

GROUND LEASE

THIS GROUND LEASE ("**Lease**") is made on this _____ day of _____, 2021 ("**Commencement Date**"), by and between CITY OF POMPANO BEACH, a Florida municipal corporation, whose address is 100 W. Atlantic Boulevard, Pompano Beach, Florida 33060 (the "**City**" or "**Landlord**"), and SONATA APARTMENTS, LTD., a Florida limited partnership, whose address is 2100 Hollywood Blvd., Hollywood, Florida 33020 (the "**Tenant**"), collectively referred to as "the **Parties.**"

WITNESSETH:

WHEREAS, the City is the owner of certain real property located in Broward County, more particularly described in Exhibit A, attached and made a part of this Lease (the "**Land**", the "**Demised Property**" or the "**Premises**"); and

WHEREAS, the Land is currently unimproved and contains, in large part, drainage facilities and the western portions of Dixie Highway, a major corridor within the City; and

WHEREAS, the City desires to promote neighborhood-oriented development along Dixie Highway, including a mix of housing, shopping, dining, and employment opportunities, particularly development of mixed income multifamily residential and commercial mixed use buildings adjacent to existing residential developments, increased connections between single-family residential neighborhoods and higher intensity uses with pedestrian emphasis that supports such mixed use development, and safe and convenient access to transit; and

WHEREAS, the Tenant desires to lease the Land from City on the terms and conditions set forth below, in order to construct a mixed use and mixed income rental community having approximately (a) 121 mixed income multifamily residential units and (b) 3,500 square feet of commercial space and related improvements (the "**Improvements**" or "**Project**"); and

WHEREAS, the City desires to lease the Premises to the Tenant for the development and operation of the Project, which the City finds will spur affordable housing and economic development, attract new businesses and jobs to the City, and generate annual rent and ad valorem taxes for the City, an initiative consistent with the NWCRA Plan and the CRA's overall redevelopment objectives for the NWCRA District; and

WHEREAS, upon the expiration of this Lease, the Tenant will relinquish in favor of the City all of Tenant's right, title and interest in and to the Improvements and to assign to the City its interest as lessor under any and all commercial or retail leases then existing on the Premises, at no cost to the City;

WHEREAS, the Parties desire to enter into this Lease for the purpose of setting forth their respective rights, covenants, obligations, and liabilities with respect to leasing the Premises and Tenant's development obligations with respect to the Project;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises of the

parties contained in this Lease, and of other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending legally to be bound, covenant and agree as follows:

**ARTICLE I
DEMISED PROPERTY AND GENERAL TERMS OF LEASE**

1.1 Lease of the Demised Property.

(A) Upon and subject to the conditions and limitations set forth in this Lease, for and in consideration of the rents, the covenants and agreements, and the rights reserved to the City, its successors and assigns, and in consideration of the Tenant's covenant to relinquish to the City the Improvements upon the expiration of this Lease, the City agrees, pursuant to the terms of this Lease, and does lease and demise unto the Tenant, and the Tenant does take and hire the Premises, to have and to hold the same for the Term. The City shall deliver exclusive possession of the Premises to the Tenant on the date on which Tenant closes on its construction financing and equity syndication (the "**Possession Date**"), at which time Tenant shall take possession.

(B) EXCEPT AS SET FORTH IN THIS LEASE, THE PREMISES SHALL BE LEASED TO TENANT IN ITS "AS-IS" AND "WHERE-IS" CONDITION, WITH ANY AND ALL FAULTS, AND WITH CITY NOT OFFERING ANY IMPLIED OR EXPRESSED WARRANTY AS TO THE CONDITION OF THE DEMISED PROPERTY OR WHETHER IT IS FIT FOR ANY PARTICULAR PURPOSE.

(C) Tenant shall have the right to develop the Premises in a manner consistent with the Development Agreement and the Conceptual Site Plan, attached and made a part of this Lease as Exhibit B and collectively referred to as "Development Agreement"), and to contract for, or delegate, portions of the development of the Premises to third parties, and to construct, or contract with others to cause construction of, the Improvements contemplated in connection with the development as described in Exhibit B, subject to the terms and conditions of this Lease. Tenant shall have the right to relocate easements and utility lines within the Premises, at Tenant's sole expense, if necessary, for the development of the Premises. Such relocation must be done with the consent and cooperation of the City, not to be unreasonably withheld, conditioned, or delayed, and the applicable utility company or other party in whose favor such easement runs.

1.2 Term of Lease. The term of this Lease shall be effective on the Commencement Date and to have and to hold until the date which is fifty (50) years thereafter ("**Expiration Date**"), unless this Lease is terminated earlier as provided for in this Lease ("**Term**"). If permitted by City Charter, the lease may be extended by exercise of two (2) successive ten (10)-year options to renew this Lease, on the same terms and conditions. Tenant may exercise its option to renew by providing City with written notice of its intent to renew, delivered not later than three (3) months prior to the expiration of the prior term or renewal period. The Project will be subject to the terms and conditions of housing tax credits requirements as set forth in Section 42 of the United States Internal Revenue Code (the "**Code**") and as required by the Florida Housing Finance Corporation. In the event that the Tenant fails to close on the construction financing, including syndication of the housing tax credits, by December 31, 2021 ("**Financial Contingency Period**"), the Parties agree to enter into a termination agreement terminating this Lease, and Tenant appoints the City Manager as its attorney-in-fact solely for the purpose of entering into and recording, where applicable, such termination agreement. Landlord must (i) give notice to the Approved Leasehold

Mortgagee of Tenant's failure to exercise any option to renew or extend the term of the Lease and (ii) provide the Approved Leasehold Mortgagee with the right to exercise any such Lease renewals or extensions, notwithstanding expiration of such rights following the Tenant's failure to do so.

1.3 Expiration or Termination; Surrender. At the expiration or earlier termination of the Term or any renewal period: (a) the Demised Property shall revert to City or its designee as determined by the City; (b) Tenant shall deliver the Demised Property to the City or its designee as maintained in the condition required under this Lease, reasonable wear and tear excepted; (c) all Improvements remaining on the Demised Property (except Tenant's or any subtenant's Personal Property) shall become the property of the City or its designee, at no cost or expense to the City or its designee (such conveyance of the Improvements being referred to herein as the "**Termination Rent**"); and (d) Tenant shall execute such deeds, assignments, bills of sale or other documents or instruments as reasonably required by the City to transfer all of the Project and related items back to City. In the instance of the expiration or earlier termination of the Term or any renewal period, where the leasehold estate is encumbered by a mortgage for the benefit of an Approved Leasehold Mortgagee, the Landlord agrees to (i) give notice to the Approved Leasehold Mortgagee of the expiration or earlier termination of the Term or any renewal period and (ii) provide the Approved Leasehold Mortgagee with the right to exercise any such Lease renewals or extensions.

1.4 City's Rights Upon Holding Over. At the expiration of the Term, or any earlier termination of this Lease, the Tenant shall yield up immediate possession of the Demised Property and the Improvements to the City. In the event that the Tenant fails to do so, then, in addition to such other rights and remedies as the City may have, the Tenant shall pay to the City for the whole time such possession is withheld beyond the date of expiration or termination of this Lease, a sum per day equal to Two Hundred Percent (200%) times 1/365th of the aggregate of the Rent paid or payable to the City for the immediately preceding Calendar Year. Such payment shall not, however, be deemed to grant further possessory rights to the Tenant.

1.5 Title Matters. Tenant shall have the right to order a title insurance commitment on the Premises, within the ninety (90) days following the Commencement Date. In the event the title insurance commitment shall reflect encumbrances or other conditions impairing marketable title ("**Defects**"), then, City, upon notification of the Defects, shall immediately and diligently proceed to cure same and shall have a reasonable time within which to cure the Defects. If, after the exercise of all reasonable diligence, the City is unable to clear the Defects, then Tenant may accept the Defects or Tenant may terminate the Lease and the parties shall be released from further liability.

ARTICLE II RENT

2.1 Rent. Tenant covenants and agrees to pay to the City Fifty Thousand Dollars (\$50,000.00), payable in annual installments of One Thousand Dollars (\$1,000.00), due on the Possession Date and each subsequent year on the anniversary of the Possession Date ("**Rent**"). Tenant may, upon prior approval from City, pay the full amount of Rent for total duration of the fifty (50) year lease term in advance to the City.

2.2 The Rent shall be payable to the City, Department of Finance, Attn: Treasury, 100 W. Atlantic Blvd., Pompano Beach, Florida 33060, or at such other place and to such other person as the City may designate in writing.

2.3 Termination Rent. As provided in Section 1.3 above, upon the expiration of this Lease, Tenant shall convey to the City the Improvements on the Demised Property. Tenant further agrees to convey to the City the buildings and improvements, if any then exist, on the Tenant's real property which is contiguous to the Demised Property and described on Exhibit D attached and made a part of this Lease, in as-is and where-is condition, together with the real property depicted on Exhibit D, subject to such matters as may then encumber it, but not subject to any liens or mortgages, all at no cost to the City.

2.4 Default Interest. If the Rent or other sums due from Tenant to the City are not paid when due and payable, then such unpaid Rent or other sums shall bear interest at highest rate permitted by law (the "**Default Rate**") from and after the date when same became due and payable until the date paid. Such interest payment shall be deemed to be additional Rent and shall not be deemed consent by the City to late payments, nor a waiver of the City's right to insist upon timely payments at any time, nor a waiver of any right or remedies to which the City is entitled as a result of the late payment.

2.5 Late Charge. If any Rent or other sums due from Tenant to the City are not paid when due and payable, and Tenant thereafter fails to cure such default within the applicable cure period (such that an Event of Default occurs), then, on each such occasion, Tenant shall pay to the City a late fee equal to Five Percent (5%) of the past due sum, as compensation to City for the inconvenience of the collection and processing of each such late payment. Such late fee shall be in addition to any interest payable under Section 2.4. Such late fee shall be deemed to be additional Rent and shall not be deemed a consent by the City to late payments, nor a waiver of the City's right to insist upon timely payments at any time, nor a waiver of any rights or remedies to which the City is entitled as a result of the late payment.

2.6 Rent to Be Without Deduction; Net Lease.

(A) City shall receive the Rent, and all other payments to be made by Tenant, free from any charges, assessments, impositions, expenses, defenses, setoffs or deductions whatsoever of any nature, except as may be otherwise specifically provided for in this Lease. City shall not be called upon or be required or responsible to make any expenditure for the maintenance, repair or preservation of all or any portion of the Demised Property.

(B) The Rent shall be absolutely net to City, free of any expense, charge, or other deduction whatsoever as to the Demised Property or the ownership, leasing, operation, management, maintenance, repair, replacement, use or occupation of the Demised Property, or any portion of the Demised Property (including any and all fees and charges payable for the Demised Property and to any association established in connection with the Demised Property). City shall not be required to furnish any service or facility whatsoever to the Demised Property as the Landlord or make any payment of any kind whatsoever or be obligated or liable under this Lease, except as otherwise specifically set forth in this Lease. Tenant assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the Demised Property and any portion, except as otherwise specifically provided for in this Lease. Tenant shall pay any applicable sales tax, documentary stamp taxes and intangible taxes or any applicable tax now or subsequently imposed which might be payable, owed, claimed, assessed or due in connection with this Lease (including any Rent) and will indemnify, defend, and hold City harmless from and against any claims relating to the payment, imposition or collection of such taxes, including reasonable attorneys' fees incurred by

City. City shall not be responsible for any loss or damage to any property of Tenant or any subtenant, franchisee, concessionaire or other user or occupant of all or any portion of the Demised Property.

(C) Except as otherwise specifically provided in this Lease, (i) this Lease shall not terminate nor shall Tenant have any right to terminate this Lease; (ii) Tenant shall not for any reason whatsoever be entitled to any abatement, deduction, deferment, suspension, or reduction of, or setoff, defense, or counterclaim against, any rent, charge, or other sums payable by Tenant under this Lease; (iii) except as otherwise specifically provided in this Lease, the respective obligations of City and Tenant shall not be affected by reason of damage to or destruction of all or any portion of the Demised Property from whatever cause, any taking by condemnation, eminent domain or agreement between City and those authorized to exercise such rights, the lawful or unlawful prohibition of Tenant's use of all or any portion of the Demised Property, any default or breach of any warranty by City under this Lease or any other agreement between City and Tenant, or for any other cause whether similar or dissimilar to the foregoing. It is the intention of the Parties that the obligations of City and Tenant under this Lease shall be separate and independent covenants and agreements, and that the Rent and all other charges shall continue to be payable in all events unless the obligations to pay shall be terminated under the express provisions of this Lease. Tenant covenants and agrees that it shall remain obligated under this Lease in accordance with its terms, and that it will not take any action (except as expressly provided in this Lease) to terminate, cancel, rescind, or void this Lease for any reason whatsoever, including, any bankruptcy, insolvency, reorganization, composition, liquidation, dissolution, or other proceedings affecting City or any assignee of, or successor to, City.

(D) Tenant shall pay Rent to City in lawful United States currency. Unless otherwise expressly provided, all monetary obligations of Tenant to City under this Lease, of any type or nature, other than Rent, shall be denominated as additional rent. Except as otherwise provided, all additional rent payments are due ten days after delivery of an invoice. City shall have the same rights and remedies for defaults in the payment of additional rent as provided in this Lease for defaults in the payment of Rent. Tenant shall pay to City any sales, use, or other tax (excluding state and federal income tax) now or subsequently imposed on any Rent due under this Lease. All Rent shall be paid to City without demand, setoff, or deduction whatsoever, except as specifically provided in this Lease, at City's Notice address, or at such other place as City designates in writing to Tenant. Tenant's obligations to pay Rent are covenants independent of the City's obligations under this Lease.

2.7 Tenant shall pay any real estate taxes and personal property taxes and assessments assessed, levied, confirmed or imposed on the Premises during the term of this Lease whether or not now customary or within the contemplation of the Parties. The Tenant will pay all real estate transfer taxes that are required in connection with this Lease.

ARTICLE III DEVELOPMENT OF LAND AND CONSTRUCTION OF IMPROVEMENTS

3.1 Development of the Demised Property. Tenant shall cause the Project to be constructed on the Demised Property substantially in accordance with Exhibit B, Development Agreement and Conceptual Site Plan, and the terms and conditions of this Lease. Construction

shall commence no later than ninety (90) days after the Tenant has closed on construction loan(s) and obtained the equity investment necessary to finance the cost of construction of the Project ("Construction Commencement Date") or such date upon which the Tenant receives a Notice to Proceed such construction. The Tenant shall substantially complete the construction of the Project within eighteen (18) months of the Construction Commencement Date or date of the Notice to Proceed (the "**Completion Date**"). The foregoing limitation of time for the completion of the Project may be extended by written agreement between the Parties.

3.2 During the course of the construction of the Project, the Tenant shall provide to the City quarterly written status reports on the Project, and such other reports as may reasonably be requested by the City.

3.3 The Project shall be constructed in accordance with requirements of all laws, ordinances, codes, orders, rules and regulations (collectively "**Applicable Laws**") of all governmental entities having jurisdiction over the Project (collectively "**Governmental Authorities**"), including, but not limited to, the City, Broward County, the state of Florida, and the United States Department of Housing and Urban Development.

3.4 The Tenant shall apply for and prosecute, with reasonable diligence, all necessary approvals, permits and licenses required by applicable Governmental Authorities for the construction, development, zoning, use and occupation of the Project. The City agrees to cooperate with and publicly support Tenant's effort to obtain such approvals, permits and licenses, provided that such approvals, permits and licenses shall be obtained at Tenant's sole cost and expense.

3.5 Construction of the Project shall be performed in a good and workmanlike manner and in conformity with all Applicable Laws.

3.6 It is understood that a material inducement for the City entering into this Lease is the expectation, agreement and requirement that the Demised Property, together with adjacent lands owned by Tenant, will include the Improvements, during the entire Term, consisting of approximately (a) 121 mixed income multifamily residential units and (b) 3,500 sq. ft. of commercial space.

3.7 It is the purpose and intent of the Parties that Tenant shall be accorded all benefits and burdens of ownership of the Premises for as long as this Lease shall remain in effect. At all times during the term of this Lease, the Improvements shall be owned by the Tenant and, during the term, the Tenant alone shall be entitled to all of the tax attributes of ownership including, without limitation, the right to claim depreciation or cost recovery deductions, the right to claim housing tax credits described in Section 42 of the Internal Revenue Code and the right to amortize capital costs and to claim any other federal tax benefits attributable to the Improvements.

3.8 Pursuant to Section 250 of the City's Charter, Tenant shall expend approximately Fourteen Million Nine Hundred Thousand Dollars (\$14,900,000.00) on all improvements located on the Premises and shall expend at least fifty percent (50%) of such dollar amount during the first two (2) years of the Lease and shall expend the remainder of such amount during the second two (2) years of the Lease. Tenant's failure to comply with such expenditure timetable shall be deemed an Event of Default and shall entitle City to terminate this Lease.

3.9 Unavoidable Delays. Other than Tenant's obligation to pay Rent due to City or to maintain insurance, the Party obligated to perform under this Lease shall not be required to perform

and shall be entitled to a reasonable extension of time because of its inability to meet an obligation or a time frame or deadline specified in this Lease, where such failure or inability to perform is caused by an Unavoidable Delay. "**Unavoidable Delays**" shall mean delays beyond the control of a Party required to perform, such as delays due to strikes; a natural catastrophe, such as an earthquake, hurricane, flood or tornado, that could not have been prevented; fires; enemy action; civil disturbance; sabotage; restraint by court or public authority; litigation or formal administrative challenges by third parties to the execution or performance of this Lease or the procedures leading to its execution or to the process of entitlement for the Demised Property; pandemic or epidemic or related governmental shutdown or slowdown affecting the Tenant's ability to obtain entitlements, permits, approvals or any required consents, or to assemble a capable workforce for the commencement or completion of Construction; or moratoriums. Notwithstanding anything in this Lease to the contrary, if a Party shall be delayed in the performance of any act required under this Lease by reason of any Unavoidable Delay, and the party then provides notice of the Unavoidable Delay to the other Party within ten days after its occurrence, performance of the act shall be excused for the period of the delay and the period for the performance of the act shall be extended for a reasonable period, in no event to exceed the period equivalent to the period of the delay. Delays or failures to perform resulting from lack of funds or the increased cost of obtaining labor and materials shall not be deemed delays beyond the direct control of a Party.

3.10 Delays and Remedies. If Tenant fails to cause the Commencement of Construction on or before the date which is one hundred twenty (120) days following the Possession Date, subject to Unavoidable Delays, either party shall have the right to terminate this Lease (such event shall not be deemed an Event of Default and City and Tenant shall have no further obligation to each other under this Lease, except as to such matters as expressly survive termination) by delivering written notice to the other party; provided, however, if City's acts or failure to act, or if Unavoidable Delays, were the cause of Tenant's delay to timely Commence Construction, then City shall not have the right to terminate the Lease as provided until the expiration of the extended deadline.

3.11 Tenant's Right to Terminate. If within the Financial Contingency Period, Tenant determines that Tenant is not able to develop the Project substantially as contemplated or as illustrated in the Conceptual Site Plan, then, in addition to any other Tenant rights, Tenant shall have the right to terminate this Lease by giving written notice of termination to City, which notice shall be delivered no later than five (5) Business Days following the expiration of the Financial Contingency Period. In such event, this Lease shall terminate fifteen (15) days following City's receipt of such notice of termination and any and all construction materials located on the Demised Property and not incorporated in the Premises must be removed by Tenant. In the event that Tenant terminates this Lease in accordance with the provisions of this Section: (i) Tenant shall promptly refill and regrade any excavations and repair any damages resulting from or caused by its inspections or by the acts or omissions of Tenant or any of its agents, employees, or contractors, and shall otherwise return the Demised Property (as applicable) to the condition it was in immediately prior to Tenant's inspections; (ii) if requested by City, Tenant shall demolish any partially constructed building or other improvements; (iii) Tenant shall otherwise promptly and diligently restore the Demised Property to a condition substantially equivalent to its condition as of the Lease Commencement Date, and vacate the Demised Property; and (iv) Tenant shall reimburse City for all costs and expenses incurred by City in connection with the execution, delivery and administration of this Lease. Provided that Tenant satisfies its obligations under this

Section, then City will release any and all bonds, including Payment and Performance Bonds, provided in connection with the Improvements, where applicable. Notwithstanding the foregoing, if City does not request that Tenant demolish any partially constructed building or other improvements, Tenant shall cooperate with any requests by City to cause any Construction Contracts to be assigned to City or any entity designated by City. Tenant shall indemnify, defend (with counsel reasonably acceptable to City), and hold City, its employees, agents, and contractors harmless from and against any and all loss, damage, claim, demand, liability, or expense (including attorneys' fees) based on any acts or omissions (including negligence) of Tenant, its engineers, surveyors, consultants, employees, agents, and contractors in connection with Tenant's inspection of the Demised Property, including claims relating to nonpayment for services rendered to Tenant, for construction or mechanics' liens, and for damages to persons or Demised Property, caused in whole or in part by acts or omissions of Tenant, its engineers, surveyors, consultants, employees, agents, and contractors.

3.12 Construction; Delegation; City Joinders. Subject to the terms and conditions of this Lease, Tenant shall have the right and obligation to develop and to construct, or cause construction of, all of the Improvements. Subject to City's prior written approval, the obligations of the Tenant set forth in this Article, and the rights granted to Tenant, may be undertaken or exercised by any subtenant or assignee of Tenant (which subtenant or assignee is approved by City, to the extent required by the terms of this Lease) authorized in writing by Tenant to undertake such obligation or exercise such rights, but no such undertaking or exercise by any such subtenant or assignee relieve Tenant of its responsibility and liability to perform such obligations. Upon the request of Tenant but subject to any required approvals of City pursuant to the terms of this Lease, City, in its capacity as the owner of the Land, through the City Manager or their designee, as often as required, will execute, join in, or consent to, any Permits, applications, approvals, agreements, or other administrative documents necessary for the approval of the Project, the construction of the Improvements and the Public Infrastructure or the undertaking of the Environmental Activities contemplated in this Lease. The Permits, applications, approvals, agreements, or other administrative documents may include, but are not limited to, any Development Requirements and other documents, easement instruments or agreements, including, but not limited to, water and sewer agreements, non-standard improvement agreements, plat applications, agreements and warrants associated with the platting of the Land, estoppels and non-disturbance and attornment agreements, as may be necessary for Tenant to develop and use the Demised Property in accordance with the Plans and Specifications and the Conceptual Site Plan. In furtherance of such activities, and on the condition that City shall incur no liability, cost, or expense whatsoever in connection with such activities, City shall take such actions as necessary to:

(A) allow for the execution, submittal and, if required, the recording of any Permits, agreements, temporary or permanent easements, or any covenants or declaration of restrictions required or requested by the reviewing Governmental Authority, and

(B) accept any conditions related to such Permits, plats, applications, approvals, agreements, or other administrative documents reasonably imposed by the reviewing Governmental Authority; provided that all costs (including the cost of review by City) will be assumed by Tenant. City agrees to use reasonable efforts to review and approve any such requests within twenty-one (21) days of such request from Tenant. If City has not provided Tenant with written notice of its approval within the time period set forth above, City shall be deemed to have refused to consent to the applicable request of Tenant.

3.13 City's Rights as Sovereign. The City retains all its sovereign prerogatives and rights as a City under Applicable Laws, including, but not limited to, matters pertaining to the planning, design, construction, development and operation of the Project. It is expressly understood that, notwithstanding any other provisions of this Lease and City's status as City in this Lease:

(A) The City retains all of its sovereign prerogatives and rights and regulatory authority (quasi-judicial or otherwise) as a City under Applicable Laws (all of which shall be absolute and unfettered in all respects), and shall in no way be estopped from withholding or refusing to issue any approvals or applications for building, zoning, planning or development under present or future laws and regulations whatever nature applicable to the planning, design, construction and development of the Project or its operation; provided, without diminishing the foregoing, that the City (in its capacity as City) agrees to reasonably cooperate with Tenant in Tenant's efforts to expedite Permits and Entitlements;

(B) The City shall not, by virtue of this Lease or any other document associated with the Project, be obligated to grant Tenant any approvals of applications for building, zoning, planning, development or otherwise under Applicable Laws of whatever nature applicable to the planning, design, construction, development and operation of the Project; and

(C) Notwithstanding and prevailing over any contrary provision in this Lease, any City covenant or obligation that may be contained in this Lease or any other document associated with the Project shall not bind the City Commission, or any other City, county, federal or state department or authority, committee or agency (i.e., any Governmental Agency) to grant or leave in effect any zoning changes, variances, Permits, waivers, contract amendments, or any other approvals that may be granted, withheld, or revoked by the City or other applicable Governmental Authority in the exercise of its police power(s). In no event shall City have any obligations or liabilities to Tenant under this Lease or otherwise on account of City's exercise of its sovereign prerogatives and rights and regulatory authority (quasi-judicial or otherwise) as a City under Applicable Laws.

3.14 Conformity of Plans. Plans and Specifications and Construction Plans, and all work by Tenant with respect to the Demised Property and Tenant's design, development and operation of the Improvements shall be in conformity with this Lease and Applicable Laws.

3.15 Title to Improvements. Title to the Improvements and material and equipment provided by Tenant that are incorporated into or become a part of the Project (the "**Immovable Fixtures**") shall, upon being added or incorporated in the Premises, automatically vest in Tenant as the case may be, until the expiration or sooner termination of the Term, where title to the Improvements and Immovable Fixtures (specifically excluding the Personal Property of Tenant and any subtenants) shall automatically pass to, vest in, and become the absolute property of the City in fee simple, and free and clear of all encumbrances other than:

(A) The lien of any Impositions assessed but not yet due and payable (for which Tenant shall remain obligated to pay to the extent that they are allocable to the period prior to the termination of this Lease);

(B) Any rights surviving an early termination of this Lease (i.e., prior to the stated expiration date of the Term) which are granted under this Lease or under an applicable Non-Disturbance Agreement (it being understood that any and all rights to possession or occupancy of

the Demised Property or the Improvements or any portion shall in no event extend beyond the stated expiration date of the Term); and

(C) Any permitted title exceptions and any other title matters consented to in writing by the City during the Term, and standard utility easements for services provided to the Project for consumption by residents, such as power, cable television, internet, water and other utility service.

If requested, Tenant will convey the Improvements and Immovable Fixtures to the City by special warranty deed upon the expiration or sooner termination of the Lease.

3.16 Off-Site Public Improvements. Any off-site improvements required to be funded, designed, developed, constructed or contributed by any Applicable Laws (or onsite improvements needed to be expanded) as a result of Tenant's development of the Demised Property (all of which may be considered as part of the Public Infrastructure) shall be funded, designed, developed, constructed or contributed at no cost to the City. City shall reasonably cooperate with Tenant, at no cost or expense to City, in connection with Tenant's efforts to obtain impact fee credits for such Public Infrastructure as completed by Tenant that otherwise qualify for impact fee credits or reimbursements under the applicable Codes of Pompano Beach or Broward County; provided, however, nothing contained in this Lease shall limit Tenant's obligation to pay Impact Fees.

ARTICLE IV RESPONSIBILITY FOR ENVIRONMENTAL CONDITIONS

4.1 The City is not aware of nor has any knowledge that Hazardous Substances are or may be present on the Premises, and the Tenant acknowledges that the City has not performed any environmental testing of the Premises.

4.2 For the purposes of this Lease "**Hazardous Substances**" includes any substances, chemicals, materials or elements that are prohibited, limited or regulated by any and all federal, state or commonwealth, and local laws, regulations, statutes, codes, rules, resolutions, directives, orders, executive orders, consent orders, guidance from regulatory agencies, policy statements, judicial decrees, standards, permits, licenses and ordinances, or any judicial or administrative interpretation of, any of the foregoing, pertaining to the protection of land, water, air, health, safety or the environment whether now or in the future enacted, promulgated or issued (the "**Environmental Laws**"), or any other substances, chemicals, materials or elements that are defined as "**hazardous**" or "**toxic**," or otherwise regulated under the Environmental Laws, or that are known or considered to be harmful to the health or safety of occupants or users of the Premises. The term "**Hazardous Substances**" shall also include, without limitation, any substance, chemical, material, or element (i) defined as a 'hazardous substance' under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 USC §§ 9601, et seq.), as amended by the Superfund Amendment and Reauthorization Act of 1986, and as further amended from time to time and regulations promulgated thereunder; (ii) defined as a "**regulated substance**" within the meaning of Subtitle I of the Resource Conservation and Recovery Act (42 USC §6991-6991 i), as amended from time to time and regulations promulgated thereunder; (iii) designated as a "**hazardous substance**" pursuant to Section 311 of the Clean Water Act (33 USC §1321), or listed pursuant to Section 307 of the Clean Water Act (33 USC §1317); (iv) defined as "**hazardous**," "**toxic**," or otherwise regulated under any Environmental Laws adopted by the state in which the Premises are located, or its agencies or political subdivisions; (v) which is petroleum, petroleum products or derivatives or constituents thereof, (vi) which is asbestos or asbestos-

containing materials; (vii) the presence of which requires notification, investigation or remediation under any Environmental Laws or common laws; (viii) the presence of which on the Premises causes or threatens to cause a nuisance upon the Premises or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises; (ix) the presence of which on adjacent properties would constitute a trespass by the owner; (x) which is urea formaldehyde foam insulation or urea formaldehyde foam insulation-containing materials; (xi) which is lead-based paint or lead-based paint-containing materials; (xii) which are polychlorinated biphenyls or polychlorinated biphenyl-containing materials; (xiii) which is radon or radon-containing or producing materials; or (xiv) which by any laws of any governmental authority requires special handling in its collection, storage, treatment or disposal. Notwithstanding any contrary provision of this paragraph, the term "**Hazardous Substances**" shall not apply to such substances that would otherwise meet such definition as long as (i) the use of such substance in, on or under the Premises is in compliance with all Environmental Laws and (ii) such substance is used in de minimus quantities incidental to the operation of the Premises. The Parties agree and acknowledge that complete remediation of all environmental conditions or violations of Environmental Laws prior to or during the Lease Term are the obligations of Tenant alone. The City shall have absolutely no obligation, liability, cost or expense whatsoever in connection with any Environmental Condition or violation of Environmental Laws.

4.3 Third Party Liability. Nothing in this Lease shall be construed to limit the responsibility of third parties who are potentially responsible parties ("**PRPs**") for liability which may be imposed against such PRPs for any Environmental Condition. The existence of any such PRPs shall not release Tenant from its responsibility for an Environmental Condition, as between the parties, but the Tenant shall have the right to pursue recovery against such PRPs.

4.4 Tenant Environmental Indemnity. Tenant shall defend, indemnify, and hold harmless the City and its agents, officials, and employees, to the fullest extent permitted by law, from and against all expenses of remediation, disposal or other similar type of clean up or action necessary for compliance with the Environmental Laws, and any and all claims, causes of action, or demands, in law or in equity, including, but not limited to, all lien claims, administrative claims, claims for injunctive relief, claims of property damage, natural resources damages, environmental response and clean-up costs, fines, penalties, and expenses (including, without limitation, attorney fees, consultant fees and expert fees, costs and expenses incurred in investigation and defending against the assertion of such liabilities), which may be sustained, suffered or incurred by City, its agents, officials or employees. The foregoing indemnity shall not extend to losses sustained, suffered or incurred by City, its agents, officials or employees as a result of (a) Environmental Conditions existing on the Land prior to the Commencement Date, or (b) the City's own grossly negligent or willful act or omission.

4.5 Tenant's Breach. If Tenant breaches any of its obligations contained in this Article or fails to notify the City of the release of any hazardous or toxic substances from the Premises, then, in addition to all other rights and remedies available to the City, the City shall have the right, but not the obligation, to initiate a clean-up of the Premises, in which case the City shall be reimbursed by Tenant for, and indemnified by Tenant from, any and all costs, expenses, losses, and liabilities incurred in connection with the clean-up (including all reasonable attorneys' fees) by the City. In the alternative, the City may require Tenant to clean up the Premises and to indemnify fully and hold the City harmless from any and all losses, liabilities, expenses (including but not limited to attorneys' fees), and costs incurred by the City in connection with Tenant's clean

up action. Notwithstanding anything in this Article, Tenant agrees to pay, and shall indemnify defend, and hold the City harmless from and against, any and all losses, claims, liabilities, costs, and expenses (including reasonable attorneys' fees) incurred by the City as a result of any breach by Tenant of its obligations under this Article, and as a result of any contamination of the Premises because of Tenant's, its employees', agents', contractors', licensees' or subcontractors' use of hazardous or toxic substances on the Premises. If the City has reason to believe that a hazardous or toxic substance has been discharged on the Premises by Tenant, its employees, agents, contractors, subcontractors or licensees, the City shall have the right, in its sole discretion, to require Tenant to perform periodically to the City's satisfaction (but not more frequently than annually unless an environmental complaint from applicable governmental authorities shall be then outstanding), at Tenant's expense, an environmental audit and, if deemed necessary by the City, an environmental risk assessment of: (a) the Premises, (b) hazardous substance management practices, and (c) hazardous substance disposal sites used by Tenant. An audit or risk assessment must be prepared and completed by an environmental consultant reasonably satisfactory to the City. Should Tenant fail to perform any such environmental audit or risk assessment within 30 days after the City's request, the City shall have the right to retain an environmental consultant to perform such environmental audit or risk assessment. All costs and expenses incurred by the City in the exercise of such rights shall be secured by this Lease and shall be payable by Tenant upon demand as Rent.

4.6 Brownfields Designation. If applicable, City will cooperate, at no cost to the City, to have the Land designated as a Brownfields site, including but not limited to the signature of all applications, petitions, and other documents required by the Environmental Protection Agency, other federal, state or local agencies and governmental authorities, and any contractors or consultants engaged by Tenant in connection therewith.

ARTICLE V MAINTENANCE; PROPERTY INSPECTION

5.1 Pre-Construction Maintenance. At all times prior to construction, the Premises shall be maintained in a reasonably neat manner (taking into account the work being performed).

5.2 Maintenance of Construction Site. The Tenant shall maintain its construction site in a safe condition and a reasonably orderly manner and shall, as reasonably necessary, remove all major debris on a regular basis (including debris that has accumulated on adjacent lands, parcels or streets if created by Tenant; it being understood that in no event shall the same be deemed to be permission to store debris on any such adjacent lands, parcels or streets) and store all equipment in a neat manner when not in use.

5.3 Construction Traffic; Coordination. Tenant shall keep driving lanes or extension roads and pedestrian access walkways located on or near the Premises free from storage of equipment, building materials and dirt.

5.4 Avoidance of Nuisance. To the extent practical in connection with the Project, Tenant shall take such precautions as may be reasonably necessary to minimize the impact of noise, dust, truck traffic, nuisances and other consequences of construction activities. The City may, at Tenant's sole cost and expense, install a barrier or fence around attractive nuisances if

Tenant fails to do so within three (3) days after the City's demand. Such construction fence may be relocated by the Tenant upon abatement of the nuisances from time to time, at Tenant's expense.

5.5 Waste. Tenant covenants not to allow any waste (as defined by any Applicable Law) with respect to the Demised Property or the Improvements or any part. The provisions of this Section shall not apply to any demolition or disfigurement required in connection with repairs, renovations, upgrading or new construction in accordance with the terms of this Lease, or to the deposit of clean fill at the Demised Property or the removal of fill from the Demised Property for such purposes.

5.6 Inspection of Property.

(A) Right of Inspection. The City, its agents, employees and authorized representatives may enter the Demised Property at any time in response to an emergency, and at reasonable times upon reasonable prior written notice, as City deems necessary to, incident to, or connected with the performance of City's duties and obligations or in the exercise of its rights and functions, including, without limitation, to inspect the operation, sanitation, safety, maintenance and use of the same, or any portions of the same, and to assure City that Tenant is in full compliance with its obligations under this Lease (but City shall not assume any responsibility for the performance of any of Tenant's obligations under the Lease nor any liability arising from the improper performance under the Lease). In furtherance and not in limitation of the foregoing, City and its agents, employees and authorized representatives shall have the right of access to the Demised Property, upon reasonable prior written notice, to conduct from time to time an inspection or audit of the Demised Property or the Improvements, and Tenant agrees to cooperate in the conduct of such investigation or audit.

(B) Compliance. If any inspection or audit detects a violation of Tenant's obligation to comply and to keep the Premises or Improvements in compliance with the requirements of this Lease, then Tenant shall bear the cost and take whatever action is reasonably necessary to comply, and bring the Demised Property and the Improvements into compliance, with this Lease; and any reasonable fee or cost incurred by the City for such investigation or audit shall be borne by the Tenant and shall be paid by Tenant as additional Rent under this Lease on demand by the City.

(C) Action by City. If the Tenant fails to keep the Premises or the Improvements in compliance with the requirements of this Lease (including, without limitation, the requirement that the Premises and the Improvements be in compliance in all material respects with the ADA) and an Event of Default has occurred and is continuing, then the City, upon reasonable prior written notice to the Tenant, may take whatever action is reasonably necessary to bring the Premises and the Improvements into compliance, to the extent required by Applicable Laws. The Tenant agrees to provide the City access to the Premises and the Improvements and pay, as additional Rent, all costs reasonably incurred by the City in bringing the Premises and the Improvements into such compliance. The City, however, shall have no obligation to bring the Premises or the Improvements into compliance and nothing in this Lease shall be construed as creating such an obligation on the City.

(D) Minimizing Interference with Business Operations. Any inspection or audit described in this Section shall be done in such a manner so as to reasonably minimize any interference with any business operations on the Premises.

ARTICLE VI INSURANCE AND INDEMNIFICATION

6.1 At all times during the Lease Term, the Tenant shall, at the Tenant's sole cost and expense, but for the benefit of the City, maintain the insurance prescribed in Exhibit C, attached and made a part of this Lease.

6.2 Policies Obtained by Independent Contractors. Tenant 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, Tenant shall not be required to carry such coverages, so long as the coverages obtained by Tenant and such independent contractors together satisfy the requirements of this Article. City, Tenant and any Approved Leasehold Mortgagees shall be named as additional insureds as to any such coverages obtained by Tenant's independent contractors.

6.3 Delivery of Insurance Policies. All public liability and worker's compensation policies shall be retained by Tenant. 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 and Tenant. Insurance company certificates evidencing the existence of all of these policies of insurance shall be delivered to City.

6.4 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 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 shall have no obligation to pay premiums or make contributions to the insuring company or any other Person or satisfy any deductible.

6.5 Delivery. On or before the Possession Date and then not less than thirty (30) days prior to the expiration date of any policy required to be carried pursuant to this Article, Tenant 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 or by any of its representatives which indicates less coverage than required shall not constitute a waiver by City of Tenant's obligation to fulfill the insurance requirements herein.

6.6 City's Right to Obtain. If Tenant fails to pay insurance premiums when due or to comply with other insurance requirements set forth in this Lease, City shall have the right, at its 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 shall be entitled to reimbursement by Tenant upon demand. Unless there would ensue a lapse of coverage, City shall, before making any such advance, provide Tenant with ten (10) days' prior written notice and the opportunity to obtain the required policies.

6.7 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, Tenant shall provide photocopies of receipts showing the payment of premiums for all insurance policies required to be maintained by this Lease.

6.8 Tenant Waiver. Tenant expressly, knowingly, and voluntarily waives and releases any right of recovery that it may have against the City for loss or damage to its property, and property of third parties in the care, custody, and control of Tenant, and loss of business (specifically including business interruption by Tenant) directly or by way of subrogation or otherwise as a result of the acts or omissions of the City specifically including the negligence of City and the intentional misconduct of the City, 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 Lease (whether or not actually carried by either party), or other property insurance that Tenant 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). Tenant shall each, on or before the earlier of the Lease Execution Date or the date on which Tenant first enters the Demised 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 Demised Property. This section shall control over any other provisions of this Lease in conflict with it and shall survive the expiration or sooner termination of this Lease.

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

6.10 Indemnification and Duty to Defend.

(A) Tenant shall defend, indemnify and hold harmless City and its officers, employees, staff, agents and instrumentalities (the "**City Indemnified Parties**") from any and all liability, losses or damages, including attorneys' fees and costs of defense, including, without limitation, any of same resulting from a challenge to this Lease or this transaction, which City or any other City Indemnified Parties may incur as a result of any claims, demands, suits, causes of actions or proceedings of any kind or nature whatsoever, whether foreseen or unforeseen, arising out of, relating to or resulting from, the performance or non-performance by Tenant (or its employees, agents, servants, partners, principals or subcontractors) of any obligations of the Tenant under this Lease, other than any liability, loss or damage caused by the gross negligence or willful breach of Lease by City or any other City Indemnified Parties (collectively, a "**Claim**"). Tenant shall pay all Claims and shall investigate and defend all Claims in the name of City Indemnified Parties, where applicable, including any and all appellate proceedings, and shall pay all reasonable costs, judgments, and attorneys' fees which may issue. This Section shall not be construed to restrict, limit or modify Tenant's insurance obligations under this Lease. Tenant's

compliance with the insurance requirements under this Lease shall not restrict, limit, or modify Tenant's obligations under this Section.

(B) City shall control any litigation or potential litigation involving the defense of any Claim, including the selection by Tenant of a single counsel to represent Tenant and City Indemnified Parties. Notwithstanding the foregoing, if there is a conflict between the positions of Tenant and City Indemnified Parties in conducting the defense of such action, or if there are legal defenses available to City Indemnified Parties different from or in addition to those available to Tenant, or if Tenant fails to comply with its obligations under this Article, then City Indemnified Parties shall be entitled to select counsel, reasonably acceptable to Tenant, to conduct the defense of the Claim and Tenant shall pay for the reasonable legal fees and related out-of-pocket expenses of such City Indemnified Parties; provided, however, that Tenant shall not be required to pay the legal fees for more than one law firm for all City Indemnified Parties in connection with any Claim. City Indemnified Parties shall fully cooperate with Tenant in the defense of the Claim. Tenant shall have the right to compromise or settle any Claim without the consent of City Indemnified Parties if the compromise or settlement of the Claim does not require City Indemnified Parties to admit any liability or incur any financial liability, each with respect to the Claim.

6.11 Liability for Damage or Injury. City shall not be liable for any damage or injury which may be sustained by any party or person, or to any personal property, located on the Demised Property, other than the damage or injury caused solely by the gross negligence or willful breach of Lease by City or any City Indemnified Parties, and all of which is subject to the conditions and limitations of Section 768.28, Florida Statutes and any other Applicable Laws; provided, however, that in no event shall City have any liability for a breach of Environmental Laws unless such violation shall be due to City's gross negligence or willful breach of this Lease. Nothing in this Lease shall be construed as a waiver or limitation of the conditions and limitations of such statute.

6.12 Tenant shall indemnify City against any claim, loss, injury, death or damage to persons or property which at any time may be suffered or sustained by Tenant or by any person who may at any time be using or occupying or visiting the Premises or be in, on, or about the Premises, whether the loss, injury, death or damage shall be caused by or in any way result from or arise out of any act, omission or negligence of Tenant or of any occupant, sublessee, visitor or user of any portion of the Premises, or shall result from or be caused by any other matter or thing. Tenant waives all claims against City for damages to the Improvements that are on or will later be placed or built on the Premises and to the property of Tenant in, on or about the Premises, and for injuries to persons or property in or about the Premises, from any cause arising at any time. Nothing in this provision shall apply to loss, injury, death or damage arising by reason of the negligence or misconduct of the City, its agents or employees.

6.13 Survival. The provisions of this Article shall survive any termination or expiration of this Lease.

ARTICLE VII LEGAL COMPLIANCE

7.1 Compliance. Tenant shall throughout the Lease Term, at Tenant's sole expense, promptly comply in all material respects with all Applicable Laws now in effect or that may hereafter be adopted by any Governmental Agency. Specifically, but without limitation, Tenant shall construct and maintain the Improvements to accommodate the disabled and comply in all

material respects with the applicable requirements of the Americans with Disabilities Act of 1990, as amended, as well as other Applicable Laws pertaining to handicapped access, including, without limitation, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities.

7.2 Notice. Tenant agrees to give City prompt notice of the receipt by Tenant of any written complaints related to any material violation of any Applicable Law and of the commencement of any proceedings or investigations which relate to compliance with any Applicable Law.

7.3 Right to Contest Compliance. Tenant shall have the right in good faith to contest by appropriate legal proceeding and without cost or expense to City, the validity of any Applicable Law. If compliance with any Applicable Law may legally be held in abeyance (i) without the incidence of any lien, charge or liability of any kind against the title to the Demised Property, the Improvements or the Demised Premises (unless Tenant transfers such lien to bond or delivers an appropriate indemnity to City), and (ii) without subjecting Tenant or City to any liability of whatsoever nature for failure so to comply, Tenant may postpone compliance until the final determination of any proceedings, provided that all proceedings shall be prosecuted with all due diligence and dispatch.

7.4 Compliance with Insurance Requirements. Tenant shall observe and comply in all material respects with the requirements of all policies of public liability, fire and other insurance in force with respect to the Improvements.

7.5 Special Compliance Provisions. Upon receiving written notice from any Approved Leasehold Mortgagee of any material default under a mortgage for the benefit of such Approved Leasehold Mortgagee, Tenant shall use diligent efforts to cure such default in the manner and to the extent required by such mortgage. Notwithstanding the foregoing, a default under a mortgage for the benefit of the Approved Leasehold Mortgagee is not a default under this Lease.

ARTICLE VIII UTILITIES; REPAIR AND RELOCATION OF UTILITIES

8.1 Tenant agrees that any and all utility accounts with respect to the Demised Property shall be in the name of Tenant. From and after the Lease Commencement Date, under no circumstance whatsoever, shall City be responsible for any utilities on the Demised Property, including, but not limited to, the installation, maintenance, initial cost or fee or any on-going charges or fees. Tenant agrees to pay any and all such utilities relating to the Demised Property in a timely manner, so as to avoid any Encumbrance on the Demised Property. Tenant, at its sole cost and expense and with the prior written approval of the appropriate utility, agrees to maintain and repair, replace and relocate as necessary, utility facilities within the Demised Property required for the operation of the Demised Property, and all existing and future Improvements, subject to the following conditions:

8.2 Such activity does not materially or adversely interfere with City's operations on any property outside the boundaries of the Demised Property; and

8.3 Tenant complies with the provisions of all Permits which have been issued and are affected by such repair and relocation.

8.4 Tenant agrees to grant to City and any public utility company, pursuant to separate instruments, non-exclusive perpetual easements for the installation, operation, maintenance, repair, replacement, relocation, and removal of utility lines and facilities (together with access incidental to such activities) such as water lines, fire lines, gas mains, electrical power lines, telephone lines, storm and sanitary sewers and other utility lines and facilities (collectively, "**Utility Facilities**"), and such other easements as City or such public utility companies may reasonably require from time to time, and shall provide notice to City, as described in this Agreement, prior to making such grants. All such easements shall be over, under and across: (i) those portions of the Demised Property shown on the approved Plans and Specifications; or (ii) such other locations on the Demised Property as may be requested by City or such public utility companies from time to time, so long as such locations are reasonably acceptable to Tenant, considering, among other things, whether such locations cause unreasonable interference with the construction, use and operation of the Project or undue expense to Tenant. The instruments granting such easements shall provide, among other things, that the grantee(s) shall not exercise their rights in such a manner as would cause unreasonable interference with the construction, use and operation of the Project.

ARTICLE IX SIGNAGE

Tenant shall have the exclusive right to construct, operate, and display onsite and offsite premise signage on the interior, exterior or other portions of the Demised Property as Tenant deems necessary and desirable so long as such signage complies with Applicable Laws and is approved by the City in advance.

ARTICLE X REPAIRS AND MAINTENANCE DURING LEASE TERM

10.1 Repairs. City shall have no maintenance obligation concerning the Demised Property and no obligation to make any Repairs or replacements, in, on, or to the Demised Property. Tenant assumes the full and sole responsibility for the condition, operation, repair, replacement, and maintenance of the Demised Property, including all improvements, throughout the Lease Term. Tenant shall maintain the Demised Property and all improvements and buildings in good repair and in a clean, attractive, first-class condition. Tenant shall not commit or allow to be committed any waste on any portion of the Demised Property. Tenant's maintenance is to include the following:

(A) Maintaining the surfaces in a level, smooth and evenly-covered condition with the type of surfacing material originally installed or such substitute as shall in all respects be equal in quality, use, and durability and restriping, repairing and replacing of paved and parking areas;

(B) Removing all papers, mud and sand, debris, filth and refuse and thoroughly sweeping the area to the extent reasonably necessary to keep the area in a clean and orderly condition;

(C) Placing, keeping in repair and replacing any necessary appropriate directional signs, markers and lines;

(D) Operating, keeping in repair and replacing, where necessary, such artificial lighting facilities as shall be reasonably required;

(E) Maintaining all perimeter and exterior building walls including but not limited to all retaining walls in a good condition and state of repair; and

(F) Maintaining, mowing, weeding, trimming and watering all landscaped areas and making such replacements of shrubs and other landscaping as is necessary.

(G) The term "**Repairs**" shall mean all replacements, renewals, alterations, additions and betterments required by Applicable Laws, or by Tenant. All Repairs made by Tenant shall be at least substantially similar in quality and class to the original work.

10.2 Removal of Dangerous Condition. Promptly after receiving written notice from City or any other Person of any dangerous condition from time to time existing on the Demised Property, Tenant shall, at Tenant's sole cost and expense, do or cause to be done all things necessary to remove such condition, including, but not limited to, taking appropriate measures to prevent or repair any erosion, collapse or other unstable condition on the Demised Property.

10.3 Insurance. Tenant shall not permit anything to be done upon the Demised Property or the Improvements which would invalidate or prevent the procurement of all insurance policies required.

10.4 No City Repair or Maintenance Obligations. Nothing contained in the Lease shall impose on City the obligation to make any repairs or expend any monies for the maintenance of the Demised Property, or the renewal, replacement or repair of the Improvements; provided, however that if Tenant fails to do any of the foregoing in accordance with the terms of Lease, then City, upon reasonable prior written notice to Tenant, may elect, in its sole discretion, to perform or cause the same to be performed on Tenant's behalf, and all of the costs and expenses reasonably incurred by City in connection with the same shall be deemed to be additional Rent due from Tenant to City.

ARTICLE XI CHANGES AND ALTERATIONS TO BUILDINGS BY TENANT

11.1 Tenant's Right. Tenant shall have the right at any time or from time to time during the Term of this Lease, at its sole cost and expense, to expand, rebuild, or reconstruct the Improvements, and to raze existing buildings; provided, however, that:

(A) The method, schedule and Plans and Specifications for razing any existing building and, if applicable, replacing such building with a new building(s) are submitted to City for its approval at least sixty (60) days prior to the commencement of any razing (unless action is required to comply with building and safety codes, in which Tenant will provide City with prior written notice that is reasonable under the circumstances);

(B) The rebuilding, alteration, reconstruction or razing complies with Applicable Laws, does not violate any other provisions of this Lease, and shall be conducted in the same manner as required by this Lease for the original Improvements, and in accordance with such conditions, including completion date, are as reasonably required by City; and

(C) Tenant shall obtain all approvals, Permits and authorizations required under Applicable Laws.

(D) Notwithstanding the foregoing, none of the following shall require City's review or approval:

(i) any normal and periodic maintenance, operation, and repair of the Improvements; or

(ii) any non-structural interior reconfigurations or non-material alterations made to the Improvements; or

(iii) any repair or reconstruction to any Improvement damaged by casualty, which repair or reconstruction is completed in accordance with this Lease; or

(iv) any modifications, construction, replacements, or repair reasonably anticipated by Tenant to cost less than \$250,000 (which number shall be adjusted annually to account for changes in the CPI); or

(v) any modifications, construction, replacement, or repair of Improvements consistent with the Conceptual Development Site Plan approved in writing by City.

ARTICLE XII DISCHARGE OF OBLIGATIONS; NO LIENS

12.1 During the Term of this Lease, Tenant will discharge or cause to be discharged any and all obligations incurred by Tenant that give rise to any non-consensual liens on the Demised Property, it being understood and agreed that Tenant shall have the right to withhold any payment to discharge such lien (or to transfer any such lien to a bond in accordance with Applicable Laws) so long as it is in good faith disputing liability for such lien or the lien amount, provided (a) such contest of liability or amount operates as a stay of all sale, entry, foreclosure, or other collection proceedings in regard to such obligations, or disputed payments are escrowed while the parties negotiate the dispute (pursuant to written escrow agreement to which the lienor is a party), (b) such action does not result in City incurring any expense or liability that Tenant does not agree to reimburse, and (c) such action does not result in a lien or other encumbrance being recorded against the Demised Property. In the event Tenant withholds any payment as described in this Lease and as a result a lien is imposed upon Tenant's leasehold interest in the Demised Property which is not transferred to bond within ten (10) days of the imposition, it shall give written notice to City of such action and the basis, and City shall reasonably consent to an extension or deny same detailing the specific reasons for same.

12.2 The interest of City in the Demised Property shall not be subject in any way to any liens, including construction liens, for improvements to or other work performed in the Demised Property by or on behalf of Tenant. This exculpation is made with express reference to Section 713.10, Florida Statutes. Tenant represents to City that any improvements that might be made by Tenant to the Demised Property are not required to be made under the terms of this Lease and that any improvements which may be made by Tenant do not constitute the "pith of the lease" under applicable Florida case law. Tenant shall notify every contractor making improvements to the Demised Property that the interest of the City in the Demised Property shall not be subject to liens.

12.3 If any lien is filed against the Demised Property for work or materials claimed to have been furnished to Tenant, Tenant shall cause it to be discharged of record or properly transferred to a bond under Section 713.24, Florida Statutes, within ten days after notice to Tenant.

Further, Tenant shall indemnify, defend, and save City harmless from and against any damage or loss, including reasonable attorneys' fees, incurred by City as a result of any liens or other claims arising out of or related to work performed in the Demised Property by or on behalf of Tenant.

**ARTICLE XIII
PROHIBITIONS ON USE OF DEMISED PROPERTY**

13.1 Tenant shall not construct, otherwise develop, or use or allow the use on the Demised Property, for anything that is inconsistent with the terms and conditions of this Lease; provided, however, that subject to compliance with this Lease and City approvals, nothing in this Lease will prohibit Tenant from developing the Project with Improvements in the manner contemplated by the Conceptual Site Plan, as may be amended.

13.2 The Demised Property shall not knowingly be used for any unlawful or illegal business, use or purpose, or for any business, use or purpose that constitutes a legal nuisance of any kind (public or private); or any purpose which violates the approvals of applicable Governmental Agencies.

**ARTICLE XIV
LIMITATIONS OF LIABILITY**

14.1 Limitation of Liability of City. City shall not be liable to Tenant for any incidental, consequential, special or punitive loss or damage whatsoever.

14.2 Limitation of Liability of Tenant. Tenant shall not be liable to City for any incidental, consequential, special or punitive loss or damage whatsoever.

**ARTICLE XV
DAMAGE AND DESTRUCTION**

15.1 Tenant's Duty to Restore. Subject to the provisions below, if at any time during the Term of this Lease, the Demised Property, the Project or any part shall be damaged or destroyed by fire or other casualty covered within the insurance designation of fire and extended coverage as same is customarily written in the State of Florida, Tenant, at its sole cost and expense, if so requested by City, regardless of whether the insurance proceeds related to such casualty are sufficient to pay for such restoration, repair or reconstruction, shall, using good faith, commence reasonable and continuous diligence, to repair, alter, restore, replace or rebuild the same as nearly as reasonably possible to its value, conditions and character which existed immediately prior to such damage or destruction, subject to such changes or alterations as Tenant may elect to make in conformity with the provisions of this Lease, modern construction techniques and methods, and reasonably approved by City. Provided Tenant otherwise complies with the terms of this Lease and obtains City's written approval, it may construct Improvements which are larger, smaller or different in design, and which represent a use comparable to prior use or as are allowed by this Lease and by Applicable Laws. Notwithstanding the foregoing, if Tenant's leasehold estate is encumbered by a mortgage from an Approved Leasehold Mortgagee, then the application of any insurance proceeds shall be governed by the applicable requirements of Approved Leasehold Mortgagee.

15.2 Loss Payees of Tenant-Maintained Property Insurance. With respect to all policies of property insurance required to be maintained by Tenant in accordance with this Lease, (a) City shall be named as a loss payee as its interest may appear (and if an Approved Leasehold Mortgagee

then exists, the Approved Leasehold Mortgagee shall also be named as the loss payee), and (b) the loss shall be payable to Tenant, City and any Approved Leasehold Mortgagee under a standard mortgage endorsement. The City shall not unreasonably withhold its consent to a release of the proceeds of any fire or other casualty insurance for any loss which shall occur during the Term of this Lease for repair or rebuilding (when the Improvements are to be repaired or rebuilt as provided in this Lease); provided that Approved Leasehold Mortgagee's agreement relative to insured losses and use of proceeds shall be subject to the terms of the mortgage for the benefit of Approved Leasehold Mortgagee or the security for Tenant's Financing (as applicable). Any proceeds remaining after completion of rebuilding or repair under this Article or after a pay down of Tenant's indebtedness to Approved Leasehold Mortgagee, as applicable, shall be paid to Tenant.

ARTICLE XVI EMINENT DOMAIN

16.1 Taking of Demised Property. If at any time during the Term of this Lease, the power of eminent domain shall be exercised by any federal or state sovereign or their proper delegates, by condemnation proceeding (a "**Taking**"), to acquire the entire Demised Property (a "**Total Taking**"), such Total Taking shall be deemed to have caused this Lease (and the Option to renew, whether or not exercised) to terminate and expire on the date of such Total Taking. Tenant shall have the right to recover a portion of the award for a Total Taking equal to the lesser of fair market value or the unrecouped cost of the subject Improvements and out of pocket development expenses (excluding any expenses incurred by Tenant in connection with Environmental Work) and City shall be entitled to recover a portion of the award for Total Taking equal to the balance of the award. All Rents and other payments required to be paid by Tenant under this Lease shall be paid up to the date of such Total Taking, which shall be the date on which actual possession of the Demised Property or a portion, as the case may be, is acquired by any lawful power or authority pursuant to the Taking or the date on which title vests, whichever is earlier. Tenant and City shall, in all other respects, keep, observe and perform all the terms of this Lease up to the date of such Total Taking.

16.2 Proceeds of Taking. In the event following any such Total Taking, this Lease is terminated, or in the event following a Taking of less than the whole of the Demised Property (a "**Partial Taking**") this Lease is terminated, the proceeds of any such Taking (whole or partial) shall be distributed as described in this Article. If the value of the respective interests of City and Tenant shall be determined according to the foregoing provisions of this Article in the proceeding pursuant to which the Demised Property shall have been taken, the values so determined shall be conclusive upon City and Tenant. If such values shall not have been separately determined in such proceeding, such values shall be fixed by agreement mutually acceptable to City and Tenant, or if they are unable to agree, by an apportionment hearing within the condemnation proceeding. In any type of proposed Taking that results under this Article, City and Tenant, in their respective capacities, can each seek to recover from the condemning authority their respective attorney's fees and costs in the manner provided for under Applicable Law, including under Chapters 73 and 74 of the Florida Statutes, and any related laws.

16.3 Partial Taking; Termination of Lease. If, in the event of a Taking of less than the entire Demised Property and in the good faith, reasonable judgment of both City and Tenant, (i) the remaining portion of the Demised Property not so taken cannot be adequately restored, repaired or reconstructed so as to constitute a complete architectural unit of substantially the same

usefulness, design, construction, and commercial feasibility, as immediately before such Taking, or (ii) the award for such Partial Taking is insufficient to pay for such restoration, repair or reconstruction, or (iii) the Partial Taking results in making it impossible or unfeasible to reconstruct, restore, repair or rebuild a new building on that portion of the Project, then City or Tenant shall have the right, to be exercised by written notices to the other within one hundred twenty (120) days after the date of Partial Taking (or the date of the award, whichever is later), to terminate this Lease on a date to be specified in such notice, which date shall not be earlier than the date of such Partial Taking, in which case Tenant shall pay and shall satisfy all Rents and other payments due and accrued under the Lease up to the date of such termination and shall perform all of the obligations of Tenant under the Lease to such date, and thereupon this Lease and its Term demised shall cease and terminate.

16.4 Partial Taking; Continuation of Lease. If, following a Partial Taking, this Lease is not terminated as above provided then, (i) this Lease shall terminate as to the portion of the Demised Property taken in such condemnation proceedings; (ii) as to that portion of the Demised Property not taken, Tenant shall use its portion of the award arising from the Partial Taking or insurance) to make an adequate restoration, repair or reconstruction or to rebuild a new building upon the portion of the Demised Property not affected by the Taking, and (iii) Tenant's share of the award shall be determined in accordance with this Article. Such award to Tenant may be used by Tenant for its reconstruction, repair or rebuilding. Any excess award after (or not used for) such reconstruction, repair or rebuilding, shall be retained by City and Tenant in accordance with their respective interests. If the part of the award so paid to Tenant is insufficient to pay for such restoration, repair or reconstruction, but Tenant does not terminate the Lease pursuant to this Section, Tenant shall be responsible for the remaining cost of whatever restoration, repair and reconstruction required to complete the same in accordance with the applicable provisions of this Article (as if same were applicable to such restoration, repair or reconstruction) free from mechanics' or materialmen's liens and shall at all times save City free and harmless from any and all such liens. If the Parties elect not to terminate this Lease, then the Rent and other amounts otherwise payable under the Lease by Tenant shall be partially abated on an equitable basis.

16.5 Temporary Taking. If the whole or any part of the Demised Property or of Tenant's interest under this Lease be taken or condemned by any competent authority for its or their temporary use or occupancy exceeding nine (9) months following the Completion of Construction, Tenant may elect to terminate the remaining Term, failing which this Lease shall not terminate, and Tenant shall continue (i) to pay, in the manner and at the times specified, the Rent, and all other charges payable by Tenant though partially abated to the extent any portion of the Demised Property is unavailable for use by Tenant (such abatement to be determined on an equitable basis), and (ii) except only to the extent that Tenant either may be prevented from so doing pursuant to the terms of the order of the condemning authority or is unable to do so given the nature of the temporary Taking, to perform and observe all of the other terms, covenants, conditions and all obligations upon the part of Tenant to be performed and observed, as though such Taking had not occurred. Tenant covenants that, upon a temporary Taking, to the extent Tenant has not elected to terminate the Lease as provided in this Section, and prior to the expiration of the term of this Lease, it may, at its sole cost and expense, restore the Demised Property, as nearly as may be reasonably possible, to the condition in which the same were immediately prior to such Taking.

16.6 Additional Takings. In case of a second or any additional Partial Taking(s) from time to time, the provisions above shall apply to each such Partial Taking. In the event any federal

or state sovereign or their proper delegates with the power of eminent domain appropriates or condemns all or a portion of the Demised Property and City is a beneficiary of such Taking, the award shall be divided in accordance with the provisions of this Article.

16.7 Inverse Condemnation or Other Damages. In the event of damage to the value of the Demised Property by reason of change of grade, access rights, street alignments or any other governmental or quasi-governmental act (not involving City solely in its capacity as such) which constitutes an inverse condemnation of any portion of the Demised Property creating a right to full compensation, then City and Tenant shall each be entitled to claim and receive from the net payment or award made, the compensation for their respective estates and interests as permitted by a court of competent jurisdiction.

ARTICLE XVII EVENTS OF DEFAULT

17.1 Events of Default. Each of the following shall be an event of default under this Lease:

(A) Tenant fails to make any payment of Rent or other monies payable to City under this Lease when and as the same shall become due and payable and such default shall continue for a period of five (5) days after written notice from City to Tenant (a "**Monetary Default**"); or

(B) Tenant fails to maintain any of the insurance coverage or pay any of the premiums required, and such occurrence or failure continues for a period of fifteen (15) days after notice is given to Tenant by City; or

(C) Tenant fails to keep, observe or perform any other covenant or agreement of this Lease, and does not cure such failure within thirty (30) days after written notice from City to Tenant; provided, however, if the nature of the alleged breach is not susceptible of cure with due diligence and in good faith within the thirty (30) day period, Tenant shall have such additional time as shall be reasonably necessary and as approved by City, so long as it continues to prosecute the cure of such default with due diligence and in good faith; or

(D) Tenant is dissolved (other than an administrative dissolution which is cured within thirty (30) days) without City having permitted a successor to the rights under this Agreement; or

(E) Any representation made by the Tenant proves to be incorrect in any material respect when made; or

(F) Tenant becomes bankrupt or insolvent or makes a general assignment for the benefit of creditors or takes the benefit of any insolvency act, or if any debtor proceedings be taken by or against Tenant or any guarantor or surety; or

(G) a receiver or trustee in bankruptcy is appointed for the Tenant's property and the appointment is not vacated and set aside within sixty days from the date of the appointment; or

(H) Tenant, before the expiration of the Lease Term, and without the written consent of City, vacates the Demised Property or abandons possession of the Demised Property; or

(I) the leasehold estate granted to Tenant by this Lease is taken on execution or other legal process. Monetary Defaults and Nonmonetary Defaults are sometimes both referred to in this Lease as an "**Event of Default.**"

17.2 Remedies. Upon occurrence of any Monetary Default or Nonmonetary Default, City may exercise all or any of the following remedies:

(A) terminate this Lease by giving Tenant written notice of termination, in which event this Lease shall terminate on the date specified in such notice and all rights of Tenant under this Lease shall expire and terminate as of such date, Tenant shall remain liable for all obligations under this Lease up to the date of such termination and Tenant shall surrender the Demised Property to City on the date specified in such notice;

(B) terminate this Lease as provided in the immediately preceding subsection and recover from Tenant all damages City may incur by reason of Tenant's default and any sums required under this Lease;

(C) without terminating this Lease, and without notice to Tenant, City may in its own name, but as agent for Tenant enter into and take possession of the Demised Property and relet the Demised Property, or a portion, as agent of Tenant, upon any terms and conditions as City may deem necessary or desirable (City shall have no obligation to attempt to relet the Demised Property or any part). Upon any such reletting, all rentals received by City from such reletting shall be applied first to the costs incurred by City in accomplishing any such reletting, and thereafter shall be applied to the Rent owed by Tenant to City during the remainder of the term of this Lease and Tenant shall pay any deficiency between the remaining Rent due and the amount received by such reletting as and when due;

(D) pursue any of the remedies set forth for a default under the Lease; or

(E) pursue such other remedies as are available at law or in equity.

17.3 Additional Rights of City after Termination. After termination of this Lease by City due to an Event of Default, Tenant shall be liable to City for Rent through the end of the then applicable Term, along with any other any monetary obligations owing to City by Tenant and Impositions that accrued prior to the termination of this Lease and which were not paid by Tenant. City shall in no way be responsible or liable for any failure to relet the Demised Property or any part or for any failure to collect any rent due for any such reletting.

17.4 No Waiver by City. No failure by City to insist upon the strict performance of any of the terms of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance by City of full or partial Rent during the continuance of any such breach shall constitute a waiver of any such breach or of any of the terms of this Lease. None of the terms of this Lease to be kept, observed or performed by Tenant, and no breach, shall be waived, altered or modified except by a written instrument executed by City. No waiver of any breach shall affect or alter this Lease, but each of the terms of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach. No waiver of any default of Tenant shall be implied from any omission by City to Tenant any action on account of such default, and no express waiver shall affect any default other than the default specified in the express waiver and then only for the time and to the extent stated. One or more waivers by City shall not be construed as a waiver of a subsequent breach of the same covenant, term or conditions.

17.5 City Default. The provisions of this Section shall apply if any of the following shall happen (a "**City Default**"): if default shall be made by City in failing to keep, observe or perform any of the duties imposed upon City pursuant to the terms of this Lease and such default shall continue for a period of thirty (30) days after written notice from Tenant to City setting forth with reasonable specificity the nature of the alleged breach, provided, however, if the nature default or contingency is not susceptible of cure with due diligence and in good faith within the thirty (30) day period, City shall have such additional time as shall be reasonable necessary cure such default so long as it continues to prosecute the cure of such default with due diligence and in good faith.

17.6 Limitation of Remedies; Exculpation. Tenant waives all claims against City under this Lease based on or for the loss of business or profits or other consequential damages or for punitive or special damages of any kind, regardless of the cause, and, except as specifically provided in this Lease, Tenant waives all rights to terminate this Lease. None of City's officers, employees, agents, representatives, officials, directors, shareholders, partners, or affiliates shall ever have any personal liability to Tenant under this Lease. Tenant shall look solely to City's interest in the Project for the satisfaction of any right or remedy of Tenant under this Lease, or for the collection of any judgment. No act or omission of City or its officers, employees, agents, representatives, officials, directors, shareholders, partners, or affiliates shall constitute an actual or constructive eviction of Tenant unless City shall have first received notice of Tenant's claim and shall have failed to cure it after having been afforded a reasonable time to do so, which in no event shall be less than thirty days.

17.7 Presumption of Abandonment. It shall be conclusively presumed that Tenant has abandoned the Demised Property if Tenant fails to keep the Demised Property open for business during regular business hours for ten consecutive days while in Monetary Default. The grace periods set forth in this Article shall not apply to the application of this presumption. In the event of an abandonment, City shall have the right to immediately retake possession of the Demised Property without legal process.

ARTICLE XVIII LEASEHOLD MORTGAGES

18. Right to Encumber the Project.

(A) Right to Encumber. Tenant shall have the right to mortgage or encumber its leasehold interest without the prior consent of Landlord. Such mortgages or encumbrances shall be expressly subject to the terms, covenants and conditions of this Lease, and at all times shall be inferior and subject to the prior right, title and interest of Landlord as security for the performance of the terms and conditions of this Lease. Landlord shall reasonably consider such amendments to this Lease as may be reasonably requested by any leasehold mortgagee, provided that such amendments do not increase, or in the sole opinion of the Landlord, unreasonably alter the obligations of Landlord under this Lease, and that Landlord's fee estate shall not be subject to such leasehold mortgage. No mortgage under this Lease shall be binding upon Landlord in the enforcement of Landlord's rights under this Lease. The granting of a mortgage against all or part of the leasehold estate in the Demised Premises shall not operate to make the Approved Leasehold Mortgagee liable for performance of any of the covenants or obligations of Tenant under this Lease.

(B) Notice to Landlord of Mortgage. A notice of each mortgage for the benefit of an Approved Leasehold Mortgagee shall be delivered to Landlord specifying the name and address of such mortgagee to which notices shall be sent. Landlord shall be furnished a copy of each recorded mortgage or encumbrance.

(C) Notices to Approve Leasehold Mortgages. No notice of default or notice of failure to cure a default shall be deemed to have been given by Landlord to Tenant unless and until a copy has been given to each Approved Leasehold Mortgagee who shall have been identified pursuant to Subsection (B) above, prior to Landlord's issuance of such notice. Approved Leasehold Mortgagee shall have reasonable additional time and opportunity to cure any default, including, in the case of a default that can be cured by the Approved Leasehold Mortgagee only by obtaining possession, a sufficient period of time for the Approved Leasehold Mortgagee to obtain possession of the Demised Property. Such additional time and opportunity to cure, beyond such time provided to the Tenant for such cure and as otherwise provided in this Lease, shall be approved by the City and CRA following such request from the Approved Leasehold Mortgagee, as described below. Landlord agrees to accept performance and compliance by any Approved Leasehold Mortgagee of and with any of the terms of this Lease with the same force and effect as though kept, observed or performed by Tenant. Nothing contained in this Lease shall be construed as imposing any obligation upon any Approved Leasehold Mortgagee to so perform or comply on behalf of Tenant.

(D) New Mortgagee Lease After Default of Tenant.

(i) If, within thirty (30) days after the mailing of any notice of termination or such later date as is thirty (30) days following the expiration of the cure period, if any afforded Tenant (the "**Mortgagee Cure Period**"), any Approved Leasehold Mortgagee shall pay, or arrange to the satisfaction of Landlord for the payment of any and all expenses, costs, and fees, including attorneys' fees, incurred by Landlord in preparation for terminating this Lease, in acquiring possession of the Demised Premises, and incident to the preparation, printing, execution, delivery and recording of such new lease. Then, upon the written request of such mortgagee made any time prior to the expiration of the Mortgagee Cure Period, Landlord and such Mortgagee making such request shall, within thirty (30) days after such request, execute a new lease of the Demised Premises for the remainder of the term of this Lease and on the same terms and conditions, and with the same priority over any encumbrances created at any time by Landlord, its successors and assigns which Tenant has or had by virtue of this Lease; provided, however, that in addition to the above payments such mortgagee shall have paid to Landlord a sum of money equal all expenses, including attorneys' fees, incident to the preparation, printing, execution, delivery and recording of such new lease. Such priority shall exist by virtue of the notice created by this Lease to any transferee of Landlord or person receiving an encumbrance from Landlord, and the priority shall be self-operative and shall not require any future act by Landlord. Tenant under any such new lease shall have the same right, title and interest in and to and all obligations accruing thereafter under this Lease with respect to the applicable portion of the Demised Premises as Tenant has under this Lease.

(ii) If, within the Mortgagee Cure Period, more than one (1) request for a new lease shall have been received by Landlord for the Demised Premises, priority shall be given (regardless of the order in which such requests shall be made or received) to the Approved

Leasehold Mortgagee making such a request in order of their priority of interest in the Demised Premises.

(iii) Except as expressly stated, Landlord shall have no obligation to deliver physical possession of the Demised Premises to any Approved Leasehold Mortgagee. Landlord agrees, however, at the cost and expense of any mortgagee that enters into a new lease with Landlord pursuant to the terms of this Lease, to cooperate in the prosecution of judicial proceedings to evict the then defaulting Tenant.

(iv) The provisions of this Section 18(D) shall survive any termination of this Lease.

(E) Leasehold in Reversion and Assignment in Lieu of Foreclosure.

(i) Tenant's right to mortgage and otherwise encumber this Lease and the leasehold estate in whole or in part shall include the right to require a lease in reversion, which lease in reversion shall become effective upon the termination of this Lease, and shall have the same terms and provisions, including expiration date, as this Lease. The Approved Leasehold Mortgagee shall have the unrestricted right to take this Lease by lease in reversion or by assignment in lieu of foreclosure and to sell it either after foreclosure or after taking the assignment or becoming tenant under the lease in reversion, all must be consented by Landlord, which consent shall not be unreasonably withheld. The Approved Leasehold Mortgagee and its successors and assigns shall not be liable for Tenant's obligations until such a time as it becomes the new tenant, either by lease in reversion, foreclosure or assignment and then only for the period of its ownership or possession of the leasehold estate.

(ii) In such instance, Landlord shall give any Approved Leasehold Mortgagee not less than thirty (30) days written notice prior to exercising Landlord's rights under this Lease to continue the development of the Project. Whether or not such notice is given, if Approved Leasehold Mortgagee exercises its rights under its loan documents and in accordance with the terms of this Lease to complete development of the Project, the Approved Leasehold Mortgagee shall be bound by the same terms and provisions, including expiration date, as this Lease, unless otherwise modified with the consent of the Landlord; notwithstanding, upon the request of the Approved Leasehold Mortgagee, and notice to Landlord, that an extension is required to (a) institute and complete foreclosure proceedings or otherwise acquire possession or control of the Demised Property, or (b) complete the Project, the Completion Date (but not the expiration date) shall be extended for a time period not to exceed the time remaining between the Commencement Date and the date which is four (4) years thereafter (the "Extension Period"). At the Landlord's election, if the City Charter authorizes, further extension may be granted to the Approved Leasehold Mortgagee to (a) institute and complete foreclosure proceedings or otherwise acquire possession and/or control of the Demised Property, or (b) complete the Project, so long as Approved Leasehold Mortgagee continues to diligently and in good faith acquire possession or control of the Demised Property, and thereafter complete the development of the Project.

ARTICLE XIX
TENANT'S INVESTOR

19. Tenant's Investor Limited Partner. On or about the Possession Date, the Tenant's equity investor, TCC Sonata Apartments LLC, a Georgia limited liability company (together with its successors and assigns in such capacity, the "Investor") will be admitted as a limited partner of the Tenant.

(A) Cure Rights. Notwithstanding anything to the contrary contained in this Lease, Landlord shall not exercise any of its remedies hereunder without having given notice of the Event of Default or other breach or default to the Investor (following the admission of the Investor) simultaneously with the giving of notice to Tenant. The Investor shall have the same cure period after the giving of a notice as provided to Tenant, plus an additional period of thirty (30) days. If the Investor elects to cure the Event of Default or other breach or default, Landlord agrees to accept such performance as though the same had been done or performed by Tenant.

(B) Investor. Notwithstanding anything to the contrary contained in this Lease, following the admission of the Investor, the Investor shall be deemed a third-party beneficiary of the provisions of this Section for the sole and exclusive purpose of entitling the Investor to exercise its rights to notice and cure, as expressly stated herein. The foregoing right of the Investor to be a third-party beneficiary under the Lease shall be the only right of Investor (express or implied) to be a third-party beneficiary hereunder.

(C) New General Partner. Notwithstanding anything to the contrary contained in this Lease, Landlord agrees that it will take no action to effect a termination of the Lease by reason of any Event of Default or any other breach or default without first giving to the Investor reasonable time, not to exceed thirty (30) days, to replace Tenant'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, Landlord must receive notice from the Investor of the substitution of a new general partner of Tenant within thirty (30) days following Landlord's notice to Tenant and the Investor of the Event of Default or other breach or default, and Tenant, 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. In no event, however, shall Landlord be required to engage in the forbearance described in this Section for a period longer than three (3) months, regardless of the due diligence of the Investor or the new general partner.

(D) Tax Credit Compliance Period. For the 15-year tax credit compliance period, the Landlord and the Tenant shall not agree between themselves to any material amendment, modification or supplement to this Lease negatively impacting tax credit compliance without the prior written consent of the Investor, which consent will not be unreasonably delayed, conditioned or withheld.

ARTICLE XX
CITY’S RIGHT TO PERFORM TENANT’S COVENANTS;
REIMBURSEMENT OF CITY FOR AMOUNTS SO EXPENDED

20.1 Performance of Tenant’s Covenants to Pay Money. Tenant covenants that, if it shall at any time default in the payment of any Impositions pursuant to this Lease, or shall fail to make any other payment to any third party required to be paid under this Lease, and any such failure shall continue for thirty (30) days after written notice by City to Tenant ("**Notice of Non-Payment of Imposition**"), then City may, but shall not be obligated to, and without further notice to or demand upon Tenant and without waiving or releasing Tenant from any obligations of Tenant set forth in this Lease, pay any such Imposition or make any other payment which Tenant has improperly failed to pay as set forth in the Notice of Non-Payment of Imposition. No such action shall be taken, however, if Tenant is duly contesting the payment of same as permitted by the provisions of this Lease, including, but not necessarily limited to, contests.

20.2 City’s Right to Cure Tenant’s Default. Notwithstanding anything in this Lease to the contrary, if there shall be any default by Tenant, beyond notice and any applicable cure period, under this Lease (including, but not limited to, any default involving Tenant’s failure to keep the Improvements in good condition and repair, to make any renewals or replacements or to remove any dangerous condition, all in accordance with any applicable requirements set forth in this Lease), then upon prior written notice to Tenant, City may, but shall have no obligation to, cure any such default in addition to any and all of City’s other remedies under this Lease.

20.3 Reimbursement of City and Tenant. All sums advanced by City pursuant to any provisions of this Lease, and all necessary and incidental costs, expenses and reasonable attorneys’ fees in connection with the performance of any acts described in this Lease, together with interest at the Default Rate from the date of the making of such advances to the date reimbursed to City by or behalf of Tenant, shall be deemed additional Rent, and shall be promptly paid by Tenant, in the respective amounts so advanced, to City. Such reimbursement shall be made on demand, or, at the option of City, may be added to any Rent then due or becoming due under this Lease, and Tenant covenants to pay the sum or sums with interest as provided above. In the event of nonpayment of such reimbursement, City shall have, in addition to any other right or remedy of City, the same rights and remedies as in the case of default by Tenant in the payment of any installment of Rent.

ARTICLE XXI
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 XXII QUIET ENJOYMENT

22. Tenant, upon paying all Rent, and other monies provided for and performing in accordance with the terms, agreements, and provisions of this Lease, shall peaceably and quietly have, hold and enjoy the Demised Property during the Term of this Lease without material interruption, disturbance, hindrance or molestation by City or by anyone claiming by, through or under City, subject, nevertheless, to the terms, covenants, and conditions of this Lease and all existing or future ground leases, underlying leases, mortgages, or deeds of trust encumbering the Project.

ARTICLE XXIII CERTIFICATES BY CITY AND TENANT

23.1 Tenant Certificates. Tenant agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by City, but not more often than once each calendar year, to execute, acknowledge and deliver to City a statement in writing (i) setting forth any monies then payable under the Lease, if then known; (ii) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the Lease is in full force and effect as modified and stating the modification); (iii) certifying the dates to which the Rent payments and

other monies have been paid; and (iv) stating (to the best of Tenant's knowledge) whether or not City is in default in keeping, observing or performing any of the terms of this Lease, and, if in default, specifying each such default (limited to those defaults of which Tenant has knowledge).

23.2 City Certificates. City agrees, at any time and from time to time, upon not less than thirty (30) days prior written notice by Tenant or by an Approved Leasehold Mortgagee, but not more often than once each calendar year, to furnish a statement in writing, in form and substance attached and made a part of this Lease, (i) setting forth, among other things, any payments then payable under the Lease, if then known; (ii) certifying that this Lease is unmodified and in full force and effect (or if there shall have been modifications that the Lease is in full force and effect as modified and stating the modifications); (iii) certifying the dates to which the Rent payments and other monies have been paid; (iv) stating whether or not, to the best of City's knowledge, Tenant is in default in keeping, observing and performing any of the terms of this Lease, and, if Tenant shall be in default, specifying each such default of which City may have knowledge; and (v) such other matters as Tenant may reasonably request.

ARTICLE XXIV CONSTRUCTION OF TERMS AND MISCELLANEOUS

24.1 Severability. If any provisions of this Lease or its application to any Person or situation shall, to any extent, be held invalid or unenforceable, the remainder of this Lease, and the application of such provisions to Persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected, and shall continue valid and be enforced to the fullest extent permitted by law.

24.2 Captions. The article and section headings and captions of this Lease preceding this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

24.3 Relationship of Parties. This Lease does not create the relationship of principal and agent or of mortgagee and mortgagor or of partnership or of joint venture or of any association between City and Tenant, the sole relationship between City and Tenant being that of City and tenant or City and Tenant.

24.4 Recording. At any time on or after the Possession Date, a Memorandum of this Lease may be recorded by either Party among the Public Records of Broward County, Florida, at the sole cost of the Party filing the document.

24.5 Construction. All pronouns and any variations shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the party or parties may require. The Parties acknowledge and agree that each was properly represented by counsel so that the judicial rule of construction to the effect that a legal document shall be construed against the draftsman shall be inapplicable to this Lease, which has been drafted by both City and Tenant.

24.6 Consents. Whenever in this Lease the consent or approval of City is required, such consent or approval may be made by the City Manager or his/her designee on behalf of City only to the extent: (i) this Lease does not specify otherwise; (ii) City Commission approval or consent is not required pursuant to the terms of this Lease or any Applicable Law; and (iii) such does not amend this Lease in any material respect or increase City's actual or potential obligations or liabilities. No such request shall require a fee from the Party requesting same. Any consent or approval by City to such a request shall not be effective unless it is in writing; and shall apply only

to the specific act or transaction so approved or consented to and shall not relieve Tenant of the obligation of obtaining City's prior written consent or approval to any future similar act or transaction. In no event shall City's failure to respond to any request for consent or approval by City be deemed to constitute such consent or approval, in whole or in part.

24.7 Entire Agreement. This Lease, together with the Exhibits, contains the entire agreement between the Parties and shall not be modified or amended in any manner except by an instrument in writing executed by the Parties, subject to consent by the Pompano Beach Community Redevelopment Agency and Approved Leasehold Mortgagees.

24.8 Successors and Assigns. The terms contained shall bind and inure to the benefit of City, its successors and assigns, and Tenant, its permitted successors and assigns (including but not limited to Approved Leasehold Mortgagee, as appropriate and applicable), except as may be otherwise provided in this Lease.

24.9 Holidays. It is agreed and declared that whenever the day on which a payment due under the terms of this Lease, or the last day on which a response is due to a notice, or the last day of a cure period, falls on a day which is a Legal Holiday, or on a Saturday or Sunday, such due date or cure period expiration date shall be postponed to the next following Business Day.

24.10 Exhibits and Schedules. Each Exhibit referred to in this Lease is incorporated by reference. The Exhibits, even if not physically attached, shall still be treated as if they were part of the Lease.

24.11 Brokers. City and Tenant represent and agree that no real estate broker or other person is entitled to claim a commission as a result of the execution and delivery of this Lease. Both the City and the Tenant will indemnify, defend, and hold the other harmless from and against any loss, liability and expense (including attorneys' fees and court costs) arising out of claims for fees or commissions in connection with this Ground Lease.

24.12 Protest Payments. If at any time a dispute shall arise as to any amount or sum of money to be paid by Tenant to City under the provisions of this Lease, Tenant shall nevertheless continue to make payments to City. Tenant shall have the right to make payment "**under protest**", provided Tenant so contemporaneously advises City it is doing so, and articulates with specificity the nature of the dispute, and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of Tenant to seek the recovery of such sum, and if it should be adjudged that there was no legal obligation on Tenant to pay such sum or any part thereof, Tenant shall be entitled to recover such sum or so much as it was not legally required to pay under the provisions of this Lease, together with statutory interest on the amount returned to Tenant for the period commencing on the date such payment is received by City until the date such sum is returned to Tenant (such amount of interest being referred to as "**Interest**"); and if at any time a dispute shall arise between the Parties as to any work to be performed by either of them under the provisions of this Lease, the Party against whom the obligation to perform the work is asserted may perform such work and pay the cost "**under protest**" and the performance of such work shall in no event be regarded as a voluntary performance and there shall survive the right upon the part of Tenant or City to seek the recovery of the cost of such work, and if it shall be adjudged that there was no legal obligation on the part of Tenant or City to perform the same or any part, Tenant or City shall be entitled to recover the cost of such work or the cost of so much as Tenant or City was not legally required to perform under the provisions of this Lease, together with Interest, as calculated.

24.13 Governing Law; Venue. This Lease, including any exhibits or amendments, if any, and all related matters (whether in contract, statute, tort or otherwise), shall be governed by and construed in accordance with the laws of the State of Florida, without application of its conflict of law principles. Any claim, dispute, proceeding, or cause of action, arising out of or in any way relating to this Lease, or the Parties' relationship shall be decided by the laws of the State of Florida. The Parties agree that venue for any of the foregoing shall lie exclusively in the courts located in Broward County, Florida.

24.14 Time is of the Essence. Time is of the essence.

24.15 Section References. All references to an "**Article**", "**Section**", "**Subsection**", "**paragraph**", "**subparagraph**", or "**clause**" shall be deemed to refer to the applicable "**Article**", "**Section**", "**Subsection**", "**paragraph**", "**subparagraph**" or "**clause**" of this Lease, unless there is a specific reference to another document.

24.16 Costs and Attorney's Fees. Each of the Parties shall bear its own costs and attorneys' fees in connection with the execution of this Lease, provided, however, in the event of any foreclosure or other proceeding pursuant to any Approved Leasehold Mortgage or other lien against the Demised Property incurred by Tenant, City shall be entitled to recover from Tenant City's costs and attorneys' fees reasonably incurred in the protection of City's interests, whether or not City is made a party to such proceeding. Notwithstanding the foregoing, nothing contained in this Lease shall in any way limit any other provision of this Lease entitling City to recover attorneys' fees and costs from Tenant nor City's ability to collect and recover attorneys' fees and costs in any action or other proceeding relating to City's enforcement or termination of this Lease. The terms of this provision shall survive the termination of this Lease.

24.17 RADON. RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER A TIME PERIOD. LEVELS OF RADON THAT EXCEED FEDERAL AND STATE GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN FLORIDA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY HEALTH DEPARTMENT.

24.18 Bankruptcy Relief and Protection Provisions.

(A) The meaning of "**adequate assurance of future performance**" as used in Section 365 of the Bankruptcy Code shall include at least the following: (1a) the posting of a security deposit in a sum equal to Five Thousand Dollars (\$5,000); (2a) that the Tenant, if it is seeking to assume this Lease without assigning it, or the proposed assignee, has sufficient financial wherewithal to discharge its obligations under this Lease and has a net worth, experience, and reputation that is not less than the net worth, experience, and reputation that Tenant had on the Lease Commencement Date; and (3a) that the conditions to City's consent to a transfer as set forth in this Lease have all been met. If, under the provisions of the Bankruptcy Code, Tenant assumes this Lease and proposes to assign it to any Person whom shall have made a bona fide offer to accept an assignment of this Lease on terms acceptable to Tenant, then notice of the proposed assignment setting forth: (1b) the name and address of the proposed assignee, (2b) all of the terms and conditions of the proposed assignment, and (3b) the adequate assurance to be provided City to assure the proposed assignee's future performance under this Lease, shall be given to City by Tenant no later than twenty (20) days after receipt by Tenant, but in any event no later than ten

(10) days before the date that Tenant shall make application to a court of competent jurisdiction for authority and approval to enter into the assumption and assignment, and City shall have the prior right and option, to be exercised by notice to Tenant given at any time before the relocation date of the proposed assignment, to accept an assignment of this Lease on the same terms and conditions and for the same consideration, if any, as the bona fide offer made by the proposed assignee, less any brokerage commission that may be payable out of the consideration to be paid by the assignee for the assignment of this Lease.

(B) Tenant acknowledges that absent full and timely performance of its obligations under this Lease, City's interest in the Demised Property and this Lease will not be adequately protected. Consequently, if a proceeding under any chapter of the Bankruptcy Code is instituted by or against Tenant, Tenant shall, at all times subsequent to the filing of the case, be in full and complete compliance with the provisions of Section 365(d)(3) of the Bankruptcy Code. If Tenant fails to comply at all times and in all respects with the provisions of Section 365(d)(3) of the Bankruptcy Code, the failure shall constitute "cause" for modification of the automatic stay of Section 362 of the Bankruptcy Code in order to permit City to pursue whatever state law remedies may be available to it, including eviction.

(C) If a proceeding under any chapter of the Bankruptcy Code is instituted by or against Tenant, Tenant shall not seek an extension of time within which it must assume or reject this Lease under Section 365(d)(4) of the Bankruptcy Code, and Tenant irrevocably waives and relinquishes any right it may have to seek an extension to the fullest extent permitted by applicable law. Failure of Tenant to assume this Lease within the sixty (60) day time period provided in Section 365(d)(4) of the Bankruptcy Code, without extension of that time period, shall conclusively and irrevocably constitute the Tenant's rejection of this Lease and waiver of any rights of Tenant to assume or assign this Lease.

24.19 Cooperation. The City and Tenant shall take all ministerial actions and proceedings reasonably necessary or appropriate to remedy any apparent invalidity, lack or defect in authorization, or illegality, or to cure any other defect, which has been asserted or threatened, except with respect to the City, the City shall not be required to take any such action which requires City Commission approval or is deemed by the City to present a conflict of interest or is deemed to be contrary to Applicable Law or which requires the City to incur any liability, cost or expense.

ARTICLE XXV REPRESENTATIONS AND WARRANTIES

25.1 City's Representations. City makes the following representations, covenants and warranties, which shall survive the execution of this Lease and Tenant's taking of possession of the Demised Property:

(A) As of the Lease Execution Date, City has taken all requisite actions to make this Lease binding upon City.

(B) As of the Lease Execution Date, to City's knowledge, no party except Tenant and parties in possession by through or under Tenant has any right to possession of the Demised Property.

(C) The City is not aware of nor has any knowledge of any unpaid special assessments of which the City has received notice for sewer, sidewalk, water, paving, gas, electrical, or utility improvements or other capital expenditures, matured or unmatured, affecting

the Premises. Further, the City is not obligated under any contract, lease or agreement, materially affecting the ownership, use, operation, management, maintenance, or lease of the Premises.

(D) Litigation. There is no action, suit, litigation, or proceeding pending or filed, to the City's knowledge, threatened against the City that could prevent or impair the City's entry into this Lease or performance of its obligations.

(E) As of the Lease Execution Date, there is no mortgage on the fee estate, and Landlord shall not mortgage the fee estate unless there is an express subordination of the Landlord's fee mortgage to the Tenant's interest under this Lease.

The foregoing representations and warranties of City shall be deemed to be restated and affirmed by City as of the Lease Commencement Date without the necessity of City's execution of any document, and City's liability, shall survive the signing of this Lease. Should any of the representations and warranties prove to be incorrect, it shall be City's obligation to cure those warranties and representations, which are set forth at City's expense.

25.2 Tenant's Representations and Warranties. Tenant makes the following representations, covenants and warranties, which shall survive the execution of this Lease and Tenant's taking of possession of the Demised Property:

(A) Tenant has full power and authority to enter into this Lease and perform in accordance with its terms and provisions, and the parties signing this Lease on behalf of Tenant have the authority to bind Tenant and to enter into this transaction, and Tenant has taken all requisite action and steps to legally authorize it to execute, deliver and perform pursuant to this Lease.

(B) Neither Tenant, any Affiliate of Tenant, or any Person having an equity interest in Tenant, to Tenant's knowledge, any of Tenant's officers, directors, employees or agents is or will at any time be: (i) a Disqualified Person; (ii) in violation of any Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws; (iii) acting, directly or indirectly, on behalf of terrorists, terrorist organizations or narcotics traffickers, including those persons or entities that appear on the Annex to the Executive Order, or are included on any Government Lists; (iv) named on a Government List, or acting for or on behalf of any Sanctioned Country; or (v) the target of Sanctions.

(C) The funds or other assets used in connection with this Lease and any committed amounts to this Lease, were not and are not derived from any activities with the governments of, or any individuals or entities located in, any Sanctioned Country or from activities that otherwise contravene any Sanctions, or from any activities that contravene any Anti-Bribery, Anti-Money Laundering and Anti-Terrorism Laws (including funds being derived from any person, entity, country or territory on a Government List or engaged in any unlawful activity defined under Title 18 of the United States Code, Section 1956(c)(7)).

(D) The foregoing representations and warranties of Tenant shall be deemed to be restated and affirmed by Tenant as of the Lease Commencement Date without the necessity of Tenant's execution of any document, and Tenant's liability shall survive the signing of this Lease. Should any of the representations and warranties prove to be incorrect, it shall be Tenant's obligation to cure those warranties and representations, which are set forth at Tenant's expense.

(E) Tenant acknowledges that it has examined the Demised Property, and accepts the Demised Property in its present "**AS-IS, WHERE-IS**" condition and without any

representations or warranties of any kind or nature by City whatsoever, express or implied, as to the Demised Property, its condition, or the accuracy of any information furnished to Tenant. Tenant assumes the sole responsibility for the condition of the Land and the Demised Property in order that Tenant may construct, operate, maintain and manage the Improvements upon the Demised Property; and City shall not be required at any time to make any repairs, replacements, changes (structural or otherwise), additions or alterations to the Demised Property, the Improvements and any other property of any kind demised by this Lease. Tenant expressly acknowledges and agrees that: (i) City makes and has made no warranty or representation whatsoever as to the condition or suitability of any portion of the Demised Property for Tenant's purposes; (ii) City makes and has made no warranty, express or implied, with regard to the accuracy of any information furnished to Tenant, and City shall not be bound by any statement of any broker, employee, agent or other representative of City; (iii) Tenant has made a complete and thorough independent examination and inspection of all portions of the Demised Property utilizing such experts and consultants as Tenant deemed appropriate and, on the basis of its inspection, Tenant is thoroughly familiar with all portions of the Demised Property (including, without limitation, whether or not hazardous or toxic materials are or have been located on or under or generated from any portion of the Demised Property), and all other matters relevant to Tenant; (iv) Tenant has determined that the condition of all portions of the Demised Property is satisfactory to Tenant; and (v) City makes and has made no warranty, express or implied, concerning any portion of the Demised Property, its condition, the use to which it may be put, any environmental matters, or any other thing or matter directly or indirectly related, including, without limitation, the zoning or other land use restrictions affecting the Demised Property, the compliance of the Demised Property or any part of the Demised Property with any governmental requirement, the use or existence, or prior use or existence, of hazardous materials on the Demised Property or the accuracy or completeness of any statement or other matter previously disclosed to Tenant. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES GIVEN TO TENANT IN CONNECTION WITH THIS LEASE OR THE DEMISED PROPERTY. CITY DISCLAIMS ANY AND ALL WARRANTIES OF MERCHANTABILITY, HABITABILITY, TENANTABILITY, AND FITNESS FOR ANY PARTICULAR PURPOSE. TENANT ASSUMES RESPONSIBILITY AND ALL RISKS RELATING TO LATENT OR OTHER DEFECTS.

25.3 Waiver of Jury Trial. CITY AND TENANT KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM OR THEIR REPRESENTATIVES, SUCCESSORS OR ASSIGNS MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO BOTH PARTIES IN ACCEPTING THIS LEASE.

25.4 Counterparts. This Ground Lease may be executed in counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.

25.5 Termination During Compliance Period. In the event, the City determines, in its sole discretion (but subject to the notice and cure rights of the Investor and Approved Leasehold Mortgagees as set forth in this Lease), that termination of this Ground Lease by reason of any

Event of Default, during the Tax Credit Compliance Period, is the most appropriate action, prior to taking any action to terminate the Lease, the City must first obtain consent for such termination from the Florida Housing Finance Corporation. Notwithstanding, nothing in this Lease shall preclude City from seeking any other rights or remedies available, whether by law or in equity, to it under this Ground Lease with respect to such Event of Default.

25.6 Enforceability. It is intended and agreed that the representations and covenants contained in this Lease shall be binding upon the Parties and their successors in interest and assigns, as covenants running with the land and shall be for the benefit and in favor of, and enforceable by, either City or Tenant.

SIGNATURES APPEAR ON FOLLOWING PAGES

IN WITNESS WHEREOF, the parties have executed this Ground Lease as of the date and year first above written.

"CITY":

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

"TENANT":

SONATA APARTMENTS, LTD.,
a Florida limited partnership

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

By: _____
Leon J. Wolfe, Vice President

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me () physical presence or () online
notarization this _____ day of _____, 2021, by LEON WOLFE, Vice
President of Cornerstone Sonata, LLC, the General Partner of Sonata Apartments, Ltd., on behalf
of Sonata Apartments, Ltd., who is personally known to me.

NOTARY'S SEAL:


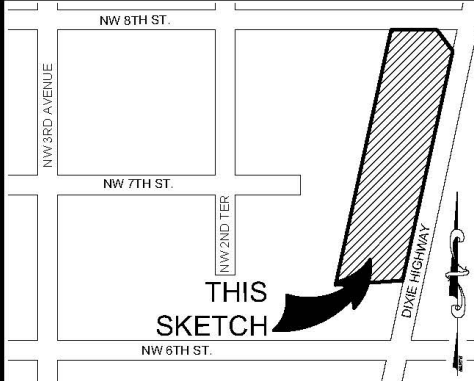
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

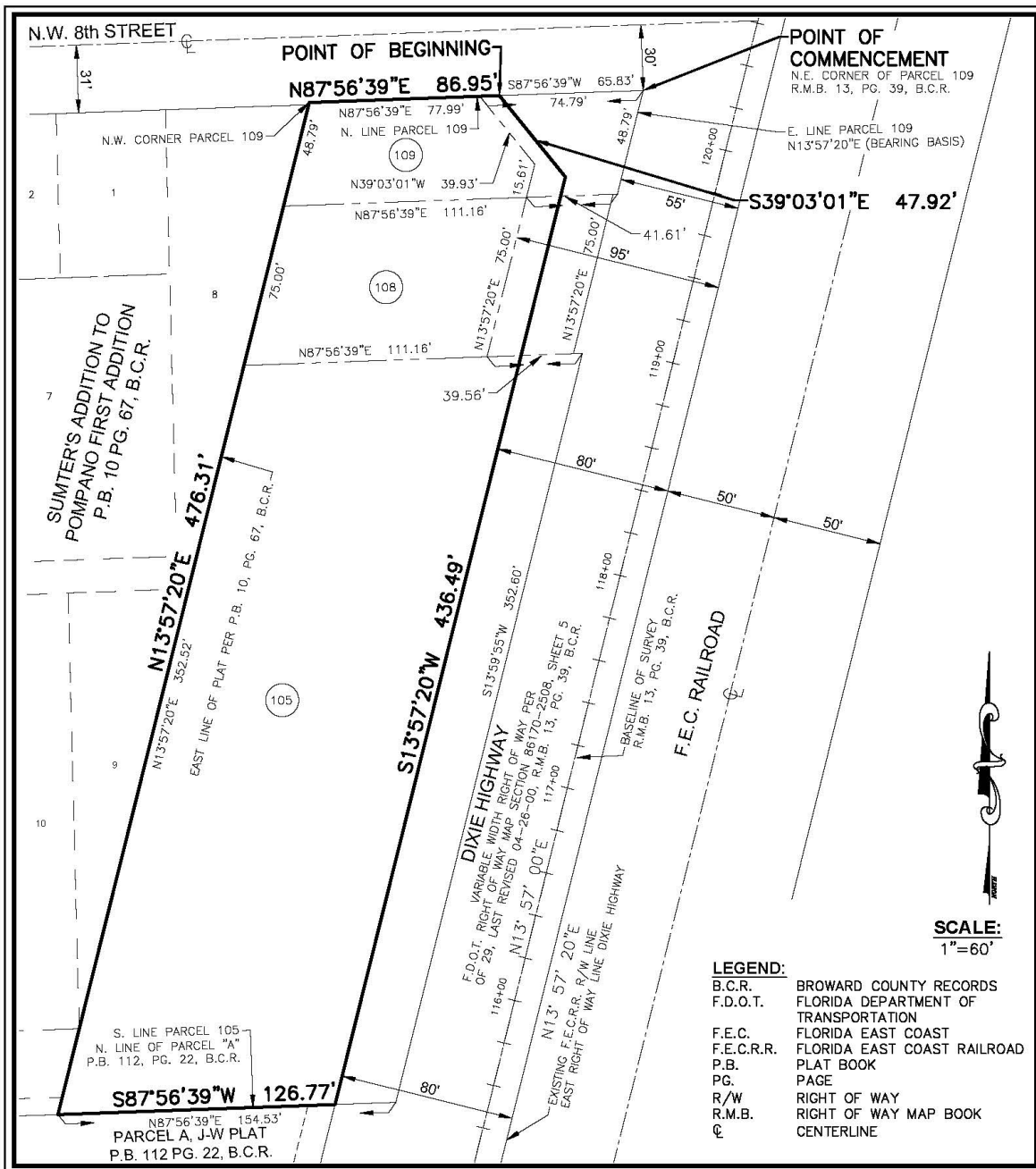
Commission Number

JES:jrm
2/17/21
L:agr/realpropertymgr/2021-325

EXHIBIT A LEGAL DESCRIPTION OF PROPERTY

<p>LEGAL DESCRIPTION:</p> <p>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:</p> <p>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.</p> <p>SAID LANDS LYING IN THE CITY OF POMPANO BEACH, BROWARD COUNTY, FLORIDA AND CONTAINING 57,276 SQUARE FEET (1.31 ACRES) MORE OR LESS.</p> <p>SURVEY NOTES:</p> <ol style="list-style-type: none"> 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. <p>CERTIFICATION:</p> <p>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.</p> <p>KEITH & ASSOCIATES, INC. CONSULTING ENGINEERS</p> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;"> <p>Timothy H Gray 2020.07.06 09:55:27-04'00'</p> </div> </div> <p>TIMOTHY H. GRAY PROFESSIONAL SURVEYOR AND MAPPER REGISTRATION No. 6604 STATE OF FLORIDA</p>	 <p style="text-align: center;">LOCATION MAP: NOT TO SCALE</p>
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<p>SKETCH & DESCRIPTION</p> <p>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.</p> <p>CITY OF POMPANO BEACH BROWARD COUNTY</p>	 <p>301 EAST ATLANTIC BOULEVARD POMPANO BEACH, FLORIDA 33060-6643 (954) 788-3400 FAX (954) 788-3500 EMAIL: mail@KEITHteam.com LB NO. 6860</p> <p>SHEET <u>1</u> OF <u>2</u></p> <p>DRAWING NO. <u>10020.76-SKETCH & DESCRIPTION.dwg</u></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="font-size: small;">DATE</td> <td style="font-size: small;">06/25/20</td> </tr> <tr> <td style="font-size: small;">SCALE</td> <td style="font-size: small;">1"=60'</td> </tr> <tr> <td style="font-size: small;">FIELD BK.</td> <td style="font-size: small;">N/A</td> </tr> <tr> <td style="font-size: small;">DWNG. BY</td> <td style="font-size: small;">DDB</td> </tr> <tr> <td style="font-size: small;">CHK. BY</td> <td style="font-size: small;">THG</td> </tr> </table>	DATE	06/25/20	SCALE	1"=60'	FIELD BK.	N/A	DWNG. BY	DDB	CHK. BY	THG	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="font-size: small;">DATE</th> <th style="font-size: small;">REVISIONS</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	DATE	REVISIONS										
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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	DATE	REVISIONS
SCALE	1"=60'		
FIELD BK.	N/A		
DWNG. BY	DDB		
CHK. BY	THG		

Legal Description Lease Area of Six (6) City Parcels

- (a) BEGINNING ON THE NORTH LINE OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ AND THE WEST LINE OF THE FEC RAILROAD RIGHT OF WAY, WEST 210 FEET, THEN SOUTHWEST 80 FEET, THEN EAST 210 FEET, THEN NORTHEAST 80 FEET TO THE POINT OF BEGINNING OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST, LESS THE NORTH 30 FEET OF THE WEST 154.23 FEET FOR NE 8 STREET RIGHT OF WAY.
- (b) BEGINNING 80 FEET SOUTHWESTERLY OF THE INTERSECTION OF THE NORTH LINE OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ AND THE WEST LINE OF THE FEC RAILROAD RIGHT OF WAY, WEST 210 FEET, THEN SOUTHWEST 75 FEET, THEN EAST 210 FEET, THEN NORTHEAST 75 FEET TO THE POINT OF BEGINNING OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST, LESS THE EAST 56.98 FEET FOR DIXIE HIGHWAY.
- (c) BEGINNING 155 FEET SOUTH OF THE INTERSECTION OF THE NORTH LINE OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ AND THE WEST LINE OF THE FEC RAILROAD, WEST 210 FEET, THEN SOUTHWEST 75 FEET, THEN EAST 210 FEET, THEN NORTHEAST 75 FEET TO THE POINT OF BEGINNING OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST, LESS THE EAST 20 FEET FOR DIXIE HIGHWAY.
- (d) BEGINNING 170 FEET NORTHEAST OF THE SOUTHEAST CORNER FROM THE NORTH $\frac{3}{4}$ OF THE NORTH $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ WEST OF RIGHT OF WAY, THENCE RUN NORTHEAST 100 FEET, THENCE WEST 210 FEET, THENCE SOUTHWEST 100 FEET, THENCE EAST 210 FEET TO THE POINT OF BEGINNING OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST, LESS THE EAST 55 FEET FOR DIXIE HIGHWAY.
- (e) BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF THE NORTH $\frac{1}{2}$ OF THE SOUTH $\frac{1}{2}$ OF THE NORTH $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ AND THE WEST LINE OF THE FEC RAILROAD RIGHT OF WAY, NORTHEAST 110 FEET TO THE POINT OF BEGINNING, THENCE NORTHEASTERLY 60 FEET, THENCE WESTERLY 210 FEET, THENCE SOUTHWESTERLY 60 FEET, THENCE EASTERLY 210 FEET TO THE POINT OF BEGINNING OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST.
- (f) BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF THE NORTH $\frac{1}{2}$ OF THE SOUTH $\frac{1}{2}$ OF THE NORTH $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ AND THE WEST LINE OF THE FEC RAILROAD RIGHT OF WAY, NORTHEASTERLY 110 FEET, THENCE WEST 210 FEET, THENCE SOUTHWESTERLY 110 FEET, THENCE EAST 210 FEET TO THE POINT OF BEGINNING OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST.

ALSO KNOWN AS:

A PORTION OF TRACT 10, PLAT OF THE SUBDIVISION OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK B, PAGE 76, MIAMI-DADE COUNTY PUBLIC RECORDS ALSO BEING PORTIONS OF PARCELS 105, 108 & 109, AS SHOWN ON THE 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; SAID PORTIONS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 9, SUMTER'S ADDITION TO TOWN OF POMPANO FIRST ADDITION PLAT, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 10, PAGE 67 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA; THENCE NORTH $13^{\circ}40'56''$ EAST, ALONG THE EASTERLY LINE OF SAID PLAT BOOK 10, PAGE 67, 443.14 FEET TO A POINT ON A LINE LYING 30.00

FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTHEAST ONE-QUARTER (S.E.1/4) OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST; THENCE NORTH 87°56'12" EAST, ALONG SAID PARALLEL LINE, 86.79 FEET; THENCE SOUTH 39°02'58" EAST, 47.93 FEET TO A POINT TO A POINT ON A LINE LYING 80.00 FEET WESTERLY OF AND PARALLEL WITH THE WESTERLY RIGHT OF WAY LINE OF THE FLORIDA EAST COAST RAILWAY; THENCE SOUTH 13°57'52" WEST, ALONG SAID PARALLEL LINE, 436.62 FEET TO A POINT ON 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 RECORDS OF BROWARD COUNTY, FLORIDA; THENCE SOUTH 88°08'56" WEST, ALONG SAID NORTH LINE, 124.05 FEET TO THE SOUTHEAST CORNER OF THAT CERTAIN 31-FOOT RIGHT-OF-WAY DEDICATION FOR SEVENTH STREET AS SHOWN ON PLAT BOOK 10, PAGE 67; THENCE NORTH 13°40'56" EAST, ALONG THE EASTERLY LINE OF SAID RIGHT-OF-WAY DEDICATION, 32.17 FEET TO THE POINT OF BEGINNING.

EXHIBIT B

DEVELOPMENT CONCEPTUAL SITE PLAN & DEVELOPMENT AGREEMENT (Development Agreement provided as separate attachment)

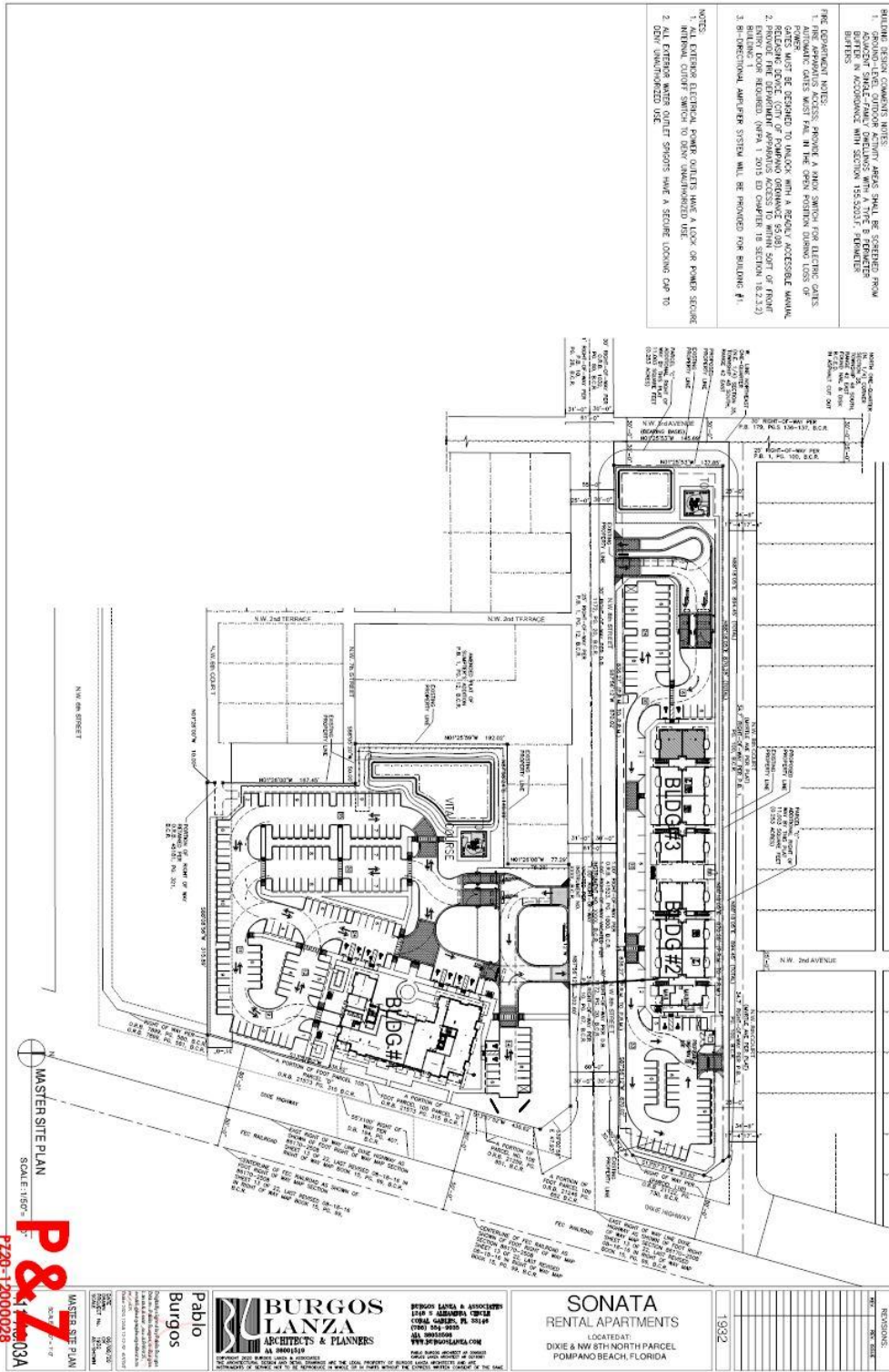


EXHIBIT C INSURANCE REQUIREMENTS

(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), Tenant'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 Demised 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, Tenant, and any Approved Leasehold Mortgagee shall be named as loss payees. Tenant shall be the first named insured, and City 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 Lease Term by an insurance appraiser selected and paid for by Tenant, provided that Tenant shall obtain City's approval (which approval shall not be unreasonably withheld) of the appraiser before commencement of the appraisal. The appraiser selected by Tenant shall submit to City and Tenant a written report of the appraised replacement cost. If City or Tenant 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, Tenant 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, Tenant shall procure and deliver to City 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. City, Tenant and any Approved Leasehold Mortgagee shall be named as loss payees. Tenant shall be the first named insured, and City and any Approved Leasehold Mortgagee shall be named as additional insureds.

(C) Other Insurance to Be Carried. Beginning on the Possession Date and at all times during the Term, Tenant shall also, at Tenant's sole cost and expense but for the mutual benefit of Tenant and City (with City 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 Lease), 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, 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 Demised 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.* Tenant 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 Lease 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 Lease 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 Demised 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 and Tenant. 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, Tenant 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 Tenant for Tenant's and City'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 Lease), 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 and Tenant shall be named as loss payees. Tenant shall be the first named insured, and City 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 thereto. Only Tenant 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 Lease. The policy or policies of insurance shall contain such limits as may be reasonably requested by City 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 Lease Commencement Date, and every three (3) years thereafter, by any increase in the CPI from the Lease Commencement Date to the date on which the adjustment is to be made.

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

EXHIBIT D

DESCRIPTION OF TENANT'S ADJACENT PROPERTY WHICH, TOGETHER WITH ANY THEN-EXISTING IMPROVEMENTS, WILL BE CONVEYED AS PART OF THE TERMINATION RENT

Legal Description:

Lots 1, 2, 3, and 6 through 12 and the East One-Half (E 1/2) of Lot 13 of SUMTER'S ADDITION TO POMPANO FIRST ADDITION PLAT, according to the Plat thereof, as recorded in Plat Book 10, Page 67, of the Public Records of Broward County, Florida; together with that portion of the adjacent alley abandoned by City of Pompano Beach Ordinance NO. 2005-4 recorded in Official Records Book 38597, Page 1455; and that portion of the adjacent alleyway abandoned by City of Pompano Beach Ordinance No. 2007-25 recorded in Official Records Book 43583, Page 377; and that portion of the adjacent road right-of-way abandoned by City of Pompano Beach Ordinance No. 2008-21 recorded in Official Records Book 45181, Page 321, of the Public Records of Broward County, Florida.

The foregoing is subject to adjustment based on any dedications, easements or covenants made pursuant to a replatting of the property