

CITY ATTORNEY'S FINDING OF DEVELOPER COMPLIANCE WITH THE PRE-POSSESSION REQUIREMENTS OF THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND GROUND LEASE

As City Attorney for the City of Hollywood, I have reviewed the various documents that have been submitted by Developer (and such other information as I deemed relevant in making my determination) and have determined that each of the requirements listed below (the same being a complete list of the pre-possession requirements contained in Paragraph 2.1(b) of the Amended and Restated Development Agreement and Ground Lease dated June 21, 2013) have been satisfied as of the date of this Memorandum.

- (i) There exists no uncured Developer Event of Default;
- (ii) The CDD shall have been formed according to Governmental Requirements;
- (iii) The City shall have approved the Approved Plans in its capacity as landlord under this Lease, and as licensor under the Intracoastal Parcel License Agreement and the Johnson Street License Agreement, according to Article III hereof;
- (iv) Developer shall have obtained Governmental Approvals;
- (v) Developer shall have entered into a general contract for construction and purchase of the Developer Improvements, the Intracoastal Parcel Improvements and the Johnson Street Improvements, in form and substance and with a general contractor reasonably acceptable to the City;
- (vi) Developer shall have obtained and delivered to the City a performance and payment bond, with all premiums paid and with good and sufficient surety, in form and content reasonably acceptable to the City, in accordance with Florida law. Such bond shall be written in favor of Developer with a dual obligee rider in favor of the City and the CRA;
- (vii) The City shall have received written evidence from Developer, that is commercially reasonable, confirming the following (collectively, the "Evidence of Funds"):

- (U) good and sufficient funds are readily available for the complete construction and purchase of the Developer Improvements, the Intracoastal Parcel Improvements and the Johnson Street Improvements, in an aggregate amount of not less than the Budgeted Improvement Costs;
 - (V) the CRA Compensated Funding Agreement has been fully executed and delivered;
 - (W) the CRA Funding Agreement has been fully executed and delivered;
 - (X) the bond validation process has been completed and is not subject to appeal; and
 - (Y) Developer has, in the aggregate, expended and either (1) placed in an operating account immediately available funds, or (2) provided an equity commitment or assurances reasonably acceptable to City committing to invest, Developer Equity in an amount equal to not less than \$45,000,000 (provided, however, such equity may be reduced in the sole discretion of the Developer after the Minimum Rent Commencement Date, as long as it does not breach any other agreement to which Developer is a party)*;
- (viii) Developer shall have reimbursed the CRA for its third-party costs (including without limitation, third-party consultants and attorneys) incurred by the CRA to that date connected to the transaction contemplated herein, in an amount not to exceed \$150,000 in the aggregate in addition to the \$300,000 previously paid to the CRA; and
- (ix) Developer shall have presented evidence that all required insurance coverages are in place.

* This will acknowledge that Developer has provided an equity commitment in the amount of \$80,000,000 (\$35,000,000 over the amount required by the Agreement) pending the closing of a construction loan for the Project. As soon as Developer presents evidence that the construction loan has closed and that a minimum of \$35,000,000 of construction funding is available to Developer, the equity commitment may be reduced to an amount not less than \$45,000,000.

Date: July 9, 2013

By:

Name:  Jeffrey P. Sheffel, Esq.

Title: City Attorney