

# *CITY OF FORT LAUDERDALE*

## OFFICE OF THE CITY AUDITOR

*Review of the Sixth Street Plaza Development Project  
Report #14/15-01*

April 29, 2015



CITY OF

FORT LAUDERDALE

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*City Auditor's Office*

Memorandum No: 14/15-01

Date: April 29, 2015

To: Honorable Mayor and Commissioners

From: John Herbst, CPA, CGFO, CGMA  
City Auditor

Re: Review of the Sixth Street Plaza Development Project

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We have performed the procedures enumerated in the attached report, which were requested by the City of Fort Lauderdale Community Redevelopment Agency Board (the "CRA"), solely to assist in evaluating the Sixth Street Plaza development project. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of CRA management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and the results of these procedures are summarized in the report.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**EXECUTIVE SUMMARY**

In May 2003, the CRA entered into an agreement with Sixth Street Plaza, Inc. (Sixth Street) for the development of office and retail space along the Sistrunk corridor. The CRA committed to provide assistance from two of its development incentive programs and to lease office space in the project upon completion.

During the project's lifespan, it experienced numerous cost increases and additional requests for funding. There is minimal documentation in the files we reviewed that show how or why the price tag increased so dramatically. Project cost increases were as follows:

Original Proposal, submitted January 2001	\$ 735,257
Staff Cost/Cash Flow Analysis, February 2002	\$ 1,598,008
Total Completed Project Costs	\$ 3,753,334
Total Project Cost Increase	\$ <b>3,018,077</b>

Two circumstances make it especially difficult to evaluate the basis for the increases or to determine whether the funds were appropriately spent. First, the original Development Agreement and subsequent amendments between the Fort Lauderdale Community Redevelopment Agency and Sixth Street Plaza, Inc. did not contain a right to audit clause. Accordingly, the CAO was unable to review key elements that may have yielded a better understanding of the cost increases and flow of funds.

Second, given the length of time between the inception of the project and our review, the integrity and completeness of the files is uncertain, and several of the individuals involved are no longer employed by the CRA.

As a result, our scope was limited to a review of the information that was available to us and our findings and recommendations are based thereon.

The overall conclusion of our review is that the CRA:

- failed to adequately evaluate the original proposal and subsequent requests for funds,
- did not provide effective oversight and monitoring during construction,
- did not maintain its objectivity regarding the project's viability,
- and failed to document how its funds were spent.

The project lacked fundamental project management discipline, from risk assessment and establishing proper governance to detailed accounting of funds disbursement. Accordingly, there is no way to be certain that all of the funds put into this project were spent appropriately. The CRA needs to integrate a culture of fiscal discipline and accountability into its core mission of eliminating slum and blight.

The attached report provides our review methodology, conditions, criteria and recommendations.

cc: Lee R. Feldman, City Manager  
Cynthia A. Everett, City Attorney  
Jonda Joseph, City Clerk

**CITY OF FORT LAUDERDALE  
CITY AUDITOR**

**Review of the Sixth Street Plaza Development Project with the Fort Lauderdale  
Community Redevelopment Agency**

**PURPOSE**

The City Auditor's Office (CAO) was asked by the Fort Lauderdale Community Redevelopment Agency's (CRA) Board to review the Sixth Street Plaza project to determine how the \$1,166,334 in loans and grants provided to the developer were spent and accounted for.

The objectives for the review are:

1. Determine the nature of the underwriting and due diligence performed by CRA staff in support of the project.
2. Determine the sources and uses of funds for the project and the extent of monitoring and compliance that was conducted.
3. Determine if cost overruns and funding increases were documented and justified.

**BACKGROUND**

In an effort to stimulate economic growth within the Midtown Business District, the City issued in December 2000, an *Invitation to Submit Proposals for Providing Office Space for Certain City Offices in the Midtown Business District* for the development of a commercial office complex. On March 27, 2001, the City approved the proposal submitted by Sixth Street Plaza, Inc.

The project consisted of the design and construction of 8,000 square feet of new office space and the renovation of 14,000 square feet of existing retail and office space as well as site improvement consisting of parking, landscaping, utilities and other improvements as required by code.

The CRA executed the Development Agreement with Sixth Street on May 15, 2003, providing incentives from the CRA Midtown Strategic Investment Program (\$340,571) and the Low Interest Loan Program (\$57,619), for total assistance of \$398,190. The CRA also agreed to lease 6,000 square feet of office space at a rate of \$96,000 per year (\$16/sf). Sixth Street was required to obtain project financing approval from a Project Lender within six months of the agreement date, and to close on the loan within six months of the approval date.

Sixth Street experienced delays in obtaining financing and was unable to meet the timelines established in the Development Agreement. The First Amendment with the CRA, dated September 28, 2005, eliminated the performance bond requirement from the developer, deferred all payments for assistance until the project was completed, and revised the financing and construction schedules.

In November 2005, Sixth Street received a \$1,450,000 loan from Regent Bank (Regent), secured by a first mortgage on the properties. Concurrently, they also received a \$300,000 loan from the South Florida Regional Planning Council (SFRPC), secured by a second mortgage. The initial funding from Regent, SFRPC and the CRA totaled \$2,148,190. Compared to the proposed construction budget of \$1,598,000, the project should have had more than adequate capital.

From the onset, the project experienced significant delays and cost overruns. Sixth Street submitted two change orders to Regent totaling \$698,760, and received two additional loans in 2006 and 2007 from Regent, equaling \$837,000. Between 2007 and 2009, Sixth Street also came back to the CRA seeking amendments to the Development Agreement for either additional funding or for the early release of funds. They received three loans from the CRA totaling \$697,990, secured by a third mortgage, and an additional grant for \$70,154.

When all of the original loans and grants, and the subsequent loans and grants are added up, **Sixth Street received a total of \$3.75 million** for the redevelopment of Sixth Street Plaza.

During the initial stages of the construction, Regent provided monitoring services over the construction draws; Sixth Street, through its related-party construction company, Airam Construction, (*the owner/developer is also the construction contractor*) submitted a monthly application and certification for payment request to the assigned bank project manager along with the construction budget. The bank also used the services of an outside inspector who issued monthly reports regarding the project's progress as another monitoring tool. After the bank project manager reviewed all documents and approved payment, Regent would transfer the funds to the Sixth Street operating account.

Once Regent's funds and those of South Florida Regional Planning Council were fully disbursed, Regent no longer received the monthly request for funds from Sixth Street and its role became that of a conduit between the CRA and Sixth Street. Regent simply held the loan and grant funds from the CRA and would disperse the money upon written request from the CRA, directly to Sixth Street's construction account. In September 2009, the CRA retained Landmark Title Services to oversee the disbursement of the final \$250,000 loan. This was to satisfy the CRA Board's requirement that the loan be used to clear the liens from subcontractors and unpaid taxes against the property,

The CRA moved into the Sixth Street Plaza offices after completion and has a lease agreement through 2016. The CRA is paying an above-market rate for its space under the assumption that the higher lease price would provide Sixth Street with sufficient cash flow to support the project. It was suggested by the CRA Director at the time that paying higher rates would jumpstart the office market in the area, but there was no rationale provided to justify that statement. No examples were provided from other cities where following that course of action led to the outcome described. The present value of the CRA's excess rent payment (the amount paid above the market rate) was estimated by staff to be as much as \$581,947.

Notwithstanding the CRA's above-market rental payments, Sixth Street has struggled to find tenants and has been unable to meet its financial obligations. As a result, Regent began foreclosure proceedings, with an expected final date of May 5, 2015.

## SCOPE AND METHODOLOGY

The CAO reviewed the original Development Agreement and subsequent amendments between the Fort Lauderdale Community Redevelopment Agency and Sixth Street Plaza, Inc. Unfortunately, the agreements do not contain a *right to audit* clause. Accordingly, the CAO was not able to review certain documents, such as the construction account used to receive and disburse funds received from the city, limiting the scope of work the CAO could perform.

The CAO was granted access to the Regent Bank loan file. This review was conducted with the assistance of the court-appointed receiver for the foreclosure of Sixth Street Plaza. CAO also reviewed the project file between the CRA and Landmark Title Services.

In addition, CAO:

- Reviewed CRA meeting videos, agendas, and documentation.
- Interviewed Alfred Battle, former Director of the CRA, now Deputy Director of Sustainable Development.
- Interviewed Landmark Title Services principles.
- Traced receipts and disbursements for all funds.
- Determined which agency/entity was responsible for monitoring the funds and the project at specific points in the process.
- Reviewed documentation related to project including, but not limited to, the original development agreement, lease agreement, all subsequent amendments to the original development agreement, Regent Bank's Mortgage and subsequent Modification of Mortgage, and budgets and monthly invoice submissions to Regent Bank.

Our approach to evaluating internal control is guided by framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO is a joint initiative of five private sector organizations, dedicated to providing thought leadership to executive management and governance entities on critical aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting.

The COSO internal control framework consists of five interrelated components derived from the way management runs a business. These components provide an effective framework for describing and analyzing the internal control system implemented in an organization.

The five components are the following:

**Control environment:** The control environment sets the tone of an organization and is the foundation for all other components of internal control. Control environment factors include the integrity, ethical values, management's operating style, delegation of authority systems, and the processes for managing and developing people in the organization.

**Risk assessment:** A precondition to risk assessment is the establishment of objectives, and thus risk assessment is the identification and analysis of relevant risks to the achievement of assigned objectives.

**Control activities:** Control activities are the policies and procedures that help ensure management directives are carried out. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

**Information and communication:** Information systems play a key role in internal control systems as they produce reports, including operational, financial and compliance-related information, that make it possible to run and control the business.

**Monitoring:** Internal control systems need to be monitored—a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities or separate evaluations. Internal control deficiencies detected through these monitoring activities should be reported upstream and corrective actions should be taken to ensure continuous improvement of the system.

## OBJECTIVE 1

**Determine the nature of the underwriting and due diligence performed by CRA staff in support of the project.**

### Condition

The CRA's project files were reviewed and staff interviewed to determine what procedures were in place to evaluate development proposals. We noted the following:

1. There is no evidence that a formal underwriting of the original proposal was performed using established criteria for approval.
2. The business plan submitted by the applicant was meager, lacking a detailed market demand analysis, marketing plan, construction budget, and cash flow projections.
3. There is no evidence of an independent verification of the construction cost budget.
4. There is no documentation of the developer's capacity to undertake the work
5. There was no formal risk assessment performed by management.
6. There is no analysis supporting the purported cost increases.
7. There was no financial review to determine if the development's cash flow could support the additional bank and CRA debt taken on by Sixth Street.

This applies to both the initial development agreement and grant approval, as well as to subsequent loan and grant funding requests.

The fiscal analysis performed by CRA staff in 2002 that is in the files appears primarily geared to determining how much CRA assistance would be necessary to make the project viable. Several scenarios were run with varying combinations of grant funds and above-market rental payments to try to get to a net operating income/debt service ratio that would be acceptable to a lender. The vacancy rate used in the analysis was unsupported, as noted by the developer's statement that "*There is no historical data (market studies or comparative rents) available for*

*the corridor that I know of. The purpose of this project is to help create a Class B market where none presently exists” and therefore appears to have been highly optimistic.*

We did not see evidence of similar detailed analysis having been performed on the initial submittal in 2001, as a basis for awarding the project to Sixth Street in the first place. For example, the construction budget in the Sixth Street proposal was \$735,257. The construction budget in the February 2002 staff analysis was \$1,598,008. There is no explanation of what increased or why. When compared with the as-built cost of \$3.75 million, it is clear that all of the early projections were dramatically underestimated. In addition, the original proposal contained a cash flow statement for a single year. It is only the CRA analysis from 2002 that shows a 15 year projection.

***Significantly, the CRA’s analysis shows that even under aggressive assumptions regarding vacancy rates, and using an extremely low budget for construction, the development was projected to generate barely enough cash flow after operations to service its debt.***

***Finally, there is no documentation observed in the files supporting the ability of the project to service the additional \$1,534,990 in loans it took on as construction progressed. Had further analysis been performed, it would have been clear that the project was likely to default.***

### **Criteria**

The relevant principles of the COSO Risk Assessment Activities include:

*“The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed”*

*“The organization considers the potential for fraud in assessing risks to the achievement of objectives”*

*“The organization identifies and assesses changes that could significantly impact the system of internal control”*

### **Cause**

The CRA did not develop written policies or procedures to effectively evaluate proposals from developers. There are no established criteria defining thresholds for project viability, debt service coverage, working capital, etc. Awareness of the risk of failure was not present. Expansion of the project’s costs and debt service requirements received minimal review.

### **Impact**

The CRA undertook the project without clearly determining whether it was financially feasible. The numerous requests for additional funding, combined with the present foreclosure, clearly demonstrate that this development was not viable from the onset. The failure to rigorously evaluate the original proposal, as well as the multiple subsequent requests for funding, has placed the CRA in a position where it stands to lose the \$697,990 in loans it made to the project.

## **Recommendation**

CRA management needs to develop written policies, procedures, and criteria to effectively review proposals from developers. Staff needs to have sufficient training and expertise in methods for conducting this review. These procedures should include at a minimum:

- Formal criteria and thresholds that the project must achieve to warrant funding.
- A business plan with a detailed budget and timeline for construction.
- A market analysis showing demand and comparable rents.
- Proforma cash flow statement in sufficient detail to permit an objective evaluation of the risks and likelihood for success of the project.
- Credit and background checks of the principals involved.
- Review of prior projects of similar size/scope successfully completed by the applicant.
- Additional funding requests, cost increases, and change orders should receive the same level of scrutiny, analysis, documentation, and risk assessment as the initial proposal.

## **OBJECTIVE 2**

**Determine the sources and uses of funds for the project and the extent of monitoring and compliance that was conducted.**

<b>Date</b>	<b>Lender</b>	<b>Type</b>	<b>Amount</b>
May 2005	Ft Lauderdale CRA	Midtown Strategic Investment	\$ 340,571.00
May 2005	Ft Lauderdale CRA	Low Interest Loan Program	57,619.00
Nov 2005	Regent Bank	Original loan	1,450,000.00
Nov 2005	So Fl Reg Plan Council	Original loan	300,000.00
Dec 2006	Regent Bank	Additional loan	456,289.00
Aug 2007	Regent Bank	Additional loan	380,711.00
May 2007	Ft Lauderdale CRA	Amendment #2 – loan	228,144.50
June 2007	Ft Lauderdale CRA	Amendment #3 – grant	70,154.00
June 2009	Ft Lauderdale CRA	Amendment #4 – loan	219,846.00
Aug 2009	Ft Lauderdale CRA	Amendment #5 – loan	<u>250,000.00</u>
<b>Total</b>			<b>\$3,753,334.50</b>

### Summary of funding by source:

Ft Lauderdale CRA	\$1,166,334
Regent Bank	\$2,287,000
South Florida Regional Planning Council	\$ 300,000

## **Condition**

The monitoring of the construction draws by the CRA was nonexistent during the initial phase of construction financing and inadequate at best during the later stages. Based on file reviews, we observed that all of the funds held by Regent were disbursed to Sixth Street/Airam Construction. However, without access to the Sixth Street construction account, it is not possible to determine what those funds were spent on. While Sixth Street was drawing down on its loan from Regent Bank and the South Florida Regional Planning Council, Sixth Street/Airam Construction submitted monthly invoices to the bank's project manager. The project manager also received a monthly inspection report from an outside consultant hired by Regent. In the payment requests we were able to review within our limited access, we did not note any supporting documentation from subcontractors showing amounts paid for material, labor, permits, professional services, etc. During this period, the CRA did not receive any documentation indicating the amount of funds drawn down, what they were spent for, and supporting material for those dispersals. Accordingly, the CAO cannot reconcile the amounts provided to Sixth Street with actual project-related expenses.

Once the \$2.6 million in Regent and SFRPC loans were fully disbursed, Sixth Street requested and received the CRA funds. Regent acted as the disbursing agent for all funds, including those of the CRA. However, Regent was not obligated to continue the monitoring practices it had established with Sixth Street at the start of the project after its funds were drawn down. Instead, Regent disbursed the funds to Sixth Street upon written requests from the CRA Executive Director/City Manager.

During this timeframe, we found no record in the file of Sixth Street/Airam Construction submitting detailed monthly invoices and budgets to the CRA. As a result, \$916,334 of City funds, whether loans or grants, were disbursed without adequate support. The CRA changed its approach with the Fifth Amendment to the Development Agreement, which provided Sixth Street with an additional \$250,000 low interest loan. The CRA hired an outside title services company, Landmark, to monitor and manage the disbursement of funds and required "itemized lists of obligations, invoices and other documents...prior to any of the third loan payment being disbursed by Title Company".

## **Criteria**

The relevant principles of the COSO framework for Monitoring Activities include:

*"The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning"*

*"The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate"*

While Regent Bank monitored its loans and that of South Florida Planning Council, and the CRA hired a title services company to monitor the final \$250,000, close to \$1 million in CRA dollars were disbursed with minimal oversight. There was limited communication between the various

parties and the construction company was permitted to submit monthly invoices without supporting documentation from subcontractors.

### **Cause**

The CRA did not have in place sufficient requirements or procedures to effectively monitor the expenditure of funds for its programs.

- There was no right to audit clause included in the contract.
- Until the Fifth Amendment, there was no requirement that Sixth Street submit invoices, timesheets, cancelled checks or other evidence in support of their funding requests.
- There was no review by the CRA of construction draws submitted to Regent Bank.
- There was inadequate review of draw requests submitted to the CRA.
- There was no analysis performed to document how previous funds were spent before agreeing to increase the amount of loan and grant funding to support the project.
- There was no monitoring of debt service or tax payments by Sixth Street after project completion.

### **Impact**

The City is unable to determine how \$916,334 (the unmonitored portion) of CRA funds were spent. The project had an initial proposed construction budget of \$735,257. By February 2002, the budget was up to \$1,598,008. The final cost was \$3.75 million. There is no documentation in the CRA files supporting how the construction costs increased by \$3 million dollars, or 400%.

### **Recommendation**

1. Ensure that all agreements entered into by the City/CRA include a *right to audit* clause where appropriate.
2. Require appropriate documentation to substantiate reimbursement of expenses.
3. Develop procedures to provide effective oversight over the disbursement of funds.
4. Incorporate ongoing monitoring into program requirements to determine whether the developer has fallen behind on payments to other senior lenders, subcontractors, utility providers or taxing authorities.

### OBJECTIVE 3

#### **Determine if cost overruns and funding increases were documented and justified.**

##### **Condition**

The budget increased substantially without adequate documentation of why. The CRA files did not contain evidence supporting increased construction costs. There were no payroll reports, subcontractor labor invoices, material invoices, etc. showing the before and after prices. The two change orders, totaling \$698,760, presented to Regent Bank were not well documented. There is a line item budget for construction costs that shows increases in various categories, but without rationale or justification. There is no evidence that the change orders were reviewed or approved by the CRA. It is unclear whether the information regarding the cost overruns, change orders and additional loans from Regent Bank was shared with the CRA in a timely manner. The Application for Payment and Certification delineates the distributees and the CRA is not listed as a recipient.

The documents submitted as part of the CRA agenda package when Maria Freeman requested additional funds were sparse, lacking any direct evidence demonstrating which costs had increased and by how much.

In emails dated June 16, 2008 and July 6, 2009, the CAO raised concerns regarding the repeated requests for funding by the developer, questioning the viability of the project and the wisdom of investing more funds in a venture that was already experiencing the likelihood of default. CRA staff responded that “I think it is correct to characterize the project as having a high probability of defaulting on its obligations to Regent Bank and the South Florida Regional Planning Council if we do not allow the Developer to use some of our funds to help finish the project and cover the increased costs with additional funding” and “it is also not prudent to attempt to respond to the Developer’s request as a matter of protecting the CRA’s financial interest based on past financial contributions to the project”.

##### **Criteria**

The City of Fort Lauderdale’s Procurement Manual provides many reasons why a change order is permissible:

“A change order is defined as a written order to a contractor approved by the City, authorizing a revision of an underlying agreement between the City and a contractor that is directly related to the original scope of work or an adjustment in the original contract price or the contract time directly related to the original scope, issued on or after the effective date of the contract.”

“Generally, change orders are changes that affect the price or quantity of the original purchase order, changes to a purchase order may also be required when:

- There are required changes in quantities or specifications.
- Procurement Division corrects any misinterpretations and inadvertent errors.
- Vendor has submitted notification of change prior to shipment.

- Vendor name change.
- Extension of service is required (i.e. rental, temporary help, etc.)”

Additionally, the relevant principles of the COSO framework for Control Activities include:

*“The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable risks”*

*“The organization deploys control activities through policies that establish what is expected and procedures that put policies in place”*

These principles require in part that the organization develop controls to mitigate business risk, deploy those controls, establish responsibility and accountability for executing those policies, and take corrective action in a timely manner.

### **Cause**

The CRA did not have in place policies or procedures to effectively control the expenditure of funds for its programs to ensure that it achieved its goal of eliminating slum and blight.

Additionally the lines of authority and responsibility were never clarified for this project. The multiple funding sources confused the matter and made it easier to ignore good procurement practices. However, it clearly was the responsibility of the CRA to ensure that actions taken with respect to the expenditure of its funds were properly documented and reviewed.

Finally, the CRA staff failed to maintain their objectivity with respect to the project. As observed in emails from the CAO to the CRA in 2008 and 2009, they appear to view their role as project advocates rather than as stewards of the CRA’s funds.

### **Impact**

As a result of the failure to re-analyze the project’s viability in light of the cost increases, the CRA will likely have to write off the \$697,990 in loans it made to the project. That is money that could have come back to the CRA to be reinvested in other projects to support continued revitalization in the Northwest-Progresso-Flagler Heights area.

### **Recommendation**

The CRA needs to develop policies and procedures to ensure effective oversight of its programs, establish responsibility and accountability for executing those policies, and take corrective action in a timely manner.

Project management/advocacy needs to be separated from compliance monitoring. These functions have goals which may be at odds with each other and are therefore incompatible.

Auditor Note: During our review it also came to our attention that communication between the CRA and the Finance Department was limited. The Finance Department had no mechanism in place to alert them when the first payment is due from Sixth Street (February 1, 2016). We also discovered two non-related CRA loans on the books of which CRA staff were unaware.

# APPENDIX

1. Invitation to Submit Proposals for Providing Office Space for Certain City Offices in the Midtown Business District
2. Sixth Street Plaza, Inc. Lease Proposal
3. CRA staff's cash flow analysis scenarios
4. CRA staff's estimate of excess rent payments
5. Examples of Application and Certification for Payment to Regent Bank
6. Lease Agreement extract
7. Development Agreement
8. First Amendment to Development Agreement
9. Second Amendment to Development Agreement
10. Third Amendment to Development Agreement
11. Fourth Amendment to Development Agreement
12. Fifth Amendment to Development Agreement
13. CRA Meeting July 7, 2009 minutes approving the Funding Request and Fifth Amendment

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**INVITATION TO SUBMIT PROPOSALS  
FOR PROVIDING OFFICE SPACE  
FOR CERTAIN CITY OFFICES  
IN THE MIDTOWN BUSINESS DISTRICT**

The City of Fort Lauderdale, Florida and the Fort Lauderdale Community Redevelopment Agency (the CRA) do hereby invite proposals from private developers, property owners or any persons interested in undertaking the development, redevelopment or rehabilitation of a property to provide approximately 5,000- 7,000 square feet of office space for certain city departments in that part of the Midtown Business District described below. The space may be entirely for the use of city tenants or may share space in a larger project with other public or private sector tenants. The City of Fort Lauderdale and the CRA understand that fair rental rates will be paid for leasing office space in the project. The project should be of quality standards, including accommodating the health, safety and welfare of personnel whom would occupy the office space and be of quality development and design. The project must provide for adequate parking, lighting, required public right of way improvements and all other building standards and requirements as required by the South Florida Building Code and the City of Fort Lauderdale Uniform Land Development Regulations////////devedPlanning and Zoning Codes.//// That part of the Northwest-Progresso-Flagler Heights community redevelopment area in which the project will be located in the incorporated area of the City of Fort Lauderdale, Florida is;

Any parcel located directly on Sistrunk Boulevard between Northwest 7<sup>th</sup> Avenue and Northwest 15<sup>th</sup> Avenue.

Proposals by those interested in such an undertaking shall be filed within thirty (30) days from the date of publication of this notice. Proposals shall be filed a the office of the CRA located at:

101 Northeast 3<sup>rd</sup> Avenue, Fort Lauderdale, Florida 33301, Suite 300; Att: Kim Jackson, CRA Manager

Proposals shall be in compliance with and further the purposes of the community redevelopment plan and the annual strategic plan for the Northwest-Progresso-Flagler Heights Community Redevelopment Area in which the project will be located. A proposal that has a greater impact or square footage will be ranked higher than smaller projects provided the project is financially feasible. The CRA may accept such proposals as it deems to be in the public interest and furtherance of the Community Redevelopment Act. The CRA reserves the right to rank proposals and negotiate with the top ranked proposer and terminate negotiations and then negotiate with the next ranked proposer if satisfactory progress toward and agreement is not achieved. The selected proposer will be required to enter into a lease agreement with the CRA and /or the City and will provide for a schedule of commencement and completion of the project. An indication of lease terms should be provided for in the response. Prior to any initiation of negotiation of the lease agreement, the selected proposer will be required to provide evidence that the proposer possesses the financial and development capability to initiate, construct, rehabilitate and manage the property.

COMMUNITY REDEVELOPMENT AGENCY  
OF THE CITY OF FORT LAUDERDALE,  
FLORIDA

By: \_\_\_\_\_

Published this \_\_\_\_\_ day of \_\_\_\_\_, 2000

**SIXTH STREET PLAZA, INC.**

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Contact: MARIA FREEMAN

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# **SIXTH STREET PLAZA, INC.**

## **Lease Proposal**

*A Public-Private Collaboration for Community  
Revitalization*

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# 6<sup>th</sup> Street Plaza, Inc. Business Plan

*Community Revitalization at work*

## **Executive Summary**

The existing entrepreneurial base along the Sistrunk corridor currently extends from NW 7<sup>th</sup> Avenue to NW 23<sup>rd</sup> Avenue. Businesses that have been on the corridor for approximately the last two decades includes: Mizell Funeral Home, Burrows Electric, Cone's Hat Emporium and Skinner's Grill. Professionals who have recently located their offices on the corridor have been Dickey Consulting Services, Roundtree and Peyton Law Offices, Sistrunk Bail Bond, Airam Construction Group and Space Realty. This has been as a result of quality office space being made available in the Sixth Street Plaza Building located at NW 9th Avenue and Sistrunk Blvd.

There are two (2) new construction projects that are presently underway on the Blvd., The Negro Chamber of Commerce and Bob Young Construction Office. Both of these projects are in the targeted area of the Kimley-Horn Study.

The proposed addition to Sixth Street Plaza is also located within the Kimley-Horn study area. The project offers entrepreneurs the opportunity to relocate their businesses or open new businesses along the Sistrunk Blvd. corridor. Presently the only building available for businesses to rent office space is the Sixth Street Plaza.

This proposed addition will create approximately 10,000 square feet of Class B commercial retail/office space on a main intersection at 9th Avenue and Sistrunk Boulevard and comprise of a full city block. The City of Ft. Lauderdale CRA and Community Development departments will lease approximately 6,000 square feet of office space. This addition will also provide executive office space for businesses that need small office space and business services (i.e. receptionist, word-processing). The executive office will also be a one-stop shop for business loans, assistance in business planning and business services on a fee-basis. The executive office can act as an economic development tool designed to help create and grow new businesses overtime in our community.

Partnerships and collaborations are essential to the well being of our community and our ability to get positive things accomplished.

## About the Plan

The proposed plan is to increase the leasable square footage from 2,000 square foot to approximately 10,000 square feet. We will have 3 to 4 retail storefronts on the bottom floor and 8,000 square feet of office space. The storefront will include a medical service office, real estate services, art/framing shop and a donut/sandwich shop. Office space will be provided to the City of Ft. Lauderdale CRA and Community Development Departments, a Business executive office and additional office space. Furthermore, a restaurant/lounge will be placed in the existing building to begin the creation of an entertainment district node on the corridor.

The existing buildings at Sixth Street Plaza will undergo a complete exterior façade and in addition to the new building will transform a whole city block into a New Orleans era complimented with a Jazz entertainment nightspot.

### City of Ft. Lauderdale CRA Investment into the Sistrunk Corridor

The City of Ft. Lauderdale Mayor and Commissioners made its first commitment to the revitalization efforts for the NW Quadrant by creating the NW Area Advisory Board in 1995. The Commission then took additional steps by hiring a CRA Manager to facilitate the process of the revitalization strategy. In addition, the City of Ft. Lauderdale selected Kimley-Horn and Associate's to devise a parcel by parcel redevelopment masterplan that would address potential redevelopment concepts along the Sistrunk Blvd. corridor from Andrews Avenue to 12<sup>th</sup> Avenue. The next step only seems evident to collaborate in a public-private partnership to accomplish the mission set out in the Kimley-Horn study by investing in the community and becoming a visible part of the community in which it desires to redevelop. The commitment to be a visible part of the community allows the banking industry the comfort level to commit their funds to a project in this community. This is the primary way that this project is going to make good business sense to the lenders.

This would be the first public node for the City of Ft. Lauderdale on Sistrunk Blvd. and this accomplishment of public-private partnership would bring to light the financial and economic resources to benefit our area. Fifteen (15) jobs will be created for the local residents over a two-(2) year period along with a capital investment of nearly \$1 million.

# of Jobs	Job Title	Level of Education	Training
1	Store Manager	High school/college+	Yes
3	Food Service Worker	High school	Yes
2	Receptionist	High School +	Yes
2	Cooks	High School	Yes
4	Servers	High School	Yes
2	Bus/Dishwashers	High School	Yes
1	Maintenance person	High School	Yes

**This project will:**

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1. Increase property value
2. Increase the tax base and TIF
3. Increase square footage of leasable space
4. Reduce vacant land that currently exists
5. Make a substantial visual impact to the corridor with the redevelopment of a city block
6. Spur additional capital investment
7. Give banks a comfort level to make future loans in the area
8. Increase jobs among area residents
9. Reduce the amount of unemployment in the area

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## **Company Background**

Sixth Street Plaza, Inc. was established in 1998. The company was founded so that it could provide quality office/retail space on the Sistrunk Corridor. The existing building located on the NW corner of Sistrunk and 9<sup>th</sup> Avenue was once a haven for drug dealers in the upstairs residences. There were constant loitering and drug activities in the parking lot and behind the building. Since acquiring the building in August 1998, the upstairs has served as office space for five businesses: three businesses relocated to this area and two businesses were start-ups. Four jobs have been created as a result of these businesses locating on Sistrunk Boulevard.

There are plans to provide a full service restaurant on the bottom floor of the existing building. The restaurant will also provide live entertainment—comedy and jazz for the adult audience. Given the close proximity to downtown, local government and business offices, the restaurant is expected to offer an additional alternative for lunch patrons. Furthermore, six jobs will be created for area residents.

Additionally, Sixth Street Plaza is home to one of the oldest businesses on the corridor—The Sixth Street Pharmacy. This Pharmacy has been a landmark in the community and continues to serve local residents. The luncheonette, which was once operated by the Pharmacy, was frequented by the likes of Martin Luther King and Muhammad Ali during the Civil Rights Movements.

In short, Sixth Street Plaza has and will continue to promote and provide quality office space on Sistrunk Boulevard and create an atmosphere in which businesses will look to locate their companies.

## **Company Location and Facilities**

The existing building is located on the SW corner of Sistrunk Blvd. and 9<sup>th</sup> Avenue. The proposed building will be located next to the existing building and combined will comprise of a city block, therefore having a substantial impact on the corridor. The existing building will undergo a major exterior façade to compliment the new structure.

Facilities will include executive office space, fee-basis business services and conference room facilities.

## **Plans for Financing the Project**

Lending institutions have been invited to attend meetings with Sixth Street Plaza principal, Maria Freeman, City of Ft. Lauderdale CRA staff, Bob Tuthill, Architect and Dave Risinger, Kimley-Horn Associate. There has been a strong desire by two local banks to finance this project providing that a anchor tenant, such as the City of Ft. Lauderdale, is secured. Additional funding will come from owner equity.

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## **Project Development Team**

### **Team Members**

Developer	Sixth Street Plaza, Inc.
Contractor	Airam Construction Group, Inc.
Architect	Tuthill and Associates
Marketing	Space Realty and Local Commercial Realtors

### **Market Analysis**

Recent surveys have shown that this CRA area has a need and can support professional services, additional medical services and leasable office space. Given the close proximity to downtown, the trend to build west of Andrews Avenue gives new birth to Sistrunk Boulevard because of its ideal location.

According to the Chesapeake Group Study done in 1998, the amount of quality office space presently available and the amount of office space that can be supported in the CRA area are significantly less than what is currently available. The study also went on to say that through increased office space expansion there was an opportunity to enhance the community's economic base through increased labor force and employment expansion.

According to a telephone interview with Chris Constant, Cushman and Wakefield Commercial Realtors, there is a lack of Class "B" office space in the downtown area and surrounding vicinity. While Class "A" has a vacancy rate of 10.2% in the downtown area, due in part to current new building projects that are taking place in downtown, the Class "B" office space vacancy rate is substantially lower. All new projects that are being built in the downtown area are Class "A" office space which leaves an open market of Class "B" office space not presently being addressed.

There are incentive programs and loans (i.e. BBIC) available for franchisees to open new locations in the Front Porch Community. We will seek to attract a franchise to this facility since the area demographics can support additional eating locations within the CRA area, according to the Chesapeake Group Study.

## **Projected Market Growth and Market Share Objectives**

According to an interview with Chris Constant, Cushman and Wakefield Commercial Realtors, the lack of Class "B" office space has created a demand. According to the Codina Group Publication on "South Florida's Office Marketplace" the market is expected to remain strong and active and approximately 1.7 million square feet of office space is planned within the next 18 months.

### **Labor Force**

The labor force will consist of area residents and utilization of the WAGES program participants.

### **Marketing Plan**

Local commercial Realtors will be utilized to attract potential tenants. Space Realty, Inc. will be responsible for pre-construction leasing. There will be consideration to attract those businesses whose services are targeted by the Enterprise Zone and who are willing to create jobs for local residents or WAGE participants.

## **Financial Plan and Analysis**

### **Financial Highlights**

The CRA is currently paying \$20 a square foot for office space. Under this plan there will be a \$2,000- \$3,500 savings per month which breaks down to a total savings of approximately \$24,000- \$42,000 annually.

A market will be created for Class B office space in the area which means an increased trained local workforce, higher income levels for the local area and the community will see an increase in tax dollars available to the area through the TIF and property taxes. This increase of tax dollars will be reinvested back into the community for future development.

We have prepared three (3) construction budget scenarios as follows:

Scenario 1 provides that the developer will purchase two (2) duplexes located in the rear of the existing and proposed buildings for additional parking. One duplex is vacant and has been boarded up for years. It sits adjacent to an existing parking lot belonging to Sixth Street Plaza. The purchase of these duplexes will increase the current parking by forty-four (44) spaces which will provide adequate parking for the existing and proposed building. This scenario obviously increases the construction budget, thereby increasing the rental rates to service the debt. However, given the current lack of parking conditions that exist on the corridor, this is the most realistic situation that any developer is going to be faced with when developing a project on Sistrunk Boulevard.

Scenario 2 provides that the City of Ft. Lauderdale will purchase the vacant duplex and the developer will purchase the second duplex. The City will do site improvements on both lots and the parking lot will be made available for public parking.

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Scenario 3 details the construction cost for the proposed building with no additional parking to be provided by the developer. The developer will request the City to make site improvements on the adjacent city-owned vacant lot on the SE corner of NW 9<sup>th</sup> Ave. and Sistrunk Blvd. This can be a temporary use until additional parking is provided. Another option would be to acquire both duplexes behind the existing and proposed building for parking.

## **PROJECTED PROJECT SCHEDULE**

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<b><u>TASK</u></b>	<b><u>COMPLETION DATE</u></b>
Acquisition of existing building	December 2000
Renderings and architectural drawings	February 2001
Plans Review	April 2001
Construction	May 2001
Substantial Completion	February 2002

**PROJECTED CONSTRUCTION BUDGET  
SIXTH STREET PLAZA  
8000 SQ FT BLDG.**

	*1	*2	*3
<b>Acquisition cost</b>			
land			
duplex #1	120000		
duplex #2	95000	95000	
<b>Total acquisition cost</b>	<b>215000</b>	<b>95000</b>	<b>0</b>
<b>Hard cost:</b>			
Sitework	100000	50000	50000
Construction	520000	520000	520000
8k sq ft @ \$65 sq			
Contingency 5%	31,000	28500	28500
<b>Hard cost Sub-total</b>	<b>651000</b>	<b>598500</b>	<b>598500</b>
<b>Soft cost</b>			
A/E design	25000	25000	25000
Appraisal	4000	4000	4000
Insurance bldr's risk	3500	3500	3500
Interest	18000	18000	18000
Permits	4200	4200	4200
Developers Fee	0	0	0
Bank commitment fees 1%	7353	6007	5266
Closing Cost 1%	7353	6007	5266
Environmental	2000	2000	2000
Constr./CLA Review	1000	1000	1000
Contingency 10%	6967	6967	6967
Opening Reserves			
<b>Soft cost Sub-total</b>	<b>79373</b>	<b>76681</b>	<b>75199</b>
<b>Total constr. &amp; cost</b>	<b>945373</b>	<b>770181</b>	<b>673199</b>
owner land equity	28000	28000	28000
owner down	182116	141474	120103
total owner contribution	210116	169474	148103
<b>project cost</b>	<b>735257</b>	<b>600707</b>	<b>525096</b>

**SCENARIO**

- \* 1) Developer purchases 2 duplex to provide parking for project
- \* 2) Developer purchases 1 duplex and City purchases vacant duplex to provide parking for project
- \* 3) City provides parking requirements for the project (adjacent city-owned vacant lot at S.E. corner of NW 9 Ave and Sistrunk Blvd.)

SIXTH STREET PLAZA, INC.  
INCOME AND EXPENSE PROJECTIONS

EXHIBIT A

\*1 ALL PARKING PROVIDED BY DEVELOPER

Income	Sq. Ft/\$15		Sq.Ft/\$16	
	monthly	yearly	monthly	yearly
CRA 6000 sq.ft	7500	90000	8000	96000
Executive office space 1000 sq. ft.	1250	15000	1334	16008
Donut/sandwich shop 1000 sq. ft.	1250	15000	1334	16008
City subsidy (low interest loan payment)	689	8262	689	8262
<b>Effective Gross Income</b>	<b>10,689</b>	<b>128262</b>	<b>11357</b>	<b>136284</b>
<b>Operation Expense</b>				
R.E. Taxes	1250	15000	1250	15000
Property Insurance	375	4500	375	4500
FPL	333	4000	333	4000
Water	187	2000	167	2000
Sanitation	250	3000	250	3000
Management @ 5% <i>I used of effective ERI</i>	534	6408	534	6408
Landscape Maintenance	100	1200	100	1200
Repairs @ 5%	534	6408	534	6408
<b>Total Operating Expenses</b>	<b>3543</b>	<b>42516</b>	<b>3543</b>	<b>42516</b>
<b>Net Income</b>	<b>7146</b>	<b>85746</b>	<b>7814</b>	<b>93768</b>
<i>20/21</i> Debt Service @ 8.5%/20 yr mort. \$735257	6475	77695	6475	77695
<i>20/21</i> Cash flow after Debt Service	671	8051	1339	16073
Debt service coverage ratio		1.1		1.21

*NO Voluntary etc.  
repairs @ 5% (reserves)*

**SIXTH STREET PLAZA, INC.  
INCOME AND EXPENSE PROJECTIONS**

**EXHIBIT B**

**\*2 PARTIAL PARKING PROVIDED BY DEVELOPER  
WITH THE PURCHASE OF ONE DUPLEX**

Income	Sq. Ft/\$14		Sq. Ft/\$15	
	monthly	yearly	monthly	yearly
CRA 6000 sq.ft	7000	84000	7500	90000
Executive office space 1000 sq. ft.	1167	14000	1250	15000
Donut/sandwich shop	1167	14000	1250	15000
City subsidy(low interest loan payment)	605	7262	605	7262
<b>Effective Gross Income</b>	<b>9,939</b>	<b>119262</b>	<b>10605</b>	<b>127262</b>
<b>Operation Expense</b>				
R.E. Taxes	1250	15000	1250	15000
Property Insurance	375	4500	375	4500
FPL	333	4000	333	4000
Water	167	2000	167	2000
Sanitation	250	3000	250	3000
Management @ 5%	534	6408	534	6408
Landscape Maintenance	100	1200	100	1200
Repairs @ 5%	534	6408	534	6408
<b>Total Operating Expenses</b>	<b>3543</b>	<b>42516</b>	<b>3543</b>	<b>42516</b>
<b>Net Income</b>	<b>6396</b>	<b>76746</b>	<b>7062</b>	<b>84746</b>
<b>Debt Service @8.5%/20 yr mort. \$600707</b>	<b>5290</b>	<b>63477</b>	<b>5290</b>	<b>63477</b>
<b>Cash flow after Debt Service</b>	<b>1106</b>	<b>13269</b>	<b>1772</b>	<b>21269</b>
<b>Debt service coverage ratio</b>		<b>1.21</b>		<b>1.33</b>

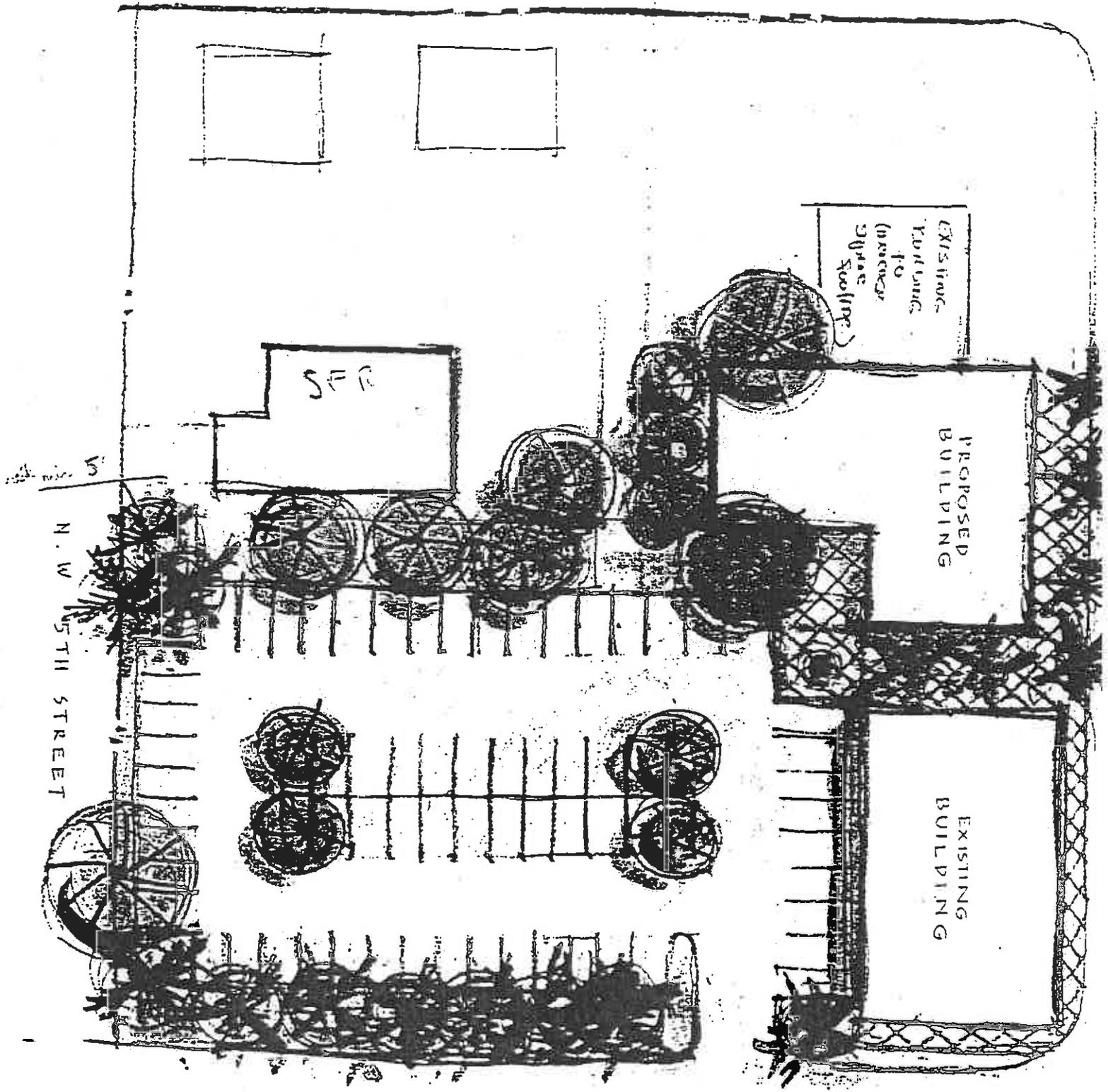
**SIXTH STREET PLAZA, INC.  
INCOME AND EXPENSE PROJECTIONS**

**EXHIBIT C**

**\*3 NO PARKING PROVIDED BY DEVELOPER**

Income	Sq. Ft/\$13		Sq.Ft/\$14	
	monthly	yearly	monthly	yearly
CRA 6000 sq.ft	6500	78000	7000	84000
Executive office space 1000 sq. ft.	1084	13000	1167	14000
Donut/sandwich shop	1084	13000	1167	14000
City subsidy(low interest loan payment)	522	6262	522	6262
<b>Effective Gross Income</b>	<b>9,190</b>	<b>110262</b>	<b>9856</b>	<b>118262</b>
<b>Operation Expense</b>				
R.E. Taxes	1250	15000	1250	15000
Property Insurance	375	4500	375	4500
FPL	333	4000	333	4000
Water	167	2000	167	2000
Sanitation	250	3000	250	3000
Management @ 5%	534	6408	534	6408
Landscape Maintenance	100	1200	100	1200
Repairs @ 5%	534	6408	534	6408
<b>Total Operating Expenses</b>	<b>3543</b>	<b>42516</b>	<b>3543</b>	<b>42516</b>
<b>Net Income</b>	<b>5647</b>	<b>67746</b>	<b>6313</b>	<b>75745</b>
<b>Debt Service @8.5%/20 yr mort. \$525096</b>	<b>4624</b>	<b>55487</b>	<b>4624</b>	<b>55487</b>
<b>Cash flow after Debt Service</b>	<b>1023</b>	<b>12259</b>	<b>1689</b>	<b>20259</b>
<b>Debt service coverage ratio</b>		<b>1.22</b>		<b>1.37</b>

EXHIBIT D  
PROPOSED SITE PLAN WITH  
PARKING PROVIDED BY DEVELOPER



N. W. 5TH STREET

N. W. 9TH AVENUE

EXHIBIT E  
PROPOSED BUILDING ELEVATION  
ON SISTRUNK BLVD.

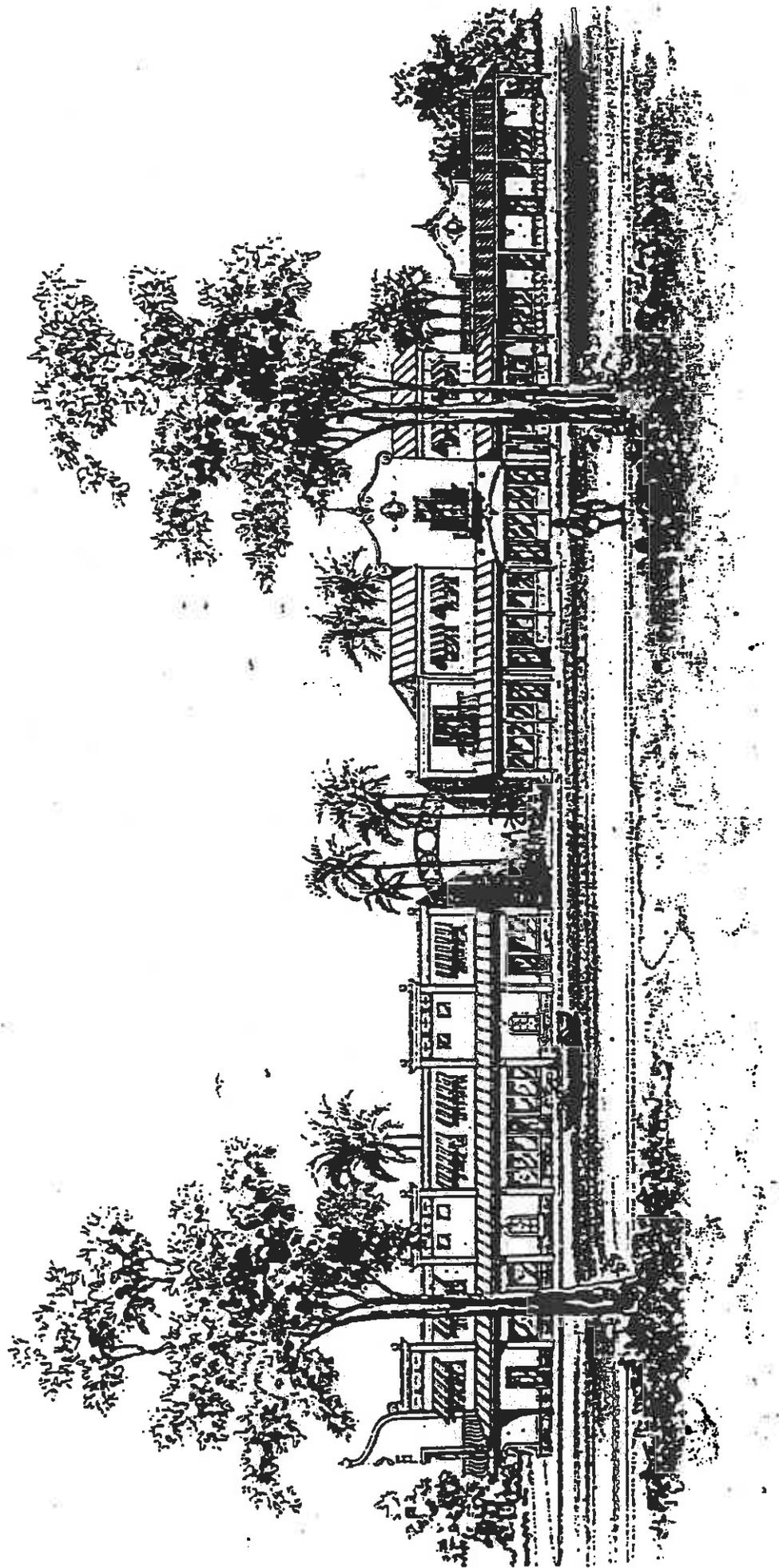
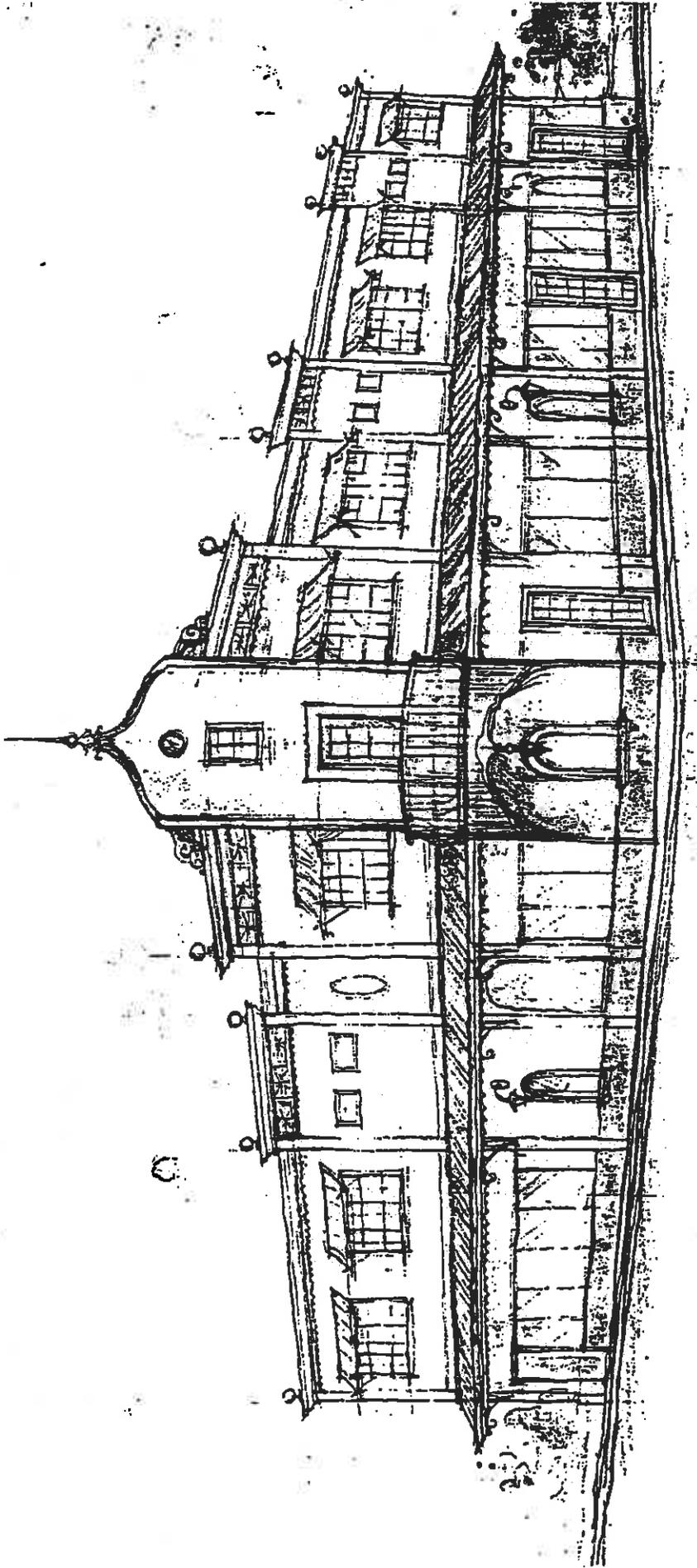


EXHIBIT F  
EXISTING BUILDING  
NEW FACADE BUILDING ELEVATION



SIXTH STREET PLAZA, INC.  
547 NW 9<sup>TH</sup> AVENUE, SUITE #1  
FT. LAUDERDALE, FL 33311  
(954) 733-3332 FAX (954) 761-7740

February 1, 2001

City of Ft. Lauderdale  
NWPf Community Redevelopment Agency  
Attn: Karriem Van Leesten  
101 NE 3<sup>rd</sup> Avenue, Suite #300  
Ft. Lauderdale, FL 33301

VIA FAX AND HARDCOPY

Re: CRA office space proposal

Dear Mr. Van Leesten:

The following is in response to your request for additional information in your letter dated January 29<sup>th</sup>, 2001.

**Question #1**

You have listed debt service as an operating expense for the proposed building. Does this include our payment?

**Response**

The debt service listed is for the new proposed building only. The existing 2,300-sq. ft. building has its own income and expense statement independent of the new proposed building.

**Question #2**

You have also listed the City subsidy as a source of income. Is this same number included in the debt service operating expense?

**Response**

No. The City subsidy is the City's portion of the low interest loan payment, which will be utilized to help this deal make sense. The program states that the CRA will pay half of the interest payment. Please refer to Kim Jackson for further explanation of the program. This is not to be confused with the E-Z loan program.

**Question #3**

Why is there no vacancy factor in the operating statement? In speaking with the bank underwriter, it was inferred that a vacancy factor did not have to be used since the CRA was taking up 80% of the building. However, I have been told that the bank will still like to see the vacancy factor added into the operating statement.

**Question #4**

Have you located tenants that are willing to lease the additional 1000 sq. ft. of office space as well as the donut/sandwich shop and if so are they creditworthy tenants?

**Response**

International Enterprise Development, a company that provides business development, assistance and micro-loans and has been in business for three years will come in and operate 750-1000 sq. ft of office space. The space will also be available to small businesses that need access to business equipment. I am in communication with a person who has helped to development minority franchises within the Miami-Dade inner city areas.

**Question #5**

We would like to see the operating statements for the other buildings that you own.

**Response**

Currently the building financed through the City of Ft. Lauderdale E-Z loan program is vacant. Attached please find a letter of intent from State Representative Christopher Smith's Office. The building will stand on its own were it pertains to income and expense.

**Question #6**

How do you plan on paying for the CAM expenses or will the tenants be responsible for paying their own CAM expenses?

**Response**

CAM expenses are already accounted for in the operating statement.

**Question #7**

Per Exhibit D of your site plan what do you mean by the smaller existing building will "increase in sq. ft"? How will this increase in size affect the parking code requirements?

**Response**

Sixth Street Plaza, Inc. will consist of a total of 2-3 buildings as follows: 1) the existing 12,000 sq. ft. building on the SW corner of 9<sup>th</sup> Avenue and Sistrunk, 2) the existing 2,300 sq. ft. building (930 NW 6 St.) and 3) the new 8,000 sq. ft. proposed building which will sit on the vacant lots 912-914 NW 6 St. The existing 2,300 sq. ft. building and the new 8,000 sq. ft. proposed building will either be unified under one (1) title (meaning one (1) building )or it will remain as two (2) separate buildings.

Given the circumstances as it relates to the parking situation on the corridor, the size of the new building will trigger the need for additional parking and will also raise the head of the most asked question "How do we address the lack of parking sites currently available for current and future development on the corridor?" I suppose through municipal parking lots being made available.

The new proposed 8,000 sq. ft building will need approximately 32 parking spaces. The site plan that was submitted shows 67 spaces, which would accommodate the existing 12,000 sq. ft building and the new proposed 8,000 sq. ft building. The existing building does not have parking requirements, however, we know that parking is essential to the sustainability of businesses.

**Question #8**

Please provide a table, which shows (for example) 10 parking spaces for every 5,000-sq. ft. of office space. Also show how site plan reflects needs to have a wall and the buffer yard.

**Response**

The ratio that was used in the site plan is 1 parking space for every 250 sq. ft of building. The site plan provides for a buffer wall and the 12-ft. landscape buffer as required by the Zoning Department. However, once the site plan has been fine-tuned and the reflected parking spaces cannot be met because of landscape buffer requirements, then the need to seek a variance will be in order. Additionally, we will request that the alley between Sistrunk Blvd. & NW 5 Court and NW 9 Avenue & NW 10 Avenue be vacated.

**Question #9**

Do you have any market studies or comparative rents for commercial space for the Sistrunk area?

**Response**

There are no historical data available for the corridor that I know of. The purpose of this project is to help create a Class B market where none presently exist.

If you need any additional information, please do not hesitate to contact me at (954) 733-3332.

Sincerely,

  
MARIA J. FREEMAN  
President

Freeman, Maria Mixed Use 504204050010 900 NW 6 St	Freeman, Maria Vacant-Plot 504204050100 N/A	Nygard, Walt Duplex 504204050082 909 NW 5 Ct	Morales, Alex Vacant Duplex 504204050090 905 NW 5 Ct	Totals
298,020	7,380	78,100	96,890	480,390
260,130	6,780	61,880	75,170	403,960
<u>37,890</u>	<u>600</u>	<u>16,220</u>	<u>21,720</u>	<u>76,430</u>

Proposed Development: Estimated New Taxable Value				
Current Value	298,020	7,380	11,300	328,000
New Construction @ 80%	400,000	(11,300)		388,700
New Taxable Value	698,020	7,380	11,300	716,700
1997 Taxable Values	260,130	6,780	75,170	403,960
Estimated Total TIF	<u>437,890</u>	<u>600</u>	<u>(61,880)</u>	<u>312,740</u>

Summary:	
Estimated Total TIF	312,740
Current TIF	76,430
Gain in Taxable Value	<u>236,310</u>

FY2001 Tax Rates:	
Broward County	6.8903
North Broward Hospital District	2.4803
City of Fort Lauderdale	5.0415
FY2001 Tax Rates	<u>14.4121</u>

Revenue from TIF	\$	<u>3,406</u>
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**Bank of America**



Bank of America  
Community Development Banking  
One Financial Plaza, 14th Floor  
Fort Lauderdale, FL 33394-0029

March 2, 2001

Ms Maria Freeman, President  
Sixth Street Plaza, Inc.  
547 NW 9<sup>th</sup> Avenue, Suite 1  
Ft. Lauderdale, FL 33311

via Fax 954-761-7740

Re: Sixth Street Plaza

Dear Maria,

This letter will serve as a preliminary outline of proposed terms and conditions under which Bank of America Community Development Banking ("Bank") would consider a construction financing request on the above-captioned office building. Proposed terms and conditions are as follows:

### **Development Loan**

**Borrower:** Sixth Street Plaza, Inc.

**Project Name:** Sixth Street Plaza

**Loan Type:** Construction loan (the "Loan")

**Purpose:** The Loan shall provide financing for of a portion of the costs necessary for construction of an 8,000 square foot office building to be located in Sistrunk Boulevard in Ft Lauderdale, FL. These costs are estimated to be \$745,000, including \$95,000 for acquisition of an adjacent parcel of land. The Borrower shall fund its equity share prior to closing of the Loan.

**Loan Amount:** \$581,000

**Rate:** Bank of America Prime floating plus 1% per annum, interest only payable monthly.

Commitment Fee: 1% of loan amount

Term: 12 months from closing

Guarantee: Guarantee of payment and performance from Maria Freeman.

Collateral: A first priority real estate mortgage on the subject property, located in Ft Lauderdale, Florida.

Pre-leasing: The lease for 6,000 square feet with the city of Ft Lauderdale must be signed prior to closing of the Loan and be in a form and content acceptable to Bank. Said lease must be consistent with underwriting parameters confirmed by an appraisal necessary to achieve a debt service coverage ("DSC ") of 1.15:1 at stabilization.

Appraisal: An appraisal ordered by the Bank shall be completed, reviewed and accepted by the Bank prior to closing of the Loan. Loan to Bank approved appraised value (LTV) shall not exceed 80%.

Assignments: The Borrower shall assign to the Bank all Construction and Architectural Contracts, all permits and variances, and any other documentation, which would be required should the Bank be required to step into the position of builder to complete the project.

Construction: Airam Construction Group, Inc., as general contractor, shall provide Bank with a detailed construction budget which will include sufficient hard and soft cost contingencies and interest reserves to complete the project. Prior to closing, a Construction Engineer satisfactory to the Bank will provide a construction cost analysis of expenses and shall review all draw requests.

Loan Draws: Costs funded from the Loan shall be in monthly staged draws.

Other: Prior to closing of the Loan, the City of Ft. Lauderdale shall complete transfer of any land parcel necessary to fulfill its code requirement for parking.

## Term Loan

Loan Type:	Term loan (the "Term Loan")
Term:	Five years
Conversion:	Loan shall convert to term phase after construction completion and the DSC is a minimum of 1.15:1.
Amortization:	10-year amortization of principal
Extension Option:	A five-year extension option will be available contingent upon the following: <ol style="list-style-type: none"><li>1. No prior events of default</li><li>2. Lease with city of Ft Lauderdale is extended for an additional five years with term and conditions satisfactory to Bank.</li><li>3. Minimum DSC of 1.25:1 at time of extension</li></ol>
Purpose:	After construction of the building has been completed, and the stabilized occupancy has been achieved, the loan shall convert to its term phase. At stabilized occupancy, the property shall have a minimum DSC ratio (Net Operating Income from the property divided by debt service) of 1.15:1.
Net Operating Income:	Net Operating Income is defined as revenues less building expenses and a replacement reserve escrow of 3% of revenues.
Rate:	To be fixed at the rate of 10 year T-Bill plus 450 basis points at conversion to Term Loan.
Guarantee:	Guarantee of payment and performance from Maria Freeman.

Borrower has indicated the city of Ft Lauderdale will pay a portion of the interest rate of the subject loan for a five-year period. This interest rate subsidy will be used to reduce the debt service obligation of the Borrower. As a result, the loan amortization will initially be for 10 years. After the city interest rate subsidy has ended, the amortization will be set for a period of up to an additional 10 years, and shall produce a minimum DSC of 1.25:1, with excess cash flow from the project to be applied to the principal.

If the loan request is approved and accepted, Borrower will be responsible for all costs and expenses incurred in connection with the loan, including but not limited to lender's

attorney fees, inspecting architect's fees, market study, appraisal fees, environmental consultant fees, survey fees, title insurance premiums, etc.

If the loan request is approved and accepted, Borrower must meet all other documentation requirements standard to the Bank of America Community Development Lending.

Please understand that this letter does not represent an offer or commitment by Bank of America for the proposed financing, nor does it define all the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by Bank of America is subject to, among other things, the completion of the foregoing items, and approval of your loan request under Bank of America's internal approval process. Upon your response to this letter and after you provide any additional information which may be necessary, I will proceed with the necessary due diligence to submit your loan request.

Bank of America is committed to supporting the revitalization of neighborhoods, which include financing commercial buildings which provide services to low and moderate income families. We value your commitment to this mission. I look forward to hearing from you.

Sincerely,



Alan Blankstein

Vice President

Community Development Lending



*Florida House of Representatives*  
*Representative Christopher L. Smith*  
*District 93*

Reply to:

- 1818 N.W. 19th Street  
Ft. Lauderdale, Florida 33311  
(954)762-3746 • (954)762-3748 Fax
- 402 South Monroe Street  
212 The Capitol  
Tallahassee, Florida 32399-1300  
(850)488-1084

**Committees:**  
*Vice Chair*, Council for Ready Infrastructure  
Education Appropriations  
Council for Procedural and Redistricting  
Utilities & Communications  
Rules, Ethics, and Elections

January 24, 2001

Maria Freeman  
6 Street Plaza  
547 N.W. 9th Avenue  
Suite One  
Ft. Lauderdale, Florida 33311

Dear Ms. Freeman:

My district office is presently located at 1818 N.W. 19th Street, Ft. Lauderdale, Florida 33311. This letter will serve notice that I am planning to move my office to the **6th Street Plaza**. The new address would be **930A N.W. 6th Street, Ft. Lauderdale, Florida 33311.**

Please note that my *Letter of Intention* to occupy space at your facility is pending approval from the Speaker of the Florida House of Representatives.

If additional information is needed, please contact me at (954) 762-3746.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Smith", written over the word "Sincerely,".

Christopher L. Smith  
State Representative, District 93

CS:sr  
c:\data\wp\letter.tif

c: House Administration



350 SE 2nd Street, Suite 400  
Fort Lauderdale, Florida 33301  
954.524.3113 • 800.741.1420 • Fax 954.524.3167  
www.browardalliance.org

October 10, 2000

Ms. Maria Freeman  
Sixth Street Plaza  
547 N.W. 9<sup>th</sup> Avenue, Suite 1  
Fort Lauderdale, FL 33311

**RE: Letter of Support for The Sixth Street Plaza Expansion Proposal**

Dear Ms. Freeman:

The Broward Alliance, Broward County's official economic development partnership, is in full support of The Sixth Street Plaza expansion project, and the effort of Ms. Freeman to develop affordable Class B office space, which will create 20 new jobs and retain 20 existing jobs, with a capital investment of \$1.1 million within The Sistrunk Corridor. With the cultivation of economic growth within urban areas as our primary tenet, we look forward to working collectively with Ms. Freeman to ensure that The City of Fort Lauderdale's businesses and residents obtain value-added outcomes concerning urban renewal and job creation.

The Broward Alliance is committed to promoting strategic partnerships between The City of Fort Lauderdale, Broward County and Enterprise Florida, which will make Fort Lauderdale, Florida a focal point for urban redevelopment activity within our region. Under the guidance of The City of Fort Lauderdale's Commission and Ms. Maria Freeman, Developer of Sixth Street Plaza, we feel that this project could become a "change agent" toward redevelopment for Fort Lauderdale's inner city area by attracting and retaining fiscally viable businesses.

Through establishment of CRA and Community Development Department offices within Sixth Street Plaza, this opportunity allows The City of Fort Lauderdale to further strengthen its community revitalization initiative, which is truly making a difference in the lives of Broward County's residents by providing value-added jobs within Greater Fort Lauderdale.

The Broward Alliance feels confident about working with The City of Fort Lauderdale and Sixth Street Plaza, and we share your vision for success. If you need any assistance, do not hesitate to contact us at (954) 524-3113 ext. 215.

Sincerely,

Vincent L. Johnson, MPH

Vice President, Business & Industry Services

27

02/21/02

More at 15.02% or 200,000 → Not 200k  
 Loan at 8.50 for 20 years.

3

Sixth Street Plaza Projected Cash Flow / per M. Freeman 02/05/02

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
CRA	96,000	96,000	96,000	96,000	96,000	96,000	96,000	99,840	103,834	107,987	112,306	116,799	121,471	126,329	131,383
Executive Offices	15,000	15,000	15,450	15,450	15,914	15,914	16,391	16,391	16,883	16,883	17,389	17,389	17,911	17,911	18,448
Donut Shop	-1,500	-1,500	-1,545	-1,545	-1,591	-1,591	-1,639	-1,639	-1,688	-1,688	-1,739	-1,739	-1,791	-1,791	-1,845
Other	-1,500	-1,500	-1,545	-1,545	-1,591	-1,591	-1,639	-1,639	-1,688	-1,688	-1,739	-1,739	-1,791	-1,791	-1,845
<b>Effective Rental Income (REI)</b>	<b>123,000</b>	<b>123,000</b>	<b>123,810</b>	<b>123,810</b>	<b>124,644</b>	<b>124,644</b>	<b>125,504</b>	<b>119,360</b>	<b>123,839</b>	<b>127,577</b>	<b>132,376</b>	<b>136,419</b>	<b>141,563</b>	<b>145,936</b>	<b>151,451</b>
Operating Expenses															
Management Fee	5%	6,150	6,150	6,191	6,232	6,232	6,275	5,968	6,192	6,379	6,619	6,821	7,078	7,297	7,573
Landscaping		5,670	5,954	6,252	6,564	6,892	7,168	7,753	8,063	8,386	8,721	9,070	9,433	9,810	10,203
Electricity		4,000	4,200	4,410	4,631	4,862	5,259	5,469	5,688	5,915	6,152	6,398	6,654	6,920	7,197
Water/Sewer		5,000	5,750	6,613	7,274	8,001	8,654	9,000	9,360	9,735	10,124	10,529	10,950	11,388	11,844
Real Estate Taxes		4,500	4,725	4,961	5,209	5,470	5,916	6,153	6,399	6,655	6,921	7,198	7,486	7,785	8,097
Insurance		3,690	3,690	3,714	3,739	3,739	3,765	3,581	3,715	3,827	3,971	4,093	4,247	4,378	4,544
Repl. Reserve		44,010	45,844	47,900	49,736	51,754	54,720	55,754	57,693	59,630	61,710	63,790	66,021	68,256	70,650
Total Operating Expense		78,990	77,156	75,910	74,074	72,890	70,784	63,605	66,146	67,947	70,667	72,629	75,542	77,680	80,800
Operating Income before pass thru		28,500	30,050	31,743	33,267	34,890	37,224	38,452	39,723	41,038	42,398	43,806	45,263	46,771	48,332
Tenant Pass Thru		107,490	107,206	107,664	107,341	107,780	108,008	102,068	105,869	108,985	113,065	116,436	120,805	124,451	129,132
Net Operating Income		99,310	99,310	99,310	99,310	99,310	99,310	99,310	99,310	99,310	99,310	99,310	99,310	99,310	99,310
Total Debt Service		8,180	7,896	8,343	8,030	8,470	8,698	2,747	6,558	9,675	13,754	17,125	21,495	25,140	29,822
Income after debt service		34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713
Depreciation		-26,534	-26,818	-26,370	-26,683	-26,243	-26,015	-31,966	-28,155	-25,039	-20,959	-17,588	-13,219	-9,573	-4,891
Taxable Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Liability		-26,534	-26,818	-26,370	-26,683	-26,243	-26,015	-31,966	-28,155	-25,039	-20,959	-17,588	-13,219	-9,573	-4,891
Net Income		1,08	1,08	1,08	1,08	1,08	1,09	1,03	1,07	1,10	1,14	1,17	1,22	1,25	1,30
DSC (NOI/Debt Service) Ratio		114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207
NOI required for DSC of 1.15		114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207	114,207

Construction Cost 1,598,008  
 Maria's contribution 240,000 per conversation with M. Freeman on 7/12/02, requested financials to assess Debt Equity Ratio  
**CRA contribution 340,571**  
 Total Loan Required 1,017,437

Interest rate (prime) 4.75% Calculated to determine CRA interest rate contribution for a 5 year loan at prime  
 total interest of loan 127,602 CRA contribution is half of interest payment divided over five years.  
**CRA contribution 63,801**

Total Loan required	1,017,437
Less CRA interest cont	63,801
Loan 15 years	953,636
Interest rate (p + 2.5)	8.50%
Debt Service per year	99,310

For a 20 year loan, it is possible that the interest rate may be higher than the 7.25% assumed. At least 8.5% may be charged for 20 year loan.  
 If the interest increase the additional years may not provide enough reduction in the debt service payment per year.

02/21/02

20% Maria.  
15 year loan at 7.25%

Sixth Street Plaza Projected Cash Flow / per M. Freeman 02/05/02

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
CRA	96,000	96,000	96,000	96,000	96,000	96,000	96,000	99,840	103,834	107,987	112,306	116,799	121,471	126,329	131,383
Executive Offices	15,000	15,000	15,450	15,450	15,914	15,914	16,391	16,391	16,883	16,883	17,389	17,389	17,911	17,911	18,448
Donut Shop	15,000	15,000	15,450	15,450	15,914	15,914	16,391	16,391	16,883	16,883	17,389	17,389	17,911	17,911	18,448
Other	1,500	1,500	1,545	1,545	1,591	1,591	1,639	1,639	1,688	1,688	1,739	1,739	1,791	1,791	1,845
Effective Rental Income (REI)	123,000	123,000	123,810	123,810	124,644	124,644	125,504	119,360	123,839	127,577	132,376	136,419	141,563	145,936	151,451
Operating Expenses															
Management Fee	6,150	6,150	6,191	6,191	6,232	6,232	6,275	5,968	6,192	6,379	6,619	6,921	7,078	7,297	7,573
Landscaping	5,670	5,954	6,252	6,564	6,892	7,168	7,455	7,753	8,063	8,386	8,721	9,070	9,433	9,810	10,203
Electricity	4,000	4,200	4,410	4,631	4,862	5,057	5,259	5,469	5,688	5,915	6,152	6,398	6,654	6,920	7,197
Water/Sewer	5,000	5,750	6,613	7,274	8,001	8,321	8,654	9,000	9,360	9,735	10,124	10,529	10,950	11,388	11,844
Real Estate Taxes	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,195
Insurance	4,500	4,725	4,961	5,209	5,470	5,689	5,916	6,153	6,399	6,655	6,921	7,198	7,486	7,785	8,097
Repl. Reserve	3,690	3,690	3,714	3,714	3,739	3,739	3,765	3,581	3,715	3,827	3,971	4,093	4,247	4,378	4,544
Total Operating Expense	44,010	45,844	47,900	49,736	51,754	53,177	54,720	55,754	57,693	59,630	61,710	63,790	66,021	68,256	70,650
Operating Income before pass thru	78,990	77,156	75,910	74,074	72,890	71,467	70,784	63,605	66,146	67,947	70,667	72,629	75,542	77,680	80,800
Tenant Pass Thru	28,500	30,050	31,743	33,267	34,890	36,037	37,224	38,452	39,723	41,038	42,398	43,806	45,263	46,771	48,332
Net Operating Income	107,490	107,206	107,864	107,341	107,780	107,505	108,008	102,058	105,869	108,985	113,066	116,436	120,805	124,461	129,132
Total Debt Service	96,292	96,292	96,292	96,292	96,292	96,292	96,292	96,292	96,292	96,292	96,292	96,292	96,292	96,292	96,292
Income after debt service	11,198	10,914	11,362	11,049	11,489	11,213	11,717	5,766	9,577	12,693	16,773	20,144	24,513	28,159	32,841
Depreciation	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713
Taxable Income	-23,515	-23,799	-23,351	-23,664	-23,224	-23,500	-22,996	-28,947	-25,136	-22,020	-17,940	-14,569	-10,200	-6,554	-1,872
Tax Liability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-23,515	-23,799	-23,351	-23,664	-23,224	-23,500	-22,996	-28,947	-25,136	-22,020	-17,940	-14,569	-10,200	-6,554	-1,872
DSC (NOI/Debt Service) Ratio	1.12	1.11	1.12	1.11	1.12	1.12	1.12	1.06	1.10	1.13	1.17	1.21	1.25	1.29	1.34
NOI required for DSC of 1.15	110,735	110,735	110,735	110,735	110,735	110,735	110,735	110,735	110,735	110,735	110,735	110,735	110,735	110,735	110,735
Construction Cost	1,598,008														
Maria's contribution	319,602														
CRA contribution	340,571														
Total Loan Required	937,835														
Interest rate (prime)	4.75%	Calculated to determine CRA interest rate contribution for a 5 year loan at prime													
total interest of loan	117,618	CRA contribution is half of interest payment divided over five years.													
CRA contribution	58,809														

per conversation with M. Freeman on 7/12/02; requested financials to assess Debt Equity Ratio

For a 20 year loan, it is possible that the interest rate may be higher than the 7.25% assumed. At least 8.5% may be charged for 20 year loan. If the interest increase the additional years may not provide enough reduction in the debt service payment per year.

Total Loan required	937,835
Less CRA interest cont	58,809
Loan 15 years	879,026
Interest rate (p + 2.5)	7.25%
Debt Service per year	96,292

02/21/02

More at 15.02% or \$240,000 → Not 20%  
 Loan at 7.25% for 20 years - ordinary

Sixth Street Plaza Projected Cash Flow / per M. Freeman 02/05/02

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
CRA	96,000	96,000	96,000	96,000	96,000	96,000	96,000	99,840	103,834	107,987	112,306	116,799	121,471	126,329	131,383
Executive Offices	15,000	15,000	15,450	15,450	15,914	15,914	16,391	16,391	16,883	16,883	17,389	17,389	17,911	17,911	18,448
Donut Shop	-1,500	-1,500	-1,545	-1,545	-1,591	-1,591	-1,639	-1,639	-1,688	-1,688	-1,739	-1,739	-1,791	-1,791	-1,845
Other	-1,500	-1,500	-1,545	-1,545	-1,591	-1,591	-1,639	-1,639	-1,688	-1,688	-1,739	-1,739	-1,791	-1,791	-1,845
<b>Effective Rental Income (REI)</b>	<b>123,000</b>	<b>123,000</b>	<b>123,810</b>	<b>124,644</b>	<b>124,644</b>	<b>124,644</b>	<b>125,504</b>	<b>126,376</b>	<b>127,248</b>	<b>128,120</b>	<b>129,000</b>	<b>129,879</b>	<b>130,763</b>	<b>131,651</b>	<b>132,544</b>
Operating Expenses															
Management Fee	6,150	6,150	6,191	6,232	6,273	6,314	6,355	6,396	6,437	6,478	6,519	6,560	6,601	6,642	6,683
Landscaping	5,670	5,954	6,252	6,564	6,892	7,168	7,455	7,753	8,063	8,386	8,721	9,070	9,433	9,810	10,203
Electricity	4,000	4,200	4,410	4,631	4,862	5,057	5,259	5,469	5,688	5,915	6,152	6,398	6,654	6,920	7,197
Water/Sewer	5,000	5,750	6,613	7,274	8,001	8,321	8,654	9,000	9,360	9,735	10,124	10,529	10,950	11,388	11,844
Real Estate Taxes	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,195
Insurance	4,500	4,725	4,961	5,209	5,470	5,689	5,916	6,153	6,399	6,655	6,921	7,198	7,486	7,785	8,097
Repl. Reserve	3,690	3,690	3,714	3,714	3,739	3,739	3,765	3,765	3,715	3,827	3,971	4,093	4,247	4,378	4,544
Total Operating Expense	44,010	45,844	47,900	49,736	51,754	53,177	54,720	55,754	57,693	59,630	61,710	63,790	66,021	68,256	70,650
Operating Income before pass thru	78,990	77,156	75,910	74,074	72,890	71,467	70,784	63,605	66,146	67,947	70,667	72,629	75,542	77,680	80,800
Tenant Pass Thru	28,500	30,050	31,743	33,267	34,890	36,037	37,224	38,452	39,723	41,038	42,398	43,806	45,263	46,771	48,332
<b>Net Operating Income</b>	<b>107,490</b>	<b>107,206</b>	<b>107,654</b>	<b>107,341</b>	<b>107,780</b>	<b>107,505</b>	<b>108,008</b>	<b>102,058</b>	<b>105,869</b>	<b>108,985</b>	<b>113,065</b>	<b>116,436</b>	<b>120,805</b>	<b>124,451</b>	<b>129,132</b>
<b>Total Debt Service</b>	<b>90,448</b>														
Income after debt service	17,042	16,758	17,206	16,893	17,333	17,057	17,561	11,610	15,421	18,537	22,617	25,988	30,357	34,003	38,685
Depreciation	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713
Taxable Income	-17,671	-17,955	-17,507	-17,820	-17,381	-17,656	-17,152	-23,103	-19,292	-16,176	-12,096	-8,725	-4,356	-710	3,971
Tax Liability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Income</b>	<b>1,19</b>	<b>1,13</b>	<b>1,17</b>	<b>1,20</b>	<b>1,25</b>	<b>1,29</b>	<b>1,34</b>	<b>1,38</b>	<b>1,43</b>						
<b>DSC (NOI/Debt Service) Ratio</b>	<b>1.19</b>	<b>1.13</b>	<b>1.17</b>	<b>1.20</b>	<b>1.25</b>	<b>1.29</b>	<b>1.34</b>	<b>1.38</b>	<b>1.43</b>						
NOI required for DSC of 1.15	104,015	104,015	104,015	104,015	104,015	104,015	104,015	104,015	104,015	104,015	104,015	104,015	104,015	104,015	104,015

Construction Cost 1,598,008  
 Maria's contribution 240,000 per conversation with M. Freeman on 7/12/02; requested financials to assess Debt Equity Ratio  
**CRA contribution 340,571**  
 Total Loan Required 1,017,437

Interest rate (prime) 4.75% Calculated to determine CRA interest rate contribution for a 5 year loan at prime  
 total interest of loan 127,602 CRA contribution is half of interest payment divided over five years.  
**CRA contribution 63,801**

Total Loan required	1,017,437
Less CRA interest cont	63,801
Loan 15 years	953,636
Interest rate (p + 2.5)	7.25%
Debt Service per year	90,448

For a 20 year loan, it is possible that the interest rate may be higher than the 7.25% assumed. At least 8.5% may be charged for 20 year loan.  
 If the interest increase the additional years may not provide enough reduction in the debt service payment per year.

20% Mark  
20 year loan at 8.5%

02/21/02

Sixth Street Plaza Projected Cash Flow / per M. Freeman 02/05/02

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12	YEAR 13	YEAR 14	YEAR 15
CRA	96,000	96,000	96,000	96,000	96,000	96,000	96,000	99,840	103,834	107,987	112,306	116,799	121,471	126,329	131,383
10% vacancy	0	0	0	0	0	0	0	-9,984	-10,383	-10,799	-11,231	-11,680	-12,147	-12,633	-13,138
Executive Offices	15,000	15,000	15,450	15,450	15,914	15,914	16,391	16,391	16,883	16,883	17,389	17,389	17,911	17,911	18,448
10% vacancy	-1,500	-1,500	-1,545	-1,545	-1,591	-1,591	-1,639	-1,639	-1,688	-1,688	-1,739	-1,739	-1,791	-1,791	-1,845
Donut Shop	15,000	15,000	15,450	15,450	15,914	15,914	16,391	16,391	16,883	16,883	17,389	17,389	17,911	17,911	18,448
10% vacancy	-1,500	-1,500	-1,545	-1,545	-1,591	-1,591	-1,639	-1,639	-1,688	-1,688	-1,739	-1,739	-1,791	-1,791	-1,845
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Rental Income (REI)	123,000	123,000	123,810	123,810	124,644	124,644	125,504	119,360	123,839	127,577	132,376	136,419	141,563	145,936	151,451
Operating Expenses															
Management Fee	6,150	6,150	6,191	6,191	6,232	6,232	6,275	5,968	6,192	6,379	6,619	6,821	7,078	7,297	7,573
Landscaping	5,670	5,954	6,252	6,564	6,892	7,168	7,455	7,753	8,063	8,386	8,721	9,070	9,433	9,810	10,203
Electricity	4,000	4,200	4,410	4,631	4,862	5,057	5,259	5,469	5,688	5,915	6,152	6,398	6,654	6,920	7,197
Water/Sewer	5,000	5,750	6,613	7,274	8,001	8,321	8,654	9,000	9,360	9,735	10,124	10,529	10,950	11,388	11,844
Real Estate Taxes	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,195
Insurance	4,500	4,725	4,961	5,209	5,470	5,689	5,916	6,153	6,399	6,655	6,921	7,198	7,486	7,785	8,097
Repl. Reserve	3,690	3,690	3,714	3,714	3,739	3,739	3,765	3,581	3,715	3,827	3,971	4,093	4,247	4,378	4,544
Total Operating Expense	44,010	45,844	47,900	49,736	51,754	53,177	54,720	55,754	57,693	59,630	61,710	63,790	66,021	68,256	70,650
Operating Income before pass thru	78,990	77,156	75,910	74,074	72,890	71,467	70,784	63,605	66,146	67,947	70,667	72,629	75,542	77,680	80,800
Tenant Pass Thru	28,500	30,050	31,743	33,267	34,890	36,037	37,224	38,452	39,723	41,038	42,398	43,806	45,263	46,771	48,332
Net Operating Income	107,490	107,206	107,654	107,341	107,780	107,505	108,008	102,058	105,869	108,985	113,065	116,436	120,806	124,451	129,132
Total Debt Service	91,541	91,541	91,541	91,541	91,541	91,541	91,541	91,541	91,541	91,541	91,541	91,541	91,541	91,541	91,541
Income after debt service	15,949	15,665	16,113	15,800	16,240	15,964	16,468	10,517	14,328	17,444	21,524	24,895	29,264	32,910	37,592
Depreciation	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713	34,713
Taxable Income	-18,764	-19,048	-18,600	-18,913	-18,474	-18,749	-18,245	-24,196	-20,385	-17,269	-13,189	-9,818	-5,449	-1,803	2,878
Tax Liability	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	-18,764	-19,048	-18,600	-18,913	-18,474	-18,749	-18,245	-24,196	-20,385	-17,269	-13,189	-9,818	-5,449	-1,803	2,878
DSC (NOI/Debt Service) Ratio	1.17	1.17	1.18	1.17	1.18	1.17	1.18	1.11	1.16	1.19	1.24	1.27	1.32	1.36	1.41
NOI required for DSC of 1.15	105,272	105,272	105,272	105,272	105,272	105,272	105,272	105,272	105,272	105,272	105,272	105,272	105,272	105,272	105,272

Construction Cost 1,598,008  
 Maria's contribution 319,602 per conversation with M. Freeman on 7/12/02; requested financials to assess Debt Equity Ratio  
**CRA contribution 340,571**  
 Total Loan Required 937,835

Interest rate (prime) 4.75% Calculated to determine CRA interest rate contribution for a 5 year loan at prime  
 total interest of loan 117,518  
**CRA contribution 58,809**  
 CRA contribution is half of interest payment divided over five years.

Total Loan required	937,835
Less CRA interest cont	58,809
Loan 15 years	879,026
Interest rate (p + 2.5)	8.50%
Debt Service per year	91,541

For a 20 year loan, it is possible that the interest rate may be higher than the 7.25% assumed. At least 8.5% may be charged for 20 year loan. If the interest increase the additional years may not provide enough reduction in the debt service payment per year.

7.5%

**Assumptions for Equity requirements:**

New building and old building will have a commercial value equal to the cost of the total project of \$1,588,208

Liquidation value was estimated between 70% to 80% (commercial property in an area with no comparables)

It was assumed that no existing liens or mortgages exist on the new and old building or land.

If liens or mortgages exist, the equity value will be reduced by that amount; assuming the bank will take second position.

There are no financials to assess M. Freeman's' equity position today and to determine if there is an equity shortfall or not.

	Market Value	Liquidation Value	Prior Liens	Equity Value
		70%		
New Building	1,588,208	1,111,745	0	1,111,745
Required Equity for 1.5 e/d ratio				1,511,455
		<b>Excess/short fall equity</b>		<b>-399,710</b>

	Market Value	Liquidation Value	Prior Liens	Equity Value
		75%		
New Building	1,588,208	1,191,156	0	1,191,156
Required Equity for 1.5 e/d ratio				1,511,455
		<b>Excess/short fall equity</b>		<b>-320,299</b>

	Market Value	Liquidation Value	Prior Liens	Equity Value
		80%		
New Building	1,588,208	1,270,566	0	1,270,566
Required Equity for 1.5 e/d ratio				1,511,455
		<b>Excess/short fall equity</b>		<b>-240,889</b>

**Per Maria Freman 02/05/02**  
**Project Cost Sixth Street Plaza recap:**

		Estimated Cost	% of total
Land acquisition Paking Lot	244,196		
Site Improvement Parking Lot	96,375		
<b>Total Parking Lot</b>		<b>340,571</b>	<b>21.44%</b>
New Building Construction Hard Cost	744,000		
Old Building Façade Hard Cost	95,000		
Hard Cost Contingecy	41,950		
<b>Total hard Cost</b>		<b>880,950</b>	<b>55.47%</b>
<b>Soft Costs</b>		<b>62,000</b>	<b>3.90%</b>
<b>Permit/Fees Costs</b>		<b>28,180</b>	<b>1.77%</b>
<b>Marketing and Sales Costs</b>		<b>5,760</b>	<b>0.36%</b>
<b>Insurance and Taxes</b>		<b>9,700</b>	<b>0.61%</b>
Financing Fess and Related			
Interest	54,000		
Legal and Closing	47,000		
Other	5,500		
<b>Total Financing Fees and Related</b>		<b>106,500</b>	<b>6.71%</b>
Openign reserves	27,834		
due dilligence	6,959		
contingency	21,214		
closing cost	14,477		
bank commitment fees	14,477		
developers fee	69,586		
<b>Other total</b>		<b>154,547</b>	<b>9.73%</b>
<b>Total Project</b>		<b>1,588,208</b>	

### **Assumptions for Cash Flow:**

Except for the Loan and interest all information was provided by M. Freeman on 02/05/02 and 02/07/02

#### **Loan assumptions:**

CRA will contribute half the interest rate of a loan at prime for five years.

Assumed loan is \$1,007,637 or total loan required.

Interest rate assumed: prime = 4.75%

Total interest for five years on that loan is \$126,372

It is assumed that CRA will contribute half that interest for five years in five equal amounts.

The total loan is assumed to be amortized during 15 years. During the first five \$335,879 will be amortized.

The remaining amount or \$671,758 will be financed at prime plus 2.75% for the remaining 10 years.

**Payment Schedule for a loan for \$1,007,637 for five years at prime (4.75%)**

		payment	interest	amort	balance	
Year 1	M 1	1,007,637	18,900	2,106	16,794	990,843
	2	990,843	18,900	2,106	16,794	974,049
	3	974,049	18,900	2,106	16,794	957,255
	4	957,255	18,900	2,106	16,794	940,461
	5	940,461	18,900	2,106	16,794	923,667
	6	923,667	18,900	2,106	16,794	906,873
	7	906,873	18,900	2,106	16,794	890,079
	8	890,079	18,900	2,106	16,794	873,285
	9	873,285	18,900	2,106	16,794	856,491
	10	856,491	18,900	2,106	16,794	839,697
	11	839,697	18,900	2,106	16,794	822,903
	12	822,903	18,900	2,106	16,794	806,109
Year 2	M 1	806,109	18,900	2,106	16,794	789,315
	2	789,315	18,900	2,106	16,794	772,521
	3	772,521	18,900	2,106	16,794	755,728
	4	755,728	18,900	2,106	16,794	738,934
	5	738,934	18,900	2,106	16,794	722,140
	6	722,140	18,900	2,106	16,794	705,346
	7	705,346	18,900	2,106	16,794	688,552
	8	688,552	18,900	2,106	16,794	671,758
	9	671,758	18,900	2,106	16,794	654,964
	10	654,964	18,900	2,106	16,794	638,170
	11	638,170	18,900	2,106	16,794	621,376
	12	621,376	18,900	2,106	16,794	604,582
Year 3	M 1	604,582	18,900	2,106	16,794	587,788
	2	587,788	18,900	2,106	16,794	570,994
	3	570,994	18,900	2,106	16,794	554,200
	4	554,200	18,900	2,106	16,794	537,406
	5	537,406	18,900	2,106	16,794	520,612
	6	520,612	18,900	2,106	16,794	503,818
	7	503,818	18,900	2,106	16,794	487,024
	8	487,024	18,900	2,106	16,794	470,230
	9	470,230	18,900	2,106	16,794	453,437
	10	453,437	18,900	2,106	16,794	436,643
	11	436,643	18,900	2,106	16,794	419,849
	12	419,849	18,900	2,106	16,794	403,055
Year 4	M 1	403,055	18,900	2,106	16,794	386,261
	2	386,261	18,900	2,106	16,794	369,467
	3	369,467	18,900	2,106	16,794	352,673
	4	352,673	18,900	2,106	16,794	335,879
	5	335,879	18,900	2,106	16,794	319,085
	6	319,085	18,900	2,106	16,794	302,291
	7	302,291	18,900	2,106	16,794	285,497
	8	285,497	18,900	2,106	16,794	268,703
	9	268,703	18,900	2,106	16,794	251,909
	10	251,909	18,900	2,106	16,794	235,115
	11	235,115	18,900	2,106	16,794	218,321
	12	218,321	18,900	2,106	16,794	201,527
Year 5	M 1	201,527	18,900	2,106	16,794	184,733
	2	184,733	18,900	2,106	16,794	167,939
	3	167,939	18,900	2,106	16,794	151,146
	4	151,146	18,900	2,106	16,794	134,352
	5	134,352	18,900	2,106	16,794	117,558
	6	117,558	18,900	2,106	16,794	100,764
	7	100,764	18,900	2,106	16,794	83,970
	8	83,970	18,900	2,106	16,794	67,176
	9	67,176	18,900	2,106	16,794	50,382
	10	50,382	18,900	2,106	16,794	33,588
	11	33,588	18,900	2,106	16,794	16,794
	12	16,794	18,900	2,106	16,794	0
<b>Total Interest</b>			<b>126,372</b>			

Development Cost Line Items	Amount	Notes
<b>Acquisitions</b>		
Nygaard Triplex 909 NW 5th Court	\$ 104,000	Per P/Sale Agreement (*)
Morales Triplex 905 NW 5th Court	\$ 126,000	Per P/Sale Agreement (*)
Building carrying costs 905 NW 5th Court	\$ 14,196	(*)
<b>subtotal</b>	<b>\$ 244,196</b>	
<b>Pre Construction Site Work</b>		
Demolition	\$ 15,000	(*)
Site Work (32550*\$2.50 psf)	\$ 81,375	(*)
<b>subtotal</b>	<b>\$ 96,375</b>	
<b>Site improvement total</b>	<b>\$ 340,571</b>	
<b>Construction (hard cost)</b>		
Construction cost (8000*75psf)	\$ 600,000	
Tenant Improvements office (8000*20psf office)	\$ 120,000	
Tenant Improvements retail (2000*12psf retail)	\$ 24,000	
Exterior façade (Existing buildings)	\$ 95,000	
*Contingency (5%) — <i>Twice!</i>	\$ 41,950	
<b>subtotal</b>	<b>\$ 839,000</b>	<i>Does not add up!</i>
<b>Soft Costs</b>		
<b>Architectural &amp; Engineering</b>		
Tuthill	\$ 61,000	
Reproduction Costs	\$ 1,000	
<b>subtotal</b>	<b>\$ 62,000</b>	
<b>Permits/Fees</b>		
Permits	\$ 8,180	
Broward County Impact Fees	\$ 6,000	
Appraisal	\$ 6,500	
Survey	\$ 2,500	
Rezoning/or Alley vacation	\$ 5,000	
<b>subtotal</b>	<b>\$ 28,180</b>	
<b>Marketing and Sales</b>		
Leasing/Commission fees	\$ 5,760	
<b>subtotal</b>	<b>\$ 5,760</b>	
<b>Insurance and Taxes</b>		
Builders Risk	\$ 4,500	
Other Insurance	\$ -	
Real Estate Taxes	\$ 5,200	
<b>subtotal</b>	<b>\$ 9,700</b>	
<b>Financing Fees and Related</b>		
Interest → <i>Construction?</i>	\$ 54,000	
Soil Test	\$ 2,000	
Environmental	\$ 2,000	
Construction/CLA	1500	
Legal and Closing	\$ 47,000	
<b>subtotal</b>	<b>\$ 106,500</b>	
Opening Reserves @2% — <i>Not part of the cost</i>	27,834.22	
Due Diligence @0.5% — <i>Twice!</i>	6,958.56	
*Contingency (10%) — <i>Twice!</i>	21,214.00	
Closing Cost (1%)	14,477.18	
Bank Commitment Fees 1%	14,477.18	
Developers fee (5%) → <i>isn't she the developer!</i>	69,585.55 ↓	
<b>subtotal</b>	<b>\$ 154,547</b>	
<b>GRAND TOTAL</b>	<b>\$ 1,546,258</b>	

Sixth St. Plaza/Airam Construction

Does not factor a low interest loan.

Sixth St. Plaza Proforma

Includes CRA Project Development Contribution of \$340,571

Operating Income:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Sixth St. Pharmacy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restaurant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Church	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units 1-18 offices	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CRA (6000 sq. ft.)	96,000	96,000	96,000	98,880	101,846	105,820	110,157	114,563	119,146	123,912	128,868	134,023	139,384	144,959	150,738
Less Vacancy @ 10%	(9,600)	(9,600)	(9,600)	(9,888)	(10,185)	(10,592)	(11,016)	(11,456)	(11,915)	(12,391)	(12,887)	(13,402)	(13,938)	(14,496)	(15,076)
Executive Office	15,000	15,000	15,430	15,430	15,914	15,914	16,391	16,391	16,883	16,883	17,389	17,389	17,911	17,911	18,448
Less Vacancy @ 10%	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Donut Shop	15,000	15,000	15,430	15,430	15,914	15,914	16,391	16,391	16,883	16,883	17,389	17,389	17,911	17,911	18,448
Less Vacancy @ 10%	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Rental Income (ERI):	113,400	114,400	114,300	116,892	120,489	124,155	128,924	132,890	137,997	142,286	147,760	152,400	158,267	163,285	169,578

Operating Expenses:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Management Fee:	5,670	5,670	5,715	5,845	6,024	6,208	6,446	6,644	6,900	7,114	7,388	7,620	7,913	8,164	8,479
Administrative: Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll Taxes & Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resident Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acct & Data Processing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FOOD Monitoring	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit & Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance: Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll Taxes & Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Janitorial Materials	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decorating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Janitorial/Landscaping	5,670	5,670	5,715	5,845	6,024	6,208	6,446	6,644	6,900	7,114	7,388	7,620	7,913	8,164	
Extermination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities: Electricity *	1,333	4,200	4,410	4,631	4,862	5,057	5,239	5,469	5,688	5,915	6,132	6,398	6,654	6,920	7,197
Natural Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water/Sanitation *	5,000	5,750	6,613	7,274	8,001	8,321	8,654	9,000	9,360	9,735	10,124	10,529	10,950	11,388	11,844
Real Estate Taxes *	15,000	15,375	15,759	16,137	16,572	16,971	17,395	17,825	18,276	18,733	19,201	19,681	20,173	20,678	21,195
Insurance *	4,500	4,725	4,961	5,209	5,470	5,689	5,916	6,159	6,421	6,655	6,921	7,198	7,486	7,783	8,097
Repl. Reserve @ 3%	3,538	3,680	3,827	3,977	4,130	4,305	4,477	4,656	4,842	5,036	5,237	5,447	5,665	5,891	6,126
NET OPER. INCOME (NOI)	70,158	68,188	66,911	67,390	68,702	70,603	73,495	75,564	78,655	80,907	84,218	86,607	90,211	92,875	96,675
Tenant Pass thru *	28,500	30,050	31,743	33,267	34,890	36,637	37,724	38,452	39,723	41,038	42,398	43,806	45,263	46,771	48,332
Operating Income After Pass thru	98,658	98,238	98,654	100,657	103,593	106,641	110,719	114,016	118,378	121,945	126,616	130,473	135,475	139,646	145,007
Private Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	98,658	98,238	98,654	100,657	103,593	106,641	110,719	114,016	118,378	121,945	126,616	130,473	135,475	139,646	145,007
Commercial Lender	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616
Other Mfg. N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Debt Coverage Ratio	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860
Cash Flow after Debt Service	(11,958)	(12,378)	(11,962)	(9,559)	(7,023)	(3,975)	103	3,400	7,762	11,329	16,000	19,857	24,859	29,000	34,391

NET OPER. INCOME (NOI)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
NET OPER. INCOME (NOI)	70,158	68,188	66,911	67,390	68,702	70,603	73,495	75,564	78,655	80,907	84,218	86,607	90,211	92,875	96,675
Tenant Pass thru *	28,500	30,050	31,743	33,267	34,890	36,637	37,724	38,452	39,723	41,038	42,398	43,806	45,263	46,771	48,332
Operating Income After Pass thru	98,658	98,238	98,654	100,657	103,593	106,641	110,719	114,016	118,378	121,945	126,616	130,473	135,475	139,646	145,007
Private Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow	98,658	98,238	98,654	100,657	103,593	106,641	110,719	114,016	118,378	121,945	126,616	130,473	135,475	139,646	145,007
Commercial Lender	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616	110,616
Other Mfg. N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Debt Coverage Ratio	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860	4,860
Cash Flow after Debt Service	(11,958)	(12,378)	(11,962)	(9,559)	(7,023)	(3,975)	103	3,400	7,762	11,329	16,000	19,857	24,859	29,000	34,391

Total debt 2  
 5 years out 1,542,258 (2)  
 4075% p.m.  
 28,927,8976 x12=307,13597 x5=1,735,678853 →

8% → clean interest rate.  
 15 years.  
 \$16/sq ft

Final Operating Budget

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>Operating Income:</b>															
Unsubsidized (market) Rents	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sixth St. Pharmacy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restaurant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Church	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Units 1-10 offices	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Vacancy @ 10%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CRA (6000 sq. ft.)	96,000	96,000	96,000	98,880	101,846	105,920	110,157	114,563	119,146	123,912	128,868	134,023	139,384	144,959	150,758
Less Vacancy @ 10%	(9,600)	(9,600)	(9,600)	(9,888)	(10,185)	(10,592)	(11,016)	(11,456)	(11,915)	(12,391)	(12,887)	(13,402)	(13,938)	(14,496)	(15,076)
Executive Office	15,000	15,000	15,450	15,450	15,914	16,391	16,883	17,389	17,911	18,448	18,999	19,565	20,147	20,745	21,359
Less Vacancy @ 10%	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Donut Shop	15,000	15,000	15,450	15,450	15,914	16,391	16,883	17,389	17,911	18,448	18,999	19,565	20,147	20,745	21,359
Less Vacancy @ 10%	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Effective Rental Income (ERI):</b>	<b>113,400</b>	<b>113,400</b>	<b>114,300</b>	<b>116,892</b>	<b>120,469</b>	<b>124,155</b>	<b>128,924</b>	<b>132,890</b>	<b>137,997</b>	<b>142,266</b>	<b>147,760</b>	<b>152,400</b>	<b>158,267</b>	<b>163,285</b>	<b>169,578</b>

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
<b>Operating Expenses:</b>															
<b>Management Fee:</b>	<b>5,670</b>	<b>5,670</b>	<b>5,715</b>	<b>5,845</b>	<b>6,024</b>	<b>6,208</b>	<b>6,446</b>	<b>6,644</b>	<b>6,900</b>	<b>7,114</b>	<b>7,388</b>	<b>7,620</b>	<b>7,913</b>	<b>8,164</b>	<b>8,479</b>
Administrative Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll Taxes & Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resident Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asset Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Office Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acct & Data Processing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investor Servicing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FDIC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BOCD Monitoring	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marketing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Audit & Accounting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maintenance Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll Taxes & Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Janitorial Materials	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Decorating	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Landscaping	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Janitorial/Landscaping	5,670	5,954	6,251	6,564	6,892	7,168	7,454	7,752	8,063	8,385	8,720	9,069	9,432	9,809	10,202
Fresh Removal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Snow Removal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities: Electricity *	4,000	4,200	4,410	4,631	4,862	5,057	5,259	5,469	5,688	5,915	6,152	6,398	6,654	6,920	7,197
Natural Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Water/Sanitation	5,000	5,150	5,315	5,495	5,680	5,871	6,068	6,271	6,480	6,695	6,916	7,142	7,374	7,611	7,854
Real Estate Taxes *	15,000	15,375	15,759	16,153	16,557	16,971	17,395	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,195
Insurance *	4,500	4,725	4,961	5,209	5,470	5,689	5,916	6,153	6,399	6,655	6,921	7,198	7,486	7,785	8,097
Repl. Reserve @ 3%	3,360/ann	3,358	3,680	3,827	3,980	4,139	4,303	4,477	4,656	4,842	5,036	5,237	5,447	5,663	5,891
Oper. Reserve @	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>NET OPER. INCOME (NOI)</b>	<b>70,158</b>	<b>70,158</b>	<b>70,158</b>	<b>70,158</b>											
Tenant pass thru *	20,500	30,050	31,743	33,267	34,890	36,637	37,224	38,452	39,723	41,038	42,398	43,806	45,263	46,771	48,332
Operating Income /After pass thru *	90,658	98,238	98,454	100,657	103,593	106,641	110,719	114,916	118,378	122,845	126,616	130,473	134,475	138,646	143,007
Private Mortgage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Operating Income</b>	<b>90,658</b>	<b>98,238</b>	<b>98,454</b>	<b>100,657</b>	<b>103,593</b>	<b>106,641</b>	<b>110,719</b>	<b>114,916</b>	<b>118,378</b>	<b>122,845</b>	<b>126,616</b>	<b>130,473</b>	<b>134,475</b>	<b>138,646</b>	<b>143,007</b>
Cash Flow	90,658	98,238	98,454	100,657	103,593	106,641	110,719	114,916	118,378	122,845	126,616	130,473	134,475	138,646	143,007
Commercial Lender	141,858	141,858	141,858	141,858	141,858	141,858	141,858	141,858	141,858	141,858	141,858	141,858	141,858	141,858	141,858
Other Mfr. N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Operating Income</b>	<b>90,658</b>	<b>98,238</b>	<b>98,454</b>	<b>100,657</b>	<b>103,593</b>	<b>106,641</b>	<b>110,719</b>	<b>114,916</b>	<b>118,378</b>	<b>122,845</b>	<b>126,616</b>	<b>130,473</b>	<b>134,475</b>	<b>138,646</b>	<b>143,007</b>
<b>Cash Flow after Debt Service</b>	<b>(43,200)</b>	<b>(43,619)</b>	<b>(43,204)</b>	<b>(41,201)</b>	<b>(38,265)</b>	<b>(35,217)</b>	<b>(31,139)</b>	<b>(27,842)</b>	<b>(23,479)</b>	<b>(19,913)</b>	<b>(15,242)</b>	<b>(11,385)</b>	<b>(6,383)</b>	<b>(2,211)</b>	<b>3,149</b>



Today Value of CRA excess rent payment to Sixth Street Plaza Project discounted at prime rate of 4.75															
16	96,000	96,000	98,880	102,835	105,920	110,157	114,563	119,146	123,912	128,868	134,023	139,384	144,959	150,758	total
8	48,000	48,000	49,440	51,418	52,960	55,079	57,282	59,573	61,956	64,434	67,011	69,692	72,480	75,379	
	<b>581,947</b>	<b>48,000</b>	<b>49,440</b>	<b>51,418</b>	<b>52,960</b>	<b>55,079</b>	<b>57,282</b>	<b>59,573</b>	<b>61,956</b>	<b>64,434</b>	<b>67,011</b>	<b>69,692</b>	<b>72,480</b>	<b>75,379</b>	<b>832,703</b>
16	96,000	96,000	98,880	102,835	105,920	110,157	114,563	119,146	123,912	128,868	134,023	139,384	144,959	150,758	total
10	60,000	60,000	61,800	64,272	66,200	68,848	71,602	74,466	77,445	80,543	83,764	87,115	90,599	94,223	
	<b>436,460</b>	<b>36,000</b>	<b>37,080</b>	<b>38,563</b>	<b>39,720</b>	<b>41,309</b>	<b>42,961</b>	<b>44,680</b>	<b>46,467</b>	<b>48,326</b>	<b>50,259</b>	<b>52,269</b>	<b>54,360</b>	<b>56,534</b>	<b>624,527</b>
16	96,000	96,000	98,880	102,835	105,920	110,157	114,563	119,146	123,912	128,868	134,023	139,384	144,959	150,758	total
12	72,000	72,000	74,160	77,126	79,440	82,618	85,923	89,359	92,934	96,651	100,517	104,538	108,719	113,068	
	<b>290,974</b>	<b>24,000</b>	<b>24,720</b>	<b>25,709</b>	<b>26,480</b>	<b>27,539</b>	<b>28,641</b>	<b>29,786</b>	<b>30,978</b>	<b>32,217</b>	<b>33,506</b>	<b>34,846</b>	<b>36,240</b>	<b>37,689</b>	<b>416,351</b>

Today Value of CRA excess rent payment to Sixth Street Plaza Project discounted at 8%															
16	96,000	96,000	98,880	102,835	105,920	110,157	114,563	119,146	123,912	128,868	134,023	139,384	144,959	150,758	total
8	48,000	48,000	49,440	51,418	52,960	55,079	57,282	59,573	61,956	64,434	67,011	69,692	72,480	75,379	
	<b>468,567</b>	<b>48,000</b>	<b>49,440</b>	<b>51,418</b>	<b>52,960</b>	<b>55,079</b>	<b>57,282</b>	<b>59,573</b>	<b>61,956</b>	<b>64,434</b>	<b>67,011</b>	<b>69,692</b>	<b>72,480</b>	<b>75,379</b>	<b>832,703</b>
16	96,000	96,000	98,880	102,835	105,920	110,157	114,563	119,146	123,912	128,868	134,023	139,384	144,959	150,758	total
10	60,000	60,000	61,800	64,272	66,200	68,848	71,602	74,466	77,445	80,543	83,764	87,115	90,599	94,223	
	<b>351,425</b>	<b>36,000</b>	<b>37,080</b>	<b>38,563</b>	<b>39,720</b>	<b>41,309</b>	<b>42,961</b>	<b>44,680</b>	<b>46,467</b>	<b>48,326</b>	<b>50,259</b>	<b>52,269</b>	<b>54,360</b>	<b>56,534</b>	<b>624,527</b>
16	96,000	96,000	98,880	102,835	105,920	110,157	114,563	119,146	123,912	128,868	134,023	139,384	144,959	150,758	total
12	72,000	72,000	74,160	77,126	79,440	82,618	85,923	89,359	92,934	96,651	100,517	104,538	108,719	113,068	
	<b>234,284</b>	<b>24,000</b>	<b>24,720</b>	<b>25,709</b>	<b>26,480</b>	<b>27,539</b>	<b>28,641</b>	<b>29,786</b>	<b>30,978</b>	<b>32,217</b>	<b>33,506</b>	<b>34,846</b>	<b>36,240</b>	<b>37,689</b>	<b>416,351</b>

interest rate 55,093 12,637 12,637 12,637 12,637

CRA Contribution to Project

parking Lot	8/4.75%	6/4.75%	4/4.75%	8/8.0%	6/8.0%	4/8.0%
interest rate	340,571	340,571	340,571	340,571	340,571	340,571
rent excess	55,093	55,093	55,093	55,093	55,093	55,093
Total CRA Contribution	581,947	436,460	290,974	468,567	351,425	234,284
	977,611	832,124	686,637	864,231	747,089	629,947



Handwritten: XAO #10

**APPLICATION AND CERTIFICATION FOR PAYMENT**  
 TO OWNER SIXTH STREET PLAZA, INC. PROJECT: SIXTH STREET PLAZA, INC. APPLICATION NO: 10  
 PO BOX 14303 OFFICE BLDG.  
 FT. LAUDERDALE, FL 33302  
 FROM CONTRACTOR:  
 ABRAM CONSTRUCTION GROUP, INC. VIA ARCHITECT:  
 TUTHILL ARCHITECTS  
 347 NW 9TH AVENUE, SUITE 1 701 E. BROWARD BLVD., SUITE G  
 FT. LAUDERDALE, FL 33311 FT. LAUDERDALE, FL 33301  
 CONTRACT FOR: SIXTH STREET PLAZA PROJECT

**CONTRACTOR'S APPLICATION FOR PAYMENT**  
 Application is made for payment, as shown below, in connection with the Contract.  
 Authentication Sheet, AIA Document G703, is attached.

ORIGINAL CONTRACT SUM \$ 1,187,775.00  
 Net change by Change Order \$ 0.00  
 CONTRACT SUM TO DATE (Line 1 + 2) \$ 1,187,775.00  
 TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 704,840.00  
 RETAINAGE:  
 a. 10 % of Completed Work \$ 70,484  
 (Column D + E on G703)  
 b. 10 % of Stored Material \$ 0  
 (Column F on G703)  
 Total Retainage (Lines 5a + 5b or Column L on G703) \$ 70,484.00

TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 70,484.00  
 LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 0  
 CURRENT PAYMENT DUE \$ 634,356.00  
 BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 544,204.00  
 \$ 83,251.00  
 \$ 558,443.00

**ARCHITECT'S CERTIFICATE FOR PAYMENT**  
 In accordance with this 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 write Continuation Sheet that are changed to conform with the amount certified.)  
 ARCHITECT:

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

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE., N.W., WASHINGTON, DC 20005-4282  
 AIA DOCUMENT D401 - CERTIFICATION OF DOCUMENT'S AUTHENTICITY FROM THE LICENSEE.  
 Handwritten: Purpose: To pay monthly invoice submission for payment via Regent Bank  
 Source: Regent Bank  
 Handwritten: 2/2/07 OK to fund \$83,251.00



Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input checked="" type="checkbox"/>	SPRRC
<input checked="" type="checkbox"/>	CONTRACTOR
<input checked="" type="checkbox"/>	BANK
<input type="checkbox"/>	FT. LAUDERDALE CRA

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: *[Signature]*  
 By: *[Signature]*  
 State of Florida County of Broward  
 Subscribed and sworn to before me this 26 day of Feb.  
 Notary Public: *[Signature]*  
 My Commission expires 11/15/07

**CHANGE ORDER SUMMARY**

CHANGES APPROVED	ADDITIONS	DEDUCTIONS
Total changes approved in previous receipts by Owner		
Total approved this Month	\$0.00	\$0.00
<b>TOTALS</b>		
NET CHANGES by Change Order	\$0.00	\$0.00

DOCUMENT G702, APPLICATION AND CERTIFICATION FOR PAYMENT - FIRST EDITION - AUG. © 1982  
 You may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

# CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G703, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

PAGE 2 OF 2 PAGES

APPLICATION NO: 10

APPLICATION DATE: Feb. 26, 2007

PERIOD TO: Feb. 26, 2007

ARCHITECT'S PROJECT NO: 0071 0367

A LINE NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE		D WORK COMPLETED FROM PREVIOUS APPLICATION (D + E)		E WORK COMPLETED THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)
		SCHEDULED VALUE		FROM PREVIOUS APPLICATION (D + E)					
1	GENERAL CONDITIONS	\$91,077.00	\$66,720.00	\$7,300.00	\$0.00	\$74,020.00	\$0.00	\$74,020.00	\$17,057.00
2	SITE WORK	\$86,415.00	\$29,900.00	\$8,000.00	\$0.00	\$37,900.00	\$0.00	\$37,900.00	\$48,515.00
3	SITE UTILITIES	\$12,761.00	\$0.00	\$14,000.00	\$0.00	\$0.00	\$0.00	\$14,000.00	\$8,761.00
4	SITE CONCRETE	\$3,994.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,994.00
5	SITE LIGHTING	\$10,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,200.00
6	LANDSCAPING	\$15,328.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,328.00
7	IRRIGATION	\$4,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,500.00
8	CONCRETE	\$175,174.00	\$157,530.00	\$15,000.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$2,644.00
9	REBAR	\$30,225.00	\$22,045.00	\$8,480.00	\$0.00	\$0.00	\$0.00	\$8,480.00	\$0.00
10	MASONRY	\$135,984.00	\$89,600.00	\$5,460.00	\$0.00	\$0.00	\$0.00	\$5,460.00	\$0.00
11	METALS	\$40,410.00	\$8,790.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,790.00	\$0.00
12	WOODS AND PLASTICS	\$15,708.00	\$14,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,400.00	\$1,308.00
13	THERMAL & MOISTURE PROTECTION	\$43,500.00	\$17,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,500.00	\$26,000.00
14	DOORS & WINDOWS	\$137,878.00	\$109,084.00	\$0.00	\$0.00	\$0.00	\$0.00	\$109,084.00	\$28,794.00
15	FRAMING & DRY WALL	\$54,461.00	\$29,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,600.00	\$24,861.00
16	FLOORING	\$15,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00
17	PAINTING	\$16,144.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,144.00
18	SPECIALTIES	\$7,016.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,016.00
19	FURNISHINGS (Casework)	\$61,000.00	\$6,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,500.00	\$54,500.00
20	CONVEYING SYSTEMS	\$28,000.00	\$8,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,100.00	\$19,900.00
21	PLUMBING	\$56,900.00	\$1,700.00	\$5,738.00	\$0.00	\$0.00	\$0.00	\$7,438.00	\$49,462.00
22	HVAC	\$110,800.00	\$54,870.00	\$29,215.00	\$0.00	\$0.00	\$0.00	\$54,085.00	\$56,715.00
23	ELECTRICAL								
<b>GRAND TOTALS</b>		\$1,187,775.00	\$616,339.00	\$92,501.00	\$0.00	\$708,840.00	\$0.00	\$708,840.00	\$478,935.00

TOTAL P. 03

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G703-9902



# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 2 OF 2 PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar. Use Column I on Contracts where variable retainage for lites items may apply.

REVISD INCREASED BUDGET

APPLICATION NO: 11

APPLICATION DATE: Mar. 16, 2007

PERIOD TO: Mar. 16, 2007

ARCHITECT'S PROJECT NO: 0071 0367

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+B+F)	H BALANCE TO FINISH (C - G)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD			
1	GENERAL CONDITIONS						
2	SITE WORK	\$105,097.00	\$74,020.00	\$10,800.00	\$0.00	\$84,820.00	\$20,277.00
3	SITE UTILITIES	\$117,415.00	\$37,900.00	\$10,200.00	\$0.00	\$48,100.00	\$69,315.00
4	SITB CONCRETE	\$61,837.00	\$14,000.00	\$25,600.00	\$0.00	\$39,600.00	\$22,237.00
5	SITE LIGHTING	\$16,024.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,024.00
6	LANDSCAPING	\$10,200.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,200.00
7	IRRIGATION	\$25,328.00	\$0.00	\$0.00	\$0.00	\$0.00	\$25,328.00
8	CONCRETE	\$4,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,500.00
9	REBAR	\$206,423.00	\$172,510.00	\$21,500.00	\$0.00	\$200,030.00	\$6,393.00
10	MASONRY	\$35,525.00	\$30,525.00	\$4,100.00	\$0.00	\$34,625.00	\$900.00
11	METALS	\$185,345.00	\$93,060.00	\$10,587.00	\$0.00	\$103,647.00	\$81,698.00
12	WOODS AND PLASTICS	\$55,410.00	\$8,790.00	\$0.00	\$0.00	\$8,790.00	\$46,620.00
13	THERMAL & MOISTURE PROTECTION	\$42,848.00	\$15,708.00	\$21,300.00	\$0.00	\$37,008.00	\$5,840.00
14	DOORS & WINDOWS	\$56,072.00	\$17,500.00	\$2,800.00	\$0.00	\$20,300.00	\$35,772.00
15	FRAMING & DRYWALL	\$147,878.00	\$109,084.00	\$0.00	\$0.00	\$109,084.00	\$38,794.00
16	FLOORING	\$74,461.00	\$29,600.00	\$15,100.00	\$0.00	\$44,700.00	\$29,761.00
17	PAINTING	\$15,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00
18	SPECIALTIES	\$30,000.00	\$0.00	\$2,560.00	\$0.00	\$2,560.00	\$27,440.00
19	FURNISHINGS (Casework)	\$16,144.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,144.00
20	CONVEYING SYSTEMS	\$7,016.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,016.00
21	PLUMBING	\$61,000.00	\$6,500.00	\$0.00	\$0.00	\$6,500.00	\$54,500.00
22	HVAC	\$28,000.00	\$8,100.00	\$0.00	\$0.00	\$8,100.00	\$19,900.00
23	ELECTRICAL	\$56,900.00	\$4,900.00	\$7,200.00	\$0.00	\$12,100.00	\$44,800.00
24	C/O #1 BLDG. 900 REVISED ELECTRICAL	\$98,240.00	\$70,330.00	\$3,200.00	\$0.00	\$73,530.00	\$24,710.00
25	C/O #2 BLDG. 914 REVISED ELECTRICAL	\$71,401.00	\$0.00	\$14,000.00	\$0.00	\$14,000.00	\$57,401.00
26	C/O #3 GENERATOR	\$38,000.00	\$0.00	\$7,230.00	\$0.00	\$7,230.00	\$30,770.00
		\$78,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$78,000.00

<b>GRAND TOTALS</b>		\$1,644,064.00	\$692,547.00	\$162,177.00	\$0.00	\$854,724.00	\$789,340.00
							51.99%

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G703-1992

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this 15 day of May, 2003, by and between:

SIXTH STREET PLAZA, INC., a for profit corporation of the State of Florida, its successors and assigns (hereinafter, "Lessor"),

and

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, a body corporate and politic of the State of Florida created pursuant to Part III, Chapter 163, its successors and assigns (hereinafter, "Lessee").

For and in consideration of the mutual covenants exchanged herein, Lessor and Lessee do hereby agree as follows:

ARTICLE 1
AGREEMENT FOR USE AND OCCUPANCY

1.1 Definitions. Unless otherwise provided herein, those terms capitalized in this Lease Agreement shall have the same meanings as provided in the Development Agreement between the Fort Lauderdale Community Redevelopment Agency and Sixth Street Plaza, Inc. (hereinafter "Development Agreement").

1.2 Description of Property. As used herein, the Property consists of that parcel of land located in Fort Lauderdale, Broward County, Florida having a street address of 914 N. W. 6th Street, Fort Lauderdale, Florida 33311 and legally described as follows:

Lots 1 through 5, Block 1, and Lots 10 through 12, Block 1 of Tuskegee Park according to the plat thereof as recorded in Plat Book 3, Page 9 of the Florida Public Records of Broward County Florida (hereinafter referred to as "Property").

1.3 Description of Building. As used herein, the Building is that two story building to be constructed on the Property in accordance with the Site Plan on file with the City of Fort Lauderdale as the same may be amended from time to time, and will be referred to as "Exhibit A" to this Lease Agreement.

**1.4 Description of Leased Premises.**

1.4.1 The Leased Premises will consist of a portion of the first floor and all of the second floor of the Building and includes rentable square footage of approximately 2000 square feet on the first floor and 4,000 square feet on the second floor. The term "within the Leased Premises" shall include the interior surface of the walls, floors and ceilings, but shall not include the areas below the surface of the floor, above the ceiling and the areas within the interior and exterior walls. In addition, the Leased Premises includes three (3) fully functional, plumbed and finished bathrooms with all required fixtures for exclusive use of the Lessee, one unisex bathroom on the first floor and two bathrooms on the second floor.

1.4.2 It is understood and agreed that the Leased Premises will be a part of the Building to be constructed by Lessor on the Property in accordance with the Development Agreement. The specifications for the interior tenant improvements to the Leased Premises are to be provided by Lessee to Lessor as provided in the Development Agreement, and when approved and constructed by the Lessor, those plans shall become a part of the description of the Leased Premises and attached hereto as "Exhibit B".

**1.5 Lease of Leased Premises.** Effective on the Commencement Date as provided in Article 2.2 of this Lease, Lessor leases to Lessee and Lessee hires and takes the Leased Premises upon the terms and conditions hereinafter set forth. Leasing of the Lease Premises shall also include the right to access thereto through the front entranceway, ground floor lobby, elevator and stairwells.

**1.6 Permitted Use and Occupancy.** The Leased Premises are to be used and occupied by Lessee solely for the purpose of general and executive governmental offices, employee training center and limited capacity public governmental meetings and the Lessee shall not use the Leased Premises for any other purpose without the express written consent of Lessor, which such consent shall not be unreasonably withheld.

**1.7 Lessor's Construction.** Lessee understands and agrees that the Lessor, at its sole discretion, may remodel its, Lessor's, space (including certain common areas) within the Building during the Lease Term and Lessor will make every reasonable attempt to not interfere with the normal access and use of the Leased Premises and access thereto during the construction period.

1.8 Parking spaces. In conjunction with the normal use and occupancy of the Leased Premises, Lessee shall also be entitled to the use of a minimum of seventy five percent (75%) of the required parking spaces for the Building, said dedicated parking spaces to be designated by Lessor. Lessor reserves the right to change the location of the dedicated parking spaces, provided such parking spaces are always located on the Property.

1.9 Access to the Leased Premises. Lessor shall supply elevator service to the Leased Premises during Lessor's normal business hours. For all periods during which elevator service is not supplied by Lessor, Lessee shall access the Leased Premises through a lobby, stairwells or any combination of same, accessible from the exterior of the Building. Lessor shall supply keys to Lessee for access of the stairwells during those hours that elevator service is not available. In the event Lessee is required by law to provide elevator service to its employees or invitees at hours other than normal business hours, Lessor shall provide such use during Lessee's normal business hours. Lessee shall pay Lessor the reasonable cost of such additional elevator service upon Lessor rendering an invoice to Lessee for such additional service.

1.10 Non-smoking. The Building and Leased Premises are designated as non-smoking areas and smoking shall be strictly prohibited therein.

## ARTICLE 2

### TERM AND COMMENCEMENT DATE

2.1 Term of Lease. Lessee may use and occupy the Leased Premises for a term of seven (7) years from the Commencement Date (hereinafter referred to as "Lease Term").

2.2 Commencement Date. The Commencement Date of the Lease Term shall be January 1, 2006, or on the first of any given month subsequent to the Completion Date of the Project including the Building as described in the Development Agreement and a total and permanent certificate of occupancy is issued by the City and such other governmental entities necessary to open and use the Project including the Building for public use, all tenant improvements for the Leased Premises are complete and Lessee is able to move into the Leased Premises, whichever date is earlier. In the event a total and complete certificate of occupancy is not issued on or before January 1, 2006 for each and every part of the Project, then this Lease shall terminate and be of no further force and effect and the provisions of Article 12.8 shall apply and thereafter neither party shall have any obligation to the other under this Lease Agreement.

2.3 Option to renew. Lessee shall have the option to renew this lease for an additional seven (7) years ("Additional Term"), upon the same terms and conditions with an option by the Lessee to agree to an adjustment of the base rent to increase no more than 4%, compounded annually, for years 8 through 15 starting with year 8. If Lessee does not agree to the increase in the base rent proposed by Lessor, this Lease shall terminate and be of no further force and effect and the provisions of Article 12.8 shall apply and neither party shall have any obligation to the other under this Lease Agreement.

### ARTICLE 3 RENT

3.1 Amount and Payment of Rent. Lessee shall pay a Minimum Base Rent of \$96,000.00 per year. The Minimum Base Rent shall be paid in equal monthly installments of \$8,000 per month, plus applicable sales or use taxes, starting on the Commencement Date and continuing the first (1st) day of each and every month thereafter for the Lease Term. Lease payments shall be made payable to Space Realty delivered to Sixth Street Plaza, Inc. located at P. O. Box 14303, Fort Lauderdale, FL, 33302 (Attention: Maria J. Freeman) or such other address as identified by Lessor in a written notice.

3.2 Exemption from sales tax. Lessee is a municipal corporation and is utilizing the Leased Premises for governmental purposes only and is therefore exempt from sales, use or other governmental taxes resulting from its use, rental and occupancy of the Leased Premises. Any sales or governmental taxes on the minimum annual rent shall be paid by Lessee only to the extent that it no longer is entitled to an exemption for any such tax.

### ARTICLE 4 ADDITIONAL PAYMENTS.

4.1 Additional Rent. In addition to the annual Minimum Base Rent payment under Paragraph 3.1, all other payments that Lessee owes under this Lease are considered Additional Rent, regardless of whether or not the payments are so designated.

#### 4.2 Real Estate Taxes and Utilities.

(a) During the Term, except as may otherwise be specified herein, Lessee, as Additional Rent, shall pay 75% of the charges accruing during its tenancy of the following: (i) ad valorem real estate taxes; (ii) electrical service billings for the Building; (iii) trash removal for the Building; and (iv) water/sewer service for the Building.

(b) For the first year of the Lease Term the Additional Rents under subparagraph (a) above shall be based on good faith budgeted estimates from calendar year 2002. On the first day of each month during the Lease Term, Lessee shall pay to Lessor, as Additional Rent, the following sums:

Real Estate Taxes	\$ 937.50
Water/Sewer/Trash from City	312.50
Insurance (Building & Liability)	281.25

It is understood and agreed that the above figures are 75% of the Lessor's budgeted monthly amounts for each category.

It is understood and agreed that electricity for use of the Leased Premises shall be separately metered and 10% of the electric bill for electricity provided exclusively for use in connection with the Leased Premises shall be paid by Lessee.

(c) Lessor shall have the right at the end of each year to adjust the contributions set forth in this Section 4.2 for the next year based on its good faith budgeted estimates. Lessee shall also be obligated to pay the difference, if any, between the amount Lessee has previously paid to Lessor pursuant to this Section and Lessee's actual pro rata share of the items set forth above when determined at the close of each year. Any payments due under this subparagraph as a result of readjustment of past figures shall be made within thirty (30) days of Lessor's written demand. Only after payment in full of the foregoing charges pursuant to Lessor's notice, and only if Lessee is not in default of any other provision hereof, Lessee shall have the right to request, inspect and examine the Lessor's books of account and records pertaining only to the foregoing charges.

(d) With respect to electrical charges, such rate is predicated upon Lessee's hours of operation being 8:00 AM to 7:30 PM, Monday through Friday. In the course of any calendar month, if Lessee's monthly hours of operation exceed that stated above by twenty percent (20%), then in that event Lessee agrees that it will pay a ten percent (10%) premium for electrical usage for that calendar month.

(e) Lessee may, in its sole discretion, apply for an exemption from ad valorem real estate taxes for the Leased Premises. For the purposes of this subparagraph it is stipulated that Lessee occupies 75% of the Building and in the absence of such an exemption is under the terms of this Lease obligated to pay to the Lessor an amount equal to 75% of the ad valorem real estate taxes for the Property, unless otherwise specified.

⑦

**DEVELOPMENT AGREEMENT**  
**Sixth Street Plaza Project**

This Development Agreement ("Agreement") is made and entered into this 15 day of May, 2003, by and between:

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, a body corporate and politic of the State of Florida created pursuant to Part III, Chapter 163, Florida Statutes (the "Agency"),

and

SIXTH STREET PLAZA, INC., a Florida for profit corporation (the "Developer").

WITNESSETH:

WHEREAS, in December, 2000, the Agency published in accordance with §163.370 and §163.380, Florida Statutes (1999), a Invitation to Submit Proposals for Providing Office Space for Certain City Offices in the Midtown Business District (the "Invitation") for the development of a commercial office complex project to be located in and around the Midtown Business District and on Northwest Sixth Street a/k/a as "Sistrunk Boulevard" in the City of Fort Lauderdale (the "City") and in the Northwest Progresso Flagler Heights Community Redevelopment Area (the "Area"); and

WHEREAS, on March 7, 2001, in response to the Invitation, Sixth Street Plaza, Inc. submitted a certain Proposal (the "Proposal"), providing for the development of the Project (as hereinafter defined), together with certain improvements, on property described as the "Project Site" as is more particularly described in the Developer's Site Plan, the initial form of which is attached hereto as Exhibit "D"; and

WHEREAS, the Agency has indicated its intention to accept the Proposal subject to the preparation, approval and execution of a development agreement for the Project; and

WHEREAS, the Developer owns the Project Site, and the Developer desires to develop the Project Site for retail and office use; and

WHEREAS, to encourage the development of commercial, retail and Class "B" office space in the Midtown Business District and within the Area, the Agency will contribute \$57,619.00 to the

Project Lender to be applied to the Developer's payment of principal of the Project Financing for the Project; and

WHEREAS, to further encourage the development of commercial, retail and Class "B" office space in the Midtown Business District and within the Area, the Agency will after all other funds available to the Developer have been applied to payment of costs of the development of the Project, the Agency will contribute to the Project as provided in this Agreement the amount of \$340,571.00 in consideration of the development of the Project by the Developer in accordance with the requirements of this Agreement; and

WHEREAS, to satisfy office space needs of the Agency and to further encourage the development of commercial, retail and class "B" office space in the Midtown Business District and within the Area, and to further induce Developer to develop the Project, the Agency shall enter into and execute a commercial office lease agreement with Developer (the "Lease"), which lease agreement shall obligate the Agency to lease not less than six thousand (6,000) square feet of class "B" office space in the Project for a term of not less than seven (7) years, and upon additional terms and conditions that are more particularly set forth in the Lease; and

WHEREAS, the Agency and the Developer are desirous of entering into this Agreement to effectuate the development of the Project;

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

#### ARTICLE 1 DEFINITIONS

1. For the purposes of this Agreement the following initially capitalized terms when used in this Agreement (except as herein and otherwise expressly provided or required by the context) shall have the following meanings:

1.1 Advisory Board. The Advisory Board to the Agency for the Area.

1.2 Act. Part III, Chapter 163, Florida Statutes, and any amendments or revisions thereto.

1.3 Agency. The Fort Lauderdale Community Redevelopment Agency, and its successors or assigns.

1.4 Agency Architect. The individuals, partnerships, firms or other persons retained by the Agency as architects to review the Plans and Specifications for the Project and the Tenant Improvements, and any engineers, planners, designers, consultants, or others retained by the Agency for such review.

1.5 Agency Funds. Collectively, the (i) \$57,619.00 payment made by the Agency to the Project Lender pursuant to the Agency's Low Interest Loan Program, and (ii) the \$340,571.00 payment made by the Agency to the Project Lender in consideration of the development of the Project, all as more particularly provided for in Section 5.6.

1.6 Agency's Low Interest Loan Program. The business incentive provided by the Agency in the Area pursuant to which the Agency subsidizes up to 50% of the principal amount of loans obtained for major rehabilitation or reconstruction projects within the Area.

1.7 Agreement. This Development Agreement, and any exhibits or amendments thereto.

1.8 Alleyway. That certain public right-of-way identified as an alleyway on the Site Plan.

1.9 Area or Community Redevelopment Area. The community redevelopment area, known and referred to as the Northwest Progresso Flagler Heights Redevelopment Area, located within the corporate limits of the City and constituting an area in which conditions of blight exist and in which the Agency may carry out community redevelopment projects pursuant to Part III, Chapter 163, Florida Statutes, as amended, as found and declared by the City Commission in this Resolution No. 95-86 adopted on June 20, 1995, as amended by Resolution No. 01-121, adopted on July 10, 2001, and established as the area of operation of the Agency by Resolution No. 95-86 and for which a community redevelopment plan for the Northwest Progresso Flagler Heights Redevelopment Area was approved by the City Commission in Resolution No. 95-170 on November 7, 1995, as amended on May 15, 2001 by Resolution No. 01-86 ("Plan").

1.10 Authorized Representative. The person designated and appointed from time to time as such by any party to act on behalf of a party as provided in the Development Agreement or Lease Agreement.

1.11 Bond. A statutory payment and performance bond conforming to Chapter 713, Florida Statutes, underwritten by a Surety acceptable to the Agency and Project Lender in an amount at least equal to the cost of site work and vertical

construction, performed by a Contractor, of all or that portion of the Project for which a Construction Contract between Developer and that Contractor is written, guaranteeing the Project Lender and the Agency the completion of the site work and vertical construction of all or that portion of the Project for which that Construction Contract was written, as well as full payment of all suppliers, materialmen, laborers and subcontractors employed to provide services to complete all or that portion of the Project for which that Construction Contract was written.

1.12 Building Permit. The one or more permits, required by the City or any other applicable governmental authority having jurisdiction over the Project, to be issued after the Permits have been obtained, but required before commencement of any construction of the Project, including demolition of any structure located on the Project Site.

1.13 City. The City of Fort Lauderdale, a Florida municipal corporation, and its successors and/or assigns, and any officers, employees and agents thereof.

1.14 Class B Office Space. That type and quality of office space customarily referred to as such in the commercial real estate industry in the City.

1.15 Commencement Date. The date upon which the Developer issues a notice to proceed to the Contractor to commence construction of the Project, which date shall be identified by the Developer in a notice to Agency and which date shall be no later than sixty (60) days after Loan Closing Date.

1.16 Completion Date. The date on which the construction of the Project has been substantially completed and a certificate of occupancy has been issued by the City or other appropriate governmental authority having jurisdiction and authority to do so and necessary to open and use the building for public use and allowing the Project, including but not limited to the Office Space, to be used for the purposes contemplated by this Agreement and the Lease, including the completion of Tenant Improvements contemplated by the Lease.

1.17 Contractor. One or more individuals or firms licensed as a general contractor by the State of Florida, bonded to the extent required by applicable law, approved by the Agency and hired by the Developer to construct any part of or the entire Project, or both.

1.18 Construction Contract. Contract or contracts between the Developer and the Contractor for the construction of all or any part of the Project.

1.19 Construction Period. The period of time beginning on the Commencement Date and ending on the Completion Date, which shall be no more than eighteen (18) months from the Commencement Date.

1.20 Developer. Sixth Street Plaza, Inc., a Florida for-profit corporation or its successors or assigns.

1.21 Developer's Architect. Such individuals, partnerships, firms or other persons retained by Developer as architects to prepare the plans and specifications for the Project, and any engineers, planners, designers, consultants, or others retained by the Developer or any architect retained by the Developer in connection with the preparation thereof.

1.22 Developer's Equity. Those funds or assets provided by the Developer to pay costs of or to provide for the development of the Project, be they pre-construction or construction costs, which do not constitute any of the funds provided by the Project Financing or any of the Agency Funds.

1.23 Developer Interests. The Developer's interest in the Project Site and all improvements thereon, this Agreement and all related or appurtenant property and rights.

1.24 Effective Date. The date on which this Agreement is executed by both parties as dated at the beginning of this Agreement.

1.25 Executive Director. The Executive Director of the Agency as designated and appointed by the governing body of the Agency, and the designees thereof.

1.26 Exhibits. The exhibits attached hereto and made a part of this Agreement.

1.27 Force Majeure. The following described events that for the purposes of Section 16.1 of this Agreement result in delays in any performance contemplated by and set forth in this Agreement: fire, flood, earthquake, hurricane; unavailability of labor, materials, equipment or fuel; war, declaration of hostilities, terrorist attack, revolt, civil strife, altercation or commotion, strike, labor dispute, or epidemic; archaeological excavation; lack of or failure of transportation facilities; any law, order, proclamation, regulation, or ordinance of any government or any subdivision thereof except the City, or acts of God.

1.28 Lease. That certain commercial office space lease between Developer as Lessor and the Agency as Lessee for the

lease of the Office Space, the form of which is attached hereto as Exhibit "B".

1.29 Loan Closing Date. The date the Developer closes its Project Financing, which date shall be no later than as provided in Article 5.1.

1.30 Office Space. The not less than six thousand (6,000) square feet of Class B office space in the Project leased by the Agency pursuant to the Lease.

1.31 Permits. Any permits, licenses, certificates or other approvals or consents of the City or any other governmental authority having jurisdiction over the Project or the Project Site required to be issued or granted before issuance of the Building Permit and commencement of construction of the Project, including, without limitation, approvals or consents relating to zoning, land use, or environmental regulations and the vacation of the Alleyway contemplated by this Agreement.

1.32 Plans and Specifications. Architectural, engineering and construction documents constituting the concept documents, preliminary plans and drawings, schematic design documents, design development documents and construction documents for the Project prepared by the Developer's Architect including Tenant Improvements.

1.33 Project. The design and construction of approximately eight thousand (8,000) square feet of new Class "B" office space and the design and renovation of fourteen thousand (14,000) square feet of existing retail and office space with a total parking supply of seventy-two (72) parking spaces, or such number of parking spaces as shown on the approved Site Plan, and including all landscaping, lighting, utilities and other appurtenant facilities, improvements or installations as may be amended from time to time and subject to site plan approval by City, and including Tenant Improvements all to be located on the Project Site, and as described in the Proposal which is merged into the definition of the Project.

1.34 Project Financing. The loan to the Developer by one or more Project Lenders to finance the construction of the Project, which together with Agency Funds and Developer's Equity will finance the entire cost of completion of the Project.

1.35 Project Lender. Means (i) any financial institution or (ii) any other entity approved by the Executive Director, which has issued or may issue a commitment to provide the Project Financing to Developer and which commitment is or has been accepted by the Developer, or who may have loaned such funds to the Developer pursuant to such commitment or otherwise, but does

not include the Developer.

1.36 Project Schedule. The schedule for the commencement and completion of construction of the Project, the initial form of which is attached hereto as Exhibit "C".

1.37 Project Site. The property located at the southwest corner of Northwest Ninth Avenue and Sistrunk Boulevard on which will be located the Project as more particularly described in Exhibit "A."

1.38 Right to Contest. Procedures set forth in Section 15.3.

1.39 Shell. The entire exterior of the building including foundation, walls, windows, doors, roof, exterior architectural details, completed common areas and three (3) fully finished and functional restrooms, and the interior surface of the exterior walls taped, mudded, and sanded to the extent that the interior surface of the exterior walls are finished and ready to receive paint, floors but not floor coverings and ceilings, but shall not include the areas below the surface of the floor, above the ceiling and the areas within the interior and exterior walls excepting conduit, wiring, and other appurtenant elements for accommodating future outlets, phone and data jacks, and switches for overhead lights.

1.40 Site Plan. Design plans, drawings, and other descriptions of the Project indicating in general terms the size and location of the Developer's proposed improvements to the Project Site and the Alleyway, the initial version of which is attached hereto as Exhibit "A."

1.41 Tenant Improvements. The construction, installation, equipping and finishing of improvements to the Office Space beyond the Shell, as described and shown in the Tenant Improvements Plan, so that the Office Space is available and ready for use by the Agency for its intended purpose as office space.

1.42 Tenant Improvement Plan. The space plan drawing and documents prepared by Tenant Architect and submitted by Tenant showing the conceptual Tenant Improvements to be constructed as provided in this Agreement.

2. Use of Words and Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the singular shall include the plural as well as the singular number, and the word "person" shall include corporations and associations, including public bodies, as well

as natural persons. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Agreement and not solely to the particular portion thereof in which any such word is used.

3. Including. As used herein, the term "include," "including" and similar terms shall be construed as if followed by the words "without limitation."

4. Florida Statutes. References to Florida Statutes herein are to Florida Statutes (2002), as same shall be amended from time to time.

## ARTICLE 2 FINDINGS

2.1. Findings. The Agency and the Developer do hereby find and acknowledge the following as of the Effective Date:

- (a) The Developer represents that it owns the Project Site.
- (b) The Agency desires to encourage and assist the development of retail and Class "B" office space in the Midtown Business District and within the Area, and it is necessary for the Agency to financially assist projects providing such retail and office space in the Area.
- (c) The Developer qualifies for financial assistance under the Agency's Low Interest Loan Program.
- (d) The Developer needs assistance from the Agency and that but for the commitment by the Agency to pay \$340,571 to be used to pay costs of developing the Project after exhaustion of funds from Developer's Equity and the Project Financing, and to pay \$57,321 to be applied to principal of the Project Financing under the Agency's Low Interest Loan Program, the Developer would be unable to develop the Project as contemplated by this Agreement.
- (e) The Agency has determined that the Agency is in need of not less than 6,000 square feet of office space in the Area. The Agency has further determined that it is necessary to encourage the development of retail and class "B" office space in the Midtown Business District and within the Area, and to further induce Developer to develop the Project, and to encourage such development the Agency shall enter into and execute the Lease, which shall obligate the Agency to lease the Office Space for a term of not less than seven (7) years, and upon additional terms and conditions as are more particularly set forth in the Lease, the form of which is attached hereto as Exhibit "B".

(f) To encourage the development of the retail and office space in the Midtown Business District the Agency intends to design, install and construct certain infrastructure improvements on and along Sistrunk Boulevard or the Agency intends to cause the City to design, install and construct certain infrastructure improvements on and along Sistrunk Boulevard.

(g) The Project is necessary for carrying out the community redevelopment objectives in the Area as set forth in the Plan.

(h) The public benefits accruing from the Project (i) warrant the contribution and expenditure of the Agency Funds, (ii) are for a public purpose, (iii) are in the public interest, and (iv) further the goals and objectives of the Plan.

### ARTICLE 3 PROJECT SITE

3.1 The Developer represents to the Agency that, subject to rezoning of the Project Site and vacation of the Alleyway, the Project Site is appropriate and available for development of the Project thereon.

3.2 The Developer represents to the Agency that the Project Site does not contain any adverse environmental conditions that will prevent or adversely affect development of the Project thereon or the use of the Project as described in this Development Agreement following the Completion Date.

3.3 The Developer covenants and agrees with the Agency that other than leases of office or retail space in the Project in the normal course of business it will not convey or lease all or substantially all of the Project Site to any other person during the term of this Agreement unless and until the Agency approves such conveyance or lease.

### ARTICLE 4 PROJECT PLANS AND GOVERNMENTAL APPROVALS

#### 4.1 Site Plan.

(a) The Developer will submit the Site Plan to the City for review in accordance with the Unified Land Development Regulations and will diligently continue the review process until the Site Plan is approved by the City.

(b) No later than thirty (30) days after the Effective

Date, the Developer shall submit the Site Plan to the Agency staff for review. The Agency staff shall notify the Developer within fifteen (15) business days of receipt of the Site Plan of its approval or any changes required for approval. Failure of the Agency staff to respond within fifteen (15) business days shall constitute Agency's approval of the Site Plan that conforms to the terms of this Agreement. Review of the Site Plan by the Agency staff may, in the discretion of the Agency staff, include review and comment by the Advisory Board. The Agency review of the Site Plan pursuant to this subsection (b) does not constitute a review under the City's Unified Land Development Regulations.

(c) The Developer agrees to make such changes to the Site Plan as are requested or required by Agency staff within fifteen (15) business days of receipt of notification of requested or required changes.

#### 4.2 Plans and Specifications.

(a) The Developer will retain the Developer's Architect and direct the Developer's Architect to prepare the Plans and Specifications, which shall be consistent with the Site Plan as approved by the Agency and Tenant Improvements Plan approved by Agency. The Agency Architect will review the Plans and Specifications prepared by the Developer's Architect and will submit to the Developer's Architect any changes to such Plans and Specifications desired by the Agency, which changes shall be incorporated into the Plans and Specifications.

(b) The Agency does hereby consent to the preparation of the Plans and Specifications, and any revisions thereto, by the Developer's Architect. The Agency acknowledges and agrees that the selection of the Developer's Architect is the sole responsibility of, and within the discretion of, the Developer, and the Agency will not participate, and has not previously participated, in such selection by the Developer. The parties hereto mutually acknowledge and agree that the Developer's Architect is not an agent, either expressed or implied, of the Agency. The Developer represents to the Agency that the selection of the Developer's Architect is not subject to the requirements of Section 287.055, Florida Statutes, known and referred to as the Consultants Competitive Negotiation Act.

(c) The Developer agrees that in the event of a default by the Developer under this Agreement or the Construction Contract resulting in the Agency assuming the role of the Developer in the construction and completion of the Project,

then the Plans and Specifications shall be provided to the Agency and the Agency may use and rely on such Plans and Specifications to continue the construction of the Project. The Developer covenants with the Agency that it will in its contract with the Developer's Architect provide for the delivery to and use by the Agency of the Plans and Specifications in the event of a default by the Developer and the Agency electing to proceed with construction of the Project and the Developer further covenants with the Agency that it will provide in such contract with the Developer's Architect that the Developer's Architect will not object to the use of such Plans and Specifications by the Agency and the Developer's Architect will cooperate with and assist the Agency in the completion of the Project.

4.3 Permits. The Developer shall file, on or before the time provided in the Project Schedule, the Plans and Specifications to the City for review and approval in accordance with its customary procedures for review of plans and specifications required for issuance of any of the Permits and issuance of the Building Permit. Developer shall be responsible for any fees and costs associated with the application and approval of the required Permits including but not limited to the application for rezoning and vacation of right of way.

4.4. Rezoning. If necessary to develop the Project on the Project Site, the Developer will apply for the rezoning of the Project Site or part thereof. Such rezoning shall not substantially alter the Project as contemplated by this Agreement, the Site Plan or the Lease. The Agency shall be the sole and exclusive judge of whether such rezoning "substantially alters" the Project as contemplated.

4.5 Vacation of Public Right of Way. If necessary to develop the Project on the Project Site, the Developer shall apply to the City for vacation of that certain public right-of-way identified on the Site Plan as the Alleyway. Such vacation of right-of-way or denial of the vacation shall not substantially alter the Project as contemplated by this Agreement. The Agency shall be the sole and exclusive judge of whether such vacation "substantially alters" the Project as contemplated.

4.6 Agency Assistance.

(a) The Agency staff shall assist and cooperate with the Developer in obtaining the Permits, the rezoning and the vacation of right-of-way, including but not limited to approval of the Site Plan and the Building Permit.

(b) The Agency's staff assistance and cooperation with the Developer contemplated by section shall not affect the

City's right to act on regulatory matters in its governmental capacity in accordance with all applicable laws or ordinances. Nothing in this Agreement shall be construed or deemed to contractually or otherwise obligate the City to enact any ordinance or take any other action rezoning or vacating any right-of-way on the Project Site, or any part thereof.

(c) The permitting, licensing and other regulatory approvals by the City shall be in accordance with the established procedures and requirements of the City for projects of a similar type and nature as the Project.

ARTICLE 5  
PROJECT FINANCING

5.1 Project Financing Application. The Developer has represented to the Agency that the development of the Project is contingent on the Developer obtaining the Project Financing. Developer, at its cost, shall make application to a Project Lender in a timely manner so that the Project Lender may approve or not approve Project Financing within six (6) months of the Effective Date of this Development Agreement. If Project Financing is not approved by the Project Lender within six (6) months of the Effective Date of the Development Agreement, and the Project Financing is not closed on or before six (6) months from the date the Project Lender approves the Project Financing; the Agency may in its discretion immediately terminate this Agreement or it may notify the Developer that the Agreement will terminate as of a stated time if the Project Financing is not obtained by the Developer on or before the stated date.

5.2 Project Financing. The Developer may mortgage, pledge, grant a security interest in or assign as security for the Project Financing, its Developer's Interests, as the Developer in its discretion shall determine, provided that notice of any such mortgage, pledge, grant or any assignment of this Agreement by the Developer to a Project Lender shall be subject to the approval of the Executive Director as provided in Section 5.3.

5.3 Developer to Furnish Name and Address of Project Lender. The Developer shall promptly, after receipt of a written commitment from any Project Lender, furnish the Agency with the name and address of that Project Lender and disclose the terms of such financing to the Executive Director. Any such Project Financing shall be subject to the approval of the Executive Director.

5.4 Project Financing Notices and Remedies.

(a) If the Developer shall commit any act or fail to act,

and such action or failure of action shall be reasonably declared a default under any agreement, instrument or document pertaining to the Project Financing and the Developer is unable or unwilling to cure such default under such agreement, instrument, or document during the time period provided by such agreement, instrument or document in which to cure such a default, or, if no such period is provided, then within a reasonable period of time taking into account the nature and extent of the default, then the Developer and such Project Lender shall promptly give written notice to the Agency of such default by the Developer, which notice shall include a description of the default, the description of the agreement, instrument or document and the particular provision thereof under which the default arises, and the Developer's refusal or inability to cure such default. The Developer and the Project Lender shall provide the Agency with copies of all pleadings relative to any legal proceedings to enforce any mortgages encumbering the Project Site or the Project, or any part thereof.

(b) Whenever the Agency, pursuant to this Agreement, shall deliver any notice to the Developer of any breach of any covenant or any default by the Developer under this Agreement, the Agency, shall, at the same time, serve a copy of such written notice or demand upon any Project Lender as most recently provided to the Agency by the Developer. Any Project Lender may, within the applicable periods specified in this Section 5.4 or as otherwise provided in this Agreement, remedy the breach or default in question, or cause the same to be remedied, and the Agency shall accept such performance by or at the instance of such Project Lender as if the same had been made by the Developer. No such breach or default shall be deemed to exist in respect of the performance of work required to be performed, or acts to be done, or of conditions to be remedied, if steps shall, in good faith, have been commenced within the time period prescribed herein to rectify the same and shall be prosecuted to completion with diligence and continuity by the party in question. Failure of the notice by the Agency under this subsection (b) to be received by any Project Lender shall not bar or delay the Agency from proceeding with any action it may pursue or remedy it may seek under this Agreement.

(c) Notwithstanding any contrary term or provision set forth in this Agreement, upon the occurrence of an event of default or breach of covenant by the Developer under this Agreement, and after expiration of any applicable grace period provided for the Developer to cure or cause to be

cured such default, then the Agency shall not take any action to terminate this Agreement or to recover or disturb possession of all or any part of the Project Site (a "Termination Right") if any Project Lender (including the holder of mortgage) is complying with the terms of this Article 5.

(d) After the occurrence of such default or breach and after expiration of any such applicable grace periods, the Agency shall notify any such Project Lender of such default or breach and the expiration of such applicable grace periods.

(e) Any such Project Lender shall have the right, but not the obligation, (i) to promptly cure or remedy such default or breach, or (ii) to commence the exercise of its rights under the Project Financing to obtain possession of the mortgaged or encumbered property (including by seeking the appointment of a receiver) by instituting, prosecuting and completing foreclosure proceedings to acquire Developer's Interests.

(f) The Agency shall not take any action to exercise a Termination Right so long as within a reasonable time after such notice is given (but in no event less than sixty (60) days thereafter), any Project Lender shall (i) commence to cure such default or breach, or (ii) commence to exercise its rights under the Project Financing to obtain possession of the mortgage or encumbered property, and thereafter shall prosecute such cure or exercise to completion with diligence and continuity, in either case subject to any restraint, stay or injunction which may be imposed by any court as a matter of law, including, without limitation, pursuant to the Federal Bankruptcy Code, as amended.

(g) If a Project Lender takes possession of Developer's Interests, such Project Lender within a reasonable time under the circumstances after obtaining possession or acquiring Developer's Interests shall cure any such pre-existing default or breach which is reasonably susceptible of being performed thereby, including, without limitation, completion of construction of the Project.

(h) Upon a Project Lender's obtaining possession of Developer's Interests, and so long as such Project Lender is proceeding, as provided herein, to cure those defaults which such lender is obligated to cure hereunder, and is performing all obligations of the Developer as are set forth in this Agreement, then this Agreement shall not be terminated by the Agency, nor shall the Agency seek to exercise any Termination Right, and the Project Lender shall

attorn to the Agency, and the Agency shall recognize the Project Lender as the "Developer" for all purposes contemplated by this Agreement.

5.5 Obligations of Persons, Including Lenders, Succeeding to Developer's Interests. Any person or entity, including any Project Lender, succeeding to Developer's Interests: (i) under any judicial sale made under a mortgage or as the result of any action or remedy provided therein, (ii) by foreclosure proceeding or deed, assignment or other action in lieu thereof in connection with any mortgage, (iii) as a result of any legal process or proceedings (other than eminent domain proceedings initiated by any public authority) or (iv) by voluntary or involuntary action by or against the Developer, shall thereby become fully bound by all of the provisions of this Agreement (if not previously terminated) subject to the terms and conditions of this Article 5; provided, however, that the rights of any such person, including a Project Lender, to an estate in the Project Site or to succeed as "Developer" hereunder and exercise the Developer's rights under this Agreement, are subject to such person complying with the provisions of this Section. As used in this Agreement, the term "not reasonably susceptible of being performed," or similar terms, shall include any non-monetary breach of representations by the Developer, time limitations during which certain actions shall be required, or any other similar breach. No failure to cure permitted under this Article 5 shall be construed to allow any lien or monetary claim to be placed upon the Agency or its interests hereunder, or shall subject the Agency's interests as parties to this Agreement to any risk of forfeiture.

5.6. Agency Funds.

(a) Pursuant to the Agency's Low Interest Loan Program, the Agency agrees to pay to the Project Lender the amount of Fifty-Seven Thousand Six Hundred and Nineteen Dollars (\$57,619.00), which payment shall be made on the date the Developer closes on the Project Financing with the Project Lender. The Project Lender shall apply this payment to the principal on the Project Financing. Pursuant to separate agreement between the Project Lender and the Agency, the Project Lender shall agree to hold in escrow the payment made by the Agency pursuant to this subsection (a) until the Commencement Date. At that time the Project Lender shall apply the payment to the principal on the Project Financing. If the Developer defaults under this Agreement or the Project Financing before the Commencement Date, then the Project Lender shall refund the Agency's payment that was made pursuant to this subsection (a).

(b) In consideration of the Developer developing the

Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender the aggregate amount of Three Hundred Forty Thousand, Five Hundred Seventy One Dollars (\$340,571.00), in installment payments to be agreed upon by the Project Lender and the Agency no later than the Commencement Date. Such amount shall be paid into escrow to be held in an account as agreed upon by Project Lender and Agency on the date of closing on the Project Financing, but shall not be paid from escrow unless and until the Developer has used all of Developer's Equity to pay costs of the Project and all of the funds available from the Project Financing have been used to pay costs of the Project and evidence that such funds have been used for the Project, satisfactory to the Agency is provided to the Agency. Any interest earned on the funds paid into escrow by the Agency shall be paid to the Agency as earned. The Agency may, in its discretion, secure the Developer's obligations under this Agreement in consideration of the payment contemplated by this subsection by a mortgage or other lien upon the Project Site, which may be subordinate to any mortgage or lien securing the Project Financing. If the Developer defaults under this Agreement or the Project Financing, then the balance of any Agency Funds being held in escrow for payment pursuant to this subsection (b) shall be promptly returned to the Agency upon notice of such default being given as provided herein, and evidenced by the Project Lender that it agrees with the requirements of this Agreement and shall be provided to Agency on or before the Loan Closing.

(c) With respect to the Office Space, Developer agrees to pay up to twenty dollars (\$20.00) per square foot for Tenant Improvements. This payment is subject to Developer using such competitive selection procedures to procure the services and materials necessary to construct the Tenant Improvements, as the Agency would be required to use if the Agency was constructing the Tenant Improvements for the Office Space. The selection of any Contractor for the Tenant Improvements and the purchase of any materials for construction, installation and equipping of the Tenant Improvements requires the previous written approval of the Executive Director. Developer shall be responsible for the cost of the Tenant Improvements that exceed the price approved by the Authorized Representative unless otherwise approved by Agency's Authorized Representative.

ARTICLE 6  
PROJECT CONSTRUCTION

6.1 Contractor.

(a) Prior to the Commencement Date, the Developer shall enter into a Construction Contract with a Contractor. The Construction Contract shall include and incorporate by reference all provisions of this Agreement applicable to the Construction Contract or Contractor.

(b) Developer's selection and hiring of the Contractor shall be subject to review and approval by the Agency. The Contractor shall comply with applicable licensing law(s) or ordinance(s) and the posting of any required bond.

(c) The Construction Contract shall provide that, subject to the conditions precedent set forth in Article 13 of this Agreement, the Agency shall receive notice of any defaults thereunder, and shall further provide for a right of the Agency, at the election of the Agency in the absence of curative action by the Developer as contemplated by the Construction Contract, to cure any such default without penalty to the Agency. Furthermore, the Construction Contract shall provide that the Contractor is obligated to complete the performance contemplated by it in the Construction Contract so long as the Contractor is being compensated in accordance with such contract, regardless of whether such payments to the Contractor are made by or received from the Developer or the Agency or any other person or source.

(d) The Contractor shall not be an agent or contractor for or of the Agency, provided, however, this section shall not apply in the event the Construction Contract is assigned by the Developer to the Agency, or the Agency exercises its rights under such contract to cure any default by the Developer thereunder, in which event the Contractor shall be considered a contractor for the Agency, which exercises its right under Article 5, but only for such period of time as the Agency is undertaking any curative action, or until the Developer undertakes such curative action or such default has been cured and the Agency consents to the Developer proceeding with development of the Project.

(e) The Contractor shall obtain prior to the Commencement Date a payment and performance bond that satisfies the requirements of § 255.05, Florida Statutes and includes the Agency as a named obligee, and shall maintain such bond until the Completion Date.

(f) It is the desire of the Agency and the Developer to increase the participation of MBE and WBE businesses in contracting. While the Agency does not have any preference or set aside programs in place, it is committed to a policy of equitable participation for these firms. Developer is encouraged in its contracting and employment relationships involving this Project to secure the participation of qualified MBE and WBE businesses.

6.2 Construction of Project. The Developer shall cause construction of the Project to begin on or before the Commencement Date. Developer shall diligently continue such construction to the Completion Date and shall not abandon the Project Site. The Project shall be constructed in accordance with the Plans and Specifications and the Permits. For purposes of this section 6.2, "abandon" means to cease any significant construction work for a period in excess of thirty (30) consecutive days or more than sixty (60) days over a one year period, where such cessation is not attributable to Force Majeure as provided in Section 16.1, and which cessation effectively thwarts or frustrates advances in the construction of that part of the Project toward completion, including removing all or substantially all the construction work force from the Project Site.

6.3 Encumbrances. While the Project is under construction, the Developer shall notify the Agency promptly of any lien or encumbrance which has been asserted, created on or attached to the realty constituting all or part of the Project Site, whether by the involuntary act of the Developer or otherwise, including mechanics liens.

6.4 In the event the Completion Date has not occurred on or before the termination of the Construction Period, the Agency may in its discretion immediately declare a default pursuant to the provisions of Article 14. The Executive Director may notify the Developer that a default will occur as of a certain date if the Completion Date does not occur on or before such date.

## ARTICLE 7 LEASE OF OFFICE SPACE

7.1 Lease. Effective upon the Completion Date or such other date as may be provided in the Lease, the Agency shall lease the Office Space from the Developer and the Developer shall lease to the Agency the Office Space in accordance with the terms of the Lease.

7.2 Survival of Lease. The parties intend and acknowledge that the Lease shall not be effective any earlier than the

Completion Date and shall survive the expiration of this Agreement unless terminated earlier as provided therein.

ARTICLE 8  
MAINTENANCE, REPAIR AND REPLACEMENT

8.1 Maintenance and Repairs by the Developer. The Developer shall, at its own expense and subject to reasonable construction conditions and activities, keep the Project and Project Site in good and clean order and condition and will promptly make all necessary or appropriate repairs, replacements and renewals, thereof, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original work. When making such repairs, replacements and renewals, the Developer shall comply, if legally required, with all laws, ordinances, codes and regulations then applicable to the Project or Project Site.

8.2 Waste. The Developer shall not permit, commit or suffer waste or impairment of the Project or the Project Site except as may be due to construction activity on the Project Site.

8.3 Project Alterations or Improvements. Before the Completion Date, the Developer may, from time to time, make such alterations and improvements, structural or otherwise, to the Project as the Developer deems desirable and consistent with the construction, maintenance and operation of a retail and Class "B" office building with associated parking and any other facilities or uses to be placed on the Project Site in accordance with the Site Plan and the Plans and Specifications; provided, however, that prior to the commencement of any such alterations or improvements of sufficient size and scope as to require a Building Permit, the Developer shall submit its plans and specifications for such alterations or improvements to the Agency for review in accordance with the appropriate provisions of Section 4.2 and receive approvals thereof from the Agency, City or both as required by the Unified Land Development Regulations prior to undertaking such alterations and improvements.

8.4 Post Completion Maintenance and Repair. Notwithstanding anything else contained in this Agreement or in the Lease, The Developer shall, at its own expense and subject to reasonable construction conditions and activities, keep the Project and Project Site in good and clean order and condition and will promptly make all necessary or appropriate repairs, replacements and renewals, thereof, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original work. When making

such repairs, replacements and renewals, the Developer shall comply, if legally required, with all laws, ordinances, codes and regulations then applicable to the Project or Project Site.

ARTICLE 9  
FIRE OR OTHER CASUALTY

9.1 Any Loss or Damage. Subject to the terms of the Project Financing, the Developer covenants and agrees to diligently commence and complete the reconstruction or repair of any loss or damage by fire or other casualty to the Project to substantially the same size, floor area and general appearance as prior to such loss or damage, promptly after the City or other applicable governmental authority has approved all necessary permits for such reconstruction or repairs. The Agency and the Developer agree that all proceeds of the insurance described in subsections 10.1(a) or 10.1(b) hereof shall be applied as provided in the documents, mortgages, security agreements, indentures, instruments or agreements pertaining to the Project Financing, but in the event such documents, mortgages, security agreements, indentures, instruments or agreements do not provide for the disposition of insurance proceeds, then they shall be applied first to repairs or replacement of the damage or destruction to the Project, and any awards or payments in excess of the insured property shall be paid to the Developer or, to the extent provided in the Project Financing, the appropriate Project Lender and then, to the extent of any remaining funds, to the reimbursement to the Agency of the Agency Funds.

9.2 Partial Loss or Damage. Any loss or damage by fire or other casualty to the Project, or any portion thereof, which renders any part of the Project Site unusable for retail or class "B" office space purposes shall not operate to terminate, relieve or discharge the Developer from the performance and fulfillment of the Developer's obligations pursuant to this Agreement, unless such loss or damage renders unusable a sufficient portion of the Project as to cause the same not to be commercially and economically feasible, in which case, the Developer shall not be obligated to repair or reconstruct the Project and may terminate this Agreement, provided that in such an event the Agency may seek, in its discretion, the reimbursement from the Developer to the Agency of any or all of the Agency Funds paid pursuant to the terms of this Agreement.

9.3 Collection of Insurance Proceeds. Whenever the Project, or any part thereof, shall have been damaged or destroyed, the Developer shall promptly make proof of loss and shall proceed promptly to collect, or cause to be collected, all valid claims that may have arisen against insurers or others based upon such damage or destruction.

9.4 Notice of Loss or Damage. The Developer shall promptly notify the Agency of any significant damage or destruction to the Project, stating the date on which such damage or destruction occurred, and the reasonable expectations of the Developer as to the effect of such damage or destruction on the use of the Project, and a reasonable proposed schedule, if any, for the repair or reconstruction of the Project.

ARTICLE 10  
INSURANCE

10.1 Insurance to be Carried by the Developer. The Developer shall purchase and maintain at its own expense, the following types and amounts of insurance, in forms and companies reasonably satisfactory to the Agency.

(a) During the Construction Period, the Developer, at its expense, shall keep all of the insurable buildings, property and equipment located on the Project Site insured under a Builder's Risk Insurance policy providing for "all risk coverage" for loss or damage including the perils of fire, wind, flood, tropical storm or hurricane, theft, vandalism and malicious mischief. Such insurance shall be in a face amount not less than one hundred percent (100%) of the cost of construction of the Project, as set forth in the Construction Contract, and the insurer shall be obligated to pay one hundred percent (100%) of the cost of restoring the improvements constructed, from time to time, during the Construction Period. Each insurance policy shall include the Agency and such Project Lenders as request it as insured, as the interest of each may appear, and shall provide for loss to be payable to Developer or, to the extent required under the Project Financing, the Project Lenders.

(b) Following any Completion Date and during the term of this Agreement, the Developer or its successors, at their expense, shall keep all of the insurable buildings, structures, property and equipment on the Project Site insured under an All Risk policy for loss or damage including the perils of fire, wind, flood, tropical storm or hurricane, theft, vandalism, and malicious mischief. Such insurance shall be in an amount of no less than the replacement value of said insurable real property, including structures, property and equipment. As provided in Article 9 for any loss or damage to the Project, to the extent that insurance proceeds are available and the necessary or contemplated repairs are feasible, the Developer shall repair any damage or destruction to the Project. Each insurance policy shall name the Agency and such Project Lenders as request it as insured, as the interest of each

may appear, and provide for the loss to be payable to the Developer or, to the extent provided in the Project Financing, the Project Lenders.

(c) During the Construction Period, the Developer shall secure and maintain or cause to be secured and maintained in full force and effect such general public liability insurance including coverage for operations, independent contractors, products, completed operations, broad form property damage and personal injury as will protect the Developer, the Agency, and their agents and employees from any and all claims and damages for injury to persons or death or damage to any property of the Agency, or of the public, which may arise out of or in connection with the performance of any work or operations by the Developer in, on, under, or over the Project Site during the construction of the Project, whether said work or operations shall be by the Developer, the Contractor, or by anyone directly or indirectly contracted, employed or retained by any of them. The amounts of such insurance shall not be less than limits of \$1,000,000.00 per occurrence for injury to persons or death, or for property damage or such larger amount as determined by Developer. The limit of liability for personal injury shall be no less than \$1,000,000.00 and the limit of liability for contractual liability shall be no less than \$1,000,000.00. Each policy shall name the Agency and such Project Lenders, as request it, as additional insured and each policy shall contain endorsements permitting the limitation of liability under Section 10.7.

(d) After any Completion Date and during the term of this Agreement, the Developer shall secure and maintain, or cause to be secured and maintained, in full force and effect, general public liability insurance including coverage for premises, completed operations, independent contractors, broad form property damage and personal injury as will protect the Developer, the Agency, and their agents and employees, from any and all claims for damages for injury to persons or death, or for damage to any property of the Agency or the public which may arise out of the Developer's use and occupancy of the Project Site and the operation of the project on the Project Site. The amounts of such insurance shall not be less than limits of \$1,000,000.00 for injury to persons or death, or for property damage or such larger amount as determined by Developer or required by Project Lenders. The limit of liability for personal injury shall be no less than \$1,000,000.00 and the limit of liability for products and completed operations shall be no less than \$1,000,000.00. Each policy shall name the Agency and such Project Lenders, as request it, if any, as additional insureds and each policy shall contain

endorsements permitting limitation of liability as provided in Section 10.7 hereof.

(e) The Developer, General Contractor and all subcontractors shall each secure and maintain in full force and effect Workers' Compensation insurance for all their respective personnel, employed at the site of the work or in any way connected with the work that is the subject of this Agreement. The insurance required by this provision shall comply fully with the Florida Worker's Compensation law shall include statutory limits on worker's compensation, as well as Employees Liability Insurance with limits of no less than \$500,000.00 per occurrence.

10.2.1 Non-Cancellation Clause. All insurance policies or agreements required by Section 10.01 hereof shall provide that such policies or agreements cannot be substantially modified, canceled or terminated until after at least thirty (30) days notice has been given to the Agency and the Developer, to the effect that such insurance policies or agreements are to be substantially modified (including the terms of such modification), canceled or terminated at a particular stated time thereafter.

10.3 Certificate of Insurance. The Developer shall provide or cause to be provided to the Agency policies or certificates of insurance or other acceptable proof of compliance with the insurance provisions of this Agreement at such times as shall be reasonably required and shall file replacement certificates thirty (30) days prior to expiration or termination of the required insurance during the term of this Agreement.

10.4 Right of Parties to Obtain Insurance. In the event the Developer at any time during the term of this Agreement refuses, neglects or fails to secure and maintain in full force and effect any or all of the insurance required by Section 10.1 hereof, the Agency may procure or renew such insurance and after notice to the Developer that it must obtain such insurance within thirty (30) days of such notice, all amounts of money paid by the Agency for procurement or renewal of such insurance shall be due and payable forthwith by the Developer to the Agency to the extent either paid the cost of any such insurance together with interest, at the statutory rate, to the date of payment thereof by the Developer. The Agency shall notify the Developer in writing of the date, purposes, and amounts of any such payments made by it pursuant to this Section.

10.5 Non-Waiver of Developer's Obligations. No acceptance or approval of any insurance policy or policies by the Agency or the Developer shall relieve or release or be construed to relieve or release any other party from any liability, duty or obligation

assumed by or imposed upon it by the provisions of this Agreement.

10.6 Reasonable Deductible. Any insurance policy required by this Article may contain a reasonable deductible provision provided advance notice of said deductible provision is given by the Developer to the Agency and approval from the Agency is given in writing, which approval shall not be unreasonably withheld or delayed. In the event that the Agency fails to approve or disapprove such deductible provision pursuant to this Section 10.6, within thirty (30) days of the notice from the Developer as required by this Section 10.6, such failure shall be deemed an approval of such deductible provision by the Agency.

10.7 Limited Release of Liability and Waiver of Subrogation. The Agency and the Developer release each other, and their respective authorized representatives, from any claims for damage (whether or not such loss or damage is caused by the negligence of the other party) to any person or property to the extent of any recovery collectible under such insurance, subject to the limitation that this waiver shall apply only to the extent that it is permitted by the applicable policy of insurance.

ARTICLE 11  
REPRESENTATIONS, WARRANTIES AND COVENANTS  
OF THE DEVELOPER

11.1 Representations and Warranties. The Developer represents and warrants to the Agency that each of the following statements are presently true and accurate.

(a) The Developer is a corporation created pursuant to the laws of the State of Florida, duly organized and validly existing, and has all requisite power and authority to carry on its business as now conducted, to own or hold under lease or otherwise, its properties and to enter into and perform its obligations hereunder and under each instrument described herein to which it is or will be a party.

(b) This Agreement and each of the Exhibits have been duly authorized by all necessary action on the part of, and have been duly executed and delivered by the Developer and neither the execution and delivery thereof, nor its compliance with the terms and provisions of this Agreement at any time such action is necessary (i) requires the approval and consent of any other party, except such as have been duly obtained, certified copies thereof having been delivered to the Agency, or (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the Developer, or (iii) contravenes or results in any breach of, default under, or

the creation of, any lien or encumbrance upon any property of the Developer under any indenture, mortgage, deed of trust, bank loan or credit agreement, or any other agreement or instrument in existence on the date of this Agreement to which the Developer is a party.

(c) This Agreement and each of the Exhibits hereto constitute legal, valid and binding obligations of the Developer enforceable against the Developer in accordance with the terms thereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect which affect creditors' rights generally and subject to usual equitable principles in the event that equitable remedies are involved.

(d) There are no pending, or to the knowledge of the Developer, threatened actions or proceedings before any court or administrative agency against the Developer, or against any officer, employee, partner or shareholder of the Developer, which question the validity of this Agreement or any Exhibit hereto, or which are likely in any case, or in the aggregate, to materially adversely affect the consummation of the transactions contemplated hereunder or the financial condition of the Developer.

(e) All written information and other documentation relating to the Project and the Developer delivered by the Developer to the Agency are true and correct to the extent such information and documentation has not been superseded by this Agreement.

(f) The chief place of business and offices of the Developer are in Broward County, Florida, and the office where it keeps its records concerning the Project and all contracts, licenses and similar documents or instruments relating thereto is in Broward County, Florida.

11.2 Covenants. In addition to covenants of the Developer expressly set forth within the four corners of this Agreement, including all exhibits, attachments and addenda, the Developer covenants with the Agency that:

(a) During the term of this Agreement, the Developer shall cause to occur and continue to be in effect at the appropriate times as contemplated by this Agreement the following:

(1) all governmental permits, licenses and approvals necessary for the construction or operation by the Developer of the Project that are the responsibility of the Developer to obtain;

- (2) construction of the Project;
- (3) financing for the Project;
- (4) all insurance as required by Article 10 hereof;
- (5) the prompt filing of all federal, state and local tax returns, and the prompt payment of any tax required thereby, subject to Developer's Right to Contest under Section 15.3; and

(b) The Developer shall perform, or cause to be performed, the construction, development, and operation of the Project in accordance with the requirements of this Agreement and, subject to the Right to Contest in Section 15.3, will not violate any laws, ordinances, rules, regulations or orders applicable thereto.

(c) The Developer shall use, or cause to be used, and operate or cause to be operated, the Project in accordance with this Agreement for use as Class B offices and retail. All other principal or accessory uses are prohibited unless expressly permitted by the Agency pursuant to Developer's request. This restriction may, in the discretion of the Agency, be included in restrictive covenants running with the land, executed by Developer and recorded in the Public Records of Broward County.

(d) The Developer shall maintain and repair the Project after the Completion Date as provided in Section 8.4.

#### ARTICLE 12

#### REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AGENCY

12.1 Representation and Warranties. The Agency represents and warrants to the Developer that each of the following statements is presently, and will during the term of this Agreement be, true and accurate.

(a) The Agency is a validly existing body politic and corporate authority under the laws of the State of Florida, has all requisite corporate power and authority to carry on its business as now conducted and to perform its obligations under this Agreement and each document contemplated hereunder to which it is or will be a party.

(b) This Agreement and each of the Exhibits have been duly authorized by all necessary action on the part of, and has been or will be duly executed and delivered by the Agency, and neither the execution and delivery of this Agreement nor

the Agency's compliance with the terms and provisions of said Agreement (i) requires the approval and consent of any other party, except such as have been duly obtained and certified copies thereof having been delivered to the Developer, or (ii) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on the Agency, or (iii) contravenes or results in any breach of, default under, or the creation of any lien or encumbrance upon any part of the Agency, under any indenture, mortgage, deed of trust, bond(s), note(s), loan or credit agreement, ordinance(s), resolution(s), interlocal agreement, regulation(s), code(s), or policy(ies), or any other agreement or instrument to which the Agency is a party.

(c) This Agreement and each of the Exhibits hereto, will constitute a legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with the terms thereof.

(d) There are no pending or, to the knowledge of the Agency, threatened actions or proceedings before any court or administrative agency to which the Agency is a party questioning the validity of this Agreement or any document or action contemplated hereunder, or which are likely in any case or in the aggregate to materially adversely affect the consummation of the transactions contemplated hereunder or the financial condition of the Agency.

(e) The Agency has, in compliance with all applicable laws published a notice for interested persons to develop a project in the Area, selected the Developer to develop the Project, negotiated the terms of this Agreement with the Developer, approved this Agreement and had it executed on its behalf.

(f) No further action, notice, public hearing, or other prerequisite or condition is required to be initiated, commenced, undertaken, completed, or waived prior to the approval and execution by the Agency of this Agreement.

(g) The Agency is financially capable of carrying out its obligations and responsibilities under this Agreement, including the payment of the Agency Funds.

12.2. Covenants. In addition to covenants of the Agency set forth in this Agreement, the Agency covenants with the Developer that:

(a) Until the Completion Date, the Agency shall cause to occur and continue to be in effect the Plan for the Area,

including the Project Site.

(b) The Agency will exercise its best efforts to, as soon as possible, but in any event prior to the Completion Date, fulfill or cause to be fulfilled, all of the conditions precedent expressed in Article 13, which are within the control of the Agency or which are the responsibility of the Agency to fulfill.

(c) During each year this Agreement and the obligation of the Agency under this Agreement are in effect, the Agency shall cause to occur and continue to be in effect those instruments, documents, certificates and events contemplated by the Agreement that are applicable to and the responsibility of the Agency.

(d) The Agency will not violate any laws, ordinances, rules, regulations, orders, contracts, or agreements that are or will be applicable thereto.

(e) The Agency shall maintain its financial capability to carry out its responsibilities under this Agreement, and the Agency shall not take any action, fail to take any action, or enter into any agreement or instrument that adversely affects the Agency's financial capability to carry out its responsibilities hereunder.

ARTICLE 13  
Conditions Precedent

13.1 Conditions Precedent to the Agency's Obligation to Pay the Agency Funds. The duty of the Agency to pay the Agency Funds, and Agency's other duties under the terms, covenants, and conditions of this Agreement, are expressly subject to the fulfillment to the satisfaction of, or waiver as provided herein, prior to any payment of any of the Agency Funds of the conditions precedent set forth in this Section 13.1. The Developer hereby covenants and agrees to satisfy each of the following obligations on or before the Commencement Date, unless waived in writing by the Agency as to each covenant to be performed by the Developer.

The Developer shall have obtained:

(a) The Project Financing and closed on such financing and not be in default thereof; and

(b) Any zoning changes, and approved vacation of the Alleyway, in accordance with Florida law, as shall be necessary, to enable the Project to be constructed and to be used as contemplated by this Agreement; and

- (c) The Site Plan approval by the City and the Agency; and
- (d) The Permits approved by the City or other appropriate governmental authority; and
- (e) A Construction Contract with the Contractor for construction of the Project, a copy of which shall have been delivered to and approved by the Agency on or before the Commencement Date.
- (f) The issuance of the Bond for the Project in accordance with the terms hereof, whether or not required by the Project Lender for the Project. The Developer agrees to bear the expense of the premium for securing the Bond.

In addition:

- (g) No action or proceeding shall be pending (whether or not on appeal) or shall have been threatened, and no statute, regulation, rule or order of any federal, state or local governmental body shall be in effect or proposed, in each case, which in the good faith judgment of either party adversely affects (or if adopted, would adversely affect) the consummation of the transactions by the Developer contemplated by this Agreement; and
- (h) The Developer shall not be in default of this Agreement or the Project Financing; and
- (i) In the case of the payment by the Agency of any installment of the \$340,571 aggregate payment, the Developer shall have demonstrated to the satisfaction of the Agency that all of Developer's Equity has been used to pay costs of the Project and all funds available under the Project Financing have been used to pay costs of the Project.

It is understood and agreed that in the event that any of the conditions precedent provided in subsections (a) through (i) have not been met as provided on or before the Loan Closing Date, then this Agreement may be terminated by Agency and be of no further force and effect.

#### ARTICLE 14 Default; Termination

##### 14.1 Default by the Developer.

- (a) There shall be an "event of default" by the Developer under this Agreement upon the occurrence of any one or more of the following:

(1) Subject to the provisions of Article 5 hereof, any Project Lender declares the Developer in default under the terms of the Project Financing, or of any instruments relating thereto, beyond any extension provided with respect thereto, and such default shall not have been cured or waived in the manner provided therein; or

(2) The Developer shall fail to perform or comply with any provision of this Agreement and such failure materially and adversely affects the successful and timely development and completion of the Project or materially and adversely affects the rights, duties or responsibilities of the Agency under this Agreement and such failure shall continue for more than forty (40) days after the Agency shall have given the Developer written notice of such failure (hereinafter sometimes referred to as the "non-monetary default cure period"); provided, however, that if such failure can reasonably be cured within said forty (40) days of said notice by the Agency, then the event of default under this paragraph shall be suspended if and for so long as the Developer proceeds diligently to cure such default within the said forty (40) days and diligently continues to proceed with curing such default until so cured and the Developer shall otherwise comply with the Right to Contest provisions of Section 15.3 hereof to the extent applicable; or

(3) The Developer shall make a general assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated bankrupt or insolvent, or shall file a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation or shall file an answer admitting, or shall fail reasonably to contest the material allegations of a petition filed against it in any such proceeding, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Developer or any of its properties; or

(4) Within ninety (90) days after the commencement of any proceeding by or against the Developer, including an involuntary bankruptcy proceeding, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceeding shall not have been dismissed; or, within

ninety (90) days after, the appointment, without the consent or acquiescence of the Developer, of any trustee, receiver or liquidator of the Developer or of any material part of its properties, such appointment shall not have been vacated.

(5) Developer fails to complete the building by January 1, 2006.

(b) Upon the occurrence of an event described in Section 14.1(a) hereof, but subject to the rights of any Project Lender, the Agency may, at any time thereafter if such event of default has not been cured, at its election bring an action in a court of competent jurisdiction for specific performance by the Developer, or other injunctive relief including repayment of funds contributed by Agency, to the fullest extent permitted by law, or give a written notice of termination of this Agreement to the Developer, and on the date specified in such notice, which shall not be less than thirty (30) days, this Agreement shall terminate and all rights of the Developer hereunder shall cease, unless before such date all other events of default by the Developer hereunder occurring or existing at the time shall have been cured, or if not capable of being cured within said thirty (30) days, reasonable and necessary actions to cure such default have commenced and are being diligently pursued, provided, however, that this Agreement may not be terminated by the Agency unless and until the Project Lender has notified the Agency of their election not to cure said defaults as provided in Section 6.5.

#### 14.2 Default by the Agency: Remedies.

(a) There shall be an "event of default" by the Agency under this Agreement upon the occurrence of the following: Provided all conditions precedent have been satisfied or waived, the Agency shall fail to timely pay the amounts of the Agency Funds to the Developer set forth in Section 5.6 hereof, or if any representation and warranty of the Agency hereunder fails to be true and correct, and such failure adversely affects the Developer or the Project and such failure shall continue for a period of forty-five (45) days after the Developer shall have given the Agency written notice of such failure; provided, however, that if such failure can reasonably be cured within said forty-five (45) days, then the event of default under this Section shall be suspended if and for so long as the Agency proceeds diligently to cure such default within the said forty-five (45) days and diligently continues to proceed with curing such default until so cured and the Agency shall otherwise comply with the Right to Contest provisions of Section 15.3

hereof to the extent applicable.

(b) Upon the occurrence of an event described in Section 14.2(a), but subject to the rights of any Project Lender, the Developer may, at any time thereafter, at its election either institute an action for specific performance of the Agency's obligations hereunder, or other injunctive relief, to the fullest extent permitted by law, or give a written notice of termination of this Agreement to the Agency, and on the date specified in such notice, which shall be not less than forty-five (45) days, this Agreement shall terminate and all rights of the Agency hereunder shall cease and the Developer shall be released from any and all obligations hereunder, unless before such date sums payable to the Developer under this Agreement shall have been paid and all other defaults by the Agency hereunder existing at that time shall have been remedied, including, without limitation, such damages or suits for damages to which the Developer may be entitled as a result of any breach or event of default by the Agency.

14.4 Obligations, Rights and Remedies Cumulative. The specified rights and remedies to which either the Agency or the Developer may resort under the terms of this Agreement are in addition to any other remedies or means of redress to which the Agency or the Developer may lawfully be entitled at law or in equity.

14.5 Non-Action on Failure to Observe Provisions of this Agreement. The failure of the Agency or the Developer to insist upon strict performance of any term, covenant, condition or provision of this Agreement shall not be deemed a waiver of any right or remedy that the Agency or the Developer may have, and shall not be deemed a waiver of a subsequent default or nonperformance of such time, covenant, condition or provision.

## ARTICLE 15 PUBLIC CHARGES AND RIGHT TO CONTEST

15.1 Covenant for Payment of Public Charges. The Developer covenants and agrees to pay all applicable governmental taxes, assessments, licenses, fees, and other charges assessed or levied with respect to this Agreement, the Project Site, the Project, or any other of its goods and merchandise or property owned or controlled by it in or about the Project Site, including but not limited to excise taxes, including intangible taxes, ad valorem taxes, sales taxes, use or other excise taxes, which are the responsibility of the Developer. The Developer further covenants and agrees to pay all governmental services, charges, utility charges and other public charges, not otherwise provided for

herein, (such charges, together with the taxes and charges as are described in this Article 15, are herein called "Public Charges") which, if not paid, would be a charge, claim or lien upon or against the Project, the Project Site and the fixtures, or any part thereof. Notwithstanding the provisions of the preceding sentences, the Developer shall have the right to pay Public Charges in installments if permitted by law and to contest the amount or validity, in whole or in part, of any Public Charges pursuant to the Right of Contest provisions of Section 15.3.

15.2 Evidence of Payment of Public Charges. Until the Completion Date, the Developer, upon request of the Agency, shall furnish or cause to be furnished to the Agency receipts of the appropriate taxing authorities or other proof reasonably satisfactory to the Agency, evidencing the payment of any Public Charges.

15.3 Right to Contest. The Developer may, in its respective sole discretion and expense, and upon written notice to the other party and to the Project Lender, contest by any appropriate action or proceeding conducted in good faith and with due diligence, the amount or validity or application, in whole or in part of any lien, assessment(s), imposition, or payment of any tax or Public Charges, or any other payment specifically identified in this Agreement, or compliance with any law, rule, regulation, or other such legal requirement only if, with respect to such charge, payment or requirement:

(a) Such proceeding shall suspend the execution or enforcement of such charge, payment or requirement;

(b) Such proceeding will not create any risk of impairment of the construction, operation or use of the Project Site or the Project in any material respect, and neither the Project Site nor any part of the Project would be subject to any risk of being sold, forfeited or lost or the construction of the Project or any part thereof would be delayed or prohibited; or alternatively, if such proceeding does or will create any impairment of the construction, operation, or use of the Project Site or the Project in any material respect, or the construction of the Project or any part thereof would be delayed or prohibited, then the Developer shall give written consent prior to such proceeding being commenced;

(c) Such proceeding will not subject any other party hereto or the Project Lender to criminal liability or any risk of material civil liability for failure to comply therewith, or involve any risk of any material claim against any such party; and

(d) The Developer shall have furnished to the Agency and the Project Lender such security, if any, as may be required in such proceeding or as may be reasonably requested by the other, to protect the Project, the Project Site, and any part thereof, and any interest of the Agency or the Project Lender hereunder.

ARTICLE 16  
FORCE MAJEURE

16.1 Force Majeure. If any party is delayed in the performance of any act or obligation pursuant to or required by this Agreement as a result of any one or more of the events of Force Majeure which are beyond the control of the party being delayed, the time for required substantial completion of such act or obligation shall be extended by the number of calendar days equal to the total number of calendar days, if any, that such party is actually delayed by such event(s) of Force Majeure. The party seeking excuse for nonperformance and delay in performance as the result of an occurrence of an event of Force Majeure shall give written notice to the other party and the Project Lender, specifying the cost of the anticipated delay and its actual or anticipated duration, and if such delay shall be continuing thereafter no less than bi-weekly so long as such event of Force Majeure continues, similar written notice stating that the condition continues and its actual or anticipated duration. Any party seeking delay in nonperformance due to an event of Force Majeure shall use its best efforts to rectify or limit the effect of any condition causing such delay and shall cooperate with the other parties, except for the incidence of unreasonable additional costs and expenses, to overcome any delay that has resulted.

ARTICLE 17  
MISCELLANEOUS

17.1 Notices.

(a) Unless and to the extent otherwise provided for in this Agreement, all notices, demands, requests for approvals or other communications which may be or are required to be given by either party to the other(s) in writing shall be deemed given and delivered on the date delivered in person or on the fourth (4th) business day after being mailed by registered or certified mail, postage prepaid, return receipt requested, or on the first (1st) business day after being sent by nationally recognized overnight courier service and addressed:

DEVELOPER: Sixth Street Plaza, Inc.  
P.O. Box 14303  
Fort Lauderdale, FL 33302  
Attention: Maria Freeman

AGENCY: Fort Lauderdale Community Redevelopment  
Agency  
100 North Andrews Avenue, 7<sup>th</sup> Floor  
Fort Lauderdale, FL 33301  
Attention: Floyd Johnson, Executive Director

With a copy to:

City Attorney's Office  
City of Fort Lauderdale  
100 North Andrews Avenue, 7<sup>th</sup> Floor  
Fort Lauderdale, FL 33301

(b) The person and address to which notices are to be sent may be changed from time to time by written notice to such effect delivered to the other parties hereto. Until such a notice of change is received, a party may rely upon the last person or address given.

(c) Any notice or other communication which the Developer shall desire or is required to give to or serve upon the Project Lender shall be in writing and addressed to the Project Lender at its address as set forth in such mortgage or in the Project Financing in question, or in the last assignment of such mortgage or such Project Financing delivered to the Agency, as the case may be, or at such other address as shall be designated by such holder or Project Lender by notice or writing given to the Agency, as the case may be, and any such notice of communication shall be governed by the notice provisions in this Section.

17.2 Severability. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the requirements of applicable laws and if the remainder of this Agreement can substantially be reasonably performed without material hardship, so as to accomplish the intent and the goals of the parties hereto.

17.3 Applicable Law. The laws of the State of Florida shall govern the validity, performance and enforcement of this Agreement.

17.4 Not An Offer. The submission of this Agreement to the parties hereto for examination thereby does not and did not constitute an offer to sell or lease, or a reservation of or option for the Project Site, or any part thereof.

17.5 Agreement Negotiated by All Parties. This Agreement has been negotiated by the Agency and the Developer, and this Agreement shall not be deemed to have been prepared by either the Agency or the Developer, but by all equally.

17.6 Complete Agreement. This Agreement constitutes the full and complete agreement between the parties hereto, and supersedes and controls any and all prior agreements, understandings, representations, and statements, whether written or oral.

17.7 Submission to Jurisdiction.

(a) Each party to this Agreement hereby submits to the jurisdiction of the State of Florida, Broward County and the courts thereof and to the jurisdiction of the United States District Court for the Southern District of Florida, for the purposes of any suit, action or other proceeding arising out of or relating to this Agreement, and hereby agrees not to assert by way of a motion as a defense or otherwise that such action is brought in an inconvenient forum or that the venue of such action is improper or that the subject matter thereof may not be enforced in or by such courts.

(b) If at any time during the term of this Agreement the Developer is not a resident of the State of Florida (including not being a corporation, partnership or other legal entity authorized to do business in the State of Florida) or has no officer, employee, agent, or general partner thereof available for service of process as a resident of the State of Florida, or if any assignee or successor thereof shall not be a resident of the State of Florida (including not being a corporation, partnership or other legal entity authorized to do business in the State of Florida) or shall have no officer, employee, agent, or general partner available for service of process in the State of Florida, the Developer hereby designates the Secretary of State of the State of Florida as its agent for the service of process in any court proceeding between it and the Agency arising out of or related to this Agreement, and such service shall be made as provided by the laws of the State of Florida for service upon a non-resident; provided, however, that at the time of service on the Secretary of State, a copy of the pleading, instrument, or other document served on the Secretary of State shall be mailed by prepaid, registered mail, return receipt requested, to the Developer (or its successors or assigns) at the address for notices as provided in this Article or such address as may have been provided as authorized in this Article.

17.8 Estoppel Certificates. The Developer or the Agency shall, from time to time, upon not less than twenty (20) days prior notice by any other party to this Agreement, execute, acknowledge and deliver to the other parties a statement in recordable form certifying that this Agreement is unmodified and in full force and effect (or if there has any modification that the same as so modified is in full force and effect and setting forth such modification), the dates to which any charges have been paid in advance, if any, and, to the knowledge of such party, that neither it nor any other party is then in default hereof, (or if a party is then in default hereof, stating the nature and details of such default) and certifying as to such other matters as are reasonably requested by the party requesting the statement in question. The Authorized Representative of the party is authorized to execute such statement on behalf of such party. It is the intent of the parties hereto that any such statement delivered pursuant to this Section may be relied upon by the other parties hereto and current or prospective Project Lenders or any prospective purchaser, mortgagee, assignee of any mortgage or assignee of the respective interests in the Project, if any, of either party hereto.

17.9 Exculpatory Provision. Notwithstanding anything to the contrary in this Agreement, and notwithstanding that all of the covenants, agreements, conditions, and undertakings herein are, in substance and in form, expressed in language containing personal covenants on the part of the Developer, the liability of the Developer, and the Developer's successors and assigns or any subsequent successors or assigns and their respective partners (either general or limited) or shareholders, or principals (for the purposes of this Section, all such persons and entities hereinafter are called the "Developer") and the liability of any officer or employee of the Agency (for purposes of this Section all such persons hereinafter are called "Officer/Employee") under this Agreement shall be limited to and shall not extend beyond the Developer's or Officer/Employee's interest in the Project and other improvements and personal property on the Project Site and any construction bonds or surety bonds relating to the construction and completion of the Project, subject, however, to the rights, if any, of the Project Lender. Except to the extent provided in this Section, the Developer (and any shareholder, partner, officer, employee or agent as a result of such position) or Officer/Employee shall never be held personally liable on any covenant or agreement or undertaking herein expressed, nor shall any action lie against the Developer or Officer/Employee, except as enforceable against the Project, the improvements and personal property on the Project Site and any construction bonds or surety relating to the Project, it being the intention of the parties that the sole remedy of the Agency in enforcing liability hereunder and under all of the terms, covenants, and conditions in this Agreement shall be limited to the Developer's or

Officer/Employee's interest in the Project, improvements and personal property on the Project Site and the construction or surety bonds, and in no event shall the Developer be obliged to pay any sums to become due hereunder out of any assets other than the Project, improvements and personal property on the Project Site and the construction bonds or any surety bonds.

17.10 Captions. The Article and Section headings and captions of this Agreement and the table of contents preceding this Agreement are for convenience and reference only and in no way define, limit, or describe the scope or intent of this Agreement, or any part thereof, or in any way affect this Agreement, or construe any Article or Section hereof.

17.11 Successors and Assigns.

(a) The Developer may not assign any or all of its rights, duties and obligations under this Agreement to any other person unless and until the Agency has agreed to such assignment. The Agency may assign this Agreement to the City or to any successor to the Agency at any time without any prior approval by the Developer, provided that notice of such assignment shall be given by the Agency to the Developer as provided in Section 17.1.

(b) The terms herein contained shall bind and inure to the benefit of the Agency and its successors and assigns and the Developer and its successors and assigns, except as may be otherwise specifically provided herein.

17.12 Holidays. It is hereby agreed and declared that whenever a notice or performance under the terms of this Agreement is to be made or given on a Saturday or Sunday or on a legal holiday observed in the City of Fort Lauderdale, Florida, it shall be postponed to the next following business day not a Saturday, Sunday, or legal holiday.

17.13 Exhibits. Each Exhibit referred to in and attached to this Agreement is an essential part of and is incorporated as a part of this Agreement. The Exhibits, and any amendments or revisions thereto, even if not physically attached hereto, shall be treated as if a part of this Agreement.

17.14 No Brokers. The Agency and the Developer hereby represent, agree and acknowledge that, as of the date hereof, no real estate broker or other person is entitled to claim or to be paid a commission by the Agency or the Developer as a result of the execution and delivery of this Agreement, including any of the Exhibits, or any proposed improvement, use, disposition, lease, or conveyance of any or all of the Project Site.

17.15 Failure To Address Particular Matters. The failure of this Agreement to address a particular permit, condition, term, or restriction shall not relieve the Developer of the necessity of complying with the law governing said permitting requirements, conditions, term or restriction.

17.16 Developer Not Agent of Agency. During the term of this Agreement, the Developer and the Contractor are not individually or collectively, and shall not be deemed to be individually or collectively, an agent or contractor of the Agency. Nothing contained in the Agreement shall be construed or deemed to name, designate, or cause (directly, indirectly, or implicitly) the Developer or the Contractor to be an agent for the City or the Agency.

17.17 Recordation of Development Agreement and Lease. The Agency or the Developer may record this Agreement or a memorandum of this Agreement in the public records of Broward County, Florida, as soon as possible after the execution hereof and thereof. The party recording this Agreement or a memorandum of this Agreement shall pay the cost of such recording. Upon the termination or expiration of this Agreement, the Agency agrees to record in the public records of Broward County, Florida, a notice that this Agreement has terminated or expired and is no longer in effect.

17.18 Public Purpose. This Agreement satisfies, fulfills, and is pursuant to and for a public purpose and municipal purpose, is in the public interest, and is a proper exercise of the Agency's power under the Act.

17.19 Technical Amendments. If, due to minor inaccuracies in this Agreement or in any other agreement contemplated hereby, or changes are needed resulting from technical matters arising during the term of this Agreement, it becomes necessary to amend this Agreement to correct such minor inaccuracies or to make such technical changes, subject to the rights of Project Lenders under Article 5 hereof, the parties agree that such changes which are required due to unforeseen events or circumstances or which do not change the substance of this Agreement, the Executive Director of the Agency, or his designee, is authorized to approve such changes and execute any required instruments to make and incorporate such amendment or change to this Agreement or any other agreement contemplated hereby.

17.20 Expiration of Agreement. Unless otherwise earlier terminated as provided herein, or by agreement of the parties, this Agreement shall expire on the Completion Date, except for those provisions hereof that specifically state they survive the Completion Date.

17.21 Effective Date. This Agreement (including any amendment thereto) is effective upon the date set forth in the introductory section of the Agreement after execution and delivery thereof by the Agency and the Developer following approval thereof by the governing body of the Agency.

17.22 Time of the Essence. In all matters affecting this Agreement, time is of the essence.

17.23 Not A Development Agreement. The parties acknowledge, agree and represent that this Agreement, including without limitation, any of the Exhibits, is not a development agreement as described in Sections 19-31, Chapter 86-191, Laws of Florida, codified as Sections 163.3220-163.3243, Florida Statutes.

IN WITNESS WHEREOF, the parties hereto have set their hands effective as of the date set forth in the introductory paragraph.

WITNESSES:

AGENCY:

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, a body corporate and politic of the State of Florida created pursuant to Part III, Chapter 163

Safaa B. Ali  
Safaa B. Ali  
[Witness print or type name]

By: [Signature]  
Jim Naugle, Chairman

Yvonne Brackett Buck  
YVONNE BRACKETT BUCK  
[Witness print or type name]

By: [Signature]  
F.T. Johnson  
Executive Director

WITNESSES:

DEVELOPER:

SIXTH STREET PLAZA, INC., a Florida corporation

[Signature]  
Helen GRAY  
[Witness print or type name]

By: [Signature], President

Herman L. Jackson  
HERMAN L. JACKSON  
[Witness print or type name]

Attest:

[Signature]  
Secretary

STATE OF FLORIDA:  
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this 10 day of APRIL, 2003 by MARIA FREEMAN and HERMAN L. JACKSON as President and Secretary of SIXTH STREET PLAZA, INC., a Florida corporation. They are personally known to me and did not take an oath.

(SEAL)

Eve R. Bazer

Notary Public, State of Florida  
(Signature of Notary taking  
Acknowledgment)



Eve R Bazer  
My Commission CC929784  
Expires June 03, 2004

\_\_\_\_\_  
Name of Notary Typed,  
Printed or Stamped

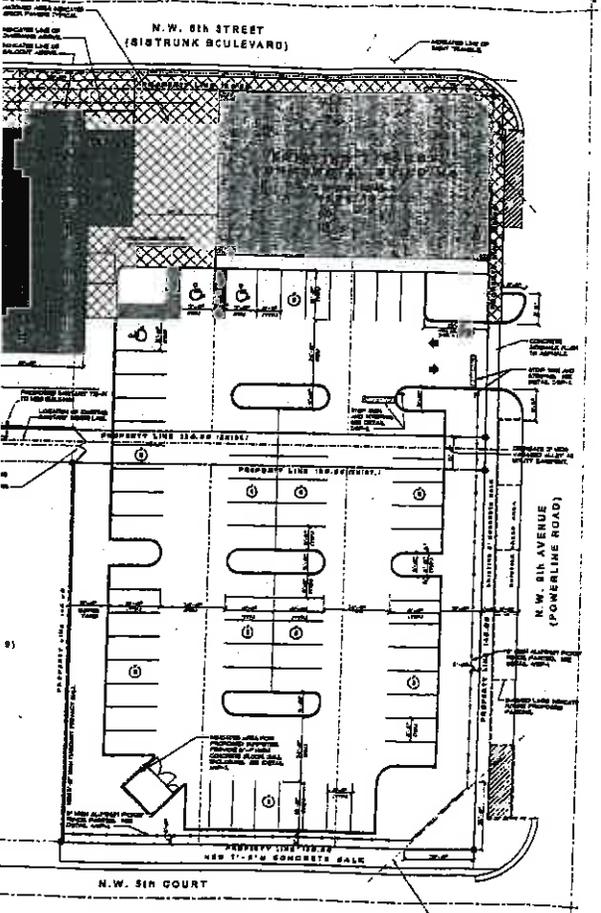
My Commission Expires: 6/3/04  
CC929784  
\_\_\_\_\_  
Commission Number

# 6TH STREET PLAZA

## OFFICE & RETAIL BUILDING

912-914 N.W. 6TH STREET  
FORT LAUDERDALE  
FLORIDA

COPYRIGHT 2005 TUNELL ARCHITECTURE  
 SIXTH STREET PLAZA  
 PROPOSED OFFICE & RETAIL BUILDING  
 912-914 N.W. 6TH STREET  
 FORT LAUDERDALE, FLORIDA



SITE DATA SUMMARY	
LAND USE :	RAC
ZONING (EXISTING) :	CD 1.1P-1B
ZONING (PROPOSED) :	CD 1.1P-P
SITE AREA (INC. ALLEY) :	54,646 SQ. FT.
BUILDING FOOTPRINT :	10,711 / 34,848 + 50'
OFFICE / RETAIL AREA :	22,628 SQ. FT.
FLOOR AREA RATIO :	7.628 / 54,646 = 43%
PARKING REQUIRED :	45
PARKING PROVIDED :	78 (INC. 3 H.C. SPACES)
PARKING AREA :	24,378 SQ. FT.
STORIES :	3
MAXIMUM BUILDING HEIGHT FROM GRADE :	37'-0"
WATER / SEWER PROVIDER :	FORT LAUDERDALE

PARKING DATA SUMMARY			
BUILDING	AREA	PARKING REQUIRED	TOTAL PARKING SPACES PROVIDED
EXISTING	6,888 SQ. FT.	35 SPACES	34 (INCLUDING 3 H.C. SPACES)
PROPOSED	6,888 SQ. FT.	10	36
TOTAL	13,776 SQ. FT.	45	70

NOTE: EXISTING BUILDING WERE BUILT PRIOR TO PARKING REQUIREMENTS

BUILDING DATA SUMMARY	
BUILDING CONSTRUCTION TYPE	UNPROTECTED, UNREINFORCED
PROPOSED	RETAIL AREA: 1,000 SQ. FT. OFFICE AREA: 9,000 SQ. FT. TOTAL AREA: 10,000 SQ. FT.
EXISTING	RETAIL AREA: 6,888 SQ. FT. OFFICE AREA: 7,888 SQ. FT. TOTAL AREA: 14,776 SQ. FT.

- INDEX OF DRAWINGS**
- SP-1 PROPOSED SITE PLAN
  - SP-2 SITE LIGHTING PLAN
  - A-1 1ST & 2ND FLOOR PLANS
  - A-2 EXTERIOR ELEVATIONS
  - A-3 ROOF PLAN
  - LP-1 PROPOSED LANDSCAPE PLAN
  - AERIAL VIEW
  - SITE SURVEY

**PROPOSED SITE PLAN**  
SCALE: 1"=20'

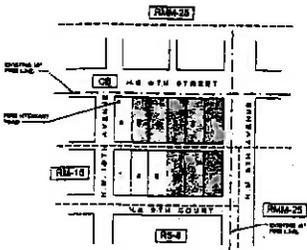
EXHIBIT A

# 6TH STREET P OFFICE & RETAIL E 912-914 N.W. FORT

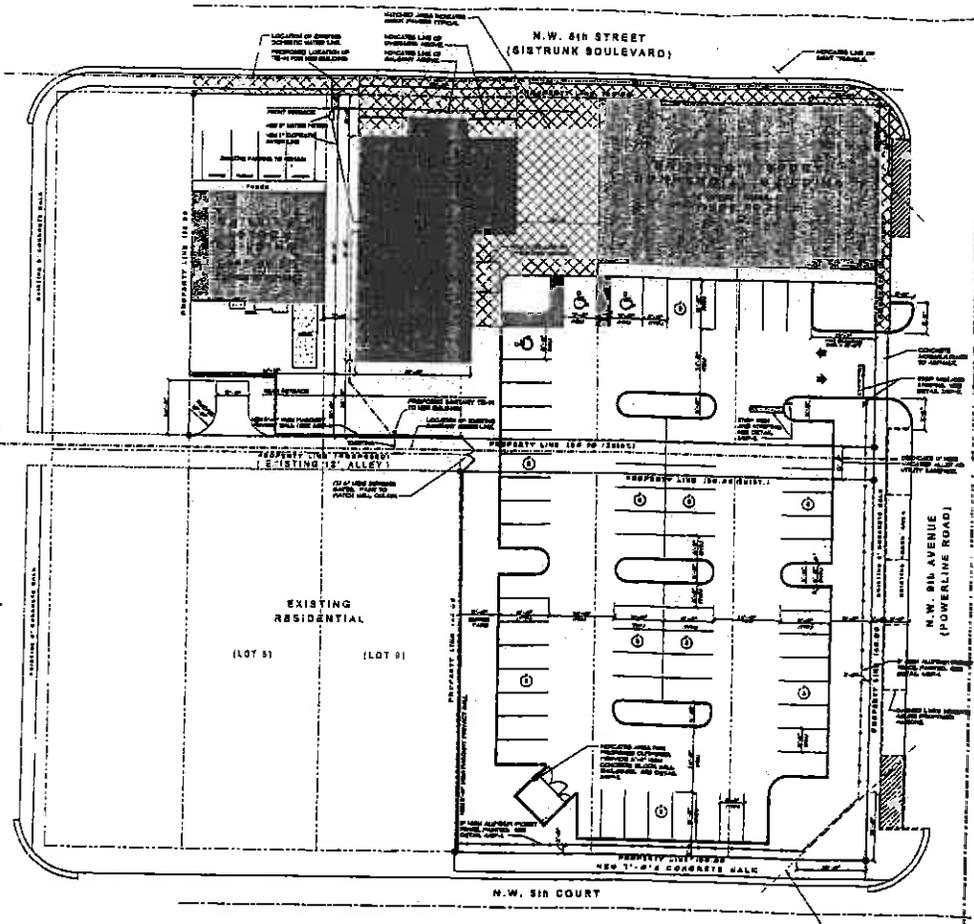
## LEGAL DESCRIPTION

LOTS 1-3, BLOCK 1 AND LOTS 10-12, BLOCK 1  
OF "VIRAGEE PARK" ACCORDING TO THE  
PLAT THEREOF, AS RECORDED IN PLAT  
BOOK 3, PAGE 3 OF THE PUBLIC RECORDS  
OF SAGUARD COUNTY, FLORIDA.

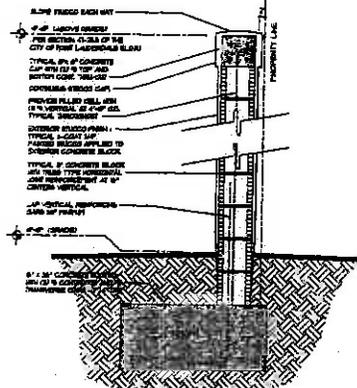
FLOOD ZONE: AE  
MINIMUM FLOOD ELEVATION: 7.2' M.S.L.



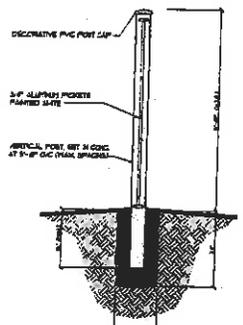
**LOCATION PLAN**  
SCALE: 1" = 20'



**PROPOSED SITE PLAN**  
SCALE: 1" = 20'



**TYPICAL PRIVACY WALL SECTION**  
SCALE: 3/4" = 1'-0"



**PICKET FENCE DETAIL**  
SCALE: 3/4" = 1'-0"

<b>SI</b>	LAND USE: ZONING (FCR) SITE AREA (I) BUILDING FOOT FLOOR AREA PARKING SPACES PARKING AREAS STORAGE HANDS/RENT WATER / GAS
<b>PARI</b>	EXISTING PROPOSED WALL PICKET FENCE PICKET FENCE
<b>BUIL</b>	BUILDING CONSTRUCTION PROPOSED EXISTING
<b>INDI</b>	SP-1 SP-2 A-1 A-2 A-3 LP-1

EXH

Street Planning and Art (S&A) Inc. 1001 N.W. 10th St., Ft. Lauderdale, FL 33304  
 Street Planning and Art (S&A) Inc. 1001 N.W. 10th St., Ft. Lauderdale, FL 33304  
 Street Planning and Art (S&A) Inc. 1001 N.W. 10th St., Ft. Lauderdale, FL 33304

8

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT  
Sixth Street Plaza Project**

This First Amendment to the Development Agreement ("First Amendment to the Development Agreement") is made and entered into this 28<sup>th</sup> day of September, 2005, by and between:

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, a community redevelopment agency created pursuant to Part III, Chapter 163, Florida Statutes (the "Agency"),

and

SIXTH STREET PLAZA, INC., a Florida for profit corporation (the "Developer").

**WITNESSETH:**

WHEREAS, in December, 2000, the Agency published in accordance with §163.370 and §163.380, Florida Statutes (1999), a Invitation to Submit Proposals for Providing Office Space for Certain City Offices in the Midtown Business District (the "Invitation") for the development of a commercial office complex project to be located in and around the Midtown Business District and on Northwest Sixth Street a/k/a as "Sistrunk Boulevard" in the City of Fort Lauderdale (the "City") and in the Northwest Progresso Flagler Heights Community Redevelopment Area (the "Area"); and

WHEREAS, on March 7, 2001, in response to the Invitation, Sixth Street Plaza, Inc. submitted a certain Proposal (the "Proposal"), providing for the development of the Project, together with certain improvements, on property described as the Project Site; and

WHEREAS, on March 27, 2001, the Agency accepted the proposal offered by the Developer subject to the preparation, approval and execution of a development agreement for the Project; and

WHEREAS, Agency authorized the execution of the Development Agreement on July 18, 2002 and Agency and Developer entered into a certain Development Agreement dated May 15, 2003 (the "Development Agreement"); and

WHEREAS, Agency duly authorized execution of this First Amendment to the Development Agreement by motion at its meeting on September 13, 2005; and

WHEREAS, the Agency and the Developer are desirous of entering into this First Amendment to the Development Agreement in order to amend the Development Agreement;

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

1. Recitals. The foregoing recitals are all true and correct and are hereby incorporated into this First Amendment to the Development Agreement.

2. Definitions. For the purposes of this First Amendment to the Development Agreement all capitalized terms herein shall have the same meanings as provided in the Development Agreement.

3. Section 1.11 of the Development Agreement defining the term Bond is hereby deleted.

4. Section 5.1 of the Development Agreement setting out the time frames for the Developer to obtain and close on Project Financing is hereby deleted and replaced with the following:

"5.1 Project Financing Application. The Developer has represented to Agency that the development of the Project is contingent on the Developer obtaining the Project Financing. Developer, at its cost, shall make application to a Project Lender in a timely manner so that the Project Lender may approve or not approve Project Financing within the time frame set forth in the Project Schedule. If Financing is not approved by the Project Lender and closed on within the time frames set forth in the Project Schedule,

the Agency may in its discretion immediately terminate this Agreement or it may notify the Developer that the Agreement will terminate as of a stated time if the Project Financing is not obtained by the Developer on or before the stated date."

5. Section 5.6 (a) and (b) of the Development Agreement providing for the disbursement of Agency Funds are hereby deleted and shall be replaced with the following:

"(a) Pursuant to the Agency's Low Interest Loan Program and in consideration of the Developer developing the Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender the amount of Fifty-Seven Thousand Six Hundred and Nineteen Dollars (\$57,619.00), which payment shall be made after Project Completion and upon evidence by Developer that all of Developer's Equity and Project Financing have been exhausted. Developer is responsible for providing written confirmation to the Agency, prior to payment, that the Project Lender shall apply this payment to the principal on the Project Financing. The parties intend and acknowledge that this section shall not be effective any earlier than the Completion Date and shall survive the expiration of this Agreement unless terminated earlier as provided therein.

(b) Pursuant to the Agency's Midtown Strategic Investment Program and in consideration of the Developer developing the Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender the aggregate amount of Three Hundred Forty Thousand, Five Hundred Seventy One Dollars (\$340,571.00, which payment shall be made after Project Completion and upon evidence by Developer that all of Developer's Equity and Project Financing have been exhausted. Developer is responsible for providing written confirmation to the Agency, prior to payment, that the Project Lender shall apply this payment to the principal on the Project Financing. The parties intend and acknowledge that this section shall not be effective any earlier than the Completion Date and shall survive the

expiration of this Agreement unless terminated earlier as provided therein."

6. Section 6.1 (e) of the Development Agreement requiring the Contractor to provide a payment and performance bond is hereby deleted.

7. Section 13.1 (f) of the Development Agreement regarding issuance of a Bond as a condition precedent to disbursement of Agency Funds is hereby deleted.

8. Section 13.1 (i) of the Development Agreement regarding payment of Agency Funds by the Agency is hereby deleted and replaced by the following provision:

"(i) In the case of the payment by the Agency of any Agency Funds, the Developer shall have provided Agency with a certificate of occupancy, proof that there are no liens that are pending or have been filed (other than the first and second mortgages by the Project Lenders) on the Project Site, evidence that all of Developer's Equity has been used to pay costs of the Project and evidence that all funds available under the Project Financing have been used to pay costs of the Project."

9. Section 14.1 (a) (5) is hereby deleted and replaced with the following:

"Developer fails to complete building by the time period set forth in the Project Schedule."

10. Exhibit "C" of the Development Agreement, the Project Schedule, is hereby deleted and replaced with the Project Schedule attached hereto.

11. Effective Date. This First Amendment to the Development Agreement is effective upon execution by both parties as dated at the beginning of this First Amendment to the Development Agreement.

12. The remainder of the Development Agreement shall continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]  
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have set their hands effective as of the date set forth in the introductory paragraph.

AGENCY:

FORT LAUDERDALE COMMUNITY  
REDEVELOPMENT AGENCY

By: [Signature]  
Jim Naugle, Chairman

By: [Signature]  
George Grepsas  
Executive Director

WITNESSES:

Safeya B. Ali  
Safeya B. Ali  
[Witness print or type name]

[Signature]  
Nayana Soundridhar  
[Witness print or type name]

Approved as to form:

[Signature]  
City Attorney

WITNESSES:

DEVELOPER:

SIXTH STREET PLAZA, INC., a Florida  
corporation

By: [Signature], President

Attest: [Signature]  
Secretary

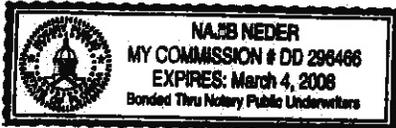
Patrice E. Wilson  
Patrice E. Wilson  
[Witness print or type name]

Patrice E. Wilson  
Patrice E. Wilson  
[Witness print or type name]

STATE OF FLORIDA:  
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this  
12 day of September, 2005 by Maria Freeman,  
as President of SIXTH STREET PLAZA, INC., a Florida  
corporation on behalf of said corporation. He/She is personally  
known to me or has produced \_\_\_\_\_ as identification.

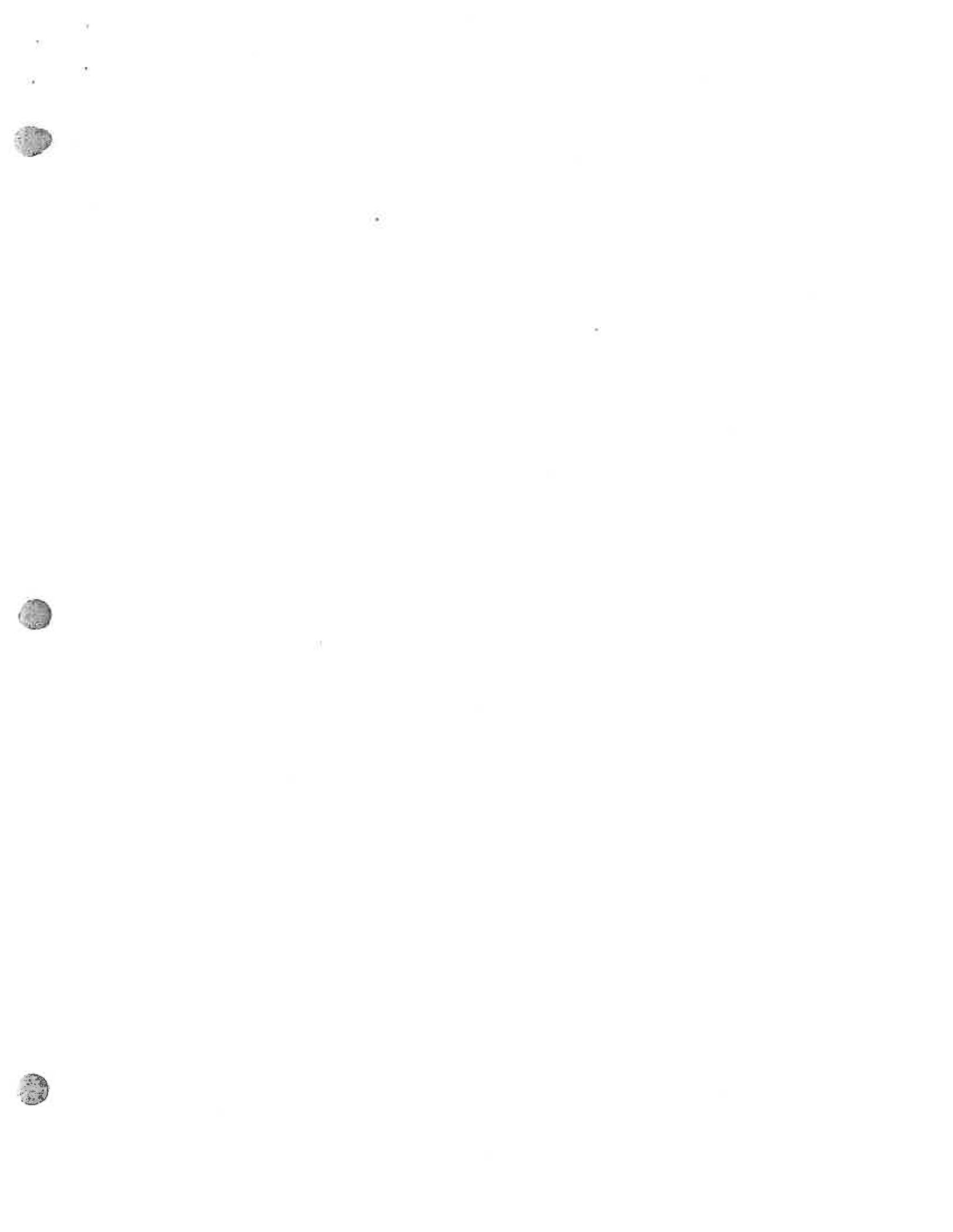
(SEAL)



Najib Nader  
Notary Public, State of Florida  
(Signature of Notary taking  
Acknowledgment)

Najib Nader  
Name of Notary Typed,  
Printed or Stamped

My Commission Expires: 3-4-08  
DD 296466  
Commission Number



**SECOND AMENDMENT TO DEVELOPMENT AGREEMENT  
Sixth Street Plaza Project**

This Second Amendment to the Development Agreement ("Second Amendment to the Development Agreement") is made and entered into this 17<sup>th</sup> day of May, 2007, by and between:

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, a community redevelopment agency created pursuant to Part III, Chapter 163, Florida Statutes (the "Agency"),

and

SIXTH STREET PLAZA, INC., a Florida for profit corporation (the "Developer").

WITNESSETH:

WHEREAS, in December, 2000, the Agency published in accordance with §163.370 and §163.380, Florida Statutes (1999), a Invitation to Submit Proposals for Providing Office Space for Certain City Offices in the Midtown Business District (the "Invitation") for the development of a commercial office complex project to be located in and around the Midtown Business District and on Northwest Sixth Street a/k/a as "Sistrunk Boulevard" in the City of Fort Lauderdale (the "City") and in the Northwest Progresso Flagler Heights Community Redevelopment Area (the "Area"); and

WHEREAS, on March 7, 2001, in response to the Invitation, Sixth Street Plaza, Inc. submitted a certain Proposal (the "Proposal"), providing for the development of the Project, together with certain improvements, on property described as the Project Site; and

WHEREAS, on March 27, 2001, the Agency accepted the proposal offered by the Developer subject to the preparation, approval and execution of a development agreement for the Project; and

WHEREAS, Agency authorized the execution of the Development Agreement on July 18, 2002 and Agency and Developer entered into a certain Development Agreement dated May 15, 2003 (the "Development Agreement"); and

WHEREAS, Agency duly authorized execution of a First Amendment to the Development Agreement by motion at its meeting on September 13, 2005; and

WHEREAS, Agency duly authorized execution of this Second Amendment to the Development Agreement by motion at its meeting on April 17, 2007; and

WHEREAS, the Agency and the Developer are desirous of entering into this Second Amendment to the Development Agreement in order to amend the Development Agreement;

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

1. Recitals. The foregoing recitals are all true and correct and are hereby incorporated into this Second Amendment to the Development Agreement.

2. Definitions. For the purposes of this Second Amendment to the Development Agreement all capitalized terms herein shall have the same meanings as provided in the Development Agreement.

3. Section 5.6 (d) is hereby added to the Development Agreement as follows :

(c) In addition to the payments in sections 5.6 (a) and (b) above, pursuant to the Agency's Midtown Strategic Investment Program and in consideration of the Developer developing the Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender an additional amount of Two Hundred Twenty Eight Thousand One Hundred Forty Four Dollars and Fifty Cents (\$228,144.50) in the form of a deferred loan (the "Loan"). Payment of the Loan funds shall be made after Project Completion, upon evidence by Developer that all of Developer's Equity and Project Financing have been exhausted and upon execution by Developer of a no lien

affidavit, a promissory note and a mortgage securing the Loan. Developer is responsible for providing written confirmation to the Agency, prior to payment, that the Project Lender shall apply this Loan payment to the principal on the Project Financing. The parties intend and acknowledge that this section shall not be effective any earlier than the Completion Date and shall survive the expiration of this Agreement unless terminated earlier as provided herein. Repayment of the loan shall commence at the end of the initial CRA lease, or after seven years, whichever is earlier. The term of the Loan shall be 5 years and Loan payments shall be calculated based upon an amortization period of 60 months. Interest shall accrue on the Loan at a rate of four percent (4%) per annum during repayment.

4. Exhibit "C" of the Development Agreement, the Project Schedule, is hereby deleted and replaced with the Project Schedule attached hereto.

5. Effective Date. This Second Amendment to the Development Agreement is effective upon execution by both parties as dated at the beginning of this Second Amendment to the Development Agreement.

6. The remainder of the Development Agreement shall continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]  
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have set their hands effective as of the date set forth in the introductory paragraph.

AGENCY:

FORT LAUDERDALE COMMUNITY  
REDEVELOPMENT AGENCY

WITNESSES:

Safaa B. Ali  
Safaa B. Ali  
[Witness print or type name]

K. Shandradal  
Hilma Shandradal  
[Witness print or type name]

By: Jim Naugle  
Jim Naugle, Chairman

By: George Gretsas  
George Gretsas  
Executive Director

Approved as to form:

William H. Waller  
Assistant City Attorney

WITNESSES:

DEVELOPER:

SIXTH STREET PLAZA, INC., a Florida corporation

Obbie Mallard  
Obbie Mallard  
[Witness print or type name]

By: [Signature], President

Ed Henry  
Ed Henry  
[Witness print or type name]

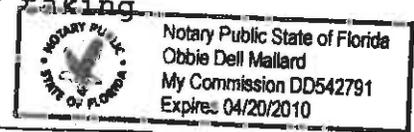
Attest: [Signature]  
Secretary

STATE OF FLORIDA:  
COUNTY OF BROWARD:

24 The foregoing instrument was acknowledged before me this 24 day of April, 2007 by MANA FRAMAN, as President of SIXTH STREET PLAZA, INC., a Florida corporation on behalf of said corporation. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

(SEAL)

[Signature]  
Notary Public, State of Florida  
(Signature of Notary taking Acknowledgment)



Name of Notary Typed,  
Printed or Stamped

My Commission Expires:

Commission Number

10

**THIRD AMENDMENT TO DEVELOPMENT AGREEMENT  
Sixth Street Plaza Project**

This Third Amendment to the Development Agreement ("Second Amendment to the Development Agreement") is made and entered into this 8 day of July, 2008, by and between:

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, a community redevelopment agency created pursuant to Part III, Chapter 163, Florida Statutes (the "Agency"),

and

SIXTH STREET PLAZA, INC., a Florida for profit corporation (the "Developer").

**WITNESSETH:**

WHEREAS, in December, 2000, the Agency published in accordance with §163.370 and §163.380, Florida Statutes (1999), a Invitation to Submit Proposals for Providing Office Space for Certain City Offices in the Midtown Business District (the "Invitation") for the development of a commercial office complex project to be located in and around the Midtown Business District and on Northwest Sixth Street a/k/a as "Sistrunk Boulevard" in the City of Fort Lauderdale (the "City") and in the Northwest Progresso Flagler Heights Community Redevelopment Area (the "Area"); and

WHEREAS, on March 7, 2001, in response to the Invitation, Sixth Street Plaza, Inc. submitted a certain Proposal (the "Proposal"), providing for the development of the Project, together with certain improvements, on property described as the Project Site; and

WHEREAS, on March 27, 2001, the Agency accepted the proposal offered by the Developer subject to the preparation, approval and execution of a development agreement for the Project; and

WHEREAS, Agency authorized the execution of the Development Agreement on July 18, 2002 and Agency and Developer entered into a certain Development Agreement dated May 15, 2003 (the "Development Agreement"); and

WHEREAS, Agency duly authorized execution of a First Amendment to the Development Agreement by motion at its meeting on September 13, 2005; and

WHEREAS, Agency duly authorized execution of a Second Amendment to the Development Agreement by motion at its meeting on April 17, 2007; and

WHEREAS, Agency duly authorized execution of this Third Amendment to the Development Agreement by motion at its meeting on June 17, 2008; and

WHEREAS, the Agency and the Developer are desirous of entering into this Third Amendment to the Development Agreement in order to amend the Development Agreement;

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

1. Recitals. The foregoing recitals are all true and correct and are hereby incorporated into this Third Amendment to the Development Agreement.

2. Definitions. For the purposes of this Third Amendment to the Development Agreement all capitalized terms herein shall have the same meanings as provided in the Development Agreement.

3. Section 5.6 (b) of the Development Agreement is hereby amended as follows:

"(b) Pursuant to the Agency's Midtown Strategic Investment Program and in consideration of the Developer developing the Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender the aggregate amount of Three Hundred Forty Thousand, Five Hundred Seventy One Dollars (\$340,571.00, ~~which payment shall be made~~

~~after Project Completion and upon evidence by Developer that all of Developer's Equity and Project Financing have been exhausted. Developer is responsible for providing written confirmation to the Agency, prior to payment, that the Project Lender shall apply this payment to fund construction related activities and costs for the Project the principal on the Project Financing. The parties intend and acknowledge that this section shall not be effective any earlier than the Completion Date and shall survive the expiration of this Agreement unless terminated earlier as provided therein."~~

4. Section 5.6 (d) is hereby amended to the Development Agreement as follows :

(d) In addition to the payments in sections 5.6 (a) and (b) above, pursuant to the Agency's Midtown Strategic Investment Program and in consideration of the Developer developing the Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender an additional amount of ~~Two Hundred Twenty Eight Thousand One Hundred Forty Four Dollars and Fifty Cents (\$228,144.50)~~ Four Hundred Forty Seven Thousand Nine Hundred Ninety Dollars and Fifty Cents (\$447,990.50) in the form of a deferred loan (the "Loan"). Developer agrees to be personally liable for the loan and execute a personal guaranty. Payment of the Loan funds shall be made after Project Completion, upon evidence by Developer that all of Developer's Equity and Project Financing have been exhausted and upon execution by Developer of a no lien affidavit, a promissory note, a personal guaranty from Developer for the Loan and a mortgage securing the Loan. Developer is responsible for providing written confirmation to the Agency, prior to payment, that the Project Lender shall apply this Loan payment to the principal on the Project Financing. The parties intend and acknowledge that this section shall not be effective any earlier than the Completion Date and shall survive the expiration of this Agreement unless terminated earlier as provided herein. Repayment of the loan shall commence at the end of the initial CRA lease, or after seven years, whichever is earlier. The term of the Loan shall be 5 years and Loan payments shall be calculated based upon an amortization period of 60 months. Interest shall accrue on the Loan at

a rate of four percent (4%) per annum during repayment.

5. A new section 5.6 (e) is hereby added as follows:

"(d) In addition to the payments in sections 5.6 (a)-(d) above, and in consideration of the Developer developing the Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender an additional grant amount of Seventy Thousand One Hundred Fifty Four Dollars (\$70,154.00) upon Project completion for additional right of way improvement and electrical upgrades related to on-site and building security improvements."

6. Section 13.1 (i) of the Development Agreement regarding payment of Agency Funds by the Agency is hereby amended as follows:

"(i) In the case of the payment by the Agency of any Agency Funds, except the \$340,571 in Section 5.6 (b) above, the Developer shall have provided Agency with a certificate of occupancy, proof that there are no liens that are pending or have been filed (other than the first and second mortgages by the Project Lenders) on the Project Site, evidence that all of Developer's Equity has been used to pay costs of the Project and evidence that all funds available under the Project Financing have been used to pay costs of the Project."

7. Effective Date. This Third Amendment to the Development Agreement is effective upon execution by both parties as dated at the beginning of this Third Amendment to the Development Agreement.

8. The remainder of the Development Agreement shall continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]  
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have set their hands effective as of the date set forth in the introductory paragraph.

AGENCY:

WITNESSES:

FORT LAUDERDALE COMMUNITY  
REDEVELOPMENT AGENCY

*Saleen B. Alt*  
*Saleen B. Alt*  
[Witness print or type name]

By: *[Signature]*  
Jim Naugle, Chairman

*Donna Varisco*  
*Donna Varisco*  
[Witness print or type name]

By: *[Signature]*  
George Gretsas  
Executive Director

Approved as to form:

*[Signature]*  
Assistant City Attorney



11

**FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT  
Sixth Street Plaza Project**

This Fourth Amendment to the Development Agreement ("Fourth Amendment to the Development Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2008, by and between:

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, a community redevelopment agency created pursuant to Part III, Chapter 163, Florida Statutes (the "Agency"),

and

SIXTH STREET PLAZA, INC., a Florida for profit corporation (the "Developer").

**WITNESSETH:**

WHEREAS, in December, 2000, the Agency published in accordance with §163.370 and §163.380, Florida Statutes (1999), a Invitation to Submit Proposals for Providing Office Space for Certain City Offices in the Midtown Business District (the "Invitation") for the development of a commercial office complex project to be located in and around the Midtown Business District and on Northwest Sixth Street a/k/a as "Sistrunk Boulevard" in the City of Fort Lauderdale (the "City") and in the Northwest Progresso Flagler Heights Community Redevelopment Area (the "Area"); and

WHEREAS, on March 7, 2001, in response to the Invitation, Sixth Street Plaza, Inc. submitted a certain Proposal (the "Proposal"), providing for the development of the Project, together with certain improvements, on property described as the Project Site; and

WHEREAS, on March 27, 2001, the Agency accepted the proposal offered by the Developer subject to the preparation, approval and execution of a development agreement for the Project; and

WHEREAS, Agency authorized the execution of the Development Agreement on July 18, 2002 and Agency and Developer entered into a certain Development Agreement dated May 15, 2003(the "Development Agreement"); and

WHEREAS, Agency duly authorized execution of a First Amendment to the Development Agreement by motion at its meeting on September 13, 2005; and

WHEREAS, Agency duly authorized execution of a Second Amendment to the Development Agreement by motion at its meeting on April 17, 2007; and

WHEREAS, Agency duly authorized execution of a Third Amendment to the Development Agreement by motion at its meeting on June 17, 2008; and

WHEREAS, Agency duly authorized execution of this Fourth Amendment to the Development Agreement by motion at its meeting on July 15, 2008; and

WHEREAS, the Agency and the Developer are desirous of entering into this Fourth Amendment to the Development Agreement in order to amend the Development Agreement;

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

1. Recitals. The foregoing recitals are all true and correct and are hereby incorporated into this Third Amendment to the Development Agreement.

2. Definitions. For the purposes of this Third Amendment to the Development Agreement all capitalized terms herein shall have the same meanings as provided in the Development Agreement.

3. Section 5.6 (d) of the Development Agreement is hereby amended as follows:

(d) In addition to the payments in sections 5.6 (a) and (b) above, pursuant to the Agency's Midtown Strategic Investment Program and in consideration of the Developer developing the Project in accordance with the terms of this

Agreement, the Agency agrees to pay to the Project Lender an additional amount of Four Hundred Forty Seven Thousand Nine Hundred Ninety Dollars and Fifty Cents (\$447,990.50) in the form of a deferred loan (the "Loan"). Developer agrees to be personally liable for the loan and execute a personal guaranty. Payment of the Loan funds shall be made in two equal payments. after Project Completion, The first Loan payment to Project Lender of \$223,995.25 shall be made upon request by Project Lender prior to Project Completion and upon evidence by Developer that all of Developer's Equity and Project Financing have been exhausted and upon execution by Developer of a no lien affidavit, a promissory note, a personal guaranty from Developer for the Loan and a mortgage securing the Loan. The second Loan payment to Project Lender of \$223,995.25 shall be made upon request by Project Lender after Project Completion upon execution by Developer of a new promissory note secured by the mortgage to Agency and any other documents required by Agency.

Developer is responsible for providing written confirmation to the Agency, ~~prior to payment~~, that the Project Lender shall apply theseis Loan payments to construction related activities for the Project and the principal on the Project Financing. ~~The parties intend and acknowledge that this section shall not be effective any earlier than the Completion Date and shall survive the expiration of this Agreement unless terminated earlier as provided herein.~~ Repayment of the loan shall commence at the end of the initial CRA lease, or after seven years, whichever is earlier. The term of the Loan shall be 5 years and Loan payments shall be calculated based upon an amortization period of 60 months. Interest shall accrue on the Loan at a rate of four percent (4%) per annum during repayment.

5. Section 5.6 (e) of the Development Agreement is hereby amended as follows:

"(e) In addition to the payments in sections 5.6 (a)-(d) above, and in consideration of the Developer developing the Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender an additional grant amount of Seventy Thousand One Hundred Fifty Four Dollars (\$70,154.00) upon Project completion upon receipt of copies of invoices from the Developer's subcontractors for additional right of way improvement and security improvements."

6. Section 13.1 (i) of the Development Agreement regarding payment of Agency Funds by the Agency is hereby amended as follows:

"(i) In the case of the payment by the Agency of any Agency Funds, except the \$340,571 in Section 5.6 (b) above, the first Loan payment in Section 5.6(d) above, and the payment in Section 5.6(e) above the Developer shall have provided Agency with a certificate of occupancy, proof that there are no liens that are pending or have been filed (other than the first and second mortgages by the Project Lenders) on the Project Site, evidence that all of Developer's Equity has been used to pay costs of the Project and evidence that all funds available under the Project Financing have been used to pay costs of the Project."

7. Effective Date. This Fourth Amendment to the Development Agreement is effective upon execution by both parties as dated at the beginning of this Fourth Amendment to the Development Agreement.

8. The remainder of the Development Agreement  
as  
amended shall continue in full force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]  
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have set their hands effective as of the date set forth in the introductory paragraph.

AGENCY:

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY

WITNESSES:

Debra B. Ali  
Debra B. Ali  
[Witness print or type name]

H. Shandhadal  
Katerina Stoutridakis  
[Witness print or type name]

By: [Signature]  
Jim Naugle, Chairman

By: [Signature]  
George Gretsas  
Executive Director

Approved as to form:

[Signature]

Assistant City Attorney

WITNESSES:

DEVELOPER:

SIXTH STREET PLAZA, INC., a Florida corporation

Obbie Mallard  
[Witness print or type name]

By: [Signature], President

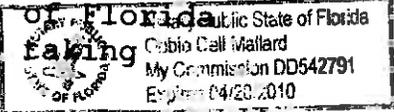
James Joseph Fox  
[Witness print or type name]

Attest: [Signature]  
Secretary

STATE OF FLORIDA:  
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this 20 day of July, 2008 by Mark Frempa, as President of SIXTH STREET PLAZA, INC., a Florida corporation on behalf of said corporation. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

(SEAL)

[Signature]  
Notary Public, State of Florida  
(Signature of Notary Public, State of Florida)  
Acknowledgment) 

\_\_\_\_\_  
Name of Notary Typed,  
Printed or Stamped

\_\_\_\_\_  
My Commission Expires:

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

(461-9745)

Mary Davdo

12

**FIFTH AMENDMENT TO DEVELOPMENT AGREEMENT  
Sixth Street Plaza Project**

This Fifth Amendment to the Development Agreement ("Fifth Amendment to the Development Agreement") is made and entered into this 10<sup>th</sup> day of November, 2009, by and between:

FORT LAUDERDALE COMMUNITY REDEVELOPMENT AGENCY, a community redevelopment agency created pursuant to Part III, Chapter 163, Florida Statutes (the "Agency"),

and

SIXTH STREET PLAZA, INC., a Florida for profit corporation (the "Developer").

**WITNESSETH:**

WHEREAS, in December, 2000, the Agency published in accordance with §163.370 and §163.380, Florida Statutes (1999), a Invitation to Submit Proposals for Providing Office Space for Certain City Offices in the Midtown Business District (the "Invitation") for the development of a commercial office complex project to be located in and around the Midtown Business District and on Northwest Sixth Street a/k/a as "Sistrunk Boulevard" in the City of Fort Lauderdale (the "City") and in the Northwest Progresso Flagler Heights Community Redevelopment Area (the "Area"); and

WHEREAS, in response to the Invitation, Sixth Street Plaza, Inc. submitted a certain Proposal (the "Proposal"), providing for the development of the Project, together with certain improvements, on property described as the Project Site; and

WHEREAS, on March 7, 2001, the Agency accepted the proposal offered by the Developer subject to the preparation, approval and execution of a development agreement for the Project; and

WHEREAS, Agency authorized the execution of the Development Agreement on July 18, 2002 and Agency and Developer entered into a certain Development Agreement dated May 15, 2003 (the "Development Agreement"); and

WHEREAS, Agency duly authorized execution of a First Amendment to the Development Agreement by motion at its meeting on September 13, 2005; and

WHEREAS, Agency duly authorized execution of a Second Amendment to the Development Agreement by motion at its meeting on April 17, 2007; and

WHEREAS, Agency duly authorized execution of a Third Amendment to the Development Agreement by motion at its meeting on June 17, 2008; and

WHEREAS, Agency duly authorized execution of a Fourth Amendment to the Development Agreement by motion at its meeting on July 15, 2008; and

WHEREAS, the agency duly authorized execution of this Fifth Amendment to the Development Agreement by motion at its meeting of July 7, 2009; and

WHEREAS, the Agency and the Developer are desirous of entering into this Fifth Amendment to the Development Agreement in order to amend the Development Agreement;

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

1. Recitals. The foregoing recitals are all true and correct and are hereby incorporated into this Fifth Amendment to the Development Agreement.

2. Definitions. For the purposes of this Fifth Amendment to the Development Agreement all capitalized terms herein shall have the same meanings as provided in the Development Agreement.

3. Section 1.5. of the Development Agreement, Definition of "Agency Funds" is hereby amended as follows:

Collectively, the (i) \$57,619 payment made by the Agency to the Project Lender pursuant to the Agency's Low Interest Loan Program, and (ii) the \$340,571.00 payment made by the Agency to the Project Lender and (iii) the \$697,990.50 in Loan payments made to the Project Lender and Landmark Title Services, Inc. ("Title Company") as detailed in Section 5.6 of this Agreement in

consideration of the Project, all as more particularly provided for in Section 5.6.

4. Section 2.1. (d) of the Development Agreement is hereby amended as follows:

The Developer needs assistance from the Agency and that but for the commitment by the Agency to pay \$340,571 to be used to pay costs of developing the Project after exhaustion of funds from Developer's Equity and Project Financing, and to pay \$57,321 to be applied to principal of the Project Financing under the Agency's Low Interest Loan Program and to pay \$697,990.50 in the form of a deferred loan, the Developer would be unable to develop the Project as contemplated by this Agreement.

5. Section 5.6 (d) of the Development Agreement is hereby amended as follows:

(d) In addition to the payments in sections 5.6 (a) and (b) above, pursuant to the Agency's Midtown Strategic Investment Program and in consideration of the Developer developing the Project in accordance with the terms of this Agreement, the Agency agrees to pay to the Project Lender an additional amount not to exceed of Four Hundred Forty Seven Thousand Nine Hundred Ninety Dollars and Fifty Cents (\$447,990.50) Six Hundred Ninety Seven Thousand Nine Hundred Ninety Dollars and Fifty Cents (\$697,990.50) in the form of a deferred loan (the "Loan"). Developer agrees to be personally liable for the loan and execute a personal guaranty. Payment of the Loan funds shall be made in ~~two equal~~ three payments. The first Loan payment to Project Lender of \$223,995.25 shall be made upon request by Project Lender prior to Project Completion and upon execution by Developer of a no lien affidavit, a promissory note, a personal guaranty from Developer for the Loan and a mortgage securing the Loan. The second Loan payment to Project Lender of \$223,995.25 shall be made upon request by Project Lender after Project Completion upon execution by Developer of a new promissory note secured by the mortgage to Agency and any other documents required by Agency. The third Loan payment in the amount of \$250,000 will be made to Title Company to disburse to Developer's Contractors and subcontractors after Project Completion to assist the Developer in paying bills for completed improvements and for additional improvements to lighting and security for the Project. The third Loan payment may be disbursed by the Title Company in different draws based on the submittal of invoices and required backup documents by the

Developer. Prior to any disbursements by Title Company, Title Company will be responsible for conducting title searches, acquiring all applicable releases of liens, ensuring that all funds are paid to appropriate parties and getting approval from Agency's Authorized Representative to disburse the funds. The Developer will be required to execute a new promissory note for each Loan payment to be secured by the mortgage to Agency and any other documents required by Agency.

Developer is responsible for providing written confirmation to the Agency, that the Project Lender shall apply these first two Loan payments to construction related activities for the Project and the principal on the Project Financing. Developer shall be required to submit itemized lists of obligations, invoices and any other documents required by Agency and satisfactory to Agency prior to any of the third Loan payment being disbursed by Title Company. Repayment of the Loan shall commence at the end of the initial CRA lease, or after seven years, whichever is earlier. The term of the Loan shall be 5 years and Loan payments shall be calculated based upon an amortization period of 60 months. Interest shall accrue on the Loan at a rate of four percent (4%) per annum during repayment.

6. Effective Date. This Fifth Amendment to the Development Agreement is effective upon execution by both parties as dated at the beginning of this Fifth Amendment to the Development Agreement.

7. The remainder of the Development Agreement as amended shall continue in full force and effect.

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[SIGNATURE PAGE FOLLOWS]

FIFTH AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN FORT LAUDERDALE  
COMMUNITY REDEVELOPMENT AGENCY AND SIXTH STREET PLAZA, INC.

IN WITNESS WHEREOF, the parties hereto have set their hands  
effective as of the date set forth in the introductory paragraph.

AGENCY:

WITNESSES:

FORT LAUDERDALE COMMUNITY  
REDEVELOPMENT AGENCY

Safesa A. Maloney  
Safesa A. Maloney  
[Witness print or type name]

By: [Signature]  
John P. "Jack" Seiler, Chairman

[Signature]  
Katrina Skordikova  
[Witness print or type name]

By: [Signature]  
George Gretsas  
Executive Director

Approved as to form:

[Signature]  
Asst City Attorney

FIFTH AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN FORT LAUDERDALE  
COMMUNITY REDEVELOPMENT AGENCY AND SIXTH STREET PLAZA, INC.

WITNESSES:

DEVELOPER:

SIXTH STREET PLAZA, INC., a Florida  
corporation

Patrice E. Wilson  
Patrice E. Wilson  
[Witness print or type name]

By: [Signature], President

[Signature]  
ANGELA WILSON  
[Witness print or type name]

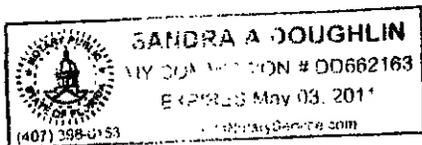
Attest: [Signature]  
Secretary

STATE OF FLORIDA:  
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this  
23<sup>rd</sup> day of September, 2009 by MARIA FREEMAN,  
as PRESIDENT of SIXTH STREET PLAZA, INC., a Florida  
corporation on behalf of said corporation. He/She is personally  
known to me or has produced \_\_\_\_\_ as identification.

(SEAL)

[Signature]  
Notary Public, State of Florida  
(Signature of Notary taking  
Acknowledgment)



SANDRA A. DOUGHLIN  
Name of Notary Typed,  
Printed or Stamped

My Commission Expires: MAY 03, 2011

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

FIFTH AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN FORT LAUDERDALE  
COMMUNITY REDEVELOPMENT AGENCY AND SIXTH STREET PLAZA, INC.

JOINDER AND CONSENSY BY TITLE COMPANY

By execution below, Landmark Title Services, Inc. ("Title  
Company") agrees to accept and disburse funds in the amount of  
\$250,000 from the Fort Lauderdale Community Redevelopment Agency  
("Agency") in accordance with the foregoing terms, conditions and  
procedures set forth in the Fifth Amendment to the Development  
Agreement between Agency and the Developer Sixth Street Plaza  
Inc.

LANDMARK TITLE SERVICES, INC.

By:

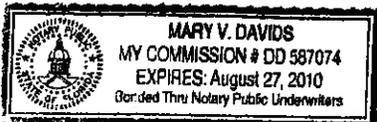
Name: Michael O. Albertine

Title: President

STATE OF FLORIDA:  
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this  
12<sup>th</sup> day of October, 2009 by Michael O. Albertine,  
as President of Landmark Title Services, Inc., a  
Florida corporation on behalf of said corporation. He/She is  
personally known to me or has produced \_\_\_\_\_ as  
identification.

(SEAL)



[Signature]  
Notary Public, State of Florida  
(Signature of Notary taking  
Acknowledgment)

Mary V. Davids  
Name of Notary Typed,  
Printed or Stamped

My Commission Expires:  
8-27-10 DD 587074  
Commission Number

13

MEETING OF THE FORT LAUDERDALE  
COMMUNITY REDEVELOPMENT AGENCY  
8<sup>TH</sup> FLOOR CONFERENCE ROOM  
CITY HALL

TUESDAY, JULY 7, 2009 – 12:12 A.M.

Chairman Seiler called the meeting to order at approximately 12:12 a.m. Roll was called and a quorum was present.

Present: Chairman John P. "Jack" Seiler  
Vice Chair Bruce G. Roberts  
Member Charlotte E. Rodstrom  
Member Bobby B. DuBose  
Member Romney Rogers

Absent: None.

Also Present: George Gretsas, City Manager  
John Herbst, City Auditor  
Jonda K. Joseph, City Clerk  
Harry A. Stewart, City Attorney  
Alfred Battle, Director, Community Redevelopment Agency

**3. SR A1A Light Replacement – Turtle Compliant Project Funding Recommendation**

Alfred Battle, Community Redevelopment Director, stated that this item was being deferred. No date was provided.

**8. Funding Request and Fifth Amendment – Sixth Street Plaza**

Alfred Battle, Community Redevelopment Director, advised that the new loan amount is \$697,990.50, instead of \$697,144.50.

Continued on page 4.

**1. Minutes of the June 2, 2009 - Regular Meeting**

**Motion** made by Member DuBose and seconded by Vice Chair Roberts to approve the minutes of the CRA meeting held on June 2, 2009. Roll call showed: YEAS: Members DuBose and Rogers, Vice Chair Roberts, Member Rodstrom, and Chairman Seiler. NAYS: None.

**2. Discussion – CRA Tax Adjustment and Retroactive Payment**

The City Auditor stated that an adjustment had been made by the Broward County Property Appraiser's Office on properties located within the CRA Districts. The

permission to execute easement deeds to locate some monuments to CRA property located at NW 22<sup>nd</sup> Avenue and Sistrunk Boulevard.

**Motion** made by Member DuBose and seconded by Vice Chair Roberts to authorize proper City Officials to execute an Easement Deed between the CRA to the City of Fort Lauderdale to facilitate the construction of two neighborhood entryway monuments in the River Gardens/Sweeting Estates neighborhood.

In response to Member Rogers, Mr. Battle explained that the monuments protruded slightly into the roadway.

In response to Member Rogers, the City Attorney explained that as long as they do not create a safety hazard, it would be permitted.

In response to Member Rogers, Mr. Battle stated he did not know what they were made of and were part of the Public Works NCIP project.

In response to Chairman Seiler, the City Attorney stated that they had sovereign immunity as a CRA.

Roll call showed: YEAS: Members DuBose and Rogers, Vice Chair Roberts, Member Rodstrom, and Chairman Seiler. NAYS: None.

**6. Authorization to Transfer Funds**

Alfred Battle, Community Redevelopment Director, stated they wanted to transfer \$100,000 internally between two CRA project funds to provide development assistance.

**Motion** made by Member DuBose and seconded by Member Rodstrom to authorize the transfer of \$100,000 from the Business Incentives Program Account (Fund 106/P10649/Sub-Object 6599) to the Midtown Development Assistance Program Account (Fund 106/P10649/Sub-Object 6599). Roll call showed: YEAS: Members DuBose and Rogers, Vice Chair Roberts, Member Rodstrom, and Chairman Seiler. NAYS: None.

**7. Authorization To Bid For Vendor Services – Progresso Village Solar Powered Lighting System**

Alfred Battle, Community Redevelopment Director, stated they were asked to convert temporary road closures to a more permanent system, and the issue raised was how the community would deal with the maintenance of the area.

**Motion** made by Member Rodstrom and seconded by Member DuBose to authorize NPF CRA staff to advertise to receive bids for solar powered lighting for the Progresso Village road closures and gateway entry. Roll call showed: YEAS: Members DuBose and Rogers, Vice Chair Roberts, Member Rodstrom, and Chairman Seiler. NAYS: None.

**8. Funding Request and Fifth Amendment – Sixth Street Plaza**

Continued from page 1.

The City Clerk reiterated that the amount had been amended and was now \$697,990.50.

Alfred Battle, Community Redevelopment Director, stated this was a request from the developer. The project was completed. He then provided a chronological history of the amendments. This request would increase the allocation of funds by \$250,000. The City's total obligation would be over \$1 Million. The Plaza includes the building that houses the CRA, and two other properties having about a 70% occupancy at this time. This would keep the project afloat and protect the CRA's interest. Loan payments would be deferred for seven years.

**Motion** made by Member DuBose to authorize \$250,000 of additional funding for the Sixth Street Plaza in the form of a deferred loan, for a new deferred loan amount of \$697,990.50, and authorize the proper CRA officials to execute a Fifth Amendment to the Development Agreement.

In response to Member Rogers, Mr. Battle stated that the first mortgage totaled approximately \$1,900,000, and the second mortgage totaled \$300,000. The total debt would amount to \$3.2 Million. The appraisal made in December was \$2.4 Million. Member Rogers stated that possibly another option would be available for restructuring the loan. Mr. Battle explained that mechanics liens and other minor items totaled about \$228,000.

In response to Member Rogers, Mr. Battle stated the rationale behind the structuring of the loan was that a deferred loan was an attempt to recoup some of the monies when the property had sufficient cash flow. A cash flow had not been done, and they recognize that the mechanics liens had to be resolved before they could fully restructure.

Maria Freeman, Developer, stated that a cash flow analysis had been done for a 10-year period, and presently she was able to cash flow and service the debt for the first and second mortgage. The additional loans would not come into effect for another seven years. She further stated that approximately \$400,000 would be realized over a 15-year tax increment period.

In response to Member Rogers, Ms. Freeman explained that the first mortgage was for 20 years.

In response to Member Rogers, Mr. Battle explained that CRA funds were available and could be structured as a grant, if criteria were met. They had structured this as a loan since there was already a grant for approximately \$400,000. These investments were normally made based on the tax increment return to the project. Member Rogers stated that he would feel better if the cash flow analysis was provided for their review.

Member Rogers stated that he wanted to make sure the process was followed so the title report would disclose that there were not any liens on the property, other than the first, second and third mortgages.

In response to Member DuBose, Mr. Battle stated that he did not know the cost for title services. The agreement listed conditions that had to be followed regarding payments.

Member Rodstrom left the meeting at approximately 12:59 a.m.

In response to Chairman Seiler, Ms. Freeman confirmed that there were 10 mechanics' liens, and another two subcontractors not yet paid.

In response to Chairman Seiler, Mr. Battle explained that monies in loans and grants would total over \$1 Million.

Member Rodstrom returned to the meeting at approximately 1:01 a.m.

In response to Chairman Seiler, Mr. Battle stated the third mortgage totaled \$697,000 with the first and second mortgages totaling approximately \$2.2 Million. He further stated that the CRA was paying rent at their location in the amount of \$16.00 per square foot plus expenses. The tenants in the renovated building were paying \$19.00 per square foot. The third building ran about \$11.00 per square foot. Other tenants in the renovated building pay anywhere from \$14.00 per square foot to \$16.60 per square foot.

In response to Chairman Seiler, Ms. Freeman explained that presently she has not been able to turn her loan into a permanent one due to the mechanics' liens. She wants to get the loan out of the construction mode status. The second mortgage was with South Florida and in construction mode status also. She stated the loan was at the 80% loan to value.

In response to Chairman Seiler, Mr. Battle stated that the \$400,000 grant would be forgivable, and was the original incentive provided in 2003.

Ms. Freeman stated that the project accomplished its goal and attracted tenants, and was presently 72% occupied. She also had two leases of the 28% vacancies, reducing the number of vacancies down to 2%.

In response to Chairman Seiler, Ms. Freeman explained that the cash flow would cover the first and second mortgages, and other expenses. Adding the \$700,000 would place a strain on her cash flow. She proceeded to provide information regarding the time period of the loans.

In response to Member Rogers, Ms. Freeman stated that the first mortgage was for five years, and it would then be refinanced. She explained the second mortgage did not have a balloon payment. She further stated that mechanics' liens were not uncommon to construction projects. Larger contractors bonded liens out and the projects did not get delayed. In her case, her project was put on hold while the mortgage ran forward, along with her construction loan. Due to delays, some contractors did not return to the project. She reiterated that this was not a normal project.

Member DuBose stated that this project was a flagship to revitalize the area, and Ms. Freeman should be commended.

Member Rogers believed that staff should be very involved in the project.

Chairman Seiler commented on the history of the project provided in the Board's back-up materials. Mr. Battle explained that the project sat for a number of months while the developer resolved an elevator issue. The project received a CO in March, 2009.

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Ms. Freeman explained that the building was basically ready for occupancy in June, 2008, with the exception of the problem with the elevator.

The motion was seconded by Member Rogers with the condition that the mechanics' liens and outstanding bills be paid, and satisfaction be provided of such payments.

Mr. Battle explained they worked through the City's Finance Department.

Ms. Freeman stated that it was in the lenders' interest to make sure the liens were satisfied.

Member Rogers wants to make sure that a title search would be done after payment was made to ensure that no liens were outstanding.

Mr. Battle explained the process to be followed, reiterating that the checks would be provided to the lender.

Chairman Seiler stated that there is \$74,000 in unrecorded claims, and something needs to be provided showing payment.

Mr. Battle confirmed that such process would be followed, and he would oversee everything being done.

Roll call showed: YEAS: Members DuBose and Rogers, Vice Chair Roberts, and Chairman Seiler. NAYS: Member Rodstrom.

There being no further business to come before this Board, the meeting was adjourned at 1:30 a.m.

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John P. "Jack" Seiler  
Chairman

ATTEST:

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Jonda K. Joseph  
City Clerk



## Memorandum

**Memorandum No: 15-129**

**Date:** August 13, 2015

**To:** Honorable Mayor and Commissioners

**From:** Lee R. Feldman, ICMA-CM, City Manager

**Re:** **Response to City Auditor's Review – Sixth Street Plaza**

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I have reviewed the City Auditor's report on the Sixth Street Plaza Development Project (Exhibit 1). Below is a response to each recommendation provided by the City Auditor by objective.

**Objective 1: Determine the nature of the underwriting and due diligence performed by Community Redevelopment Authority (CRA) staff in support of the project.**

Recommendation:

CRA management needs to develop written policies, procedures, and criteria to effectively review proposals from developers. Staff needs to have sufficient training and expertise in methods for conducting this review. These procedures should include at a minimum:

- Formal criteria and thresholds that the project must achieve to warrant funding.
- A business plan with a detailed budget and timeline for construction.
- A market analysis showing demand and comparable rents.
- Proforma cash flow statement in sufficient detail to permit an objective evaluation of the risks and likelihood for success of the project.
- Credit and background checks of the principals involved.
- Review of prior projects of similar size/scope successfully completed by the applicant.
- Additional funding requests, cost increases, and change orders should receive the same level of scrutiny, analysis, documentation, and risk assessment as the initial proposal.

Response:

Management accepts the findings. CRA staff has created and implemented rigorous systems of financial controls, policies, and procedures that are in-line with the policies and procedures of the City. CRA staff is currently receiving ongoing training in the use of these new systems of financial controls for both procurement of services and disbursement of funds. Financial management staffing levels have also been increased within the CRA in an effort to ensure that the right amount of resources are in place to ensure that due diligence occurs.

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**Objective 2: Determine the sources and uses of funds for the project and the extent of monitoring and compliance that was conducted.**

Recommendation:

Ensure that all agreements entered into by the City/CRA include a *right to audit* clause where appropriate.

Response:

Management accepts the finding. All incentive funding agreements will now include a "right to audit" clause. This improvement will provide for greater efficiencies in assessing adherence related to requirements of CRA incentive programs.

Recommendation:

Require appropriate documentation to substantiate reimbursement of expenses.

Response:

Management accepts the finding. In addition to adding staffing to assist with due diligence, going forward, all requests will be accompanied by an independent review to determine project viability.

Recommendation:

Develop procedures to provide effective oversight over the disbursement of funds.

Response:

Management accepts the finding. As a part of the new system of financial controls that are now in place, CRA staff now requires all reimbursements to include appropriate documentation which may include receipts, agreements, invoices, and even business plans if necessary.

Recommendation:

Incorporate ongoing monitoring into program requirements to determine whether the developer has fallen behind on payments to other senior lenders, subcontractors, utility providers, or taxing authorities.

Response:

Management accepts the finding. All future incentive funding agreements will require applicants provide a quarterly project status report which will provide an additional layer of on-going, proactive project monitoring.

**Objective 3: Determine if cost overruns and funding increases were documented and justified.**

Recommendation:

The CRA needs to develop policies and procedures to ensure effective oversight of its programs, establish responsibility and accountability for executing those policies, and take corrective action in a timely manner.

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Response:

Management accepts the finding. CRA staff has created and implemented rigorous systems of financial controls, policies and procedures that are in-line with the policies and procedures of the City. CRA staff is currently receiving ongoing training in the use of these new systems of financial controls for both procurement of services and disbursement of funds.

Recommendation:

Project management/advocacy needs to be separated from compliance monitoring. These functions have goals which may be at odds with each other and are therefore incompatible.

Response:

Management does not accept this finding. With a clear system of both project accountability, as well as a system of financial controls that are in-line with City policies and procedures, project management/advocacy does not need to be separate from compliance monitoring. Compliance monitoring of a project is a function of project management

Regarding the City Auditor's note on page 12 of Exhibit 1, management agrees that communication between the CRA and the Finance Department was limited. Staff has taken various steps to mitigate this challenge including the creation, funding, and hiring of a Financial Management Analyst within the Department of Sustainable Development that is working directly within the CRA to bridge any gap that existed between the CRA and the Finance Department.

Management also recognizes that the Finance Department had no mechanism in place to alert them when the first payment is due from Sixth Street (February 1, 2016). CRA Staff will be working with the Finance Department to develop a loan routing form. This form and procedure will ensure that the Finance Department is notified of future CRA loans.

Moreover, management agrees with the City Auditor for discovering two non-related CRA loans on the books of which CRA staff were unaware. Currently, both loans are delinquent. Staff is collaborating with Regent Bank (in first position) and the South Florida Regional Planning Council (in second position) to work through this challenge. Additionally, staffing levels have been, and continue to be increased to aid with the overall success of this program. Again, part of the aim of adding staff with the right training and experience is to ensure the right amount of resources are in place to ensure that due diligence occurs.

In closing, management acknowledges that the failure of Sixth Street Plaza to function as a viable commercial property in this key redevelopment area is a significant concern. While this is a challenge that stems from before the current administration's time, it is

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important to highlight that the Sixth Street Plaza project is the most aggressive use of CRA funds ever approved by the CRA Board. The Northwest-Progresso-Flagler Heights

CRA program was created almost 20 years ago to eliminate slum and blight, and staff plans to move aggressively over the remaining ten years of the program to further aid with improving this area. Staff believes that in Fort Lauderdale, the real estate market timing is right, tax increment funding is trending upward, and interest in the CRA is at an all-time high. These factors are supported by experienced and skilled professional employees committed to creating a vibrant Fort Lauderdale, and a City administration committed to providing the proper resources and tools to get the job done.

Attachment: Exhibit 1 – Audit

- C: Stanley D. Hawthorne, Assistant City Manager
- Susanne M. Torriente, Assistant City Manager
- Cynthia A. Everett, City Attorney
- Jeffrey A. Modarelli, Assistant City Clerk
- John C. Herbst, City Auditor
- Department Directors
- CMO Managers