

## AMENDED AND RESTATED COMPENSATED FUNDING AGREEMENT

THIS AMENDED AND RESTATED COMPENSATED FUNDING AGREEMENT ("Agreement" or "Compensated Funding Agreement") is entered into as of June 14<sup>th</sup>, 2013 (the "Effective Date") by and between MARGARITAVILLE HOLLYWOOD BEACH RESORT, L.P., a Delaware limited partnership (hereinafter referred to as "Developer") and the HOLLYWOOD, FLORIDA COMMUNITY REDEVELOPMENT AGENCY, a dependent special district of the City of Hollywood (hereinafter referred to as "CRA"). The parties to this Agreement may hereinafter be referred to collectively as "Parties", individually as a "Party" or by name.

### RECITALS:

- A. On July 30, 2009, the City of Hollywood (the "City") issued Request for Proposal No. 4212-09-IS for the redevelopment of the City-owned site commonly known as Johnson Street, comprising two contiguous parcels, for a resort hotel project. After a competitive process, which included public hearings and deliberations by the Mayor and City Commission, on April 7, 2010, pursuant to Resolution Number R-2010-097, the appropriate officials of the City were authorized to negotiate with Developer the basic terms and conditions for such redevelopment;
- B. The CRA approved the original Compensated Funding Agreement by resolution R-BCRA-2012-49 on September 5, 2012;
- C. The appropriate officials of the City have subsequently worked with representatives of Developer in the preparation of that certain Amended and Restated Development Agreement and Ground Lease dated June \_\_, 2013, (as may be amended from time to time, "Ground Lease Agreement") which, among other things, provides for the construction, development, operation and maintenance of a resort hotel (the "Hotel") on the Leased Property (as therein defined), together with a Parking Garage (collectively, the "Developer Improvements"), and the development and construction of certain public improvements or facilities (the "Public Improvements"), as more particularly set forth in the Site Plan (the "Site Plan") attached to the Ground Lease Agreement;
- D. In accordance with the terms and provisions set forth in the Ground Lease Agreement, and pursuant to the authorization of the Board of Commissioners of the CRA ("CRA Board"), the appropriate officials of the CRA have worked with representatives of Developer in the preparation of this Agreement which provides for, among other things, (1) the CRA to provide a compensated funding to Developer up to a maximum of Twenty-Three Million and 00/100 Dollars (\$23,000,000) to fund certain of the Improvement Costs (as that term is defined in the Ground Lease Agreement), as more specifically described in this Agreement, and (2) in conjunction with the foregoing, the Developer to comply with all the terms, conditions, responsibilities, and obligations set forth within the Ground Lease Agreement; and
- E. The Developer desires to accept the Compensated Funding subject to the terms, conditions

and restrictions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and CRA hereby agree as follows:

1. RECITALS. The foregoing recitals are true and correct and are incorporated herein by reference. All capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed thereto in the Ground Lease Agreement.

2. COMPLIANCE WITH GROUND LEASE AGREEMENT: As a material inducement for CRA to enter into this Agreement with Developer, Developer hereby covenants, at all times during the Term (as defined below) of this Agreement, to comply with, perform, and/or satisfy each and every term, condition, obligation, and/or responsibility required of Developer set forth within the Ground Lease Agreement in all material aspects, including, but not limited to, the development, construction, maintenance, and operation (if applicable) of the Public Improvements and the Developer Improvements as contemplated therein.

3. TERMINATION OF LOAN AGREEMENT: Reference is made to that certain Loan Agreement dated February 9, 2011, between CRA, as Funder, and Developer, as Borrower. CRA and Developer hereby acknowledge and agree that (a) the Loan Agreement is terminated and of no further force and effect between the parties and (b) the parties are released from all rights and obligations set forth in the Loan Agreement including, but not limited to, the CRA's obligation to fund the Loan.

4. COMPENSATED FUNDING AMOUNT & TERM:

(a) The compensated funding (the "Compensated Funding") as contemplated herein shall be in the maximum amount of Twenty-Three Million and 00/100 Dollars (\$23,000,000) and shall be disbursed pursuant to this Agreement. The Compensated Funding shall be bifurcated into two tranches consisting of (a) Ten Million and 00/100 Dollars (\$10,000,000) (the "FF&E Compensated Funding") to be used solely for the Improvement Costs designated in the Budgeted Improvement Costs, as "Furniture, Fixtures, and Equipment" or "Operating Supplies and Equipment" (collectively the "FF&E") and (b) Thirteen Million and 00/100 Dollars (\$13,000,000) (the "Construction Costs Compensated Funding") to be used solely for the Improvement Costs designated in the Budgeted Improvement Costs, as "Construction Costs" exclusive of; (i) "Furniture, Fixtures, and Equipment," (ii) "Operating Supplies and Equipment," (iii) "Construction Contingency" and (iv) "Payment and Performance Bonds." The FF&E Compensated Funding shall not be used for Construction Costs, and the Construction Costs Compensated Funding shall not be used for FF&E, without the prior written consent of the CRA in each instance, which consent may be withheld in the CRA's sole discretion. Reference in this Agreement to the Compensated Funding shall collectively mean and refer to both the FF&E Compensated Funding and Construction Costs Compensated Funding.

- (b) The "Term" of this Agreement shall commence upon the Effective Date and the obligation of the CRA to fund the Compensated Funding shall terminate thirty-six (36) months from the commencement of construction as set forth in the Ground Lease Agreement, unless sooner terminated by either party as set forth herein (the "Funding Termination Date"). In addition to any other rights and remedies of the CRA set forth in this Agreement, any portion of the Compensated Funding for which a Draw Request (as defined below) has not been submitted by Developer to the CRA by the Funding Termination Date, shall be forfeited and Developer hereby waives any rights to such forfeited portion of the Compensated Funding. Notwithstanding the foregoing, this Agreement shall remain in full force and effect following the Funding Termination Date for such time periods as necessary to give the terms and provisions of this Agreement their full force and effect.
- (c) The Compensated Funding shall be funded pursuant to Draw Requests; provided, however, that (i) with respect to the FF&E Compensated Funding, the initial Draw Request shall not be made until such time as an FF&E order needs to be timely placed by Developer based upon the progress of the Hotel's construction, and in no event shall said Draw Request be earlier than six (6) months following the commencement of said construction and (ii) with respect to the Construction Costs Compensated Funding, the initial Draw Request shall not be made until such time as construction has commenced with Disbursements (as defined below) to be based upon the progress of the Developer Improvements' construction. Such Disbursements shall be made not more than monthly on a percentage of construction completion basis, up to a maximum, in the first CRA fiscal year (i.e., the twelve (12) months ending September 30) in which construction occurs, of Six Million Five Hundred Thousand and 00/100 Dollars (\$6,500,000.00) (the "First Year Limit"). In the event that the Developer submits Draw Requests for the Construction Costs Compensated Funding in excess of the First Year Limit, such Draw Requests shall not be funded until the second CRA fiscal year in which construction occurs and the CRA shall make Disbursements of such excess amount at the start of the CRA's second fiscal year and then make additional Disbursements on a percentage of construction completion basis, up to the total maximum amount of the Compensated Funding.

5. USE OF PROCEEDS/DISBURSEMENT PROCEDURES:

- (a) General Conditions Precedent to All Disbursements. CRA's obligation to fund any portion of the Compensated Funding, or take any other action under this Agreement for the benefit of Developer, shall be subject at all times to satisfaction of each of the following conditions precedent;
- a. There exists no Default under this Agreement or the Ground Lease Agreement; and
  - b. CRA shall have received all other documents, instruments and forms of

evidence or other materials reasonably required or requested by the CRA under the terms of this Agreement; and

- c. CRA shall have received evidence reasonably satisfactory to it that the Leased Property and the Developer Improvements are insured as required under Section 7 hereof; and
- d. Developer shall have paid all fees then due and payable to CRA hereunder; and
- e. CRA shall have received an "Application and Certification for Payment" in substantially the form attached hereto as **Exhibits "B and C"**, signed by an authorized officer of Developer certifying that (i) with respect to the FF&E Compensated Funding, the progress of the Hotel's construction requires the placement of an FF&E order by Developer and (ii) with respect to the Construction Costs Compensated Funding, the percentage completion of the Developer Improvements' construction based on the expenditure of Construction Costs for the Developer Improvements to date as to the overall Budgeted Construction Costs for the Developer Improvements, plus such other information as required by this Agreement. Such Application and Certification for Payment will be required with each Draw Request for a Disbursement of a portion of the FF&E Compensated Funding and Construction Costs Compensated Funding.

(b) Disbursements of FF&E Compensated Funding. The proceeds from the FF&E Compensated Funding will be used solely for the FF&E, and disbursed pursuant to monthly Draw Requests submitted by the Developer to the CRA meeting the requirements set forth herein.

- a. During the Term, but after the date of receipt by the CRA of the Application and Certification for Payment certifying that the progress of the Hotel's construction requires the placement of an FF&E order by Developer, CRA shall make disbursements (each, a "Disbursement" or "FF&E Disbursement" with such terms used interchangeably) of the FF&E Compensated Funding to Developer in the amount requested in the Draw Request, up to an amount not to exceed Ten Million and 00/100 Dollars (\$10,000,000).
- b. Developer may submit to CRA, not more than once per calendar month, a draw request ("Draw Request"), setting forth a description of the FF&E supplied and/or costs incurred or due for which an FF&E Disbursement is requested with respect to any line item ("Item") shown on the Budgeted Improvement Costs; and the total amount incurred, expended and/or due for each requested Item, less prior FF&E Disbursements; and the date on which Developer requests that such FF&E Disbursement be made (the "Funding Date"), which date shall in no event be earlier than five (5)

Business Days following submittal by Developer to CRA of the Draw Request (together with all related supporting information and certificates) and the satisfaction by Developer of each applicable condition to an FF&E Disbursement set forth in this Agreement. Each Draw Request shall include: (i) an Application and Certification for Payment, each in substantially the form attached hereto as **Exhibit "C"**; and (ii) such additional information and documentation as may be reasonably required by CRA.

- c. The Draw Request shall have been made on the forms described above and shall have included: (i) all invoices from all FF&E suppliers and all other persons paid or to be paid from such an FF&E Disbursement; (ii) lien waivers or releases to the extent permitted by law, conditioned only upon payment of the amount requested in such Draw Request, or evidence of acknowledgement of payment to date reasonably satisfactory to CRA; and (iii) certifications from CRA's Consultant (who shall be the Landlord's Representative as identified in Section 3.8(b) of the Ground Lease Agreement), Developer and the Contractor regarding substantial conformance with the Plans and Specifications and compliance with the construction Budgeted Improvement Costs, along with certifications from the architect regarding substantial conformance with the Plans and Specifications.
- d. Each Draw Request and Application and Certification for Payment by Developer shall constitute a representation and warranty by Developer that (i) the Developer is in compliance with all the conditions precedent to an FF&E Disbursement as specified in this Agreement and (ii) all monies previously disbursed by the CRA to the Developer have been disbursed to the appropriate FF&E suppliers.
- e. FF&E Disbursements shall be conditioned on the following: (x) the conditions precedent set forth in Section 5(a) above shall be satisfied as of the date of the Disbursement; and (y) such request shall include reasonable evidence of each of the following: (i) that the FF&E for which an FF&E Disbursement has been requested have been purchased by Developer; (ii) that the FF&E is insured as required hereunder; and (iii) that the FF&E is stored in an area in the Project or offsite for which adequate security is provided against theft and vandalism.
- f. No Draw Request, or Application and Certification for Payment, shall be processed without the documentation required by this Agreement and the CRA reserves the right to withhold all or any portion of the FF&E Compensated Funding if required and/or requested documentation is not submitted or is in a form and substance not reasonably acceptable to the CRA. The payment of any Draw Request by the CRA shall not be construed as a representation or acknowledgment by the CRA that the

FF&E or any portion thereof complies with (i) the Plans and Specifications and any other Project documents, and/or (ii) applicable law including the Florida Building Code, it being acknowledged and agreed by the Developer that it is the Developer's sole responsibility to ensure the work complies with (i) and (ii) above.

- (c) Disbursements of Construction Costs Compensated Funding. The proceeds from the Construction Costs Compensated Funding will be used solely for the Construction Costs exclusive of FF&E, Construction Contingency and Payment and Performance Bonds, and disbursed pursuant to monthly Draw Requests submitted by the Developer to the CRA, meeting the requirements set forth herein.
- a. During the Term, but after the date of receipt by the CRA of the Application and Certification for Payment certifying the percentage completion of the Developer Improvements' construction based on the expenditure of Construction Costs for the Developer Improvements to date as to the overall Budgeted Construction Costs for the Developer Improvements, CRA shall make disbursements (each, a "Disbursement" or "Construction Costs Disbursement" with such terms used interchangeably) of the Construction Costs Compensated Funding to Developer to fund Construction Costs, in an amount not to exceed Thirteen Million and 00/100 Dollars (\$13,000,000). Construction Costs Disbursements shall be made on a percentage of construction completion basis based on the certification from the Architect as provided in Section 5(c)c. below. Notwithstanding anything herein to the contrary, in the first CRA fiscal year in which construction occurs, the CRA shall not be required to make Construction Costs Disbursements in excess of the First Year Limit. In the event that the Developer submits Draw Requests for the Construction Costs Compensated Funding in excess of the First Year Limit, such Draw Requests shall not be funded until the second year of construction in the manner specified in Section 4(c).
- b. Developer may submit to CRA, not more than once per calendar month, a Draw Request, setting forth a description of the Construction Costs incurred or due for which a Construction Costs Disbursement is requested, as shown on the Budgeted Improvement Costs; and the total amount incurred, expended and/or due for such Construction Costs, less prior Construction Costs Disbursements; and the Funding Date for such Construction Costs Disbursement, which date shall in no event be earlier than the later of five (5) Business Days following submittal by Developer to CRA of the Draw Request (together with all related supporting information and certificates) and the satisfaction by Developer of each applicable condition to a Construction Costs Disbursement set forth in this Agreement. Each Draw Request shall include: (i) an Application and Certification for Payment, in substantially the form attached hereto as

**Exhibit "B"**; and (ii) such additional information and documentation as may be required by CRA.

- c. The Draw Request shall have been made on the forms described above and shall have included: (i) lien waivers or releases to the extent permitted by law, conditioned only upon payment of the amount requested in Developer's Draw Request, or evidence of acknowledgement of payment to date reasonably satisfactory to CRA; and (ii) certifications from CRA's Consultant, Developer and the Contractor regarding substantial conformance with the Plans and Specifications and compliance with the construction Budgeted Improvement Costs, along with certifications from the architect regarding substantial conformance with the Plans and Specifications (may be the AIA form). Additionally, each Application for Payment for a Construction Costs Disbursement shall show a complete breakdown of (1) the actual portion of the work completed and the amount due and (2) the percentage of the work completed along with documentation substantiating same, all in a form and substance reasonably acceptable to the CRA.
- d. Each Draw Request and Application and Certification for Payment by Developer shall constitute a representation and warranty by Developer that (i) the Developer is in compliance with all the conditions precedent to a Construction Costs Disbursement specified in this Agreement, (ii) the work has progressed to the point indicated, (iii) the quality of the work is in accordance with the applicable Plans and Specifications, and (iv) all monies previously disbursed by the CRA to the Developer have been disbursed to the appropriate contractors, consultants, subcontractors, materialmen, vendors and suppliers based upon the prior Application and Certification for Payment.
- e. Construction Costs Disbursement shall be conditioned on the following: (x) the conditions precedent set forth in Section 5(a) above shall be satisfied as of the date of the Construction Costs Disbursement; and (y) such request shall include evidence of each of the following: (i) that the work for which the Construction Costs Disbursement is being made is insured as required hereunder; and (ii) that any construction materials for which the Construction Costs Disbursement is being made are stored in an area in the Project or offsite for which adequate security is provided against theft and vandalism.
- f. No Draw Request and Application and Certification for Payment shall be processed without the documentation required by this Agreement and the CRA reserves the right to withhold all or any portion of the Construction Costs Compensated Funding if required and/or requested documentation is not submitted or is in a form and substance not reasonably acceptable to the CRA. The payment of any Draw Request by the CRA shall not be

construed as a representation or acknowledgment by the CRA that the work or any portion thereof complies with (i) the Plans and Specifications and any other Project documents, and/or (ii) applicable law including the Florida Building Code, it being acknowledged and agreed by the Developer that it is the Developer's sole responsibility to ensure the work complies with (i) and (ii) above.

6. REPRESENTATIONS AND WARRANTIES:

As a material inducement to CRA's entry into this Agreement, Developer represents and warrants to CRA as of the Effective Date that:

- (a) Authority/Enforceability. Developer is in compliance with all laws and regulations applicable to its organization, existence and transaction of business and has all necessary rights and powers to (i) own, improve and operate the Leased Property as contemplated by the Ground Lease Agreement, this Agreement and any other Project documents and (ii) enter in the funding documents for the Construction Costs Compensated Funding.
- (b) Binding Obligations. Developer is authorized to execute, deliver and perform its obligations under this Agreement, and such obligations shall be valid and binding obligations of Developer.
- (c) Formation and Organizational Documents. Developer has delivered, to CRA all formation and organizational documents of Developer and of the direct partners of Developer as shown on **Exhibit J** to the Ground Lease Agreement, and all such formation and organizational documents remain in full force and effect and have not been amended or modified since they were delivered to CRA. Developer's delivery of any such formation and organizational documents of Developer and direct members of Developer to the City shall be deemed delivery thereof to the CRA.
- (d) No Violation. Developer's execution, delivery, and performance under this Agreement does not: (a) require any consent or approval not heretofore obtained under any partnership agreement, operating agreement, articles of incorporation, bylaws or other formation or organizational document of the Developer; (b) violate any governmental requirement applicable to the Leased Property or any other statute, law, regulation or ordinance or any order or ruling of any court or governmental entity; (c) conflict with, or constitute a breach or default or permit the acceleration of obligations under any agreement, contract, lease, or other document by which the Developer or the Leased Property is bound or regulated; or (d) violate any statute, law, regulation or ordinance, or any order of any court or governmental entity, in any material respect.
- (e) Compliance with Laws. Developer has, and at all times shall have, obtained, all permits, licenses, exemptions, and approvals necessary to develop, occupy,



operate and market the Leased Property, and shall maintain compliance with all governmental requirements applicable to the Leased Property and all other applicable statutes, laws, regulations and ordinances necessary for the transaction of its business.

- (f) Litigation. Except as disclosed to CRA in writing, there are no claims, actions, suits, or proceedings pending, or to Developer's knowledge, threatened, against Developer, that would materially and adversely affect the Developer's business operations or its ability to meet its obligations under this Agreement.
- (g) Financial Condition. All financial statements and information heretofore and hereafter delivered to CRA by Developer, including, without limitation, information relating to the financial condition of Developer and the Leased Property, and/or Developer Improvements, fairly and accurately represent the financial condition of the subject thereof and have been prepared (except as noted therein) in accordance with generally accepted accounting principles consistently applied. Developer acknowledges and agrees that CRA may request and obtain additional information from third parties regarding any of the above, including, without limitation, credit reports.
- (h) No Material Adverse Change. There has been no material adverse change in the financial condition of Developer since the dates of the latest financial statements furnished to CRA and, except as otherwise disclosed to CRA in writing, Developer has not entered into any material transaction which is not disclosed in such financial statements.
- (i) Accuracy. All reports, documents, instruments, information and forms of evidence delivered to CRA concerning the Compensated Funding or disbursement of the Compensated Funding or required by this Agreement are, in all material respects, accurate, correct and sufficiently complete to give CRA true and accurate knowledge of their subject matter, and do not contain any material misrepresentation or omission. Developer's representations in this Section 6 as to third party reports shall be limited to Developer's knowledge, after due inquiry.
- (j) Americans with Disabilities Act Compliance. Developer represents and warrants to CRA that the Leased Property and the Developer Improvements shall be hereafter maintained in material compliance with the requirements and regulations of the Americans With Disabilities Act, of July 26, 1990, Pub. L. No. 101336, 104 Stat. 327, 42 U.S.C. § 12101, et seq., as hereafter amended. At CRA's written request from time to time, Developer shall provide CRA with written evidence of such compliance reasonably satisfactory to CRA. Developer shall be solely responsible for all such ADA costs of compliance and reporting.
- (k) Title. Developer owns good, indefeasible and marketable title to Developer's leasehold interest in the Leased Property and Developer Improvements free and clear of all liens, except for (i) the lien created by the leasehold mortgage for any

Construction Loan, if any (ii) title exceptions shown on Schedule B of the Title Policy, and (iii) non-monetary encumbrances affecting Developer's leasehold interest in the Leased Property or the Developer Improvements that are permitted pursuant to the Ground Lease Agreement. No non-monetary encumbrance affecting Developer's leasehold interest in the Leased Property or the Developer Improvements has or will have a materially adverse effect on the title, ownership, value, use or operation of Developer's leasehold interest in the Leased Property and Developer Improvements.

- (l) Management Agreement. Developer is not a party or subject to any management agreement with respect to the Leased Property, except for those permitted by the Ground Lease Agreement.

7. INSURANCE:

Developer shall, during the Term of this Agreement and while any obligation of Developer or CRA under this Agreement remains outstanding, comply with the provisions of Article IX of the Ground Lease Agreement regarding insurance. The CRA shall be entitled to the same rights as the City under Article IX of the Ground Lease Agreement with all references to the City meaning the CRA in the context of this Agreement. The foregoing expressly includes the CRA being (a) included as an "Additional Insured" on the Commercial General Liability, Umbrella Liability and Business Automobile policies and (b) named a "Loss Payee" in all Developer's Property Insurance policies. The failure of the Developer to comply with Article IX of the Ground Lease Agreement as applied to the CRA hereunder shall be a default under this Agreement. Prior to any Disbursement of the Compensated Funding or any portion thereof, Developer shall provide to CRA insurance certificates or other evidence of coverage in form reasonably acceptable to CRA, with the same coverage amounts, deductibles, limits and retentions and under the same terms and conditions as set forth within the Ground Lease Agreement.

8. ENVIRONMENTAL MATTERS:

With respect to Environmental Matters, the CRA shall be entitled to the same rights as the City under Section 8.4 of the Ground Lease Agreement with all references to the City meaning the CRA in the context of this Agreement. The foregoing expressly includes, without limitation, the Environmental Indemnification set forth in Section 8.4(b). The failure of the Developer to comply with Section 8.4 of the Ground Lease Agreement as applied to the CRA hereunder shall be a default under this Agreement.

9. COVENANTS OF DEVELOPER:

- (a) Expenses. Developer shall immediately pay CRA, upon demand, all reasonable out-of-pocket costs and expenses incurred by CRA in connection with: (a) the preparation of this Agreement, and all other documents contemplated hereby and (b) the enforcement or satisfaction by CRA of any of Developer's obligations

under this Agreement. For all purposes of this Agreement, CRA's reasonable costs and expenses shall include, without limitation, all due diligence costs (including travel related thereto), appraisal fees, cost engineering and inspection fees, legal fees and expenses (at both the trial and appellate levels as well as all legal fees and expenses incurred in collecting any costs and expenses under this Section 9(a)), accounting fees, environmental consultant fees, auditor fees, and the cost of any title searches (as may be required by the CRA to confirm the status of title from time to time), title surveys, reconveyance and notary fees. Developer recognizes that CRA may, at its option, require inspection of the Leased Property by an independent supervising architect and/or cost engineering specialist annually and, in addition, at any time a Default exists.

- (b) Further Assurances. Upon CRA's request and at Developer's sole cost and expense, Developer shall execute, acknowledge and deliver any other instruments and perform any other acts necessary, desirable or proper, as reasonably determined by CRA, to carry out the purposes of this Agreement.
- (c) No Assignment; Pledge or Hypothecation. Developer shall not assign, pledge or hypothecate Developer's interest under this Agreement, or in any monies due or to become due hereunder or thereunder including, but not limited to, the Compensated Funding, without the CRA's prior written consent in each instance, which consent may be withheld in the CRA's sole and absolute discretion; provided, however, Developer shall have the right to pledge or collaterally assign its interest in this Agreement to any Lender (as such term is defined in the Ground Lease Agreement) providing construction financing to the Project and such Lender shall have the right to take over the rights and obligations of the Developer under this Agreement upon Lender's exercise of its remedies under the Leasehold Mortgage provided that the Lender complies with the terms of this Agreement and Article VI of the Ground Lease Agreement following the occurrence and during the continuance of an event of default under the Leasehold Mortgage. Developer shall provide the CRA with a copy of any pledge or collateral assignment of this Agreement. Upon Developer's request, the CRA shall, subject to reasonable approval by the CRA Board in each instance, execute, acknowledge and deliver any instrument reasonably required by the Lender acknowledging the pledge or collateral assignment of this Agreement. Any assignment, pledge or hypothecation without such consent or not otherwise provided in Section 9(c) shall be void.
- (d) Existence. Developer shall at all times maintain its existence as a Delaware limited partnership, authorized to transact business in Florida, and preserve and keep in full force and effect its rights and franchises unless the failure to maintain such rights and franchises does not have a material adverse effect on Developer.
- (e) Qualification; Name. Developer shall qualify and remain qualified to do business in each jurisdiction in which the nature of its business requires it to be so qualified except for those jurisdictions where failure to so qualify does not have a material

adverse effect on Developer. Developer will transact business in its own name or fictitious name in keeping with its status as a Single Purpose Entity. Developer will not change its name, address or state of formation without the prior written consent of CRA, which consent shall not be unreasonably withheld, conditioned or delayed, except that Developer shall be entitled to convert or otherwise change its form of organization to a limited partnership in accordance with the Ground Lease Agreement.

- (f) Compliance With Laws, Etc. Developer shall (a) comply with all applicable laws, and all restrictive covenants of record affecting Developer or the Leased Property, performance, prospects, assets or operations of Developer, and (b) obtain as needed all permits necessary for its operations and maintain such in good standing, except in each of the foregoing cases where the failure to do so will not have a material adverse effect on Developer.
- (g) Payment of Property Taxes, Etc. Developer shall pay all taxes, assessments, water rates, sewer rates and other charges, now or hereafter levied or assessed against the Leased Property, the improvements and all personal property including the FF&E (hereinafter referred to as the "Property Taxes") prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof except to the extent Developer is contesting such Property Taxes through the appropriate proceedings. Developer shall pay any Property Taxes being contested upon the completion of the contest or sooner if required by law as a condition to such contest. Developer shall deliver to CRA, upon request, receipted bills, cancelled checks and other evidence satisfactory to CRA evidencing the payment of the Property Taxes prior to the date upon which any fine, penalty, interest or cost may be added thereto or imposed by law for the nonpayment thereof.

10. REPORTING COVENANTS:

Financial Information. Throughout the Term, Developer shall deliver to CRA, as soon as available, but in no event later than one hundred twenty (120) days after Developer's fiscal year end, copies of any financial records Developer is obligated to provide to the City pursuant to the terms and conditions of the Ground Lease Agreement, with said copies being certified to the CRA.

11. EVENTS OF DEFAULT/REMEDIES:

- (a) Default. The occurrence of any one or more of the following, during the Term of this Agreement, shall constitute an event of default ("Default") under this Agreement:
  - a. Monetary. Developer's failure to pay, when due, any sums payable under this Agreement, which are not paid within ten (10) days after written demand by the CRA to the Developer for such payment; or

- b. Performance of Obligations. Developer's failure to perform any covenant, agreement or obligation to be performed by Developer under this Agreement (other than the monetary obligations in Section 11(a), immediately above), and such failure continues for a period of more than twenty (20) days after written notice thereof is given by CRA to Developer or, if such default is not reasonably susceptible to cure within such twenty (20) day period, such longer period as is necessary (but not to exceed one hundred and twenty (120) days after such written notice), provided Developer delivers written notice to CRA to such effect in the original twenty (20) day period with a plan to cure the default including a timetable therefore and promptly commences and thereafter diligently prosecutes the cure; or
- c. Use. If Developer voluntarily ceases construction of the Work for a period in excess of thirty (30) consecutive days and fails to start construction within sixty (60) days after receiving notice from the City pursuant to the Ground Lease Agreement; or
- d. Liens; Condemnation; Attachment. (i) The recording of any claim of lien against any portion of the Leased Property and the continuance of such claim of lien for twenty (20) days after Developer receives notice but not more than sixty (60) days after the creation of the lien, without discharge, satisfaction, or removal of record by bonding or provision for payment being made by Developer; or (ii) the sequestration or attachment of, or any levy or execution upon any of the Leased Property and/or improvements thereon, or any substantial portion of the other assets of Developer, which sequestration, attachment, levy or execution is not released, expunged or dismissed prior to the earlier of thirty (30) days or the sale of the assets affected thereby; or
- e. Representations and Warranties. The failure of any representation or warranty of Developer in this Agreement as of the date made (or remade if applicable) and the continuation of such failure for more than ten (10) days after written notice to Developer from CRA requesting that Developer cure such failure; or
- f. Voluntary Bankruptcy Insolvency; Dissolution. (i) The filing of a petition by Developer for relief under the Bankruptcy Code, or under any other present or future state or federal law regarding bankruptcy, reorganization or other debtor relief law; (ii) the filing of any pleading or an answer by Developer in any involuntary proceeding under the Bankruptcy Code or other debtor relief law which admits the jurisdiction of the court or the petition's material allegations regarding Developer's insolvency; (iii) a general assignment by Developer for the benefit of creditors; or (iv) Developer applying for, or the appointment of, a receiver, trustee,

custodian or liquidator of Developer or any of its property; or

- g. Involuntary Bankruptcy. The failure of Developer to effect a full dismissal of any involuntary petition under the Bankruptcy Code or under any other debtor relief law that is filed against Developer or in any way restrains or limits Developer or CRA regarding the Compensated Funding or the Leased Property, prior to the earlier of the entry of any court order granting relief sought in such involuntary petition, or ninety (90) days after the date of filing of such involuntary petition; or
  - h. Transfer of Assets. Any transfer of assets not permitted pursuant to the terms of the Ground Lease Agreement or Other Related Documents; or
  - i. Change in Management or Control. Any change in Management or Control not permitted under the Ground Lease Agreement or Other Related Documents; or
  - j. Environmental Matters. The breach by Developer of the provisions of Section 8.4 of the Ground Lease Agreement; or
  - k. Misapplication; Misappropriation or Misuse. The misapplication; misappropriation or misuse of the Compensated Funding or any portion thereof in violation of the terms of this Agreement.
- (b) Remedies. First, upon occurrence of a Default, any and all obligations of CRA to fund further Disbursements of the Compensated Funding shall immediately terminate. Further upon the occurrence of any Default specified in this Section 11, CRA may (i) seek actual damages resulting from the Default; provided, however, if the Ground Lease Agreement has terminated and the City has taken over the Developer Improvements the parties agree that such ownership shall be the CRA's sole remedy, or (ii) seek reimbursement for any portion of the Compensated Funding which was provided to Developer and (x) was not used for Construction Costs or FF&E and/or (y) was used for Construction Costs or FF&E but such Developer Improvements and/or FF&E are not present on the Leased Property when the City takes possession of the Leased Property, unless such Improvements were damaged or destroyed as a result of a casualty and not required to be replaced or were taken by condemnation, or such FF&E was replaced in the ordinary course of business due to damage, obsolescence or otherwise.
- (c) Disbursements To Third Parties. Upon the occurrence of a Default occasioned by Developer's failure to pay money to a third party as required by this Agreement, CRA may, but shall not be obligated to, make such payment from other funds of CRA. Developer shall immediately repay such funds upon written demand of CRA. In all events, the Default with respect to which any such payment has been made by CRA shall not be deemed cured until such repayment has been made by Developer to CRA.

- (d) Repayment of Funds Advanced. Any funds expended by CRA in the exercise of its rights or remedies under this Agreement shall be payable to CRA upon demand, together with interest from the date the funds were expended, at the same rate per annum as judgments in Florida courts are entitled to, from the date the funds were expended until fully paid. The foregoing shall include, without limitation, all direct and indirect costs associated with termination of this Agreement including, but not limited to, attorneys' fees and costs at both the trial and appellate levels and also incurred in enforcing this attorneys' fees provision.
- (e) Rights Cumulative, No Waiver. All CRA's rights and remedies provided in this Agreement, together with those granted by law or at equity, are cumulative and may be exercised by CRA at any time, CRA's exercise of any right or remedy shall not constitute a cure of any Default unless all sums then due and payable to CRA under this Agreement are repaid and Developer has cured all other Defaults. No waiver shall be implied from any failure of CRA to take, or any delay by CRA in taking, action concerning any Default or failure of condition under this Agreement, or from any previous waiver of any similar or unrelated Default or failure of condition. Any waiver or approval under this Agreement must be in writing and shall be limited to its specific terms. The consent or approval by CRA to or of any act by Developer requiring further consent or approval, shall not be deemed to waive or render unnecessary consent or approval to or of any subsequent act.
- (f) Other Remedies. Upon the occurrence of any Default specified in this Section 11, CRA may, at its option, exercise any and all of CRA's other rights and remedies under this Agreement, or as provided by applicable Laws, all in such order and in such manner as CRA in its sole discretion may determine.

12. MISCELLANEOUS PROVISIONS.

- (a) Indemnity. DEVELOPER HEREBY AGREES TO PROVIDE THE CRA, AND ITS COMMISSIONER, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS, THE SAME INDEMNIFICATION OWED TO THE CITY UNDER SECTION 8.3 OF THE GROUND LEASE AGREEMENT. DEVELOPER'S DUTY AND OBLIGATIONS TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE CRA, AND ITS COMMISSIONERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS SHALL SURVIVE THE TERM OF THIS AGREEMENT AND THE DISBURSEMENT OF THE COMPENSATED FUNDING.
- (b) Form of Documents. The form and substance of all documents, instruments, and forms of evidence to be delivered to CRA under the terms of this Agreement shall be subject to CRA's approval, not to be unreasonably withheld, conditioned or delayed and shall not be modified, superseded or terminated in any respect without CRA's prior written approval, not to be unreasonably withheld,

conditioned or delayed.

- (c) No Third Parties Benefited. No person other than CRA and Developer and their permitted successors and assigns shall have any right of action under this Agreement.
- (d) Notices. All notices, demands, consents, or other communications under this Agreement shall be in writing and shall be delivered to the appropriate party at the mailing and e-mail addresses set forth on the signature page of this Agreement (subject to change from time to time by written notice to all other parties to this Agreement). All communications shall be deemed served upon delivery of, or if mailed, upon the first to occur of receipt or the expiration of three (3) days after the deposit in the United States Postal Service mail, postage prepaid and addressed to the address of Developer or CRA at the address specified; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication.
- (e) Actions. Developer agrees that CRA, in exercising the rights, duties or liabilities of CRA or Developer under this Agreement may commence, appear in or defend any action or proceeding purporting to affect any portion of the Property, or this Agreement and Developer shall immediately reimburse CRA upon demand for all such expenses so incurred or paid by CRA, including, without limitation, attorneys' fees and expenses and court costs.
- (f) Right of Contest. Developer may contest in good faith any claim, demand, levy, lien or assessment by any person other than CRA which would constitute a Default if: (a) Developer pursues the contest diligently, in a manner which CRA determines is not prejudicial to CRA, and does not impair the rights of CRA under this Agreement; and (b) Developer deposits with CRA any funds or other forms of assurance, which CRA in good faith determines from time to time appropriate, to protect CRA from the consequences of the contest being unsuccessful, (including, without limitation, Developer's bonding over any lien), Developer's compliance with this Section shall operate to prevent such claim, demand, levy or assessment from becoming a Default.
- (g) Delay Outside CRA's Control. CRA shall not be liable in any way to Developer or any third party for CRA's failure to perform or delay in performing under this Agreement (and CRA may suspend or terminate all or any portion of CRA's obligations under this Agreement) if such failure to perform or delay in performing results directly or indirectly from, or is based upon, the action, inaction, or purported action, of any governmental or local authority, or because of war, rebellion, insurrection, strike, lock-out, boycott or blockade, or from any Act of God or other cause or event beyond CRA's control.
- (h) Attorneys' Fees and Expenses; Enforcement. If any attorney is engaged by CRA



to enforce or defend any provision of this Agreement, or as a consequence of any Default under this Agreement, with or without the filing of any legal action or proceeding, and including, without limitation, any fees and expenses incurred in any bankruptcy proceeding of the Developer, then unless Developer is the prevailing party in the applicable legal proceeding, Developer shall immediately pay to CRA, upon demand, the amount of all reasonable attorney's fees and expenses and all costs incurred by CRA in connection therewith, together with interest thereon from the date of such demand at the rate of twelve percent (12%) per annum.

- (i). Immediately Available Funds. Unless otherwise expressly provided for in this Agreement, all amounts payable by Developer to CRA shall be payable only in United States currency, immediately available funds.
- (j). Non-liability of CRA. Developer acknowledges and agrees that:
  - a. By accepting or approving anything required to be provided to CRA pursuant to this Agreement, including any certificate, financial statement, survey, appraisal or insurance policy, CRA shall not be deemed to have warranted or represented the sufficiency, effectiveness or legal effect of any law or provision thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by CRA;
  - b. CRA neither undertakes nor assumes any responsibility or duty to Developer to select, review, inspect, supervise, pass judgment upon or inform Developer of any matter in connection with the Leased Property, except as otherwise expressly set forth in the Other Related Documents;
  - c. The relationship of Developer and CRA under this Agreement is, and shall at all times remain, solely that of CRA and Developer, and CRA does not undertake or assume any responsibility or duty to Developer or to any other Person with respect to the Leased Property or the Compensated Funding, except as expressly provided in this Agreement; and notwithstanding any other provision of this Agreement: (i) CRA is not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of Developer or any Affiliate, and CRA does not intend to ever assume such status; and (ii) CRA shall not be deemed responsible for or a participant in any acts, omissions or decisions of Developer or any Affiliate;
  - d. CRA shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any Person or property arising from any construction on, or occupancy or use of, the Leased Property, whether caused by, or arising from (1) any defect in any building, structure, grading, fill,

landscaping or other improvements thereon or in any on site or off site improvement or other facility therein or thereon; (ii) any act or omission of Developer, any Affiliates, or any agents, employees, independent contractors, licensees or invitees of Developer; (iii) any accident in or on the Leased Property or any fire, flood or other casualty or hazard thereon; (iv) the failure of Developer, any of Developer's licensees, employees, invitees, agents, independent contractors or other representatives to maintain the Leased Property in a safe condition; and (v) any nuisance made or suffered on any part of the Leased Property; provided, however, that the foregoing shall not apply to any loss, claim, cause of action, liability, indebtedness, damage or injury caused by the gross negligence or willful misconduct of CRA; and

- e. Developer shall be solely responsible for all aspects of Developer's business and conduct in connection with the Leased Property.
- (k) CRA's Agents. CRA may designate an agent or independent contractor to exercise any of CRA's rights under this Agreement. Any reference to CRA in this Agreement shall include CRA's agents, employees or independent contractors.
- (l) Amendments and Waivers.
- a. No amendment or modification of any provision of this Agreement shall be effective without the written agreement of CRA and Developer;
  - b. No termination or waiver of any provision of this Agreement, or consent to any departure by Developer therefrom, shall in any event be effective without the written concurrence of CRA, which CRA shall have the right to grant or withhold at its sole discretion; and
  - c. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on Developer in any case shall entitle Developer to any other further notice or demand in similar or other circumstances.
- (m) Waiver of Right To Trial By Jury. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO

OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

- (n) Severability. If any provision or obligation under this Agreement shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from this Agreement, as applicable, and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal, or unenforceable provision had never been a part of this Agreement, as applicable.
- (o) Heirs, Successors and Assigns. Except as otherwise expressly provided under the terms and conditions of this Agreement, the terms of this Agreement shall bind and inure to the benefit of the heirs, successors and assigns of the parties.
- (p) Time. Time is of the essence of each and every term of this Agreement.
- (q) Headings. All article, section or other headings appearing in this Agreement are for convenience of reference only and shall be disregarded in construing this Agreement.
- (r) Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Florida, except to the extent preempted by federal laws. Developer and all persons and entities in any manner obligated to CRA under this Agreement consent to the jurisdiction of any federal or state court within the State of Florida having proper venue and also consent to service of process by any means authorized by Florida or federal law.
- (s) Integration; Interpretation. This Agreement contains or expressly incorporates by reference the entire agreement of the parties with respect to the matters contemplated therein and supersedes all prior negotiations or agreements, written or oral. This Agreement shall not be modified except by written instrument executed by all parties. Any reference to this Agreement, as applicable includes any amendments, renewals or extensions now or hereafter approved by CRA in writing.
- (t) Further Assurances. Developer shall, at its sole cost and expense, do such further acts and execute and deliver such further documents as CRA from time to time may reasonably require for the purpose of assuring and confirming to CRA the rights hereby created, or for carrying out the intention or facilitating the

performance of the terms of this Agreement.

- (u) Joint and Several Liability. The liability of all persons and entities obligated in any manner under this Agreement shall be joint and several.
  
- (v) Counterparts. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

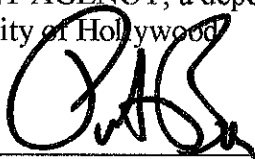
If these conditions are acceptable to you, please indicate your acceptance by having authorized signatures affixed in the space provided below and return a fully executed copy to CRA.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date above written.

CRA:

HOLLYWOOD COMMUNITY REDEVELOPMENT AGENCY, a dependent special district of the City of Hollywood

By:   
Name: Peter Bober  
Title: Chair

ATTEST:

  
\_\_\_\_\_

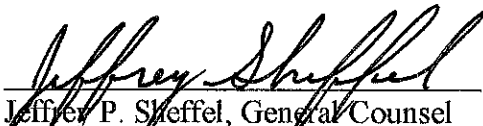
Phyllis Lewis, Board Secretary

Address of CRA:

330 North Federal Highway  
Hollywood, FL 33020

[JCAMEJO@hollywoodfl.org](mailto:JCAMEJO@hollywoodfl.org)

APPROVED AS TO FORM & LEGALITY  
FOR THE USE AND RELIANCE OF THE  
HOLLYWOOD, FLORIDA COMMUNITY  
REDEVELOPMENT AGENCY, ONLY

  
\_\_\_\_\_  
Jeffrey P. Sheffel, General Counsel

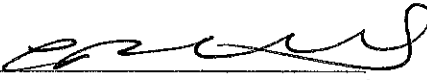
**DEVELOPER**

MARGARITAVILLE HOLLYWOOD BEACH RESORT, L.P.,  
a Delaware limited partnership

By: Margaritaville Hollywood Beach Resort GP, L.L.C.,  
a Delaware limited liability company,  
its general partner

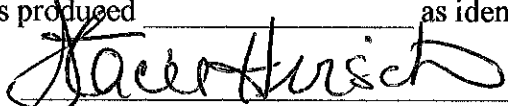
By: MHBR JV, L.P.,  
a Delaware limited partnership,  
its sole member

By: Lojeta-Millennium GP, LLC,  
a Florida limited liability company,  
its Operating General Partner

By:   
Name: Lon TABATCHNICK  
Title: AUTHORIZED SIGNATORY

STATE OF FLORIDA     )  
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me this 12 day of June, 2013, by Lon Tabatchnick, the A.S. of Lojeta-Millennium GP, LLC, as operating general partner of MHBR JV, L.P., as sole member of Margaritaville Hollywood Beach Resort GP, L.L.C., as general partner of Margaritaville Hollywood Beach Resort, L.P., a Delaware limited partnership. He is personally known to me or has produced \_\_\_\_\_ as identification.

  
\_\_\_\_\_  
Notary Public

Name: \_\_\_\_\_

Commission Number: \_\_\_\_\_

Commission expires: \_\_\_\_\_



Address of Developer:  
3501 N. Ocean Drive  
Hollywood, FL 33019  
[lont@lojeta.com](mailto:lont@lojeta.com)

With a copy to:  
c/o Starwood Capital Group  
Global, L.P.  
Greenwich, CT 06830  
Attn: Ellis F. Rinaldi  
[rinaldi@starwood.com](mailto:rinaldi@starwood.com)

**EXHIBIT "A"**

**INTENTIONALLY BLANK**

EXHIBIT B

AIA DOCUMENT G702

APPLICATION AND CERTIFICATION FOR PAYMENT

TO: HOLLYWOOD BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA)  
 330 North Federal Highway  
 Hollywood, Florida 33020

PROJECT: CONSTRUCTION FUNDING  
 MARGARITAVILLE RESORT HOLLYWOOD BEACH, FL  
 1111 North Ocean Drive  
 Hollywood, Florida 33019

FROM: VIA ARCHITECT:  
 ADACHE GROUP ARCHITECTS  
 550 South Federal Highway  
 Fort Lauderdale, Florida 33301

CONTRACT FOR: PROJECT NO: 0

APPLICATION NO: 0

Distribution to:

X	OWNER
	ARCHITECT
	CONTRACTOR

11011900

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1 ORIGINAL CONTRACT SUM \$13,000,000.00

2 TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$

3 PERCENT COMPLETE: 0%

4 LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 5 from prior Certificate) \$

5 CURRENT PAYMENT DUE \$

6 BALANCE TO FINISH (Line 1 less Line 2) \$13,000,000.00

Similar to AIA DOCUMENT G702 \*APPLICATION AND CERTIFICATION FOR PAYMENT\* 1992 EDITION\* AIA© 1992

AMOUNT CERTIFIED: \$

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: ADACHE GROUP ARCHITECTS

By: Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTRACTOR:

By: Date:

State of: Florida County of: Broward

Subscribed and Sworn to before me this day of

Notary Public:

My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.



EXHIBIT C

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

Page One of Two Pages

<b>TO:</b>		<b>PROJECT:</b>		<b>APPLICATION NO:</b> 0	<b>Distribution to:</b>
HOLLYWOOD BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA) 330 North Federal Highway Hollywood, Florida 33020		FIXTURE, FURNISHINGS & EQUIPMENT (FF&E / OS&E) MARGARITAVILLE RESORT 1111 North Ocean Drive Hollywood, Florida 33010		11011900	<input checked="" type="checkbox"/> OWNER <input type="checkbox"/> ARCHITECT <input type="checkbox"/> CONTRACTOR
<b>FROM:</b>		<b>VIA ARCHITECT:</b>		<b>PROJECT NO:</b>	
MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC. 3501 North Ocean Drive Hollywood, Florida 33019		ADACHE GROUP ARCHITECTS 550 South Federal Highway Fort Lauderdale, Florida 33301		Arch# 94.08A	
<b>CONTRACT DATE:</b>					

CONTRACT FOR:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1 ORIGINAL CONTRACT SUM	\$ 10,000,000.00
2 TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$ -
3 PERCENT COMPLETE:	0%
4 LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 5 from prior Certificate)	\$ -
5 CURRENT PAYMENT DUE	\$ -
6 BALANCE TO FINISH (Line 1 less Line 2)	\$ 10,000,000.00

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

**CONTRACTOR:** MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC.

**By:** Lon Tabatchnick, Manager  
**Date:**  
 State of: Florida County of: Broward  
 Subscribed and Sworn to before me this day of  
 Notary Public:  
 My Commission expires:

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

**AMOUNT CERTIFIED:** \$ -

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this application and on the Continuation Sheet that are changed to conform with the amount certified.)

**ARCHITECT:** ADACHE GROUP ARCHITECTS

**By:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under the Contract.

Similar to AIA DOCUMENT G702 \* APPLICATION AND CERTIFICATION FOR PAYMENT \* 1982 EDITION \* AIA © 1982

EXHIBIT C

CONTINUATION SHEET

similar to AIA DOCUMENT G703

PAGE 2 OF 2 PAGES

MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC.  
APPLICATION AND CERTIFICATE FOR PAYMENT

JOB: MARGARITAVILLE RESORT  
Fixture, Furnishings & Equipment (FF&E / OS&E)

APPLICATION NO:  
APPLICATION DATED:  
PERIOD FROM:  
PERIOD TO:  
PROJECT NO: Arch# 94.08A

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)		H % (G/C)	I BALANCE TO FINISH (C-G)	J RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D+E)	THIS PERIOD						
1	Café FF&E	2,000,000.00	-	-		-			2,000,000.00	-
2	Guest Rooms & Balcones FF&E	2,000,000.00	-	-		-			2,000,000.00	
3	Convention Area FF&E	1,000,000.00	-	-		-			1,000,000.00	
4	Spa FF&E	500,000.00	-	-		-			500,000.00	
5	Common Areas & Cabanas FF&E	500,000.00	-	-		-			500,000.00	
6	OS&E	4,000,000.00	-	-		-			4,000,000.00	
7			-	-		-			-	
8			-	-		-			-	
PROJECT TOTALS (FF&E / OS&E):		10,000,000.00	-	-	-	-	0.00%		10,000,000.00	-