# MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF POMPANO BEACH AND

### AZUR EQUITIES, LLC AND FLORIDIANS FOOTBALL CLUB INC.

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of the control
Florida municipal corporation ("City"), and AZUR EQUITIES, LLC, a Florida limited liabilit company and Floridians Football Club Inc., a Florida corporation (collectively, "Developer").
RECITALS:
In May, 2016, the City issued Request for Proposals L-40-16 dated May 10, 2016 for the "11 Acre Parks and Recreation Site Development" ("RFP"), seeking proposals from qualified firm to finance, design, construct, operate and maintain an 11.756-acre parcel of City-owned landocated in the Palm-Aire subdivision (the "Parcel," more particularly described in Exhibit A under a long-term agreement with the City. The City was seeking proposals for development of the Parcel as a recreational site to be operated in accordance with City standards, with use compatible with other City facilities.
Developer submitted a response to the RFP entitled Floridians Pompano Beach SportsPar & Residences, dated June 22, 2016 (the " <b>Proposal</b> "). The Proposal contemplates development of a sports facility (the " <b>Project</b> ") consisting of a soccer complex which can be used for other sport as well.
A 1,000-seat state-of-the-art covered soccer stadium (expandable to 4,000 seats), with VIP suite, six luxury suites, and a press box;
A 14,000-square-foot clubhouse containing a gymnasium, store, cafeteria, offices classroom, and computer room;
A rooftop soccer field to be located on the roof of the clubhouse;
Three full-size (adult) regulation soccer fields;
Three covered 5x5 soccer fields (each one 25 yards wide x 40 yards long);
Three covered fields for multiple sports;
An airnasium (gymnasium with a roof and open-air sides); and
Eighty apartments for use as dormitories.
At a City Commission meeting on, Developer was selected as th highest-ranked proposer.

Developer and City expect to negotiate and enter into (i) an agreement which will establish detailed requirements for the design, development and construction of the Project (the "Development Agreement"), and (ii) a long-term lease of the Parcel to Developer, which will govern the use, operation, maintenance, and repair of the Project (the "Ground Lease;" the Development Agreement and Ground Lease are collectively the "Project Documents"). Both parties recognize that it will take time to finalize the Project Documents.

In order for Developer to develop the Parcel, both City and Developer will need to undertake a number of pre-development activities requiring City and Broward County ("County") review and approval.

City and Developer are entering into this MOU, which is a non-binding interim agreement, in order to (i) summarize the significant terms of the Project Documents to be drafted; and (ii) allow Developer and City to commence certain pre-development activities while the terms and conditions of the final Development Agreement and Ground Lease are negotiated.

The understanding of the parties is as follows:

- 1. Incorporation of Recitals, RFP, and Proposal; Exhibits.
  - 1.1 **Incorporation**. The foregoing recitals, and the terms and conditions of the RFP and the Proposal are incorporated into this MOU and will be incorporated into the Project Documents. Developer must comply with all provisions of the RFP, except as affirmatively and expressly required to the contrary by this MOU, the Development Agreement, or the Ground Lease.
  - 1.2 **Exhibits**. The following exhibits are attached to and made a part of this MOU:
    - Exhibit A Legal description of the Parcel
    - **Exhibit B** Conceptual Site Plan for the Project
    - **Exhibit C** Floridian SportsPark Timeline ("Development Timeline")
    - Exhibit D Rent Schedule
- 2. **Minimum Project Requirements**. The following are the minimum requirements for the Project to be developed on the Parcel. Each of these components will be described in detail in the Development Agreement.
  - 2.1. A 1,000-seat state-of-the-art covered soccer stadium (expandable to 4,000 seats), with a VIP suite, six luxury suites, and a press box;
  - 2.2. A 14,000-square-foot clubhouse containing a gymnasium, store, cafeteria, offices, classroom, and computer room;

- 2.3. A rooftop soccer field to be located on the roof of the clubhouse;
- 2.4. Three full-size (adult) regulation soccer fields;
- 2.5. Three covered 5x5 soccer fields (each one 25 yards wide x 40 yards long);
- 2.6. Three covered fields for multiple sports;
- 2.7. An airnasium (gymnasium with a roof and open-air sides); and
- 2.8. Eighty residential units to be used exclusively as dormitories (the "Dormitories").
- 3. **Conceptual and Final Site Plans**. A preliminary site plan for the Project, showing the proposed locations and dimensions of the Project facilities, was submitted by Developer with the RFP and is attached as **Exhibit B** ("Conceptual Site Plan"). The Conceptual Site Plan may be modified by the Developer due to existing field conditions, City development requirements, and the development requirements of other governmental agencies having jurisdiction. After City and Developer have fulfilled all of the pre-development obligations set forth in this MOU, Developer will prepare a final site plan ("Final Site Plan") which will be consistent with the Conceptual Site Plan, as modified. The Final Site Plan must be reviewed and approved by City staff and the City Commission.
- 4. **City's Pre-Development Obligations.** Before development of the Project can commence, the City will undertake the obligations listed in subsections 4.1 through 4.5 below (the "**City Pre-Development Obligations**"). The City Pre-Development Obligations include matters which are not within the complete control of the City. While the City cannot guarantee the outcomes for each item listed, it will use best efforts to resolve the issues to permit the development of the Project. City's failure to complete the City Pre-Development Obligations will cause an immediate termination of this MOU.
  - 4.1. **1985 Settlement Agreement**. The Parcel is subject to a Stipulation, Settlement, and Master Plan Agreement for Palm-Aire approved by the Final Order Approving Settlement Agreement entered by the federal district court on July 29, 1985 in FPA Corporation v. City of Pompano Beach, Florida, Case No. 85-6454-CIV-Gonzalez (S.D. Fla. order dated July 29, 1985) (the "**1985 Settlement Agreement**"). Before any residential units can be built on the Parcel, the 1985 Settlement Agreement must be terminated or modified. The 1985 Settlement Agreement limits the total number of residential units which can be built within Palm-Aire and the location of those units. As of the current date, there are no residential units which can be allocated to the Parcel. The City estimates that it will take \_\_\_\_\_ months to resolve this issue.
  - 4.2. Flex Receiving Area Map Amendment. The City will propose a flex receiving area map amendment consistent with the Broward Next policies adopted in April 2017. However, no "Flex Units" will be allocated to the Parcel until the 1985 Settlement

Agreement is amended or terminated to allow additional units in excess of the current maximum number of units, all of which are allocated to other parcels within Palm-Aire.

- 4.3. **Site Remediation**. The City has (i) obtained an environmental site assessment report for the Parcel; (ii) developed a remedial action plan approved by the City and the State of Florida meeting applicable federal and state legal requirements for cleanup of adverse environmental conditions on or adjacent to the Parcel ("RAP"); and (iii) obtained Broward County approval of the RAP. Broward County designated the Parcel as a Brownfield on December 1, 2017. The City expects to complete the required remediation by \_\_\_\_\_\_\_\_. However, the City will have no liability for any delay to the Project resulting from the required remediation.
- 4.4. Plat Note Amendment. The plat of the Parcel includes a plat note ("Plat Note") limits the use of the Parcel to open space. After the language of the DRC amendment (described below) has been agreed to by the County, and the City has obtained County approval of the RAP, the City will then seek to modify the Plat Note to allow for park use. If City is unable to obtain a modification of the Plat Note, and replatting is required to allow for development of the Project, the Developer will be responsible for the replatting of the Parcel.
- 4.5. **Rezoning**. If rezoning of the Parcel is required for development of the Project, the City will prepare the rezoning application on Developer's behalf. Developer shall promptly provide to City staff all necessary information regarding the proposed uses of the Project.
- 5. **Developer's Pre-Development Obligations.** Before development of the Project can commence, the Developer will undertake the following:
  - 5.1. **Development Timeline**. Attached as **Exhibit C** is Developer's proposed Development Timeline outlining all of the development approvals which Developer will be seeking, and the timeline for seeking the approvals. All development applications shall be coordinated with the City to assure protection of the City's three water wells on the Parcel.
  - 5.2. **Replat of Parcel**. If replatting of the Parcel is required to allow for the Project uses, Developer shall provide a timeline for the replatting process, and identify the specific professionals who will handle the replatting. Developer will be responsible for all costs of replatting the Parcel.
  - 5.3. **Modification of Deed Restriction**. The Parcel is subject to a Declaration of Restrictive Covenants recorded on October 6, 2010 in Official Records Book 47427, Page 1280, Public Records of Broward County, Florida; and the instrument recorded on June 24, 2013, in Official Records Book 49730, Page 48, Public Records

of Broward County, Florida (collectively, the "DRC"). Developer, at its sole cost, will be responsible for obtaining from Palm Aire Associates, Limited Partnership (the "Grantor" of the Parcel) a written agreement providing that if the County amends the DRC applicable to the Parcel, the Grantor will execute and deliver a "Modification of Deed Restriction" modifying the DRC (which currently limits the use of the Parcel to a public park) to allow use of the Parcel for the Project. The form of the agreement with the Grantor must be approved by the City Attorney prior to execution.

- 5.4. **DRC Amendment**. Developer acknowledges that the Parcel is restricted to public park and open space uses in two different sections of the DRC, both of which must be amended. Developer shall prepare an application for amendment of the DRC ("DRC Amendment") to modify the "public park" restriction and the language related to the open space restriction associated with the need for arsenic remediation, and submit the application to City staff for review. Developer shall present the DRC Amendment application to the City Commission for approval prior to presenting it to Broward County Planning Council staff for review and processing. Developer and City agree to jointly work with the County Environmental and Platting Divisions to determine how to amend the language in the remediation section of the DRC to allow the Plat Note restriction to "open space" to be amended to allow the development of the Project (including but not limited to the soccer training facility use), based on the approved RAP, in advance of completion of the remediation.
- 5.5. **Impact Fees**. Developer will be responsible for any impact fees due the County when the Plat Note is amended to allow use of the Parcel for the Project, and any impact fees imposed in connection with replatting the Parcel, if required.
- 5.6. **City' Joinder in Development Applications.** To the extent that the City, as owner of the Parcel (and not as the local government), is required to join in any applications or related development documents, Developer shall submit the applications to City, and City will have a period of \_\_\_\_ days after receipt of each application to either sign the application or return the unsigned application to Developer with comments and requested changes. Developer will make any corrections or changes reasonably required by the City. Developer acknowledges that the City's joinder in any application does not bind the City to approve the application.
- 5.7. **Major Site Plan and Major Building Plan Approvals.** After approval of the DRC Amendment and the Modification of Deed Restriction by Broward County and the City, Developer will be responsible for completing applications for Major Site Plan and Major Building Plan approvals and obtaining these approvals from the City Commission.

#### 6. Governmental Activities.

- 6.1. Interviews with Broward County Commissioners. Developer shall prepare a presentation to be given to individual County Commissioners, including the Conceptual Site Plan, and meet with each County Commissioner personally to explain the benefits the Project will bring to the community and to Broward County if the DRC Amendment is approved. City staff will informally review, comment on and approve the Developer's presentation and Conceptual Site Plan before the meetings, and will attend the meetings in support of the Project.
- 6.2. General Outreach. Developer shall obtain feedback on the proposed use and conceptual site plan from key members of the City's Planning and Zoning Board, City Commission, Collier City community, Golfview Estates Mobile Home Park, Palm Aire North residents and owners, and other key stakeholders. The layout of the Project should be located on the Conceptual Site Plan and Final Site Plan in a manner which will reasonably mitigate real or perceived impacts on adjacent residential uses.
- 6.3. **County Commission Hearing.** Prior to the County Commission hearing on the DRC Amendment, the Developer shall meet a second time with the District 2 County Commissioner to confirm his support for the DRC Amendment. City staff will attend this final meeting to support the Project and the DRC Amendment. Developer shall attend the County Commission hearing on the DRC Amendment and be prepared to present a PowerPoint presentation about the Project to explain the public benefits of the DRC Amendment.
- 6.4. **City Commission Hearing**. Developer shall prepare the backup for the City Commission agenda item and attend the final City Commission hearing to approve the DRC Amendment and the Modification of Deed Restriction. The City will record the DRC Amendment and the Modification of Deed Restriction in the Public Records of Broward County, with Developer to pay all recording costs.
- 6.5. **Major Site Plan and Major Building Plan Approvals.** The Developer will be responsible for completing applications for Major Site Plan and Major Building Plan approvals and obtaining these approvals from the City Commission.
- 7. **Development Agreement Terms**. In addition to setting forth in detail the predevelopment obligations of the City and Developer, the Development Agreement shall include the following:
  - 7.1. **Construction Requirements**. The Development Agreement will address the submission of construction plans; City's review and approval of the construction contract and the general contractor; Developer's obligations during the construction process (protection of site, maintenance of traffic plan, hurricane

plans); insurance, bonding, and indemnity requirements; installation of utilities; and similar provisions.

- 7.2. Participation in City's Local Business Program and Small Business Enterprise Programs. Developer agrees to procure at least 10% of construction services from local businesses within the City, and at least 10% of construction services from small businesses under the City's Small Business Enterprise Program. The Development Agreement will include reporting and record-keeping requirements to evidence compliance with these goals.
- 7.3. Letter of Credit. Developer shall deliver to the City an irrevocable letter of credit in an amount sufficient to cover damages suffered by the City if Developer fails to perform any of its obligations under the Development Agreement and the Ground Lease. The letter of credit shall be delivered to the City prior to the issuance of the first development permit for the Project. The City shall determine the amount of the letter of credit. The letter of credit must be issued by a U.S. bank or savings and loan association operating in the State of Florida and acceptable to the City. The letter of credit must be renewed periodically at least 30 days prior to expiration. Developer's failure to obtain a renewal of the letter of credit will be a material event of default under the Development Agreement and Ground Lease.
- 7.4. **Phased Construction.** Developer intends to construct the Project in phases in accordance with the following general construction phase schedule:

<b>Phase 1</b> . Construction of three full-size (adult) regulation soccer fields,
three covered 5x5 soccer fields (each one 25 yards wide x 40 yards long);
three covered fields for multiple sports; airnasium; and a parking area
containing not less than parking spaces. Construction of Phase 1 will
be completed within months after issuance of building permit.

7.4.2.	Phase 2.	Cons	tructic	n of	a 14,00	00-sq	uare	e-foo	t cluk	hοι	ıse c	ontaini	ng a
	gymnasiu	m, sto	re, caf	eteria	, offic	es, cla	assr	oom,	, com	put	er ro	om; w	ith a
	rooftop s	soccer	field	to b	e loca	ted o	on	the	roof	of	the	clubhc	use;
	Construct	ion of	Phase	2 will	comm	nence	no	later	than				and
	will be co	mplete	d with	in	mont	hs aft	ter is	ssuar	nce of	bui	ilding	permi	t.

7.4.3.	Phase 3.	Construction of 8	80 residential units to be us	sed as dormitories.
	Construction	on of Phase 3 will	commence no later than _	and
	will be com	npleted within	_ months after issuance of k	ouilding permit.

7.4.4.	<b>Phase 4</b> . Construction of a 1,000-seat state-of-the-art covered soccer
	stadium (expandable to 4,000 seats), with a VIP suite, six luxury suites, and
	a press box. Construction of Phase 4 will commence no later than
	and will be completed within months after issuance of
	building permit.

- 7.5. **Payment and Performance Bond.** Developer will be required to obtain a payment and performance bond insuring completion of the Project, with the City as oblige. The payment bond shall be in the form set forth in Section 255.05, Florida Statutes, with a surety licensed and approved by the State of Florida to issue payment and performance bonds in the State of Florida. The performance bond shall be in form acceptable to the City. The bond shall be conditioned upon the contractor's performance of the construction work in the time and manner prescribed in the contract and promptly making payments to all persons defined in Section 713.01, Florida Statutes, who furnish labor, services, or materials for the prosecution of the work provided for in the contract. The bonds shall be in an amount equal to the cost of construction and completion of the Project consistent with all governmental regulations. With approval of the City, the Developer may cover portions of the Project or substitute a payment or performance bond with a cash escrow or an irrevocable letter of credit drawn on a U.S. bank or savings and loan association operating in the State of Florida and acceptable to the City. The letter of credit must be renewed periodically at least 30 days prior to expiration. Developer's failure to obtain a renewal of the letter of credit will be a material event of default under the Development Agreement and Ground Lease.
- 7.6. **Evidence of Construction Funds**. Prior to commencement of construction, Developer will provide evidence satisfactory to City that the Developer has sufficient funds available to complete construction of the Project.
- 7.7. Additional Matters to be addressed in Development Agreement and/or Ground Lease. The Development Agreement and/or the Ground Lease shall include provisions regarding the following:
  - 7.7.1. Final review of the design for the Project by the City; City approval if the design conforms to standards acceptable to the City.
  - 7.7.2. Inspection of the Project by the City to ensure that the Developer's activities comply with the Development Agreement.
  - 7.7.3. Monitoring by the City of the maintenance practices to be performed by the Developer entity to ensure that the Project is properly maintained.
  - 7.7.4. Periodic filing by the Developer of the appropriate financial statements that pertain to the Project.
  - 7.7.5. Procedures governing the rights and responsibilities of the City and the Developer in the course of the construction and operation of the Project, and in the event of a termination of the Development Agreement or a material default by the Developer. The procedures must include conditions that govern the assumption of City duties and responsibilities by the Developer.

- 7.7.6. A provision under which the City and the Developer agrees to provide notice of default and cure rights for the benefit of the other entity.
- 7.7.7. A provision that terminates the authority and duties of the Developer and dedicates the Project to the City.
- 7.7.8. Provisions regarding the financing of the Project by Developer. The Developer may enter into a private-source financing agreement with a lender, provided that no liens will encumber the City's fee interest in the Parcel.
- 7.7.9. Provisions relating to insurance for the Project. Developer shall comply with all insurance requirements set forth in the RFP. Developer shall, upon request by City, provide City will copies of actual insurance policies and declaration pages to evidence Developer's compliance with insurance requirements in the Development Agreement and the Ground Lease.
- 8. **Ground Lease.** The Ground Lease will be a document separate from the Development Agreement, but it will be executed at the same time as the Development Agreement.
  - 8.1. **Lease Term**. Although the Ground Lease will be signed at the same time as the Development Agreement, the lease term will not commence until the date of issuance of the first building permit for the Project. The initial term of the Ground Lease will be 25 years, with an option for Developer to renew the Ground Lease for an additional 25 years on the same terms, provided that no event of default has occurred which has not been cured.
  - 8.2. **Rent**. Developer will commence paying rent under the Ground Lease within 30 days after issuance of the first certificate of occupancy for the Project (the "Rent Commencement Date"). Rent payments shall be in accordance with the rent schedule attached as **Exhibit D**, subject to modification by agreement of the City and Developer. Rent will be payable monthly.
  - 8.3. Other Lease Provisions. The Ground Lease will include provisions including but not limited to the following: lease commencement date; initial lease term; renewal term; rent commencement date; rent base rent, percentage rent, rent increases, renewal term rent; City approval of Developer's general contractor; construction provisions (including start date and construction timeline); permitted uses; provisions relating to financing of the Project such as a leasehold mortgage; transfer rights; and provisions relating to indemnification and insurance and escalation of insurance coverages during the term of the Ground Lease.
- 9. **Project Costs**. Developer and City agree that City shall have no responsibility whatsoever for any costs related to the development, operation, or maintenance of any portion of

- the Project. The City shall have responsibility for costs only as expressly set forth in this MOU or the RFP. This provision shall survive the termination of this MOU.
- 10. **Real Estate Brokers, Salespersons, and Lobbyists.** Developer and City acknowledge, each to the other, that there are no real estate brokers, real estate agents, or lobbyists representing either party in connection with this MOU or the Development Agreement and Ground Lease to be negotiated by the parties. Developer shall indemnify and hold the City harmless against any claim or demand, including reasonable attorneys' fees, made by any real estate broker, real estate agent, or lobbyist who has dealt with or consulted with Developer or any of Developer's representatives, employees, or agents in connection with this MOU, the Development Agreement, or the Ground Lease. This paragraph shall survive the termination of this MOU.
- 11. **Developer's Good Faith and Due Diligence.** Developer shall proceed in good faith and exercise due diligence in undertaking the responsibilities set forth in this MOU and the responsibilities to be set forth in the Development Agreement and the Ground Lease.
- 12. Effect of this MOU. The terms set forth in this MOU are intended to be non-binding and shall be subject to and superseded by the terms and conditions to be negotiated, approved, and included in the Development Agreement and the Ground Lease. In the event any element included in the Development Agreement and the Ground Lease cannot be achieved or implemented due to legal issues or other impediments, the parties may either (i) terminate this non-binding MOU without further liability each to the other (except as otherwise provided herein); (ii) agree to vary the terms set forth in this MOU; or (iii) extend the term of this MOU to explore other alternatives to accomplish the Developer agrees that the City's approval of this MOU, the Development Agreement, or the Ground Lease shall not obligate the City to issue or approve any comprehensive plan amendment, development permit, or development application. Developer hereby releases City from, and agrees to indemnify and hold City harmless against, all claims and liabilities arising out of, related to, or in connection with the City's or the County's failure or refusal to issue or approve any such amendment, permit, or application. Developer further agrees that this MOU does not grant a property right or a vested right to any development permit, comprehensive plan amendment, or other approval.
- 13. **Termination of MOU.** This MOU shall be effective from the date it has been signed by Developer, approved by the City Commission, and signed by all required City parties ("**Effective Date**") until the earliest of the following to occur, at which point the MOU shall automatically terminate without need for further notice: (i) full execution of the Development Agreement and the Ground Lease; or (ii) mutual written agreement by the Developer and the City to terminate this MOU; or (iii) 365 days from the Effective Date, unless the Developer and the City agree in writing to an extension. In the event of any termination of this MOU, Developer and City shall not be liable to each other, except to the extent that any provision set forth herein survives the termination of this MOU.

14.	Counterpart Signature Pages. pages.	This MOU may be executed by counterpart signature
	City and Developer have execut	ed this MOU as of the date set forth on the first page.
		<u>"CITY":</u>
Witn	esses:	CITY OF POMPANO BEACH
		By: LAMAR FISHER, MAYOR
		By: GREGORY P. HARRISON, CITY MANAGER
Attes	t:	
ASCE	LETA HAMMOND, CITY CLERK	(SEAL)
Appr	oved As To Form:	
MAR	K E. BERMAN, CITY ATTORNEY	
	OF FLORIDA TY OF BROWARD	
of the	oy <b>LAMAR FISHER</b> as Mayor, <b>GREGORY P</b> .	vledged before me this day of,  HARRISON as City Manager and ASCELETA HAMMOND as City Clerk icipal corporation, on behalf of the municipal corporation, who are
NOTAI	RY'S SEAL:	NOTARY PUBLIC, STATE OF FLORIDA
		(Name of Acknowledger Typed, Printed or Stamped)
		Commission Number

## "Developer":

Witnesses:	AZURE EQUITIES, LLC, a Florida corporation
	Ву:
	PASCAL COHEN, Manager
Print Name	
Print Name	(SEAL)
STATE OF FLORIDA	
COUNTY OF	
	ras acknowledged before me this day of PASCAL COHEN, as Manager of AZUR EQUITIES, LLC, a
Florida corporation, on behalf of the	corporation. He is personally known to me or who has
of identification) as identification.	
NOTARY'S SEAL:	NOTARY PUBLIC, STATE OF FLORIDA
	(Name of Acknowledger Typed, Printed or Stamped)
	Commission Number

## "Developer":

Witnesses:	<b>FLORIDIANS FOOTBALL CLUB INC.,</b> a Florida corporation
	By:
	FRANCK GOTSMAN, President
Print Name	
	(SEAL)
Print Name	,
STATE OF FLORIDA	
COUNTY OF	
, 2018, by	was acknowledged before me this day of y FRANCK GOTSMAN, as President of FLORIDIANS FOOTBALL behalf of the corporation. He is personally known to me or
who has produced	
(type of identification) as identificat	ion.
NOTARY'S SEAL:	NOTARY PUBLIC, STATE OF FLORIDA
	(Name of Acknowledger Typed, Printed or Stamped)
:jrm 3/1/18	Commission Number
L:agr/cip/2018-563	