Promissory Note, shall recover from the non-prevailing party all and singular the costs, charges and expenses, including but not limited to, reasonable attorney's fees, including but not limited to all trial, appellate, and bankruptcy litigation, including litigation for the amount as well as entitlement to such, costs, charges, and expenses, because of the failure on the part of the non-prevailing party to perform, comply with, and abide by, each and every of the stipulations, agreements, conditions and covenants of this

Promissory Note, whether or not suit is brought, and the fees and costs shall bear interest from that date at the maximum rate permitted by law.

Notwithstanding anything to the contrary herein or in the Mortgage, this Promissory Note is a non-recourse obligation of the Maker and its members and neither Maker nor its members have personal liability for repayment of the loan evidenced by this Promissory Note. Lender's sole recourse shall be to the collateral which secures said loan.

THE MAKER OF THIS PROMISSORY NOTE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS PROMISSORY NOTE, OR THE FINANCING CONTEMPLATED, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR THE ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER EXTENDING THE LOAN EVIDENCED BY THIS PROMISSORY NOTE.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Maker has set its hand and seal the day and year first above written.

MAKER:

SONATA APARTMENTS, LTD., a Florida limited partnership

By: Cornerstone Sonata, LLC, a Florida limited liability company, its general partner

By: _____
Leon J. Wolfe, Manager

ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this _____ day of _____, 2021, by Leon J. Wolfe, as Manager of Cornerstone Sonata, LLC, a Florida limited liability company, General Partner of SONATA APARTMENTS, LTD, a Florida limited partnership, on behalf of the limited partnership, who is personally known to me, or who has produced _____, as identification.

NOTARY’S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA
(Signature of Notary Taking Acknowledgement)

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

Exhibit 6 – City Mortgage and Note

Prepared by, and after recording return to:

Brian J. McDonough

Stearns Weaver Miller Weissler

Alhadeff & Sitterson, P.A.

150 West Flagler Street, Suite 2200

Miami, FL 33130

NOTE TO RECORDER: This Mortgage is given in relation to the financing of housing under Part V of Chapter 420 of the Florida Statutes and is exempt from taxation pursuant to Section 420.513 Florida Statutes.

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the “Mortgage”), is executed and delivered on _____, 2021 by SONATA APARTMENTS, LTD., a Florida limited partnership, whose address is 2100 Hollywood Boulevard, Hollywood, FL 33020 (the “Mortgagor”), to the CITY OF POMPANO BEACH, a Florida municipal corporation, with offices at 100 West Atlantic Boulevard, 4th Floor, Pompano Beach, FL 33060 (the “Mortgagee”).

WITNESSETH, that in consideration of the premises and in order to secure the payment of the principal and any other sum payable under, pursuant to or by virtue of the Note or this Mortgage and the performance and observance of all of its provisions and of the Note, the Mortgagor does grant, bargain, sell, alien, remise, release, convey and confirm unto the Mortgagee, all of Mortgagor’s estate, right, title and interest in, to, under and with respect to all of the following described real and personal property, legally described on the attached Exhibit “A”, situate, lying and being in Broward County, Florida.

TOGETHER WITH all structures and improvements now or hereafter erected or located, the rents, and all easements, privileges, hereditaments, appurtenances to the Land or the Improvements or both, rents, royalties, power, mineral, oil and gas rights, water rights, and any incomes and profits of any of the foregoing, all furniture, furnishings, fixtures and equipment, and all additions and replacements, which real property, improvements and personalty shall collectively be referred to as the “Mortgaged Property”.

TO HAVE AND TO HOLD the same, together with all tenements and hereditaments and appurtenances, unto the Mortgagee.

The Mortgagor warrants that Mortgagor has a good and marketable title to an indefeasible fee simple absolute estate in the Mortgaged Property; that the Mortgagor has full power and lawful right to convey the Mortgaged Property; that the Mortgagor covenants that this Mortgage is and will remain a valid and enforceable mortgage on the Mortgaged Property; that Mortgagor has full power and lawful authority to mortgage the Mortgaged Property in the manner and form done and

that Mortgagor will preserve such title and will forever warrant and defend the validity and priority of the Mortgage against the lawful claims of all persons claiming by, through, or under Mortgagor, save Senior Indebtedness as defined below.

PROVIDED ALWAYS, that if the Mortgagor shall pay to the Mortgagee the indebtedness in the principal sum of \$783,250.00 evidenced by that certain Promissory Note, of even date, upon the terms provided in the Note, and together with all other sums advanced by Mortgagee to or on behalf of Mortgagor pursuant to the Note or this Mortgage, the final maturity date of this Mortgage being the thirty-third (33rd) calendar year following the issuance of the last certificate of occupancy for the Project, and shall otherwise perform and comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Note and this Mortgage, then this Mortgage and the estate thereby created shall cease and terminate.

THE MORTGAGOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. PERFORMANCE OF NOTE, MORTGAGE AND HOUSING COVENANTS.

The Mortgagor shall pay all sums, including principal and interest, where applicable, secured by this Mortgage when due as provided for in the Note, and any renewal, replacement, extension or modification, and in this Mortgage, all such sums to be payable at the address specified in the Note, or at such other place as the holder of such Note may designate in writing. Mortgagor shall perform, comply with and abide by each and every of the agreements, conditions and covenants set forth in the Note and this Mortgage.

2. TAXES AND OTHER CHARGES. The Mortgagor shall pay before any interest, charge or penalty is due, all taxes, assessments, levies, liabilities, obligations, encumbrances, and all other charges or claims of every nature and kind which may be imposed or filed at any time against this Mortgage, the Mortgaged Property or any part or against the interest of the Mortgagee, or which by any present or future law may have priority over the secured indebtedness; provided, however, that if the Mortgagor in good faith and by appropriate legal action shall contest the validity of any such items or the amount, and shall have established on its books or by deposit of cash with the Mortgagee or the holder of any senior lien on the Mortgaged Property a reserve for the payment thereof in such amount as the Mortgagee may require, then the Mortgagor shall not be required to pay the item: (a) while the reserve is maintained; and (b) so long as the contest operates to prevent collection, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to the Mortgagor. The Mortgagor shall furnish the Mortgagee with annual receipted tax bills evidencing payment within ninety (90) days from their due date.

3. HAZARD INSURANCE. Mortgagor shall keep the improvements now existing or later erected on the Property insured against loss by fire and such other hazards included within the term "extended coverage," and any other hazards including, but not limited to wind or floods for which insurance is required and as Mortgagee may require, in such amounts and for such periods as Mortgagee may require; provided, that Mortgagee shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

Unless otherwise required by the Mortgagee all such insurance shall be affected by Standard Fire and Extended Coverage Insurance policies, in amounts not less than necessary to comply with the coinsurance clause percentage of the value applicable to the location and character

of the property to be covered. All such insurance shall be carried in companies approved by the Mortgagee and all policies therefore shall be in such form and shall have attached loss payable clauses in favor of the Mortgagee and any other party as shall be satisfactory to the Mortgagee. The insurance carrier providing the insurance shall be chosen by Mortgagor, subject to the Mortgagee's approval; provided that such approval shall not be unreasonably withheld.

All insurance policies and renewals shall be in a form acceptable to the Mortgagee and shall include a standard mortgage clause in favor of and in a form acceptable to the Mortgagee. Mortgagor shall promptly furnish to the Mortgagee all renew notices and all receipts of paid premiums. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and the Mortgagee, and the Mortgagee may make proof of loss if not made promptly by Mortgagor.

Unless the Parties otherwise agree in writing insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible, and the security of this Mortgage is not impaired. If such restoration or repair is not economically feasible, or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Mortgagor. If the Property is abandoned by Mortgagor or if Mortgagor fails to respond to the Mortgagee within thirty (30) days after notice by the Mortgagee to Mortgagor that the insurance carrier offers to settle a claim for insurance benefits, the Mortgagee is authorized to collect and apply insurance proceeds at the Mortgagee's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

During such repair and restoration period, the Mortgagee shall have the right to hold such insurance proceeds until the Mortgagee has had an opportunity to inspect such Property to ensure the work has been completed to the Mortgagee's satisfaction, provided that such inspection shall be undertaken promptly.

If the Property is acquired by the Mortgagee, all right, title, and interest of Mortgagor in and to any insurance policies and, in and to the proceeds (to the extent of the sums secured by this Mortgage immediately prior to such sale or construction) resulting from damage to the Property prior to the sale or construction shall pass to the Mortgagee.

4. PROTECTION OF MORTGAGEE'S SECURITY. The Mortgagee may, at its option, upon notice to Mortgagor, make such appearances, disburse such sums, and take such action as is necessary to protect the Mortgagee's interest, if Mortgagor fails to perform the covenants or agreements contained in this Mortgage or, if any action or proceeding is commenced which materially affects the Mortgagee's interests in the Property subject to this Mortgage, including but not limited to, eminent domain, insolvency, code enforcement, arrangements, or proceedings involving a bankruptcy.

5. PROTECTIVE ADVANCES. Mortgagee may, at its option, and without waiving its right to accelerate the secured indebtedness and to foreclose the same, pay after delinquency any or all of those certain obligations required by the terms of this Mortgage to be paid by the Mortgagor for the protection of the Mortgage security or for the collection of the secured indebtedness. All sums so advanced or paid by Mortgagee shall bear interest from the date paid

at the Default Rate specified in the Note as fully and to the same extent as though a part of the original indebtedness evidenced by the Note and secured by this Mortgage, excepting however, that sums shall be repaid to the Mortgagee within fifteen (15) days after demand by the Mortgagee to the Mortgagor for such payment.

6. ACCELERATION OF MATURITY. Mortgagee shall have the right to mature the indebtedness and foreclose this Mortgage in the event of the following:

(a) any breach of this Mortgage or default on the part of the Mortgagor which is not cured within thirty (30) days following written notice from the Mortgagee, or if such default cannot practicably be cured within thirty (30) days, then within such additional time as may be required to effect a cure (such additional time not to exceed sixty (60) days, so long as (i) the cure is commenced within thirty (30) days and is diligently prosecuted and (ii) the lack of a cure during such continuing cure period has no material adverse effect on the Mortgaged Property; or

(b) a failure to pay promptly and fully any sums of money referred to in this Mortgage within five (5) days after the same become due and payable, without demand or notice; or

(c) failure to maintain in reasonably good repair the buildings and any improvements, including but not limited to landscaping, on the Property; or

(d) failure to comply with any requirement, order, notice of violation of law, or ordinance issued by any governmental entity claiming jurisdiction over the Property; or

(e) failure to assign and deliver the policies insuring the buildings against loss by fire or in reimbursing the Mortgagee for premiums paid on such insurance, as provided in this Mortgage; or

(f) failure to keep, observe and perform any of the other covenants, conditions or agreements contained in this Mortgage; or

(g) in the event each and every stipulation, agreement, condition and covenant of the Note and this Mortgage are not duly, promptly and fully performed, discharged, executed, effected, completed, complied with and abided by, following the giving of notice and the expiration of applicable cure periods.

Then, in such events, the aggregate sum mentioned in the Note then remaining unpaid, and all monies secured by the Mortgage shall become due and payable at the option of the Mortgagee, as fully and completely as if all of the sums of money were originally stipulated to be paid on such day, anything in the Note or in this Mortgage to the contrary notwithstanding; and thereupon or thereafter, at the option of the Mortgagee, without notice or demand, suit at law or in equity, therefore, or thereafter begun, may be prosecuted as if all money secured this Mortgage had matured prior to its institution.

Notwithstanding anything to the contrary, the Note is a non-recourse obligation of the Mortgagor and its members and neither Mortgagor nor its partners have personal liability for repayment of

the loan evidenced by the Note. Mortgagor's sole recourse shall be to the collateral which secures the Loan.

7. **APPOINTMENT OF RECEIVER.** At any time while a suit is pending to foreclose or to reform this Mortgage or to enforce any claims, the Mortgagee may apply to a court of appropriate jurisdiction for the appointment of a receiver, and such court shall appoint a Receiver of the Mortgaged Property, including all and singular the income, profits, rents, issues and revenues from whatever source derived. The Receiver shall have all the broad and effective functions and powers entrusted by a court to a Receiver, and such appointment shall be made by such court as an admitted equity and as a matter of absolute right to the Mortgagee without reference to the adequacy or inadequacy of the value of the Mortgaged Property, or to the solvency or insolvency of the Mortgagor or the Defendants. All income, profits, rents, issues and revenues collected by the Receiver shall be applied by such Receiver according to the lien of this Mortgage, and the practice of such court.

8. **LEASES AFFECTING MORTGAGED PROPERTY.** The Mortgagor shall comply with and observe its obligations as landlord under all leases, now existing or hereafter created, affecting all or any portion of the Mortgaged Property (the "Residential Leases"). Upon request, the Mortgagor shall furnish promptly to the Mortgagee executed copies of all such Residential Leases now existing or hereafter created.

9. **MORTGAGE CONSTITUTES SECURITY AGREEMENT.** This Mortgage also constitutes a security agreement as defined under the Uniform Commercial Code. The Mortgagor grants to the Mortgagee a security interest in and to all furniture, furnishings, equipment, machinery, and personal property of every nature whatsoever now owned or hereafter acquired by the Mortgagor located upon the Mortgaged Property together with all proceeds therefrom. The Mortgagor shall execute any and all documents as the Mortgagee may request, including, without limitation, financing statements pursuant to the Uniform Commercial Code as adopted by the State of Florida, to preserve and maintain the priority of the lien created on property which may be deemed personal property or fixtures. The Mortgagor authorizes and empowers the Mortgagee to execute and file on behalf of the Mortgagor all financing statements and refilings and continuations as the Mortgagee deems necessary or advisable to create, preserve or protect this lien. The Mortgagor and Mortgagee expressly agree that the filing of a financing statement shall never be construed as derogating from or impairing the express declaration and intention of the parties and that all such personalty located on or utilized in connection with the real property encumbered by this Mortgage shall, at all times and for all purposes, in all proceedings both legal and equitable, be deemed a part of the real property encumbered by this Mortgage.

10. **MORTGAGE SECURES INDEBTEDNESS.** It is expressly agreed and understood that this Mortgage secures the indebtedness and the obligation of the Mortgagor to the Mortgagee with respect to the Note, as the same is evidenced by the Note, and all renewals, extensions and modifications thereof. This Mortgage shall not be deemed released, discharged or satisfied until the entire indebtedness evidenced by the Note is paid in full.

11. **FUTURE ADVANCES.** Pursuant to the laws of the State of Florida, this Mortgage shall secure not only the existing indebtedness evidenced by the Note, but also such

future advances as may be made by the Mortgagee to the Mortgagor in accordance with the Note or this Mortgage, whether or not such advances are obligatory or are to be made at the option of the Mortgagee, or otherwise, and as are made within twenty (20) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed two times the face amount of the Note, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property with interest on such disbursements at the rate designated in the Note to apply following a default thereunder.

12. NO WAIVER. It is expressly agreed and understood that a waiver by the Mortgagee of any right or rights conferred to it with regard to any one transaction or occurrence shall not be deemed a waiver of such right or rights to any subsequent transaction or occurrence. It is further agreed that any forbearance or delay by the Mortgagee in the enforcement of any right or remedy shall not constitute or be deemed a waiver of such right or remedy.

13. NOTICE. All notices given by Mortgagor or the Mortgagee in connection with this Mortgage must be in writing. Any notice to in connection with this Mortgage shall be deemed to have been given to Mortgagor when mailed by first class mail or when actually delivered to Mortgagor's notice address if sent by other means. The notice address shall be the address stated in this Mortgage unless instructed otherwise by a party. Mortgagor shall promptly notify the Mortgagee of Mortgagor's change of address. If the Mortgagee specifies a procedure for reporting Mortgagor's change of address, then Mortgagor shall only report a change of address through that specified procedure. There may be only one designated notice address under this Mortgage at any one time. Any notice to the Mortgagee shall be given by delivering it or by mailing it by first class mail to the Mortgagee's address unless the Mortgagee has designated another address by notice to Mortgagor. Any notice in connection with this Mortgage shall not be deemed to have been given to the Mortgagee until actually received by the Mortgagee. If any notice required by this Mortgage is also required under Florida law, the Florida law requirement will satisfy the corresponding requirement under this Mortgage.

14. GOVERNING LAW AND VENUE. This Mortgage shall be construed and enforced pursuant to the laws of the State of Florida, excluding all principles of choice of laws, conflict of laws and comity. Any action or dispute arising between the parties pertaining to this Mortgage shall, to the extent permitted by law, be in courts of jurisdiction for Broward County and no other venue. All meetings to resolve said dispute, including voluntary arbitration, mediation, or other alternative dispute resolution mechanism, will take place in Broward County.

15. PREVAILING PARTY. The prevailing party in any action to enforce this Mortgage, shall recover from the non-prevailing party all and singular the costs, charges and expenses, including but not limited to, reasonable attorney's fees, including but not limited to all trial, appellate, and bankruptcy litigation, including litigation for the amount as well as entitlement to such, costs, charges, and expenses, because of the failure on the part of the non-prevailing party to perform, comply with, and abide by, each and every of the stipulations, agreements, conditions

and covenants of this Promissory Note, whether or not suit is brought, and the fees and costs shall bear interest from that date at the maximum rate permitted by law.

16. PARTIES BOUND; NO ORAL MODIFICATIONS. Each and every of the terms, covenants and conditions contained in this Mortgage shall be binding upon the parties and their successors, and assigns. This Mortgage is not subject to modification other than by a written document or instrument executed by the party or parties to be charged with such modification, in the same formality.

17. WAIVER OF TRIAL BY JURY. MORTGAGOR (AND MORTGAGEE, BY ITS ACCEPTANCE) KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED ON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS MORTGAGE, OR THE FINANCING CONTEMPLATED, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR THE ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE MORTGAGEE EXTENDING THE LOAN SECURED BY THIS MORTGAGE.

18. AGREEMENT TO SUBORDINATE. Mortgagee agrees that: (i) this Mortgage and the Note that it secures is and shall be subordinated in right of payment to the indebtedness evidenced by such mortgage as may be held by construction and permanent loan providers (“Senior Lenders”) encumbering the Leasehold Estate for development of the Project as defined in the Development Agreement executed by the Parties and recorded in the public records of Broward County, Florida (“Senior Mortgages”) and (ii) this Mortgage and the Note it secures are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Mortgages and any other loan documents in favor of Senior Lenders (“Senior Loan Documents”) and to all advances made or which may hereafter be made pursuant to the Senior Mortgages and the other Senior Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Mortgages, curing defaults by the Borrower under the Senior Loan Documents or for any other purpose expressly permitted by the Senior Mortgages, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Leasehold Estate consistent with the Development Agreement executed by the Parties and recorded in the public records of Broward County, Florida).

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IN WITNESS WHEREOF, the Mortgagor has set its hand and seal the day and year first above written.

MORTGAGOR:

SONATA APARTMENTS, LTD., a Florida limited partnership

By: Cornerstone Sonata, LLC, a Florida limited liability company, its general partner

By: _____
Leon J. Wolfe, Manager

ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this _____ day of _____, 2021, by Leon J. Wolfe, as Manager of Cornerstone Sonata, LLC, a Florida limited liability company, General Partner of SONATA APARTMENTS, LTD, a Florida limited partnership, on behalf of the limited partnership, who is personally known to me, or who has produced _____, as identification.

NOTARY’S SEAL:

NOTARY PUBLIC, STATE OF _____
(Signature of Notary Taking Acknowledgement)

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

Exhibit A
Legal Description of The Property

PROMISSORY NOTE

Pompano Beach, Florida

\$783,250.00

_____, 2021

FOR VALUE RECEIVED the undersigned, SONATA APARTMENTS, LTD., a Florida limited partnership (the “Maker”) with offices at 2100 Hollywood Boulevard, Hollywood, FL 33020, promises to pay to the order of the CITY OF POMPANO BEACH, a Florida municipal corporation (the “Lender”), at 100 West Atlantic Boulevard, 4th Floor, Pompano Beach, FL 33060 or such other location or address as the Lender may direct from time to time, the principal sum of **Seven Hundred Eight-Three Thousand Two Hundred Fifty and 00/100 Dollars (\$783,250.00)** (the “Promissory Note”).

This Promissory Note is secured by that certain Mortgage and Security Agreement (the “Mortgage”) of even date executed in favor of the Maker, relating to real property located in Pompano Beach, Florida ~~and more particularly described in the Mortgage~~ (the “Property”).

This Promissory Note shall bear one percent (1%) interest and the outstanding principal balance shall become due and payable on the thirty-third (33rd) calendar year after the Maker receives a certificate of occupancy (“Maturity Date”) for the construction of a 121 Unit mixed-use, mixed-income housing development (“Project”), whether temporary or final, as defined in the Development Agreement dated _____, 2021, by and between Maker and Lender.

At the option of the Lender, all sums advanced and all other sums due under this Promissory Note shall become immediately due and payable, without notice or demand, upon the occurrence of any one or more of the following Events of Default: (a) the Maker's failure to promptly pay in full any payment of principal or default interest due under this Promissory Note within ten (10) days following the date on which such payment is due; (b) Maker’s failure to comply with the terms, conditions and covenants agreed to in the Development Agreement entered into by Maker and Lender, or (c) any uncured breach, following the giving of notice and the expiration of any applicable cure period, by the Maker of any of the terms, covenants or conditions set forth in the Mortgage. Upon the occurrence of any of the foregoing events (each, an “Event of Default”), and in addition to any other remedies provided in the Mortgage, the amount disbursed under the Promissory Note, together with default interest at the rate provided in this Promissory Note, and all unpaid fees, charges and other obligations of the Maker due under the Promissory Note or under the Mortgage, shall, at Lender's option, be immediately due and payable.

No delay or omission on the part of the Lender in the exercise of any right under this Promissory Note shall operate as a waiver of such right or of any other right under this Promissory Note. A waiver by the Lender of any right or remedy on any one occasion shall not be construed as a bar to, or waiver of, any such right or remedy as to any future occasion.

The Maker agrees that in the event each and every of the terms and conditions of this Promissory Note or any instrument which secures or collateralizes the payment of the sums is not duly performed, complied with, or abided by, subject to applicable notice and cure periods set forth in the Mortgage, the whole of the indebtedness then outstanding shall, at the option of the Lender, become immediately due and payable. If this Promissory Note becomes in default and is placed in the hands of an attorney for collection, the Maker agrees to pay all and singular the costs, charges, and expenses incurred by the Lender in the enforcement of its rights, including, but not limited to reasonable attorneys' fees and costs, at trial or on appeal.

The Maker and all persons becoming obligated or liable for the payment in this Promissory Note, do jointly and severally waive demand, notice of non-payment, protest, notice of dishonor and presentment.

The Maker does not intend or expect to pay, nor does the Lender intend or expect to charge, collect or accept, any interest greater than the highest legal rate of interest which may be charged under any applicable law. Should the acceleration of any charges made in this Promissory Note result in the computation or earning of interest in excess of such legal rate, any and all such excess shall be and the same is waived by the Lender, and any such excess shall be credited by the Lender to the outstanding balance.

Each Maker, endorser, or any other person, firm or corporation liable for the payment of the loan evidenced by this Promissory Note, consents to any renewals, extensions, modifications, releases of security or any indulgence shown to or any dealings between the Lender and any party obligated under this Promissory Note, without notice, and jointly and severally agree that they shall remain liable notwithstanding any such renewals, extensions, modifications or indulgences, until the debt evidenced is fully paid.

Upon the occurrence of any Event of Default, all sums outstanding under this Promissory Note shall immediately bear interest at the highest legal rate of interest which may be charged under Florida law ("Default Interest Rate") per annum from the date of disbursement, without notice to the Maker or any guarantor or endorser of this Promissory Note, and without any affirmative action or declaration on the part of the Lender.

This Promissory Note shall be construed and enforced according to the laws of the State of Florida, excluding all principles of choice of laws, conflict of laws or comity. Any action pursuant to a dispute under this Promissory Note must be brought in Broward County and no other venue. All meetings to resolve said dispute, including voluntary arbitration, mediation, or other alternative dispute resolution mechanism, will take place in this venue.

The terms of this Promissory Note may not be orally changed.

The prevailing party in any action to enforce this Promissory Note, shall recover from the non-prevailing party all and singular the costs, charges and expenses, including but not limited to, reasonable attorney's fees, including but not limited to all trial, appellate, and bankruptcy litigation, including litigation for the amount as well as entitlement to such, costs, charges, and expenses, because of the failure on the part of the non-prevailing party to perform, comply with, and abide by, each and every of the stipulations, agreements, conditions and covenants of this Promissory Note, whether or not suit is brought, and the fees and costs shall bear interest from that date at the maximum rate permitted by law.

Notwithstanding anything to the contrary herein or in the Mortgage, this Promissory Note is a non-recourse obligation of the Maker and its members and neither Maker nor its members have personal liability for repayment of the loan evidenced by this Promissory Note. Lender's sole recourse shall be to the collateral which secures said loan.

THE MAKER OF THIS PROMISSORY NOTE HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS PROMISSORY NOTE, OR THE FINANCING CONTEMPLATED, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR THE ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER EXTENDING THE LOAN EVIDENCED BY THIS PROMISSORY NOTE.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Maker has set its hand and seal the day and year first above written.

MAKER:

Sonata Apartments, Ltd., a Florida limited partnership

By: Cornerstone Sonata, LLC, a Florida limited liability company, its general partner

By: _____
Leon J. Wolfe, Manager

ACKNOWLEDGMENT

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this _____ day of _____, 2021, by Leon J. Wolfe, as Manager of Cornerstone Sonata, LLC, a Florida limited liability company, General Partner of SONATA APARTMENTS, LTD, a Florida limited partnership, on behalf of the limited partnership, who is personally known to me, or who has produced _____, as identification.

NOTARY’S SEAL:

NOTARY PUBLIC, STATE OF _____
(Signature of Notary Taking Acknowledgement)

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

Exhibit 7 – Declaration of Covenants and Restrictions

(Final document will be approved as for form by City Attorney)

Exhibit 8 – Insurance Requirements

(A) Property Insurance. "**All risk**" property insurance with extended coverage against loss or damage by earthquake, mudslide, windstorm, flood with an endorsement for amended coverage, vandalism, malicious mischief, sprinkler leakage and special coverage, including flammable materials.

Amounts. Such coverage shall be in the following amounts: (a) as to windstorm, \$100,000,000; (b) as to flood, \$12,500,000; and (c) as to all other perils, One Hundred Percent (100%) of the replacement cost of the Improvements (exclusive of foundation and excavation costs), Developer's alterations, improvements, fixtures, equipment, furniture, trade fixtures and floor coverings, including the expense of the removal of debris as a result of damage by an insured peril (collectively, the "**Insured Property**") on the Property.

Deductibles. The maximum deductibles for such coverage shall be as follows: (A) as to flood and windstorm, Five Percent (5%) of the completed building value; and (B) as to all other perils, One Percent (1%) of the insured value.

Loss Payees and Insureds. City, CRA, Developer, and any Approved Leasehold Mortgagee shall be named as loss payees. Developer shall be the first named insured, and City, CRA and any Approved Leasehold Mortgagee shall be named as additional insureds.

Special Considerations for Casualty and Windstorm Insurance. Notwithstanding the foregoing, the Parties acknowledge and agree that coastal properties are often precluded from being insured by private insurers and that any casualty and windstorm insurance may have to be written through the Florida Joint Underwriters Association or another governmental or other insurance pool which may include certain prohibitions such as no replacement cost coverage.

Determination of Replacement Cost. Unless expressly waived in writing by the City Manager, the replacement cost of the Insured Property shall be determined every seven (7) years during the Term by an insurance appraiser selected and paid for by Developer, provided that Developer shall obtain City or CRA's approval (which approval shall not be unreasonably withheld) of the appraiser before commencement of the appraisal. The appraiser selected by Developer shall submit to City, CRA and Developer a written report of the appraised replacement cost. If City, CRA or Developer is not satisfied with such report, the dissatisfied party shall serve upon the other a notice of dissatisfaction within thirty (30) days after receipt of the report, and the Parties shall in good faith attempt to resolve any disputes concerning the appraised replacement cost. During this period of the dispute, Developer shall continue to maintain insurance in an amount equal to that maintained before the dispute arose. Promptly upon receipt of the appraiser's report and resolution of any such dispute, Developer shall procure and deliver to City and CRA written confirmation from the insurer(s) evidencing the adjustment in insurance amounts which may be required.

(B) Boiler and Machinery Insurance. Boiler and machinery insurance covering repair and replacement of all boilers and machinery serving or benefiting the Improvements. The policies of insurance shall be endorsed so as to provide use and occupancy coverage for the Improvements in such amount as may be reasonably acceptable to City and CRA. City, CRA, Developer and any Approved Leasehold Mortgagee shall be named as loss payees. Developer

shall be the first named insured, and City, CRA and any Approved Leasehold Mortgagee shall be named as additional insureds.

(C) Other Insurance to Be Carried. At all times during the Term, Developer shall also, at Developer's sole cost and expense but for the mutual benefit of Developer, CRA and City (with City and CRA being named as an additional insured thereunder and with leasehold mortgage clauses for the benefit of any Approved Leasehold Mortgagee, which clauses shall be consistent with the terms of this Agreement), maintain the following insurance:

(i) CGL Insurance. Commercial General Liability insurance on a commercial general liability coverage form with "**broad form**" coverage, or its equivalent, including contractual liability, products and completed operations, personal injury, liquor legal liability, garage keepers liability, and products and completed operations, personal injury, and premises coverage against sums adjudicated to be payable by the insured on account of bodily injury, death or property damage occurring in or about the Property (it being understood, however, that such coverage does not extend to damage to property in the insured's care, custody and control).

(1) *Amounts*. The limits of such coverage shall not be less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate single limit for bodily injury and property damage. No deductible in excess of \$50,000 will be carried under this coverage without the City Manager's prior written consent, which shall not be unreasonably withheld.

(2) *Umbrella Policy*. Developer shall further maintain an excess liability umbrella policy whose limits shall not be less than a combined single limit of Five Million Dollars (\$5,000,000).

(3) *Adjustments in Amounts*. Such insured amounts as provided above shall be adjusted as of the fourth (4th) anniversary of the January 1 following the Commencement Date, and every three (3) years thereafter, by any increase or decrease (which decrease shall not result in an amount less than the amounts initially required as set forth above) in the CPI from the Commencement Date to the date on which the adjustment is to be made.

(ii) Builder's Risk. During any periods of: (1) excavation and/or construction; (2) alteration; (3) restoration in the event of damage or destruction or condemnation; or (4) razing or demolition, at, in or on the Property, the Improvements or any part of it, an all risk Builder's Risk policy (including extended coverage for fire, lightning, earth movement, flood, collapse, business interruption, hurricane, boiler and machinery) covering the interests of City, CRA and Developer. Such policy shall insure that portion of the Improvements which is affected by such activities for not less than One Hundred Percent (100%) replacement cost on a completed value basis (including foundations and pilings), and shall include coverage for the increased cost of construction due to the enforcement of any laws, as well as the contingent liability from the operation of buildings, and coverage for the demolition cost of undamaged portions of buildings.

(iii) *E & O Coverage*. In addition, Developer shall cause all of the key or primary professionals retained by it in connection with any construction (e.g., architects and engineers) to procure errors and omission coverage reasonably satisfactory to Developer for

Developer's and City and CRA's benefit, in such amounts as are customarily carried by such professionals in Broward County, Florida.

(iv) Pollution/Environmental Impairment Liability.

Pollution/Environmental Impairment Liability Insurance coverage on a claims made basis with limits of Five Million Dollars (\$5,000,000) per occurrence (with the policy period extending at least six (6) years from and after the expiration or sooner termination of this Agreement), providing coverage for the damage caused by spillage of any fuel, petroleum, products or any other "**hazardous substances**", "**hazardous materials**" or "**toxic substances**" (as defined in any and all Applicable Laws), whether those substances are solid, liquid or gaseous. Such policy of insurance shall also provide coverage for the cost of cleanup of the affected area and for the removal, transportation and safe disposal of any contaminated area. City, CRA and Developer shall be named as loss payees. Developer shall be the first named insured, and City, CRA and any Approved Leasehold Mortgagee shall be named as additional insureds.

(v) Worker's Compensation. Worker's compensation and occupational disease coverage in the amounts and types required by Chapter 440, F.S., or any successor. Only Developer shall be named as an insured.

(vi) Automobile Liability. Automobile liability insurance covering all owned, non-owned and hired vehicles used in conjunction with operations covered by this Agreement. The policy or policies of insurance shall contain such limits as may be reasonably requested by City or CRA from time to time but not less than One Million Dollars (\$1,000,000). Such insured amount shall be increased as of the fourth (4th) anniversary of the January 1 following the Commencement Date, and every three (3) years thereafter.

(vii) Other Coverage. In the event that any other type of legislation may be enacted imposing special liability upon City, CRA or Developer by virtue of its use for any special purposes, before Developer shall so use the Property and/or the Improvements or any part of it for such purposes, Developer shall provide insurance in form and substance, and with insurers and limits reasonably satisfactory to City and CRA and meeting commercial standards insuring the interests of City, CRA and Developer and naming City and CRA as additional insured.

(viii) "Wrap-Up" Policy. City acknowledges and agrees that the coverage required by this subparagraph and any other required coverages may be obtained through a so-called "**wrap-up**" policy.