

GROUND LEASE AGREEMENT

between

CITY OF MIAMI BEACH
as Lessor

and

CFC- MBI, LLC
as Lessee

DATED AS OF _____, 2022

TABLE OF CONTENTS

	<u>Page</u>
Section 1. Definitions	2
Section 2. Term	11
Section 3. Rent	11
Section 4. Financing of the Project	12
Section 5. Taxes and Assessments	12
Section 6. Utility Services	13
Section 7. Payments for the Lessee by the Lessor	13
Section 8. Compliance by the Lessee with Laws and Ordinances	13
Section 9. Quiet Enjoyment; Environmental Warranty	14
Section 10. Construction of Improvements	14
Section 11. Operation of the Project	20
Section 12. Security Interest	25
Section 13. Assignment of Lease	26
Section 14. Maintenance of Property	27
Section 15. Annual Budget	27
Section 16. Indemnification Agreement	29
Section 17. Insurance	29
Section 18. Police Services	32
Section 19. Damage and Destruction	32
Section 20. Condemnation	34
Section 21. Estoppel Certificates	35
Section 22. Access to Premises	35
Section 23. Property Subject to Zoning	36
Section 24. Events of Default and Remedies	36
Section 25. Expiration or Termination	38
Section 26. Mortgaging of the Leasehold	38
Section 27. Option to Purchase	43
Section 28. Notices	44
Section 29. Submission of Matters to the Lessor for Approval	46
Section 30. Holding Over by the Lessee	46
Section 31. Environmental Matters	46
Section 32. Property Condition	47
Section 33. Lessor's Capital Contributions to the Project	47
Section 34. Leasehold Condominium	48
Section 35. Release of Portions of the Property	49
Section 36. Miscellaneous	49
Section 37. Books and Records; Audit Rights	52
EXHIBIT A	LEGAL DESCRIPTION OF THE PROPERTY
EXHIBIT B	CITY DEVELOPMENT AGREEMENT
EXHIBIT C	DEVELOPER ASSIGNMENT
EXHIBIT D	TENANT CERTIFICATION PROCEDURES

GROUND LEASE AGREEMENT

This **GROUND LEASE AGREEMENT** (this "**Ground Lease**"), made and entered into as of the ____ day of ____, 202__, is between **CITY OF MIAMI BEACH**, a Florida municipal corporation (the "**Lessor**"), and **CFC- MB I, LLC** (the "**Lessee**"), a single-member limited liability company organized and existing under the laws of the State of Arizona and wholly-owned affiliate of Community Finance Corporation, a not-for-profit corporation of the State of Arizona.

WITNESSETH:

WHEREAS, the Lessor is the owner of certain property located in the City of Miami Beach, Florida owned by the Lessor as more particularly described in Exhibit "A" attached hereto, incorporated in and by reference made a part hereof (the "**Property**"); and

WHEREAS, the Lessor and the Lessee (each a "**Party**," and together the "**Parties**") desire for the Lessee to develop, acquire, construct, furnish, equip, and operate a mixed use development with residential workforce housing, dormitory-style housing, and cultural or retail uses on the ground floor of the Property, along with associated site development and various related amenities and improvements on the Property (the "**Project**"); and

WHEREAS, the Lessor desires to lease the Property to the Lessee for the purpose of developing, constructing, and operating the Project for the use and benefit of local workforce and the students and other persons participating in dance education and other cultural program offerings of the Miami City Ballet, Inc., South Florida's premier classical ballet company; and

WHEREAS, the Miami Dade County Industrial Development Authority (the "**Issuer**") has determined to issue its Industrial Development Revenue Bonds (CFC – MB I, LLC- Collins Park Housing Project), Series 2022A (the "**Series 2022A Bonds**") and its Industrial Development Revenue Bonds, (CFC – MB I, LLC- Collins Park Housing Project), Series 2022B (Taxable) (the "**Series 2022B Bonds**"), and its Industrial Development Revenue Bonds (CFC-MB I, LLC Housing Project), Series 2022C (Subordinate) (the "**Series 2022C Bonds**") together with the Series 2022A and 2022B Bonds, the "**Series 2022 Bonds**") under and pursuant to the terms of a Trust Indenture (the "**Indenture**") dated as of [_____] 1, 2022 between the Issuer and Zions Bancorporation, National Association, as Trustee (the "**Trustee**") and to lend the proceeds of the Series 2022 Bonds to the Lessee for the purpose of financing the costs of acquiring, constructing, furnishing, and equipping the Project under and pursuant to the terms of a Loan Agreement of even date herewith between the Issuer and the Lessee; and

NOW, THEREFORE, in consideration of the premises, the rental to be paid hereunder, the mutual covenants and agreements herein set forth by each Party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby expressly acknowledged by each Party, the Parties do hereby mutually covenant and agree as follows:

The Lessor does hereby let the Property unto the Lessee, subject only to Permitted Encumbrances (as defined herein), and the Lessee does hereby take and hire the Property from the Lessor, subject to Permitted Encumbrances.

TOGETHER WITH all appurtenances, rights, privileges, and easements benefiting, belonging, or pertaining thereto, and together with the buildings, structures, and improvements erected or to be erected thereon.

TO HAVE AND TO HOLD the Property for the term set forth herein unless this Ground Lease shall be sooner terminated as hereinafter provided.

This Ground Lease and all rights of the Parties hereunder are expressly subject to the provisions as hereinafter set forth, all of which the Parties respectively agree to keep, abide by, and perform during the Term.

Section 1. Definitions. The following terms as used in this Ground Lease Agreement, shall have the following meanings, unless the context indicates otherwise:

"**Additional Bonds**" means any additional notes, bonds, or other instruments issued and secured under the Indenture, other than the Series 2022 Bonds.

"**Annual Budget**" has the meaning given in the Loan Agreement.

"**Annual Period**" means the twelve (12) month period commencing on January 1 of each calendar year and ending on December 31 of such calendar year.

"**Architect**" shall have the meaning ascribed to it in the City Development Agreement.

"**Architect's Agreement**" means that certain Agreement for Design Services dated October 1, 2022, between the Developer, as owner, and the Architect, as architect, pursuant to which the Architect has agreed to provide certain architectural and engineering services in connection with the construction of the Project, and any amendments thereof and/or supplements thereto.

"**AMI**" means the area median income for Miami-Dade County established from time to time by the U.S. Department of Housing and Urban Development.

"**Artists**" shall mean any person earning 120% or less of the then-applicable area median income (AMI) for Miami-Dade County (as such AMI is determined from time to time in accordance with Chapter 58 of the City Code), and who is either (1) actively involved in the practice of creative arts, including, without limitation, in the area of music, dance, drama or other performing arts; creative writing; painting, sculpture, photography, or other fine arts; graphic arts/web design; craft arts; industrial design; costume design; fashion design; and film, television, radio and/or print production; or (2) an employee of a non-profit or governmentally owned museum or other cultural organization works with, displays, or promotes the creative arts

"**Area Educators**" means any person earning 120% or less of the then-applicable area median income (AMI) for Miami-Dade County (as such AMI is determined from time to time in accordance with Chapter 58 of the City Code), who is employed as a teacher or teacher's aide at any public or private school within the City of Miami Beach (including, without limitation, any teacher or teacher's aide employed within the City of Miami Beach in any day care/early childhood education program), on a full-time or part-time basis.

"Asset Management Agreement" means (i) the Initial Asset Management Agreement and (ii) any management or similar agreement between the Lessee and any successor Asset Manager to be responsible for the management and operation of the Premises, as the same may be amended and/or supplemented from time to time in accordance with the provisions hereof, thereof, and of the Indenture, and subject to the consent of the Lessor, in accordance with Section 11 of this Ground Lease.

"Asset Manager" means, initially, Servitas Management Group, LLC, a limited liability company organized under the laws of the State, and thereafter, any other approved management company employed by the Lessee to manage the Project, subject to the consent of the City Manager in accordance with Section 11 of this Ground Lease.

"Assigned Agreements" means, collectively, the Construction Agreements, Occupancy Agreements and the Asset Management Agreement.

"Assignment of Contracts and Agreements" means the Assignment of Contracts and Agreements of even date herewith by the Lessee in favor of the Trustee, as the same may be amended and/or supplemented from time to time as permitted by the Indenture.

"Building Equipment" means all installations incorporated in, located at or attached to and used or usable in the operation of, or in connection with, the Premises and shall include, but shall not be limited to, machinery, apparatus, devices, motors, engines, dynamos, compressors, pumps, boilers and burners, heating, lighting, plumbing, ventilating, air cooling and air conditioning equipment; chutes, ducts, pipes, tanks, fittings, conduits and wiring; incinerating equipment; elevators and hoists; washroom, toilet and lavatory plumbing equipment; window washing hoists and equipment; and all additions or replacements thereof, excluding, however, any personal property which is owned by subtenants, licensees, concessionaires or contractors of the Lessee, or any personal property of the Lessee that has not been purchased with any of Bond proceeds or Revenues of the Project.

"Bond Documents" has the meaning given in the Loan Agreement.

"Bonds" means, collectively, the Series 2022 Bonds and any Additional Bonds.

"Borrower" means the Lessee.

"Borrower Documents" has the meaning given in the Loan Agreement.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banking institutions in the State are authorized or obligated by law to close.

"City" means the City of Miami Beach, Florida.

"City Development Agreement" means that certain Development Agreement between the City of Miami Beach and the Developer and joined to by Lessee, dated January 21, 2021, governing the development of the Project, recorded in Official Records Book _____, Page ___ of the Public Records of Miami-Dade County, Florida, a copy of which is attached hereto as Exhibit "B" and incorporated by reference herein.

"City Manager" means the chief administrative officer of the Lessor.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" means _____ [____], 2022.

"Construction Costs" has the meaning given in the Loan Agreement.

"Construction Documents " means the City Development Agreement, the Development Agreement between Servitas and Lessee, the General Construction Contract, Architect's Agreement, and the other contracts, if any, relating to the construction thereof between the Developer, the General Contractor, the Architect, or the Borrower and construction professionals or suppliers of materials and Equipment.

"Construction Fund" has the meaning given in the Indenture.

"Consumer Price Index" means the Consumer Price Index For All Urban Consumers (CPI-U); U.S. City average (1982-84=100), published by the Bureau of Labor Statistics of the U.S. Department of Labor.

"Corporation" means Community Finance Corporation, a non-profit corporation duly organized and existing under the laws of the State of Arizona, and its successors and assigns.

"County" means Miami-Dade County, Florida.

"Debt Service Reserve Fund" has the meaning given in the Loan Agreement.

"Default Rate" means the lower of (a) a rate of interest equal to five percent (5%) per annum above the Prime Rate or (b) the highest rate permitted by applicable law.

"Developer" means Servitas, LLC, a limited liability company organized and existing under the laws of Texas, which is registered and authorized to do business in the State, and its permitted successors and assigns.

"Developer Assignment" has the meaning given in the Loan Agreement. A copy of the Developer Assignment is attached hereto as Exhibit "C".

"Development Agreement" means that certain agreement by and between the Lessee and Developer for the design and construction of the Improvements.

"Dormitory Housing" means up to thirty-two (32) beds of dormitory-style housing (utilizing an entire floor or a portion of two floors) for Miami City Ballet dancers, students and other program participants, and MCB personnel only, as such term may be further described in the City Development Agreement.

"Eligible Residents" (or individually, an **"Eligible Resident"**) means, for the Workforce Housing Units, eligible individuals earning 120% or less of the AMI (or as defined by the then applicable ordinance governing workforce housing), consistent with all applicable requirements

relating to workforce housing as provided in Chapter 58 of the City Code. The following acceptance priorities shall be applied to otherwise income eligible individuals: (i) Artists practicing in Miami-Dade County; City of Miami Beach employees, including, without limitation, City of Miami Beach law enforcement personnel and firefighters; Area Educators and nurses employed within the City of Miami Beach; and veterans who are either employed within the City of Miami Beach or whose last place of residence was within the City of Miami Beach (collectively, "Tier 1"); (ii) workers employed within the City of Miami Beach in the hospitality and entertainment industries ("Tier 2"); and (iii) workers employed within Miami-Dade County, with priority for workers employed within the City of Miami Beach ("Tier 3"). For purposes of the Dormitory Housing for MCB, "Eligible Residents" shall mean persons participating in an official dance education or other program offered by the MCB, as well as the MCB on-premises dormitory staff without regard to AMI.

"Environmental Reports" means the following reports provided by the City to Lessor and Developer: Phase 1 Environmental Site Assessment Report by Langan Engineering, dated December 21, 2012 for 340 23rd St, Miami Beach, Florida and Phase 2 Environmental Site Assessment Report by Langan Engineering, dated February 19, 2014 for 340 23rd St, Miami Beach, Florida.

"Event of Default" has the meaning given in Section 24 hereof.

"Equipment" means all machinery, equipment, fixtures, appliances, furniture, and any other personal property of any kind or description owned by the Lessee and incorporated within or for the exclusive benefit of the Project.

"Expenses" has the meaning given in the Loan Agreement.

"Financial Closing" has the meaning given in the City Development Agreement.

"Fixed Charges Coverage Ratio" has the meaning given in the Loan Agreement.

"GAAP" means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting that have other substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented and amended.

"General Construction Contract" means the Construction Contract of even date herewith between the Developer and the General Contractor pursuant to which the General Contractor has agreed to construct the Project.

"General Contractor" means Moss & Associates, LLC, a limited liability company organized and existing under the laws of the State of Florida and licensed to do business in the State, and its permitted successors and assigns.

"GO Arts and Culture Bonds" means those certain general obligation bonds that the Lessor may issue from time to time, not exceeding \$159,000,000 aggregate principal amount, to improve

facilities for resiliency of arts and cultural institutions throughout the City, if authorized by a majority of the voters of the City of Miami Beach in the November 8, 2022 election.

"Governmental Authorities" means those governmental offices with jurisdiction over the design and construction of the Improvements.

"Governmental Requirements" means any law, enactment, statute, code, order, ordinance, rule, regulation, judgment, decree, writ, injunction, franchise, permit, certificate, license, or other similar requirement of any Governmental Authority, now existing or hereafter enacted, adopted, promulgated, entered, or issued, affecting the Premises or the construction and/or operation of the Project thereon. Notwithstanding anything to the contrary in this Ground Lease, the Lessee retains its right to challenge Governmental Requirements in accordance with all other applicable Governmental Requirements.

"Ground Lease" means this Ground Lease Agreement, as the same may be amended and/or supplemented from time to time in accordance with the provisions hereof.

"Improvements" means any building (including footings and foundations), Building Equipment, and other improvements and appurtenances of every kind and description now existing or hereafter erected, constructed, or placed upon the Property (whether temporary or permanent), and any and all alterations and replacements thereof, additions thereto and substitutions therefor.

"Indenture" means the Trust Indenture of even date herewith between the Issuer and the Trustee, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof.

"Independent Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state of the United States and not in full-time employment of the Lessee, the Lessor, or the Transferee.

"Initial Asset Management Agreement" means the Asset Management Agreement of even date herewith between the Lessee and the Asset Manager, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof and of the Indenture.

"Issuer" means the Miami Dade County Industrial Development Authority and its successors and assigns.

"Lease Year" means each twelve (12) month period commencing on the first day of January of a calendar year and ending on the last day of December of the such calendar year; provided the first Lease Year shall commence on the Commencement Date and end on December 31, 2023.

"Leasehold Estate" shall have the meaning given in Section 2(b) hereof.

"Lessee" means CFC- MB I, LLC, a single-member limited liability company organized under the laws of the State of Arizona, whose sole member is the Corporation, and its successors and assigns.

"**Lessor**" or "**City**" means City of Miami Beach, a Florida municipal corporation, having its principal offices at 1700 Convention Center Drive, Miami Beach, Florida 33139, and its successors and assigns. In all respects hereunder, Lessor's obligations and performance is pursuant to Lessor's position as the owner of the Property acting in its proprietary capacity. In the event Lessor exercises its regulatory authority as a governmental body, the exercise of such regulatory authority and the enforcement of any rules, regulations, laws and ordinances (including through the exercise of the Lessor's building, fire, code enforcement, police department or otherwise) shall be deemed to have occurred pursuant to Lessor's regulatory authority as a governmental body and shall not be attributable in any manner to Lessor as a party to this Ground Lease or in any way deemed in conflict with, or a default under, the Lessor's obligations hereunder.

"**Lessor Direct Capital Cost Contribution**" has the meaning given in Section 33(a) hereof.

"**Lessor Representative**" means the Person or Persons designated by the Lessor to serve as the Lessor's representatives in connection with the design, acquisition, construction, furnishing, equipping, and operation of the Project. The initial Lessor Representatives of the Lessor shall be the City's Office of Capital Improvements Director or his or her designee ("**FPC Representative**"), with respect to construction and permitting related matters, and City's Property Management Director or his or her designee, with respect to leasing, management, and operations matters.

"**Lessor Arts and Culture G.O. Bond Capital Cost Contribution**" has the meaning given in Section 33(c) hereof.

"**Loan Agreement**" means the Loan Agreement of even date herewith between the Issuer and the Lessee, as the same may be amended and/or supplemented from time to time in accordance with the provisions of the Indenture.

"**Master MCB Sublease**" means the lease between the Lessee and Miami City Ballet dated as of January 17, 2022, as the same may be amended and/or supplemented from time to time in accordance with the provisions thereof, which Master MCB Sublease is intended to provide the Miami City Ballet with the exclusive right to use and occupy the Dormitory Housing.

"**Maximum Annual Debt Service**" has the meaning given in the Loan Agreement.

"**Miami City Ballet**" or "**MCB**" shall mean Miami City Ballet, Inc., a not-for-profit charitable cultural organization headquartered at 2200 Liberty Ave., Miami Beach, Florida 33139.

"**Mortgagee Lease**" means a lease of the Premises entered into between a Permitted Leasehold Mortgagee, as lessee, and the Lessor, as lessor, as a result of a termination hereof by reason of any Event of Default for the remainder of the Term effective as of the date of termination hereof, at the same Rent and upon the same terms, provisions, covenants, and agreements as contained in this Ground Lease and subject to no additional exceptions or encumbrances other than Permitted Encumbrances and to the rights, if any, of the parties then in possession (actual or constructive) of any part of the Premises.

"**Net Available Cash Flow**," with respect to each Lease Year, means the amount of funds available to be distributed to the Lessor with respect to such Lease Year in accordance with the provisions of Section 510(b) or (c) of the Indenture, which amounts are intended to be the annual

surplus or net revenues of the Project, after the payment of all operating expenses and satisfaction of all debt service and the payment of subordinated expenses including, maintenance and operating reserves, repayment of the Lessor Direct Capital Cost Contribution and other requirements, as set forth in the Indenture. The Net Available Cash Flow shall be calculated and paid to the Lessor by the Trustee in accordance with the Indenture.

"Occupancy Agreements" means, collectively, the leases, rental agreements, license agreements or other similar agreements for the use of individual residential workforce housing units within the Project. All Occupancy Agreements for the Workforce Housing Units (i) shall have initial terms of twelve (12) months and (ii) shall not be subject to sub-leasing.

"Operating Account" has the meaning given in the Loan Agreement.

"Opinion of Counsel" means an opinion in writing of Independent Counsel who or that is reasonably acceptable to all recipients thereof and who or that may be counsel to the Lessee, the Lessor, or the Transferee.

"Outstanding Bonds" or **"Bonds Outstanding"** and **"Outstanding"** have the meaning given in the Loan Agreement to the term "Outstanding Bonds".

"Permitted Leasehold Mortgage" has the meaning given in Section 26 hereof.

"Permitted Leasehold Mortgagees" means, collectively, the holders of the indebtedness secured by the Permitted Leasehold Mortgages or any agent or fiduciary therefor and any designee thereof for the purpose of taking title to the Lessee's interests in this Ground Lease or entering into a Mortgagee Lease (each, a **"Permitted Leasehold Mortgagee"**).

"Permitted Encumbrances" has the meaning given in the Loan Agreement.

"Plans and Specifications" means the plans and specifications for the design, development, and construction of the Project, including fully detailed drawings showing the location, character, dimensions, details, and specifications of the work to be done, and comprising all of the written directions, provisions, and requirements for the Project, including detailed technical requirements as to labor, materials, supplies, equipment, and standards to which such work is to be performed, prepared by the Architect for the Project, in each case, consistent with the approved Project Concept Plan. As used in this Ground Lease, the "Plans and Specifications" include, without limitation, the Preliminary Plans and Specifications, the Final Plans and Specifications, the Permit Plans and Specifications, and any approved modifications thereto, as approved or deemed approved by the City Manager (or the City Manager's designee) in accordance with the provisions of Section 10(e) hereof and as amended from time to time by the Lessee with the consent of the Lessor, a copy of which is or will be on file with the Lessor.

"Premises" means the Project and the Property.

"Primary Leasehold Mortgage" means the leasehold mortgage which is a senior/first lien on Lessee's interest in this Ground Lease and the leasehold interest created hereby and the Project, which shall be evidenced by, and the Lessor shall be able to rely absolutely on, a title report current as of the time of any determination and prepared by a generally recognized title insurance company

doing business in Miami-Dade County, Florida, or upon a certificate of Lessee, signed and verified by a duly authorized representative of the Lessee.

"Primary Leasehold Mortgagee" means the Permitted Leasehold Mortgagee who is the holder of the Primary Leasehold Mortgage, initially the Trustee.

"Prime Rate" means the highest annual prime rate (or base rate) published from time to time in The Wall Street Journal under the heading "Money Rates" or any successor index representing the rate in effect for corporate loans at large U.S. money center commercial banks (whether or not such rate has actually been charged by any such banks) or if such rate is no longer published, then the highest annual rate charged from time to time at a large U.S. money center commercial bank, selected by the City, on short term, unsecured loans to its most creditworthy large corporate borrowers.

"Project" has the meaning given in the Recitals.

"Property" means the land located in the City as more particularly described in Exhibit "A" attached hereto, incorporated in and by reference made a part hereof.

"Refinanced Trustee Mortgage" means any amendment, modification, or replacement of the Trustee Mortgage resulting from the refinancing of the Bonds.

"Renewal Term" shall have the meaning ascribed to it in Section 2(a) of this Ground Lease.

"Rent" means the annual rental payable by the Lessee to the Lessor in accordance with Section 3 hereof.

"Repair and Replacement Fund" has the meaning given in the Loan Agreement.

"Revenue Fund" means the fund of that name created in accordance with the provisions of the Indenture.

"Revenues" has the meaning given in the Loan Agreement.

"Schedule of Performance" means the construction schedule set forth in the Construction Contract.

"Series 2022 Bond" or **"Series 2022 Bonds"** means any or all of the Series 2022A Bonds or the Series 2022B Bonds.

"Series 2022A Bond" or **"Series 2022A Bonds"** means any or all of the \$[_____] Miami-Dade County Industrial Development Authority Industrial Development Revenue Bonds (CFC- MB I, LLC- Collins Park Housing Project), Series 2022A issued under the Indenture.

"Series 2022B Bond" or **"Series 2022B Bonds"** means any or all of the \$[_____] Miami-Dade County Industrial Development Authority Industrial Development Revenue Bonds (CFC- MB I, LLC- Collins Park Housing Project), Series 2022B (Taxable) issued under the Indenture.

"Series 2022C Bond" or "Series 2022C Bonds" means any and all of the \$[_____] Miami-Dade County Industrial Development Authority Industrial Development Revenue Bonds (CFC-MB I, LL Collins Park Workforce Housing Project), Series 2022C (Subordinate) issued under the Indenture.

"State" means the State of Florida.

"Substantial Completion" means:

(i) the Project, including all life safety systems, shall have been substantially completed in accordance with the Plans and Specifications and applicable laws and as required by the Construction Documents;

(ii) all required occupancy permits for the Project shall have been issued and the Project shall be reasonably capable of being occupied for its intended purposes;

(iii) a punch list of any unfinished items relating to the Project shall have been prepared by the Developer and shall have been approved by the Lessor Representative; and

(iv) all Governmental Authorities shall have given any necessary approval to occupancy of the Project on a temporary basis pending the occurrence of final completion thereof.

"Surplus Fund" means the fund of that name created in accordance with the provisions of the Indenture.

"Tenant Certification Procedures" means those procedures which the Lessee shall be obligated to follow to certify that the Project is in compliance with the restrictions of the Lease relating to rent restrictions and tax-exempt status, those procedures are attached hereto as Exhibit "D".

"Term" shall have the meaning given in Section 2(a) hereof.

"Termination Date" means the date on which the Term ends by termination or expiration hereof.

"Trustee" means Zions Bancorporation, National Association, as Trustee under the Indenture, and its successors and assigns in such capacity.

"Trustee Mortgage" means the Leasehold Mortgage and Assignment of Rents and Subleases, of even date herewith by the Lessee in favor of the Trustee, as the same may be amended and/or supplemented from time to time in accordance with the provisions of the Indenture.

"Trustee Security Interests" shall have the meaning given in Section 12(a) hereof.

"Unit Mix" shall mean, the allocation of Workforce Housing Units at the Project among AMI percentage categories.

“*Workforce Housing Units*” shall have the meaning ascribed to it in the City Development Agreement.

Section 2. Grant of Lease; Term.

(a) Subject to the terms and conditions of this Ground Lease, the Lessor, as of the Commencement Date, demises and leases the Property to Lessee, and Lessee leases and takes possession from Lessor, the Property, for the Term, for the development and construction of the Project, and operation of the Premises.

(b) The initial term of the leasehold estate of the Lessee in the Property created hereunder (the "*Leasehold Estate*") shall commence on the Commencement Date and shall expire on February 28th of the last Lease Year prior to the 50th anniversary of the Commencement Date (“Initial Term”). Provided that the Lessee is in good standing and not in default of the Ground Lease, the Term of this Ground Lease may be extended for two consecutive periods of twenty years each (each, a “Renewal Term”) on mutual agreement of Lessor and Lessee, on the same terms and conditions as set forth in this Ground Lease (collectively, the Initial Term and Renewal Term(s), the “Term”).

(c) On the Commencement Date, Lessor and Lessee shall execute a memorandum of lease in such form as will enable the memorandum to be recorded in the Public Records of Miami-Dade County, in each case, setting forth the Commencement Date and the Expiration Date, determined according to this Ground Lease. On the Termination Date, the Lessee and Lessor shall be released from, and relieved of, all of its obligations hereunder and under any other agreements relating to the Project to which the Lessor and the Lessee are then a party without any further action on the part of the Lessor or the Lessee. Lessor and Lessee hereby agree to assist and cooperate as necessary to effectuate or accomplish any assignments under this Section.

Section 3. Reimbursement of Lessor Contribution and Advances; Rent.

(a) The Lessee covenants and agree to pay to the Lessor from amounts available in the Revenue Fund, in accordance with Section 501 of the Indenture, all amounts from time to time, as needed to fully reimburse the Lessor for the Lessor Direct Capital Cost Contribution.

(b) The Lessee covenants and agrees to pay to the Lessor throughout the Term as Rent an annual amount equal to the Net Available Cash Flow.

(c) The Rent shall be payable in respect of each Lease Year within thirty (30) days of receipt by the Lessee and the Trustee of the annual financial statements and Audit Report (as such term is defined in the Loan Agreement) for the corresponding Annual Period of the Lessee provided to the Trustee in accordance with the provisions of the Loan Agreement and the satisfaction of any additional conditions precedent to the distribution of the Net Available Cash Flow as provided in Section 510(c) and (d) of the Indenture. Lessee shall cause the Accountant (as such term is defined in the Loan Agreement) to furnish a copy of the annual financial statements and Audit Report to Lessor at the same time as such annual financial statements and audit report are delivered to the Trustee pursuant to the terms of the Loan Agreement. It is contemplated that such annual financial statements and audit reports will be produced within one hundred eighty (180) days after the end of each Annual Period.

(d) If the Net Available Cash Flow for a Lease Year shall be zero (0) or a negative amount, no Rent shall be paid to the Lessor hereunder for such Lease Year, and it is understood that the Lessor shall have no liability or obligation, express or implied, to contribute or to pay the Lessee for any such deficit in Net Available Cash Flow.

(e) For purposes hereof, the Lessor agrees that the Lessee may, in each Lease Year, charge, or cause to be charged, Rent for the units comprising the Project sufficient to comply with all of the covenants and agreements of the Lessee contained in the Bond Documents, provided, however, the maximum rent charged to tenants of the Workforce Housing Units shall comply with the provisions of Section 11(c) of this Ground Lease.

(f) Payment of all Rent and all other sums due to the Lessor under this Ground Lease shall be made payable to the Lessor and delivered to the Lessor at the address shown in Section 28 hereof or at such other place as the Lessor may notify the Lessee in writing from time to time.

Section 4. Financing of the Project. The Lessee shall, at its own cost and expense, obtain all financing required for the design, acquisition, construction, furnishing, equipping, and operation of the Project, including the issuance of the Series 2022 Bonds. The Lessee agrees to provide the Lessor with copies of all material information and documentation relating to any form of proposed financing. The Lessee agrees that except for the financing contemplated by the Bond Documents, all financing relating to the design, acquisition, construction, furnishing, equipping, and operation of the Project, or any amendment, renewal, refinancing, or refunding of same during the Term shall be subject to the prior approval of the Lessor, which approval shall not be unreasonably withheld. In no event shall any financing approved by the Lessor hereunder be modified so as to increase the principal amount outstanding or the term or amortization period of the financing except with respect to an increase in number of Workforce Housing units contemplated hereby.

Section 5. Taxes and Assessments. (a) It is hereby determined and declared by the Lessor and the Lessee that nothing contained in this Ground Lease is intended to change the degree to which the interest or estate of the Lessee created by this Ground Lease is subject to *ad valorem* property taxes; however, to the extent assessed, the Lessee shall bear and pay to the public officer charged with the collection thereof, before the same shall become delinquent, and shall indemnify, save, and hold harmless the Lessor from the payment of, any and all taxes, assessments, license fees, excises, imposts, fees, and charges of every sort, nature and kind (collectively, "**Taxes**" and each, a "**Tax**") that during the Term are or might be levied, assessed, charged, or imposed upon or against the Premises or the interest or estate of the Lessee or the Lessor in and to the Property. If the Lessor subsequently sells or transfers fee simple title to the Property and such sale or transfer alone results in the levy, assessment, charge, or imposition of *ad valorem* taxes against the Premises or causes the Property to become subject to such levy, assessment, charge, or imposition, the successor Lessor shall be responsible for the payment of such Taxes, and the Lessee shall have no liability therefor.

(b) Notwithstanding the Lessee's agreement to pay for any taxes or assessments in accordance with Section 5(a) above, the Lessor agrees to use good faith efforts to assist the Lessee in attempting to secure an exemption from *ad valorem* property taxation with respect to the Premises (including, without limitation, modifications to the Ground Lease or the Term thereof,

if necessary). In furtherance of the foregoing, if, following review by the Miami-Dade County Property Appraiser, it is determined that a longer duration of the Term is necessary in order to secure the exemption from ad valorem for the Project, then the City Manager may, by written notice to the Lessee, exercise one or both of the options to renew for the Renewal Term, and in such event, the Term shall be conclusively deemed to have been renewed and extended, for the duration of the Initial Term and the applicable Renewal Term(s).

(c) If the imposition of any Tax shall be deemed by the Lessee or the Lessor to be improper, illegal, or excessive, the Lessee may, in its own name, dispute and contest the same and, in such event and to the extent permitted by law, any such Tax need not be paid until adjudged to be valid; provided, however, the Lessee shall first notify the Lessor in writing of such dispute and contest and shall comply with the requirements of the Bond Documents concerning the contest of Taxes. Unless so contested, any Tax shall be paid by the Lessee within the time provided by law, and if contested, any such Tax shall be paid before the imposition of a lien on the Premises with respect thereto.

Section 6. Utility Services. The Lessee shall make application, obtain and pay, and be solely responsible, for all utilities required, used, or consumed on the Premises, including, but not limited to gas, water (including water for domestic uses and for fire protection), telephone, electricity, cable (if any), internet, sewer service, storm-water services, garbage collection services, or any similar service (collectively, the "*Utility Services*" and each, a "*Utility Service*"). In the event that any charge for any Utility Service supplied to the Premises shall not be paid by the Lessee to the applicable Utility Service supplier when due, then the Lessor shall be permitted, ten (10) days after written notice to the Lessee, but shall not be required to, pay such charge for and on behalf of the Lessee, with any such amount paid by the Lessor being repaid by the Lessee to the Lessor within twenty (20) days after demand therefor by the Lessor.

Section 7. Payments for the Lessee by the Lessor. If the Lessee shall fail to procure the insurance required to be procured by the Lessee under this Ground Lease or shall fail to pay any premium of insurance, Tax, or any other sum in this Ground Lease required to be paid by the Lessee (other than Rent), the Lessor may, after expiration of the applicable cure period and after notifying the Lessee and the Trustee, at the Lessor's option, elect to follow one of the options provided in Section 24(b) hereof or may, without declaring an Event of Default, procure on behalf of the Lessee any such insurance, and pay on behalf of the Lessee any such payment or payments as may be necessary. Any sum(s) so paid or expended by the Lessor on behalf of the Lessee shall immediately be reimbursed and paid by the Lessee to the Lessor within forty-five (45) days after demand therefor by the Lessor as Expenses under the Bond Documents. Notwithstanding anything to the contrary herein, in the event Lessor makes any payments pursuant to this Section, and Lessee fails to reimburse Lessor for such amounts as provided herein, then such failure to make payment to Lessor shall constitute an Event of Default pursuant to Section 24 of this Ground Lease.

Section 8. Compliance by the Lessee with Governmental Requirements. At all times during the Term, the Lessee shall conform to, obey, and comply in all material respects with all Governmental Requirements that in any way are applicable to this Ground Lease or the use or operation of the Premises or any repair, replacement, demolition, renovation, construction, restoration, or excavation being done on or to the Premises. The Lessee, in its own name and at its sole cost and expense, shall have the right to contest the validity of any Governmental Requirement

contemplated under this Section. The Lessee shall use its best efforts not to use the Premises or any part thereof, or to suffer or to permit the Premises or any part thereof to be used, in any manner that would constitute a legal nuisance or an unreasonable annoyance to any resident, employee, or visitor to the Project or for any hazardous purpose, or for any other purpose that is inconsistent with the use restrictions set forth in Section 11 of this Ground Lease or the Project restrictions as set forth in the City Development Agreement. In the event, at any time during the Term, or thereafter, as the result of the Lessee's acts or omissions to act during the Term, any addition, alteration, change, or repair or other work of any nature, structural or otherwise, shall be lawfully required or ordered by an applicable Governmental Authority or become necessary on account of any Governmental Requirement then in effect, or on account of any other reason with respect to the Premises, the entire expense thereof, regardless of when the same shall be incurred or become due, shall be paid by the Lessee and, in no event, shall the Lessor be called upon to contribute thereto or do or pay for any work of any nature whatsoever on or relating to the Premises.

Section 9. Quiet Enjoyment; Environmental Warranty.

(a) *Quiet Enjoyment.* The Lessor represents and warrants that it owns fee simple, marketable title to the Property subject to no restrictions, liens, or other encumbrances other than Permitted Encumbrances. The Lessor further covenants and agrees that, throughout the Term, the Lessee may peaceably and quietly enjoy the Property subject, however, to zoning and land use restrictions, Permitted Encumbrances, and the Lessee's fulfillment of the covenants and agreements contained herein.

(b) *Environmental Warranty.* The Lessor, represents, warrants and covenants to the Lessee that:

(i) as of the date hereof, to Lessor's knowledge and without independent investigation or inquiry, the Property is in full compliance with all Environmental Laws (as defined in Section 31(b));

(ii) as of the date hereof, to Lessor's knowledge and without independent investigation or inquiry, and except as disclosed in the Environmental Reports, (A) there are no Hazardous Materials (as defined in Section 31(b)) that have been spilled, disposed of, or otherwise released at, on, under or about the Property, that are or have been migrating to or from the Property, or otherwise are located on the Property, regardless of source, and (B) there are no Hazardous Materials that originated at or otherwise are related to or have affected the Property and have caused or threatened to cause any environmental contamination or otherwise have caused or threatened to cause any liability under any Environmental Laws; (C) there are no, and to the Lessor's knowledge, never have been any underground storage tanks, above-ground storage tanks, wastewater impoundments, or areas used for waste treatment, storage, or disposal activities at, on, in, or under the Property; and (D) there are no activities or conditions that exist, and to Lessor's knowledge, have ever existed and remain unresolved at, on, in, under, or otherwise associated with the Property that violate any Environmental Laws or could reasonably be expected to result in any claim or liability under any Environmental Laws.

Section 10. Construction of Improvements.

(a) The Project shall be developed and constructed in accordance with, and subject to all requirements set forth in, the City Development Agreement, which provisions are incorporated by reference as if fully set forth herein. As of the Commencement Date, Lessee expressly assumes all of the obligations of the Developer under the City Development Agreement (except for any obligations which have been fully satisfied or performed by the Developer prior to the Commencement Date). In addition to the foregoing, the Lessee shall enter into a Development Agreement with Servitas, LLC, as Developer, which shall contemplate the Developer's entering into the Construction Contract and the Architect's Agreement for the development of the Project, in accordance with the City Development Agreement. The Developer's Fee payable to Servitas, LLC or any other party pursuant to the Development Agreement or otherwise shall be limited to one million dollars (\$1,000,000.00) in the aggregate.

(b) Lessee's Security for Performance. As security for the Lessee's performance hereunder as it relates to the design and construction of the Project, the Lessee grants to the Lessor a security interest in the Construction Documents as provided in, and subject to the provisions of, Section 12(a) hereof, which Construction Documents have been assigned by Developer pursuant to the Developer Assignment.

(c) Default in Construction. In the event the Developer, the General Contractor, or the Architect shall fail to perform in accordance with the provisions of any of the Construction Documents to which it is a party in connection with the design, acquisition, construction, furnishing, and/or equipping of the Project, the Lessee shall exercise all of the rights and remedies available to the Lessee in each such Construction Document(s) in consultation with the Lessor. If an Event of Default shall occur and be continuing or if the Lessee shall default under the Development Agreement, the Lessor may, subject to the rights of the Trustee and the provisions of Sections 12(a) and 36(i) hereof, assert the rights of the Lessee under the terms of the [Development Agreement], the Construction Contract, and the Architect's Agreement.

(d) Commencement of Construction. The Lessee shall commence and pursue to completion the design, acquisition, construction, furnishing, and equipping of the Project on the Property and associated site development on the Project outside the boundaries of the Property, in accordance with the Construction Documents and in accordance with the Schedule of Performance.

(e) Construction Approvals by the Lessor. Prior to commencing any excavation, construction, paving, or any other work associated with the Property or the Project, the Lessee shall deliver to the Lessor for its approval three (3) sets of the proposed Plans and Specifications. The right of approval of the Lessor with respect to the Plans and Specifications shall include, but not be limited to, the compatibility of the exterior appearance of any improvement with the public activities of the Lessor on adjacent portions of the Project. The Lessor shall approve or reject the proposed Plans and Specifications in accordance with the requirements of the City Development Agreement. Failure to approve or reject any proposed Plans and Specifications within the time periods specified in the City Development Agreement shall be deemed approved by the Lessor. The Lessor agrees not to withhold unreasonably the approval required by this subsection and the City Development Agreement. Approval of submissions or resubmissions by the Lessor shall not relieve the Lessee from the obligation to obtain all other necessary approvals and permits required

by all Governmental Authorities or from complying in all material respects with the Plans and Specifications, the Construction Documents, and all applicable building codes and ordinances.

(f) *Modifications to Plans and Specifications.* Once the Plans and Specifications shall be submitted to and approved by the Lessor or the proposed Plans and Specifications shall be deemed approved in accordance with subsection (e) of this Section, no changes or material changes, modifications, or alterations to the Plans and Specifications may be made without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed. The Plans and Specifications must at all times continue to comply with the requirements of this Ground Lease. If the Lessee seeks to make a change, modification or alteration to the Plans and Specifications, the Lessee shall provide a written request to the Lessor, seeking approval of the change, modification or alteration. The Lessor shall either approve the proposed changes to the Plans and Specifications or specify the particular changes with reasonable detail, if possible, which must be made to such document(s) for them to be reasonably acceptable to the Lessor, in accordance with the requirements of the City Development Agreement. The Lessee shall incorporate such revisions as are reasonably acceptable to the Lessee and submit the same for the Lessor's approval or rejection, within the timeframes specified in the City Development Agreement. If Lessor does not notify the Lessee in writing within the applicable timeframes of any changes the Lessor desires to be made to the proposed changes to the Plans and Specifications, then such change or modification shall be deemed approved.

(g) *Construction According to Approved Plans.* All construction activities must be coordinated with the appropriate departments of the Lessor. A mandatory pre-construction meeting shall be conducted by the Lessee prior to the start of any construction activities for the purpose of reviewing security procedures, utility coordination, access to the Property, and construction coordination issues. The meeting shall be attended, at a minimum, by the Lessor Representative (FPC Representative), the Lessee, the Developer, and the General Contractor's project manager and superintendent. All building materials for the Project must be new and of good quality in accordance with the Construction Documents and the Plans and Specifications. The Lessor reserves the right, at the Lessor's sole cost and expense, to monitor the Lessee's construction of the Project from its inception, and the Lessor shall be permitted to participate in all construction meetings contemplated by the Construction Documents and to receive all reports of the Independent Engineer (as defined in the Loan Agreement); provided that the failure of the Lessor Representative (FPC Representative) to attend any such construction meeting of which they, he, or she shall have been notified shall not cause a delay in the holding thereof on the scheduled date thereof. At a minimum, the following restrictions must be placed upon construction activities, and the Lessee shall provide for the incorporation of these restrictions in the Construction Documents:

- (i) access to the construction site shall be limited to those involved with the work;
- (ii) for construction activities requiring access to the Lessor's drives and parking areas, access shall be restricted to those times approved by the Lessor, which approval will not be unreasonably withheld;

(iii) construction activities shall not unreasonably interfere with entry or exit to the Project, Project parking or drives, or pedestrian circulation paths or walks without prior written consent from the Lessor;

(iv) the Lessee shall notify the Lessor in writing at least seventy-two (72) hours in advance when coordination meetings requiring the Lessor's participation shall be required;

(v) the Lessee shall provide an eight foot (8') high chain link security fence (or higher, if required to comply with any Governmental Requirements, and which fence may not contain razor or barbed wire) with lockable gates at the perimeter of the construction site and staging area.

(vi) the Lessee, throughout the construction period, shall be responsible for the enforcement of discipline and good order among the workers on the site;

(vii) Project toilet facilities and parking areas shall not be used by construction personnel;

(viii) signage, which shall be subject to the prior written approval of the Lessor Representative (FPC Representative), shall be provided and maintained at all entrances to the Project to direct deliveries, construction personnel, etc. to the construction site;

(ix) the Lessee and the Lessee's contractors shall not bury or burn or otherwise dispose of construction debris on the Property or on any other portion of the Project; and

(x) any other requirements set forth in the City Development Agreement.

(h) Payment of Bills for Construction. The Lessee covenants and agrees to pay or cause to be paid, currently as they become due and payable in accordance with the terms of the Construction Documents and the Bond Documents, all bills for labor, materials, insurance, and bonds, and all fees of architects, engineers, contractors, and subcontractors and all other costs and expenses incident to any construction in or on the Premises; provided, however, that the Lessee may, in good faith, in its own name, dispute and contest any such bill, fee, cost, or expense, and in such event, any such item need not be paid until adjudged to be valid. Unless so contested by the Lessee, all such items shall be paid by the Lessee within the time provided by law, and if contested, any such item shall be paid before the issuance of an execution on a final judgment with respect thereto. The Lessee shall provide the Lessor Representative (FPC Representative) with copies of each Application for Payment (and all supporting documentation) submitted by the General Contractor, each Certificate of Payment issued by the Architect prior to payment thereof, and evidence of payment of each such Application for Payment.

(i) All Liens and Rights are Subordinate to the Lessor. Except for the rights of the Trustee and/or any other Permitted Leasehold Mortgagee, including, without limitation, their respective rights referenced in Sections 10(b), 12(a), 26, and 34 hereof, the Lessee's rights, as well as the rights of any other person or entity, including, but not limited to, any mortgagee, architect, independent contractor, assignee, sublessee, sub-contractor, prime or general contractor, mechanic, laborer, materialman, or other lien or claim holder, shall always be and

remain subordinate, inferior, and junior to the Lessor's title, interest, and estate in the Property the Premises, and this Ground Lease. The Lessee shall not create or permit to be created or to remain, and shall discharge, any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien, or any security agreement, conditional bill of sale, title retention agreement, chattel mortgage, or otherwise (a "*Lien*") that might or does constitute a lien, encumbrance, or charge upon the Premises, or any part thereof, or the income therefrom, having a priority or preference over or ranking on a parity with the estate, rights, or interest of the Lessor in the Premises or any part thereof, or the income therefrom. Nothing in this Ground Lease shall be deemed or construed in any way as constituting the consent or request of the Lessor, express or implied, by inference or otherwise, to the filing of any Lien against the Premises by any contractor, subcontractor, laborer, materialman, architect, engineer, or other Person for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or any part thereof.

(j) *Completion of Construction by the Lessor.* The Lessor acknowledges that the Lessee has collaterally assigned to the Trustee all of the Lessee's right, title, interest, and remedies in and to the Construction Documents pursuant to the Assignment of Contracts and Agreements, and has secondarily assigned the same to the Lessor, subject to the rights of the Trustee. The Lessee covenants and agrees that in the event (i) the Lessee shall abandon or fail to complete the construction of Improvements undertaken by the Lessee in accordance with all material requirements hereof, (ii) such failure shall not be solely the result of the occurrence of an Event of Default, **and** (iii) the Trustee notifies the Lessor in writing of its election not to complete construction of such Improvements pursuant to the terms of the Assignment of Contracts and Agreements, the Lessor may, at its option (but without any obligation so to do and without prejudice to any other rights the Lessor may have under this Ground Lease) complete the acquisition, construction, furnishing, and equipping of the Project as an expense of the Project and, as nearly as practicable and proper, according to the Plans and Specifications previously approved or deemed approved by the Lessor.

(k) *Title to the Improvements.* The title to all Improvements now or hereafter located on the Property including those to be constructed in accordance with the Plans and Specifications and the Construction Documents shall be vested in the Lessee until the expiration of the Term or earlier termination of this Ground Lease and payment in full of any then Outstanding Bonds, at which time all title to and ownership of said Improvements shall automatically and immediately vest (without the necessity of any further action being taken by the Lessee or the Lessor or any instrument being executed and delivered by the Lessee to the Lessor) in the Lessor.

(l) *Architects, Engineers, Contractors, Specialists, and Consultants.* The Lessee shall require, or cause the Developer or the General Contractor to require, any architects, engineers, contractors, subcontractors, specialists, and consultants engaged in connection with the design, acquisition, construction, furnishing, and equipping of the Project to perform their respective obligations under the terms of the Construction Documents to be licensed in accordance with Florida law and to obtain and maintain payment and performance bonds pursuant to subsection (o) of this Section, and as required by the City Development Agreement.

(m) *Permits, Laws, and Ordinances.* The Lessee shall as a construction expense, comply and cause its contractors and subcontractors to comply in all material respects with all

Governmental Requirements of all Governmental Authorities that may now or hereafter, from time to time, be established and that are or shall be applicable to the Lessee as they relate to the Project, including without limitation, the Americans With Disabilities Act of 1990, and shall take, as otherwise provided herein, all action necessary to cause the Project to comply in all material respects with all provisions of the Construction Documents, the Loan Agreement, and this Ground Lease applicable to the Lessee.

(n) *Construction Site.* The Lessee shall cause the Developer to confine its operations to the Property and shall prohibit the Developer from storing any material or equipment on property of the Lessor outside the boundaries of the Property, except as approved in writing and subject to such conditions as may be specified and approved by the Lessor. The Lessee shall protect all work and shall at all times keep and cause its contractors to keep the construction site reasonably clean and free from waste materials and rubbish.

(o) *Payment and Performance Bonds.* The Lessee shall provide or cause to be provided to the Lessor payment and performance bonds in a form and from a surety approved by the Lessor, in accordance with the Construction Documents, to include requiring the General Contractor and appropriate subcontractors to provide payment and performance bonds. The bonds shall be dual obligee surety bonds payable in favor of the Trustee, as primary obligee, and in favor of the Lessee and the Lessor as additional obligees.

(p) *Reports and Information.* The Lessee shall provide the Lessor with copies of all material documents and correspondence provided to or generated by the Lessee in connection with the performance of the Construction Documents including those related to the satisfaction of the items in the Schedule of Performance and shall provide the Lessor with monthly progress reports in a form reasonably satisfactory to the Lessor demonstrating compliance with the construction requirements of the Plans and Specifications and the Construction Documents and this Ground Lease for the previous month. In addition, the Schedule of Performance must be updated at least monthly to assure the Lessor that construction of the Project will be complete in sufficient time to allow for occupancy thereof on or before October 1, 2024. The Lessee shall deliver or cause to be delivered to the Lessor Representative (FPC Representative) copies of all soil reports, surveys, hazardous wastes or toxic materials reports, feasibility studies, and other similar written materials prepared for the Lessee pursuant to the Construction Documents or the Bond Documents with respect to the Property or the Project within ten (10) days after receipt by the Lessee.

(q) *Substantial Completion of the Project.* As soon as practicable (however, in no event to exceed six (6) calendar months) after the Substantial Completion of the Project, the Lessee shall furnish to the Lessor Representative:

(i) one complete set of final "as-built" Plans and Specifications of the completed Project in digital auto-CAD format;

(ii) a current, accurate, properly labeled, and certified (by the hereafter stated surveyor or engineer), "as-built" plat of survey prepared by a Florida registered land surveyor or professional engineer depicting to scale the location of the completed Project, as the same have been constructed; and

(iii) one complete set of operations and maintenance manuals for all systems, equipment, furniture, and fixtures relating to the Project of the Project; and

(iv) any other documentation that may be required pursuant to the City Development Agreement.

(r) Failure to Provide Project on Schedule. If the Lessee shall not deliver the number of residential units contemplated in the Construction Documents in accordance with the Schedule of Performance for the Project, the Lessee shall be liable for the incremental costs of providing housing for Eligible Residents who shall have entered into Occupancy Agreements to occupy residential units within the Project, but who shall not be permitted to occupy such units on or before the guaranteed date of delivery thereof (collectively, the "**Affected Residents**" and each, an "**Affected Resident**"), to the extent required by the relevant Occupancy Agreement. Incremental costs means the sum of:

(i) the cost of alternative housing for each Affected Resident;

(ii) the cost of any necessary and reasonable storage facilities for possessions of each Affected Resident; **and**

(iii) any necessary and reasonable moving services for each Affected Resident from such housing to the Project; **or**

(iv) as an alternative to (i) through (iii), and at the election of each Affected Resident, a daily amount equal to his or her daily rent under his or her lease, sublease, license, rental, or other similar agreement.

If any Workforce Housing Units shall not be delivered for occupancy on time as described above, Lessee shall exercise its good-faith diligent efforts to coordinate the execution of Occupancy Agreements with the date for Substantial Completion of the Project, so as to minimize costs and disruption to Eligible Residents.

Section 11. Operation of the Project.

(a) Use of Premises. Throughout the Term of this Ground Lease, Lessee shall use the Premises solely for the Project purposes as set forth in the City Development Agreement, which purposes shall be limited to the operation of the Workforce Housing Units, Dormitory Housing, and ground-floor cultural or retail uses, provided, however, that in no event shall any such ground floor cultural or retail uses include any of the Prohibited Uses, as set forth in Section 11(f) below.

(b) Lessee's Obligation to Continuously Operate. Upon completion of construction of the Project, the Lessee shall continuously operate the Premises to serve Eligible Residents (with the exception of the ground floor cultural or retail uses) and shall enter into the Initial Asset Management Agreement.

(c) All Workforce Housing Units shall be marketed and rented solely to Eligible Residents. The Project intends ultimately to achieve a Unit Mix that includes not less than fifty percent (50%) of such units rented to Eligible Residents earning AMI of 80% or less, and the

remaining units rented to Eligible Residents earning between 80% and 120% AMI (the "**Target Unit Mix**"). The monthly rent for the Workforce Housing Units shall not exceed the rent limit by number of bedrooms in unit and household income for the AMI category applicable to the Workforce Housing Units in question, as determined from time to time. The current projected annual budgets reflected in the pro forma for the Project, anticipate a need for the a Unit Mix at the time of opening to be 100% of the Workforce Housing Units (i.e., all 80 units) as 120% AMI units. When the Annual Budget is developed in respect of each Annual Period, Lessor and Lessee shall, if possible, modify the Unit Mix by reallocating units from 120% AMI units to 100% AMI and/or 80% AMI units to approach the Target Unit Mix as closely as possible, while ensuring, as of the date each such Annual Budget is developed, the Project's ability to repay the Series 2022 Bonds, to cover all operating expenses and meet the debt service coverage requirements of Section 510 of the Indenture for disbursement of the Rent. The restrictions relating to the Workforce Housing Units shall extend for the duration of the Term, notwithstanding the durations otherwise identified in Chapter 58 of the City Code. During the Term, Lessee shall strictly adhere to the Workforce Housing Unit Compliance Procedures set forth in Exhibit "D", attached hereto and incorporated herein by this reference.

(d) The following acceptance priorities shall be applied to otherwise income-eligible individuals who apply for Workforce Housing Units shall be as follows:

(i) Tier 1 –Artists practicing in Miami-Dade County; City of Miami Beach employees, including, without limitation, City of Miami Beach law enforcement personnel and firefighters; Area Educators and nurses employed within the City of Miami Beach; and veterans who are either employed within the City of Miami Beach or whose last place of residence was within the City of Miami Beach;

(ii) Tier 2 –workers employed within the City of Miami Beach in the hospitality and entertainment industries; and

(iii) Tier 3 – Any other workers employed within Miami-Dade County, with priority for income-eligible workers employed within the City of Miami Beach.

(e) Any Workforce Housing Unit remaining vacant for at least sixty (60) consecutive days may be offered and leased to any other Eligible Resident in a subsequent tier.

(f) *Prohibited Uses.*

(i) With respect to the Workforce Housing Units, any rentals for a period of less than six months and one day shall be strictly prohibited.

(ii) With respect to the ground-floor cultural or commercial retail uses, in no event shall the ground-floor space be rented for any of the following purposes:

(A) the sale, as its principal business purpose, of any merchandise which such Person in the course of its normal business practice, purchases at manufacturers' clearances or purchases of ends-of-runs, bankruptcy stock, seconds, or other similar merchandise;

(B) the sale of insurance salvage stock, fire sale stock, merchandise damaged by or held out to be damaged by fire;

(C) a bankruptcy sale or going-out-of-business sale or liquidation sale or any similar sale;

(D) the sale of medical marijuana or paraphernalia incidental thereto;

(E) coinbox entertainment (pinball, video games, moving pictures operated by coins);

(F) casino gambling, or games of chance or reward;

(G) any unlawful or illegal business, use or purpose, or for any business, use or purpose which is immoral or disreputable (including “adult entertainment establishments” and “adult” bookstores) or extra-hazardous;

(H) any purpose that constitutes a nuisance of any kind (public or private);

(I) check cashing facilities;

(J) pawn shops;

(K) the sale of firearms;

(L) tattoo parlors, fortune tellers, psychics, palm readers, body piercing shops;

(M) political offices;

(N) military recruiting;

(O) consular, legation or any other offices of foreign governments;

(P) tire sales;

(Q) the sale of animals or birds of any kind and/or products of a nature typically sold in pet shops;

(R) the sale of major appliances as a primary business;

(S) any “Private Use” as defined in this Section. “Private Use” means (a) the conduct of any activity or activities constituting a trade or business (or group of trades or businesses) carried on by any person or entity other than Lessee, a state or local governmental unit or a 501(c)(3) organization or (b) any unrelated trade or business (as defined in Section 513(a) of the Code) or any business not related to the exempt purpose of Lessee, a state or local government or a 501(c)(3) organization. Private Use shall also include, without limitation, the Initial Asset

Management Agreement, and the lease or rental of the Premises or any part thereof to, third parties that are not organizations described in Section 501(c)(3) of the Code using the Premises in a manner substantially related to their and Lessee's exempt purpose. The amount of Private Use is measured over the remaining term of the lease based on the portion of the total square footage of the Premises subject to the Private Use arrangement and the portion of time the Private Use takes place as compared to the aggregate time the Premises actually are used for all purposes. A lease or rental of the Premises that is not an unrelated trade or business activity is not a Private Use if the term of such lease or rental is (i) not more than one hundred (100) days (including any renewal options) if the compensation under the lease or other arrangement is determined, or redetermined at the time of any renewal, at generally applicable, fair market value rates but use pursuant to such leases is not reasonably available to natural Persons not engaged in a trade or business, or (ii) not more than fifty (50) days (including any renewal options) if the compensation under the lease or other arrangement is determined, or redetermined at the time of any renewal, in a negotiated arm's length transaction and compensation under the lease is at fair market value; and

(T) in any manner that will violate any approvals of applicable Governmental Authorities, Certificate of Occupancy or certificate of use for the Premises, or which will violate any Governmental Requirements (collectively, the "Prohibited Uses").

(g) Such Prohibited Uses shall be reviewed and amended on terms mutually agreeable to the City and Lessee not less than once each twenty (20) years. Lessee shall ensure that the provisions of this Section 11 are incorporated as a material term in the Asset Management Agreement, to ensure the Asset Manager's compliance with all applicable use restrictions set forth herein. Lessee shall further cause for the Operating Plan (as defined in paragraph (l) below) to be developed consistent with the use restrictions set forth in this Section 11.

(h) *Management of Improvements.* The Lessee shall not modify, amend, or renew the Initial Asset Management Agreement or enter into any other Asset Management Agreement with a new Asset Manager for the Project without the City Manager's prior written consent, which consent shall not be unreasonably withheld.

(i) *Administration of Funds.* The Lessee and the Lessor agree that at all times while the Bonds are Outstanding, all Pledged Revenues (as defined in the Loan Agreement) of the Project shall be deposited with the Trustee and administered in accordance with the terms of the Indenture.

(j) *Fixed Charges Coverage Ratio.* Commencing on the first full Annual Period following Substantial Completion of the Project, the Lessee shall use commercially reasonable efforts to operate the Project such that the Fixed Charges Coverage Ratio shall at all times be not less than 1.20. Beginning with the Annual Period ending December 31, 2024, the Lessee shall deliver to the Lessor a certificate disclosing the Fixed Charges Coverage Ratio as of the end of

each Annual Period, at the time of the delivery of the Lessee's annual audited financial statements pursuant to subsection (k) below, calculated based upon the relevant information reflected in such annual audited financial statements. Notwithstanding the foregoing or any other provisions in this Ground Lease to the contrary, the Lessee's failure to maintain a Fixed Charges Coverage Ratio of not less than 1.20 shall not constitute an "*Event of Default*" hereunder.

(k) *Annual Audited Financial Statements*. The Lessee shall, not later than one hundred eighty (180) days following the end of each Annual Period commencing with the Annual Period ending December 31, 2024, provide to the Lessor its annual audited financial statements, prepared by an independent auditor in accordance with GAAP. Additionally, at the time of the Lessee's delivery of its annual audited financial statements, the Lessee shall provide a certificate to the Lessor setting forth the Fixed Charges Coverage Ratio for such Annual Period, calculated based upon the relevant information reflected in such annual audited financial statements.

(l) *Operating Plan*. The Lessee and the Asset Manager agree to work with the Lessor to establish an operating plan, which shall address, among other matters, standard forms of occupancy agreements; the priority of Eligible Residents in accordance with the tiers for the booking of Eligible Residents as provided in Section 11(d) of this Ground Lease; the process and record-keeping requirements for verification of income-eligibility and other requirements for Eligible Residents, along with a lottery system or other process for the selection and placement of Eligible Residents within each of the priority tiers set forth in Section 11(d) of this Ground Lease, subject to the City Manager's approval of such selection process to ensure that the placements of Eligible Residents are made fairly and equitably and free of favoritism or individual bias; use of the Lessor's trademarks and service marks for purposes of advertising or marketing the Project to Eligible Residents; details concerning the management and operation of the Premises, including with respect to the provision of custodial/janitorial services, landscaping, maintenance/repairs of the Improvements, security services, utilities, resident complaints, coordination of services with master sublessees, and the like; hours of operation for the Ground Floor retail or cultural uses; and the use of the Lessor's online resources for purposes of advertising and marketing the Project to Eligible Residents (collectively, the "Operating Plan"). The Operating Plan shall be subject to City Manager approval, with such approval not to be unreasonably withheld. Lessor and the Lessee mutually agree to review such Operating Plan on not less than an annual basis in consultation with the Asset Manager, and such Operating Plan may be revised from time to time at the mutual agreement of the Lessee and the Asset Manager, subject to the approval of the City Manager as provided herein.

(m) *Reserved*.

(n) *Parking*. The Lessor shall provide access to up to fifty-eight (58) monthly parking passes at the City garage facility located at 340 23rd Street ("Collins Park Garage"), with the monthly parking passes available for purchase by the residents of the Workforce Housing Units, at the then applicable City rate, on a first-come-first-served basis, so long as the Collins Park Garage is operated by the City and open to the public. In the event of damage or other casualty or force majeure event requiring the closure of the Collins Park Garage, either on a temporary basis or otherwise, Lessor shall exercise diligent, good-faith efforts to identify an alternative City public parking facility to accommodate the residents, subject to availability.

(o) *Coordination of Services with MCB pursuant to Master MCB Sublease.* Lessee shall be responsible for coordination with MCB of any property-management related services in connection with Miami City Ballet's use of the Dormitory Housing, in accordance with the Master MCB Sublease, including, without limitation, the provision of adequate maintenance or repairs, lighting, security (including, without limitation, any specific security arrangements that may be required for the protection of minors utilizing the Dormitory Housing), resident complaints, or other property-management related services.

(p) *Lessor's Priority Right to Ground Floor Master Sublease.* Prior to any rental or occupancy of the ground floor portion of the Premises ("Ground Floor"), the Lessor shall have the exclusive, priority right to enter into a Ground Floor Master Sublease, in order to activate the Ground Floor for cultural purposes, at the Lessor's sole discretion, either directly through Lessor's personnel or a third-party vendor providing management services to Lessor for the Ground Floor activations, or via a sub-sublease to a cultural organization or other entity, for cultural programming within the Ground Floor, with all such arrangements subject to the prohibitions described in Section 11(f) hereof. Subject to mutual agreement between Lessor and Lessee, Lessee anticipates that the initial annual rental charges to the Lessor for the Ground Floor Master Sublease, inclusive of common area maintenance and utility charges, shall approximate \$62,634. In the event Lessor elects to not enter into a Ground Floor Master Sublease or any extension thereto, Lessor shall provide Lessee with at least one hundred and eighty (180) days prior written notice of Lessor's election to waive its priority rights to rent the Ground Floor, to permit Lessee appropriate time to market the Ground Floor. The subsequent leasing of the Ground Floor shall be subject to receipt by Lessee of Opinion of Bond Counsel (as defined in the Loan Agreement).

Section 12. Security Interest.

(a) *Pledge, Assignment, and Grant of Security.* As security for the Lessee's performance of its obligations hereunder and subject to the rights of the Trustee, the Lessee hereby assigns and pledges to the Lessor, and hereby grants to the Lessor a security interest in, all of the Lessee's right, title, and interest in and to the Assigned Agreements, including, without limitation: (i) all rights of the Lessee to receive moneys due and to become due under or pursuant to the Assigned Agreements; (ii) all rights of the Lessee to receive proceeds of any insurance, indemnity, warranty, or guaranty with respect to the Assigned Agreements; (iii) claims of the Lessee for damages arising out of or for breach of or default under the Assigned Agreements; and (iv) the right of the Lessee to terminate the Assigned Agreements, to perform thereunder, and to compel performance and otherwise exercise all remedies thereunder. The Lessor acknowledges that, pursuant to the Assignment of Contracts and Agreements, the Lessee will grant to the Trustee security interests in various items of collateral including, but not limited to, the Assigned Agreements and certain rights and remedies with respect thereto (collectively, the "**Trustee Security Interests**"). Any and all security interests granted to the Lessor by the Lessee as security for the performance by the Lessee's of its obligations under this Ground Lease (including, but not limited to, the security interest granted in this Section) shall be subject to the provisions of Section 36(i) hereof and subordinate in all respects to the Trustee Security Interests.

(b) *Further Action and Documents.* The Lessee agrees that from time to time, at the expense of the Lessee, the Lessee will promptly execute and deliver all further instruments and

documents, and take all further action, that may be necessary or desirable, or that the Lessor may reasonably request, in order to perfect and protect any pledge, assignment, or security interest granted or purported to be granted hereby or to enable the Lessor to exercise and enforce its rights and remedies hereunder with respect to any Assigned Agreements.

(c) Financing Statements. The Lessee hereby authorizes the Lessor to file one or more financing and/or continuation statements, and amendments thereto, relating to all or any part of the Assigned Agreements without the signature of the Lessee where permitted by law. A photocopy or other reproduction of this Ground Lease or any financing statement covering the Assigned Agreements or any part thereof shall be sufficient as a financing statement where permitted by law.

(d) Lessor Appointed Attorney-in-Fact. The Lessee hereby irrevocably appoints the Lessor the Lessee's attorney-in fact, with full authority in the place and stead of the Lessee and in the name of the Lessee or otherwise, if an Event of Default shall have occurred and be continuing, to take any action and to execute any instrument that the Lessor may deem necessary or advisable to accomplish the purposes of this Ground Lease, subject in all cases to the rights of the Trustee and the provisions of the Bond Documents, including, without limitation, the obligation to deposit all project revenues with the Trustee, including, without limitation:

(i) to obtain insurance required to be paid to the Lessor pursuant to Section 17 hereof in the event the Lessee shall fail to obtain such insurance;

(ii) to ask, demand, collect, sue for, recover, compromise, receive, and give acquittance and receipts for moneys due and to become due under or in connection with the Assigned Agreements; and

(iii) to file any claims or take any action or institute any proceedings that the Lessor may deem necessary or desirable to enforce compliance with the terms and conditions of any Assigned Agreement or the rights of the Lessor with respect to any of the Assigned Agreements.

(iv) Nothing contained herein shall be construed as modifying the flow of funds and uses under the Indenture.

(e) Lessor May Perform. If the Lessee shall fail to perform any agreement contained herein, the Lessor may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Lessor incurred in connection therewith shall be payable by the Lessee to the Lessor within forty-five (45) days after demand therefor by the Lessor as Expenses.

(f) Lessor's Duties. The powers conferred on the Lessor hereunder are solely to protect its interest in the Assigned Agreements and shall not impose any duty upon it to exercise any such powers. The Lessor shall have no duty to take any necessary steps to preserve rights against prior parties or any other rights pertaining to any Assigned Agreements.

Section 13. Assignment of Lease. Except as otherwise provided in Section 26 hereof, the Lessee and its successors and assigns, shall not have the right to assign, transfer or sublease this Ground Lease or any interest herein or any right or privilege appurtenant hereto or to sublease

the Premises or any portion thereof, unless the written consent of the Lessor, by and through the City Commission at its sole and absolute discretion, shall first be had and obtained. Any assignment or transfer for which consent is required but which is nevertheless made without such written consent shall be void *ab initio*. Any other provisions hereof to the contrary notwithstanding, the Lessee shall, without the consent or approval of the Lessor, have the right, in the ordinary course of business, to enter into the Master MCB Sublease, the Occupancy Agreements in accordance with the criteria set forth in the Asset Management Agreement, and the sublease of the Ground Floor in accordance with Section 11(p) hereof.

Section 14. Maintenance of Property. The Lessee shall, at all times during the Term, at the Lessee's sole cost and expense, keep and maintain the Premises and all adjoining areas out to the perimeter pavement, and appurtenances and every part thereof, and any and all buildings, other structures or Improvements that may exist on, in, or be made a part of the Premises, in good order and condition, ordinary wear and tear excepted, and make all necessary repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, and foreseen and unforeseen. -The Lessee shall be required to follow any maintenance schedule proposed by the Developer. In the event the Lessee shall fail to perform any of its obligations as required hereunder, after notice and right to cure pursuant to the terms and provisions of Section 24(a) hereof, the Lessor may (but shall not be required to) perform and satisfy same, and the Lessee hereby agrees to reimburse the Lessor for the reasonable cost thereof promptly upon demand as an Expense under the Bond Documents. The Parties agree that it shall be the Lessee's sole responsibility at all times during the Term to maintain the Premises in a first-class condition. All required maintenance and repair during the Term shall be complete when the Premises shall be surrendered to the Lessor.

Section 15. Annual Budget. (a) Not later than one hundred twenty (120) days prior to the commencement of each Annual Period, the Lessee shall develop in good faith, in its discretion and after consultation with the Lessor, a line-item operating and capital budget for the Project for each Annual Period or partial Annual Period (collectively, the "***Annual Budgets***" and each, an "***Annual Budget***"), in accordance with Section 8.07 of the Loan Agreement, provided that for the first Annual Period, Lessor shall develop such budget on or before the date that is not less than one hundred twenty (120) days prior to the date on which Lessor intends to begin to market the Workforce Housing Units to prospective renters. The Annual Budget shall set forth among other matters, those items usually contained in budgets of similar nature, including, but not limited to, the following:

- (i) the categories of anticipated Revenues and the projected amounts of each category of such Revenues;
- (ii) the amounts to be deposited to the Repair and Replacement Fund and any other reserve fund established under the Indenture during such Annual Period and the amounts contained therein as of the first day of such Annual Period;
- (iii) all anticipated capital expenditures;
- (iv) the projected reasonable amounts of all Expenses;

(v) sufficient information to explain the basis for the budgeted Revenues, capital expenditures, and Expenses; and

(vi) the amount of projected Revenues sufficient to comply with any applicable covenants contained in the Bond Documents.

(b) The Annual Budget shall reflect all anticipated Expenses paid, incurred, or accrued or to be paid, incurred, or accrued by the Lessee or on behalf the Lessee by another Person, such as (by way of example) the Asset Manager under the Asset Management Agreement. The Annual Budget shall include any input provided by a budget oversight committee consisting of a representative of the Lessee, Asset Manager, Lessor and MCB (for so long as MCB is in good standing under the Master MCB Sublease for the Dormitory Housing) (“Budget Oversight Committee”).

(b) Following review and input by the Budget Oversight Committee, the Lessee shall submit to the Lessor’s City Manager for the City Manager’s approval a proposed Annual Budget not later than ninety (90) days prior to the commencement of each Annual Period (provided, for the first Annual Period, Lessor shall submit such budget on or before the date that is not less than ninety (90) days prior to the date on which Lessor intends to begin to market the Workforce Housing Units to prospective renters). The City Manager (or the City Manager’s designee) shall give the Lessee notice of its approval of the Annual Budget as submitted or of its disapproval of one or more of the matters contained therein not later than sixty (60) days prior to the commencement of such Annual Period, or, if later, sixty (60) days after the Lessor shall have provided the proposed Annual Budget to the Lessee. If the Lessor shall fail to give notice of approval or disapproval in a timely manner, then the Annual Budget as submitted shall be deemed approved by the Lessor. If the Lessor shall give notice of its disapproval, the Lessee and Lessor promptly, in good faith, shall develop an Annual Budget on which they both may agree. In the event that the Lessee and the Lessor fail to reach agreement not later than thirty (30) days prior to the commencement of an Annual Period for any reason, the Annual Budget for the then current Annual Period, as increased for all Expenses (other than salaries and payroll expenses) by the increase, if any, in the Consumer Price Index shall be implemented for the next Annual Period until agreement is reached on a new Annual Budget. For the avoidance of doubt, in no event shall salaries and payroll expenses be increased until such time as the Parties have reached agreement on a new Annual Budget. If the proposed Annual Budget has not been approved prior to the beginning of the Annual Period and contains provisions regarding the modification of rents for the Annual Period, those rents shall be applied to the Project for the applicable Annual Period.

(c) From time to time during or in respect to an Annual Period, the Lessee shall have the right to modify the Annual Budget in accordance with the Bond Documents, which amendment shall be subject to the Lessor’s prior written consent unless: (i) the amendment shall be to reflect the receipt of insurance or condemnation proceeds; (ii) the amendment shall be for an amount in respect to a line item (A) that does not increase or decrease, when added to all other changes to that line item, either the original amount of that line item or an increased amount approved by the City Manager (or the City Manager’s designee) and then in effect by more than ten percent (10%), and (B) that does not increase the original total amount of Expenses or an increased amount approved in writing by the Lessor and then in effect by more than five (5) percent (5%) or (iii) the amendment shall be necessary to preserve life or property. An Annual

Budget for an Annual Period, as so amended, shall, after such amendment, be the Annual Budget for such Annual Period. Following any such modification of an Annual Budget, whether the same requires Lessor's approval or not, Lessee shall submit the Annual Budget as so modified to Lessor for its records.

(d) The Lessee shall operate the Project and make expenditures in connection with the Project in accordance with the Annual Budget.

(e) For each month within an Annual Period, the Lessee shall submit to the Lessor not later than thirty (30) days after the end of such month, a budget reconciliation statement.

Section 16. Indemnification Agreement. Subject to the limitations set forth in Section 36(l) of this Ground Lease, the Lessee hereby releases and agrees to indemnify and hold harmless the Lessor and all of its trustees, officers, employees, directors, agents, and consultants (hereinafter collectively referred to as the "***Indemnitees***") of and from any and all claims, demands, liabilities, losses, costs, or expenses for any loss including but not limited to bodily injury (including death), personal injury, property damage, expenses, and reasonable attorneys' fees to the extent due to any negligent act or omission on the part of the Lessee, its agents, employees, or others (other than the agents and employees of the Lessor, if any) working at the direction of the Lessee or on its behalf, or due to the application of any pertinent federal, State, or local law, rule, or regulation or the violation of by the Lessee, its agents, employees, or others (other than the agents and employees of the Lessor, if any) working at the direction of the Lessee of any such federal, State, or local law, rule, or regulation. This indemnification extends to the successors and assigns of the Lessee, and this indemnification survives the expiration or termination of this Ground Lease and the dissolution or, to the extent allowed by law, the bankruptcy of the Lessee. This indemnification does not extend beyond the scope hereof and the Construction Documents and the work undertaken thereunder, and does not extend to claims exclusively between the Parties arising from the terms or regarding the interpretation hereof. Lessee shall cause for the Initial Asset Management Agreement (and any subsequent Asset Management Agreement), the Master MCB Sublease, and Occupancy Agreements, and any vendor agreement between Lessee and any third-party involving services in excess of \$50,000 to release, indemnify and hold harmless the Indemnitees in the same manner, and to the same extent, as Lessee has agreed to release, indemnify and hold harmless the Indemnitees in accordance with this Section.

Section 17. Insurance. (a) **General.** It is the intent of the Parties that all risk of loss relating to the Project be shifted from Lessee to insurance to the maximum extent practicable. Accordingly, unless the Lessor shall otherwise agree in its sole discretion to maintain insurance for the Project, the Lessee shall maintain, or cause to be maintained, insurance covering the risks enumerated in items (i) through (vi) below. Such insurance shall be written on an occurrence basis unless the Lessor shall otherwise consent in writing. Each policy shall provide that such insurance shall be primary coverage without reduction or right of offset or contribution on account of any insurance provided by the Lessor to itself or its officers, officials, or employees, that such insurance shall not be altered or cancelled without thirty (30) days' written notice to the Lessor and that, with the exception of professional liability and workers' compensation coverage, such policies shall name the Lessor as an additional insured. The insurance policies purchased by the Lessee must be issued by a company authorized to conduct business in the State and by a company acceptable to the Lessor and that has a Best Policyholders Rating of "A" or better and with a financial size rating

of Class VIII or larger. Notwithstanding anything else herein contained, the rights of the Lessor to any insurance policies covering the Premises or the Project (or any portion thereof) and any and all proceeds paid or payable thereunder shall be in all respects junior and subordinate to the rights of the Trustee under the Bond Documents or any other Primary Leasehold Mortgage.

(i) Construction Insurance Requirements.

(A) During the construction period, the Lessee shall cause the Developer to cause the General Contractor to obtain and maintain in full force and effect: (1) All Risk and Builder's Risk - Completed Value Form Property Insurance in accordance with the Loan Agreement and this Ground Lease, and (2) payment and performance bonds for labor and materials with respect to the Construction Contract in accordance with the Loan Agreement this Ground Lease (and/or City Development Agreement, as applicable).

(B) During the construction period, the Lessee shall cause the General Contractor and the Architect to maintain professional liability (errors and omissions) coverage for claims or damages arising from professional services provided. Such policies shall include prior acts coverage sufficient to cover the services under the applicable agreement, the limits of which shall not be less than \$5,000,000 per claim/\$5,000,000 annual aggregate with a deductible or self-insured retention amount not greater than \$500,000 per claim. Such insurance shall be maintained during the term of such service provider's services, and for a period equal to the statute of repose after completion of the services.

(ii) General Liability. Comprehensive general liability insurance providing insurance (with deductible provisions not to exceed Twenty-Five Thousand Dollars (\$25,000) per occurrence) covering all claims for bodily injury and property damage, including not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, to include personal and advertising injury, general aggregate, products and completed operations aggregate insurance beginning at the completion of each Project component, and contract liability to cover all insurable obligations under this Ground Lease.

(iii) Automobile. Commencing on the date any vehicle shall be acquired or hired by the Lessee for use with respect to the Project, automobile liability insurance providing insurance (with deductible provisions not to exceed Twenty-Five Thousand Dollars (\$25,000) per occurrence) to the extent of not less than a combined single limit of One Million Dollars (\$1,000,000) per accident covering liability arising out of the use of any Lessee vehicle or such vehicles used in conjunction with the Project, whether owned, non-owned, or hired, and including personal injury protection and uninsured motorist protection in the minimum statutory limits where required by law.

(iv) Workers' Compensation. Commencing on the date the first employee of the Lessee shall be hired, workers' compensation coverage or other similar coverage covering all of the Lessee's employees on the Premises, as required by the laws of the State, including, with respect to workers' compensation insurance, Coverage B-Employer's

liability limits of: bodily injury by accident - Five Hundred Thousand Dollars (\$500,000) each accident; and bodily injury by disease - Five Hundred Thousand Dollars (\$500,000) each employee (and, in this regard, the Lessee shall require all subcontractors performing work on the Project to provide an insurance certificate showing proof of workers' compensation insurance);

(v) Fidelity Bonds. From and after Substantial Completion of the Project, the Lessee shall maintain fidelity bonds or employee dishonesty insurance in the amount of One Million Dollars (\$1,000,000) for all officers, agents, and employees of the Lessee (including, without limitation, all officers, agents, and employees of the Asset Manager) with the responsibility of handling any revenues generated from the operation of the Project.

(vi) Umbrella Coverage. Additional umbrella or excess liability coverage in the amount of Ten Million Dollars (\$10,000,000) in the aggregate, which shall include all coverages required by (ii), (iii), and (iv) hereof.

(vii) Commercial Property Insurance. From and after Substantial Completion of the Project, Lessee shall maintain commercial property insurance in an amount of the insurable value of all Improvements located on the Premises under an "all risk" form, including damage by water, flood, tornado, hurricane and earthquake in an amount not less than the replacement cost value of the Improvements and include coverage for business interruption insurance (also referred to as "business income" or "loss of rents" insurance) covering loss of revenues and other income by the Lessee by reason of total or partial suspension of, or interruption in, the operation of the Project caused by covered damage to or destruction of the Project in an amount not less than the Maximum Annual Debt Service on the Bonds plus twelve (12) months' budgeted expenses (other than interest on the Bonds) minus those expenses avoided as a result of and during the period of interruption.

(b) Loss Payable Clauses. The contracts of insurance required by this Section shall contain standard loss payable clauses in favor of any Permitted Leasehold Mortgagee, the Lessor, and the Lessee as their respective interests may appear.

(c) Delivery of Insurance Certificates. Upon the commencement hereof and at each policy renewal date, the Lessee shall furnish to the Lessor at the address set forth in Section 28 hereof an insurance certificate or renewal certificate evidencing all insurance required to be carried by the Lessee in accordance with this Ground Lease, listing the Lessor, Trustee and Issuer as the certificate holders. The insurance certificate must document that the liability insurance coverage purchased by the Lessee includes contractual liability coverage to insure the indemnity agreement as stated herein.

(d) Evidence of Payment of Premiums. The Lessee shall, within twenty (20) days of payment, furnish to the Lessor duplicate receipts or satisfactory evidence of the payment of all premiums on any and all insurance required to be carried by the Lessee in accordance with this Ground Lease.

Section 18. Police Services. The Premises shall be subject, at all times during the Term, to the jurisdiction of the Lessor's police department.

Section 19. Damage and Destruction.

(a) *Repair of Damaged Improvements.* Should any Improvements be damaged or destroyed by fire or any other casualty (collectively, a "Casualty") whatsoever during the Term, the Lessee, except as hereafter provided in this subsection, shall, at its sole cost and expense, within (i) ninety (90) days after receiving insurance proceeds with respect to any such Casualty or (ii) within one hundred eighty (180) days from the date of such Casualty, commence the work of repair, reconstruction, restoration, or replacement of the Improvements ("Reconstruction Work") and shall prosecute the Reconstruction Work with all reasonable dispatch, so as to fully complete such Reconstruction Work as expeditiously as reasonably possible consistent with the nature and extent of the Casualty, with such Improvements to be repaired, reconstructed, or restored as nearly as practicable to the same condition as prior to such Casualty. Anything in this Ground Lease to the contrary notwithstanding, the period of time within which the Lessee shall be hereinabove obligated to complete the Reconstruction Work shall be extended for the period of any delay in said completion not within the reasonable control of the Lessee.

(b) To the extent any Primary Leasehold Mortgagee exercises any right or option to retain and apply any portion of the proceeds of any insurance (or condemnation awards) toward payment in full of the sum secured by the Primary Leasehold Mortgage, Lessee shall diligently and expeditiously undertake to secure and close on Leasehold Mortgage loans to finance the Reconstruction Work, and thereafter, to commence and fully complete such Reconstruction Work as expeditiously as reasonably possible consistent with the nature and extent of the Casualty.

(i) Notwithstanding the foregoing, if, during the last ten (10) years of the Initial Term or any Renewal Term, the Improvements are totally destroyed or so damaged as to render them unusable, then (i) Lessee or the Lessor may terminate this Ground Lease by delivery of written notice of such termination to the other Party not later than sixty (60) days after the occurrence of such Casualty, whereupon this Ground Lease will terminate as of the date of such casualty. Upon such termination, the insurance proceeds shall be payable as follows (subject in all cases to the requirements and rights of any Primary Leasehold Mortgage): (A) first, to pay the principal balance of all indebtedness secured by any Permitted Leasehold Mortgage then in effect, plus all interest accrued or to accrue on such sums through the date of payment or redemption of such indebtedness, plus any other direct out-of-pocket expenses incurred by the Lessee in connection with the casualty not paid from the Operating Account which shall be directly paid to such Permitted Leasehold Mortgagee and (B) second, the balance, if any, to the Lessor. If neither the Lessor nor Lessee timely elect to terminate this Ground Lease in accordance with this Section, Lessee shall restore the Premises in accordance with Section 19(a) hereof.

(c) *Waiver of Subrogation.* Where permitted by law, each Party hereby waives all rights of recovery by subrogation or otherwise (including claims related to deductible or self-insured retention clauses, inadequacy of limits of any insurance policy, insolvency of any insurer, limitations or exclusions of coverage), against the other Party, and its respective officers, agents, or employees.

(d) Inadequacy of Insurance Proceeds. Lessee shall use diligent, good faith efforts to satisfy all conditions of any Permitted Leasehold Mortgage to permit release and disbursement of such proceeds towards the costs of the Reconstruction Work. Notwithstanding anything to the contrary set forth in this Ground Lease, Lessee's liability hereunder to timely commence and complete restoration of the damaged or destroyed Improvements shall be absolute, irrespective of whether the insurance proceeds received, if any, are adequate to pay for such restoration.

(e) No Lessor Obligation to Provide Property Insurance. Lessee acknowledges and agrees that Lessor shall have no obligation to provide any property insurance on any Improvements or for the Premises. If Lessor does provide any property insurance coverage, Lessee acknowledges that such insurance shall be for the sole benefit of the Lessor and Lessee shall have no right or claim to any such proceeds.

(f) Compliance. Lessee's compliance with the requirements of this Section 19 shall not relieve the Lessee of its liability, or be construed to relieve or limit, Lessee of any responsibility, liability, or obligation imposed under any other portion of this Ground Lease, or by law, including any indemnification obligations which Lessee owes to Lessor.

(g) Right to Examine. The Lessor reserves the right, upon reasonable notice, to examine the original or true copies of policies of insurance (including binders, amendments, exclusions, riders and applications), or applicable portions of any master insurance policy, to determine the true extent of coverage. The Lessee agrees to permit such inspection and make available such policies or portions thereof at the offices of the Lessor.

(h) Personal Property. Any personal property of the Lessee or of others placed in the Premises shall be at the sole risk of the Lessee or the owners thereof, and the Lessor shall not be liable for any loss or damage thereto for any cause except as a result of the gross negligence or willful misconduct of the Lessor or its employees, agents or contractors.

(i) The Lessor and the Lessee specifically agree that, except as otherwise provided in this Ground Lease, damage to or destruction of any Improvements on or within the Property at any time during the Term, by fire or any other Casualty whatsoever, shall not work a termination hereof or authorize the Lessee or those claiming by, through or under the Lessee to quit or surrender possession of the Property or any part thereof, and shall not release the Lessee in any way from its liability to pay the Lessor the Rent herein provided for, or from any of the provisions hereof.

(j) Termination Prior to Completion of Reconstruction Work. In the event of the termination hereof before the expenditure of the full amount of such insurance proceeds for the Reconstruction Work, any unexpended balance thereof, including any interest previously earned by such balance, shall, subject to paragraph (k) below, inure to and become the sole property of the Lessor.

(k) Indenture Shall Control. Notwithstanding anything else herein contained, the provisions of the Indenture shall control in all respects the receipt, handling, and application of any and all insurance proceeds, it being acknowledged and agreed that the Trustee or such other

Primary Leasehold Mortgagee, as their respective interests may appear, shall have a first and prior security interest therein.

Section 20. Condemnation.

(a) General. The term "**condemnation**" as used in this Ground Lease means the taking or appropriation of property, or any interest therein, in exercise of the power or right of eminent domain or such taking for public or quasi-public use or any state of facts relating to the taking or appropriation of property that, without an actual taking or appropriation, shall result in direct or consequential damages to the Project or to the Property or the leasehold interest therein. Such term shall also be deemed to include to the extent not otherwise defined in this paragraph, a temporary taking of the Property and/or the Project or any part thereof or the Improvements thereon for a period of one year or more, and the taking of the leasehold interest created therein.

(b) Total Condemnation. If all of the Project and the Property (or such substantial portion thereof as shall, in the Lessor's sole discretion, make it economically unfeasible to continue to operate the remaining portion for the purpose herein) shall be so condemned, this Ground Lease shall terminate on the date title to the Property shall vest in the condemnor; provided, however, that such termination shall be without prejudice to the rights of the Lessor to recover just and adequate compensation from any such condemnor. If this Ground Lease shall be terminated as provided in this subsection, the Lessee shall pay the Rent for the year in which the Property shall have been taken, up to the date of such termination. The Rent shall be payable within sixty (60) days after the date this Ground Lease shall be terminated.

(c) Division of Award - Total Condemnation. Subject to the controlling terms and conditions of the Indenture relating to the administration of condemnation proceeds, if the Property and the Project shall be totally condemned as provided in subsection (b) above, the condemnation proceeds shall be paid as follows:

(i) the Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal the principal balance of all indebtedness secured by any Permitted Leasehold Mortgage then in effect, **plus** all interest accrued or to accrue on such sums through the date of payment or redemption of such indebtedness, **plus** any other direct out-of-pocket expenses incurred by the Lessee in connection with the condemnation not paid from the Operating Account which shall be directly paid to such Permitted Leasehold Mortgagee; and

(ii) the Lessor shall then be entitled to receive the balance of the condemnation proceeds.

(d) Partial Condemnation. In the event of a taking of less than a total taking as provided in subsection (b) above, this Ground Lease shall terminate as to the condemned portion of the Property on the date title to the condemned portion of the Property shall vest in the condemnor; provided, however, that such termination shall be without prejudice to the rights of the Lessor to recover just and adequate compensation from any such condemnor. The provisions hereof shall remain in full force and effect as to the portion of the Property not condemned.

(e) Division of Award - Partial Condemnation. Subject to the controlling terms and conditions of the Indenture relating to the administration of condemnation proceeds, if the Property and the Project shall be partially condemned as provided in subsection (d) above, the condemnation proceeds shall be paid as follows:

(i) the Lessee first shall be entitled to receive such portion of the condemnation proceeds as shall equal the principal balance of all indebtedness secured by any Permitted Leasehold Mortgage then in effect, **plus** all interest accrued or to accrue on such sums through the date of payment or redemption of such indebtedness, **plus** any other direct out-of-pocket expenses incurred by the Lessee in connection with the condemnation not paid from the Operating Account which shall be directly paid to such Permitted Leasehold Mortgagee; and

(ii) the Lessor shall then be entitled to receive the balance of the condemnation proceeds.

Section 21. Estoppel Certificates.

(a) Upon the request of any Permitted Leasehold Mortgagee or any Person who may be permitted to take an assignment of this Ground Lease or who may become a Permitted Leasehold Mortgagee, the Lessor and the Lessee shall execute, acknowledge, and deliver to the other promptly upon request, in a form reasonably satisfactory to the requesting party, a certificate certifying as to the following:

(i) Validity of Lease: that this Ground Lease is unmodified and in full force and effect (or, if there have been modifications, that this Ground Lease is in full force and effect, as modified, and stating the modifications);

(ii) Payment of Rent: the dates through which the Rent under this Ground Lease shall have been paid;

(iii) Amount of Rent Due: the amount of any Rent then payable; and

(iv) Defaults by the Lessee: that no notice has been given by the Lessor to the Lessee of any failure to comply under this Ground Lease that has not been cured and to the best of its knowledge and belief, and without any independent inquiry or investigation thereof, no Event of Default exists (or, if there has been any notice given or an Event of Default exists, describing the same).

(b) Certificates from the Lessor and the Lessee pertaining to the same matters may be relied upon by any Person who may be permitted to take an assignment of this Ground Lease or who may become a Permitted Leasehold Mortgagee in accordance with the terms of this Ground Lease.

Section 22. Access to Premises. The Lessor and its authorized representatives, agents, employees, and attorneys may, but shall be under no duty to, enter the Premises at reasonable times and hours, subject to the rights of tenants in possession, if any, to inspect the Property in order to determine whether the Lessee is complying with its undertakings, duties, and obligations under

this Ground Lease, to make such necessary repairs, additions, improvements, changes, or alterations to the Premises as the Lessor may elect to make in accordance with the terms and provisions hereof (the Lessor agreeing to provide five (5) Business Days' prior written notice of its intent to make such necessary repairs, additions, improvements, changes, or alterations to the Premises, except in the case of an emergency where no such prior notice shall be required), and to exhibit the same to prospective purchasers, operators, mortgagees, or tenants of the Premises. Such entry, inspection and repairs, additions, improvements, changes, or alterations as the Lessor may make of the Premises shall not constitute an eviction of the Lessee in whole or in part, and the Rent shall in no way abate by reason of loss or interruption of the business of the Lessee or otherwise while such work is being done. The Lessor agrees to employ its reasonable efforts to minimize any interruption to the business operations of the Lessee resulting from the Lessor's (or its designated representatives') work in or on the Premises. Nothing herein contained, however, shall be deemed or construed to impose upon the Lessor any obligation or liability whatsoever for care, supervision, repair, improvement, additions, change, or alteration to the Premises other than as herein expressly provided. Further, nothing in this Section shall be construed to permit the Lessor to make any material changes, improvements, and/or alterations to the Premises, including, without limitation, any demolition or removal thereof if such action would violate any restrictions imposed upon the Lessee with respect to the same under any Bond Document.

Section 23. Property Subject to Zoning. The Lessee takes the Property subject to all zoning regulations and ordinances now or hereafter in force including, but not limited to, those as to building line and setback.

Section 24. Events of Default and Remedies.

(a) *Events of Default Defined.* The following shall be "*Events of Default*" under this Ground Lease, and the term "*Event of Default*" means, whenever it is used herein, any one or more of the following events:

(i) The Lessee shall fail to pay the Rent or any other amounts due to the Lessor at the times specified herein.

(ii) The Lessee shall fail to perform or cause to be performed any other term, covenant, condition, or provision hereof, other than as referred to in (i) above and to correct such failure within thirty (30) days after written notice specifying such shall have been given to the Lessee by the Lessor. In the case of any such failure that cannot with due diligence be corrected within such thirty (30) day period, but can be wholly corrected within a period of time not materially detrimental to the rights of the Lessor, it shall not constitute an Event of Default if corrective action shall be instituted by the Lessee within the applicable period and diligently pursued until the failure shall be corrected in accordance with and subject to any reasonable directions or limitations of time established in writing by the Lessor.

(iii) The Lessee shall be adjudicated a bankrupt.

(iv) A permanent receiver shall be appointed for the Lessee's interest in the Premises and such receiver shall not be removed within ninety (90) days after notice from the Lessor to the Lessee to obtain such removal.

(v) The Lessee shall voluntarily take advantage of any debtor relief proceedings under any present or future law whereby the Rent or any part thereof shall be reduced or payment thereof deferred or shall become subject to any such involuntary proceedings and said involuntary proceedings shall not be dismissed within ninety (90) days after notice from the Lessor to the Lessee to obtain such dismissal.

(vi) The Lessee shall make a general assignment for benefit of creditors.

(vii) Any of the Lessee's interest in the Premises under this Ground Lease shall be levied upon or attached under process against the Lessee, and the same shall not be satisfied or dissolved within ninety (90) days after notice from the Lessor to the Lessee to obtain satisfaction or dissolution thereof.

(b) Remedies. Subject to the provisions of Section 26(f) and 36(i) hereof, upon the occurrence of an Event of Default, the Lessor may pursue one of the following remedies:

(i) Terminate this Ground Lease immediately upon written notice thereof to the Lessee, and thereafter, without legal process, enter upon and take possession and control of the Premises to the complete exclusion of the Lessee. The Lessor may also demand, collect, and retain all rents due from tenants occupying the Premises, and the Lessor may otherwise treat and occupy the Premises as if this Ground Lease had expired pursuant to the terms hereof. The failure of the Lessor to exercise such rights after one or more Events of Default shall not be a waiver of the rights of the Lessor upon the occurrence of any subsequent Event of Default; or

(ii) As the Lessee's attorney-in-fact pursuant to the provisions of Section 12 of this Ground Lease, without terminating this Ground Lease, re-let the Premises upon obtaining the written consent of the Primary Leasehold Mortgagee. Such re-letting may be accomplished without advertisement and by private negotiations for such term or terms and at such rental or rentals as the Lessor in its sole discretion may deem proper and advisable, with the right to make alterations and repairs to the Premises. Upon each such reletting:

(A) the Lessee shall be immediately liable to pay to the Lessor, in addition to any sums due hereunder, the reasonable cost and expenses of such reletting and of such alterations and repairs incurred by the Lessor; and

(B) subject to applicable law, rents received by the Lessor from such reletting shall be applied: First, to the payment of any costs and expenses of such re-letting and of such alteration and repair; Second, so long as the Series 2022 Bonds are Outstanding, to the Trustee for deposit in the Revenue Fund or, if the Series 2022 Bonds have been paid in full, to the payment of Rent due and unpaid under this Ground Lease; and Third, the residue, if any, shall be held by the Lessor, in escrow, and applied to the payment of the Rent as the same shall become due

under this Ground Lease at the termination hereof. The Lessor shall in no event be liable to the Lessee for any interest on said residue.

Section 25. Expiration or Termination.

(a) *Extinguishment of the Lessee's Rights.* Upon the termination or expiration hereof from any cause, all rights and interests of the Lessee, and all persons whomsoever claiming by, through or under the Lessee (with the exception of any outstanding Occupancy Agreements and the rights of the Primary Leasehold Mortgagee to enter into a Mortgagee Lease pursuant to Section 26 hereof), shall immediately cease and terminate, and the Premises, including all Improvements (including, without limitation, all buildings, improvements, engines, machinery, dynamos, generators, boilers, furnaces, elevators, fire escapes, and all lifting, lighting, heating, cooling, refrigerating, air conditioning, ventilating, gas, electric and plumbing apparatus, appliances and fixtures, as well as other fixtures attached to or within the Premises), and all personal property (other than that which is owned by tenants of the Project) located thereon, shall thence forward constitute and belong to and be the absolute property of the Lessor or the Lessor's successors and assigns, without further act or conveyance, and without liability to make such compensation to the Lessee or to anyone whomsoever, and free and discharged from all and every lien, encumbrance, claim, and charge of any character created or attempted to be created by the Lessee at any time. The Lessee agrees, at the expiration or termination hereof, to surrender unto the Lessor, all and singular the Premises with then existing Improvements constructed and located thereon and therein, in the same condition as when the construction of such Improvements was completed, only natural and normal wear and tear excepted, unless the Lessee shall be relieved of the Lessee's obligation to repair, reconstruct, restore, or replace damaged or destroyed Improvements pursuant to Section 19(a) hereof.

(b) *Prepaid Items Assigned.* Upon the expiration of the Term, or upon the prior termination hereof from any cause, all expense items prepaid by the Lessee with respect to constructing, operating, maintaining, and protecting the Premises, including, but not limited to, prepaid insurance premiums, any tax and utility deposits, shall inure to the benefit of and become the property of the Lessor and to this extent the Lessee does hereby transfer, assign, and convey any such prepaid expense items to the Lessor.

(c) *Amounts Remaining in Funds and Accounts.* Upon the expiration of the Term, or upon the prior termination hereof from any cause, and subject, in the event of termination before the expiration of the Term of this Ground Lease, to the rights interests of the Trustee and/or any Permitted Leasehold Mortgagee, any amounts remaining in any fund, account, or reserve created in connection with the maintenance of the Property, or the management of the Project shall inure to the benefit of and become the property of the Lessor, and to this extent, the Lessee does hereby transfer, assign, and convey any such funds to the Lessor.

Section 26. Mortgaging of the Leasehold.

(a) The Lessee, and every permitted successor and assign of the Lessee, shall have the right in addition to any other rights granted in this Ground Lease to secure one or more financings or re-financings and may enter into a Primary Leasehold Mortgage in favor of a Primary Leasehold Mortgagee, and may otherwise encumber its interest in this Ground Lease, with the Lessor's

consent, under any one or more leasehold deeds of trust or other security instrument pledging all or part of the Leasehold Estate to or for the benefit of a Permitted Leasehold Mortgagee, upon the condition that all rights acquired under any such financing or re-financing shall be subject to each of the provisions set forth in this Ground Lease and to all rights and interests of the Lessor herein (a "*Permitted Leasehold Mortgage*"), and provided, further that:

(i) any such secured financing of the Project exclusively secures debt of the Lessee with respect to the Project;

(ii) any Permitted Leasehold Mortgage or other encumbrance executed by the Lessee in connection with a Permitted Leasehold Mortgage or otherwise will not extend to or be a lien or encumbrance upon Lessor's interest in the Ground Lease or Property or in any rights appurtenant to Lessor's interests;

(iii) any Permitted Leasehold Mortgage or other encumbrance executed by the Lessee in connection with a Permitted Leasehold Mortgage shall at all times, without the necessity of for the execution of any further documents, be subject and subordinate to the interest of the Lessor in the Premises, and the rights of the Lessor in the Premises and arising out of the Ground Lease shall not be affected by any Permitted Leasehold Mortgagee, nor shall the Lessor be deprived in any other way of its rights in the Premises or under this Ground Lease, except to the extent provided in this Section or in any subordination, non-disturbance and recognition agreement between the Lessor and the Primary Leasehold Mortgagee that is consistent with the terms of this Ground Lease; and

(iv) Lessee shall at all times remain liable hereunder for the payment of Rent and the performance of all covenants and conditions of this Ground Lease as provided in this Ground Lease.

Subject to the provisions of subsection (k) below, the Lessor may enter into a Refinanced Trustee Mortgage. If, from time to time, the Lessee or the Lessee's successors and assigns shall, with the consent of the Lessor, encumber this Ground Lease with a Primary Leasehold Mortgage, and if the holder thereof shall deliver to the Lessor an executed counterpart of such Primary Leasehold Mortgage, together with each assignment thereof certified by such holder to be true together with written notice specifying the name and address of such holder and the pertinent recording data with respect to such Primary Leasehold Mortgage, the Lessor agrees that, anything in this Ground Lease to the contrary notwithstanding, from and after the date of receipt by the Lessor of such notice and for the term (duration) of such Primary Leasehold Mortgage, the following provisions shall apply:

(b) Consent to Amendment. There shall be no cancellation or surrender of this Ground Lease (except upon the expiration of the Term), or modification of this Section, or other provisions of this Ground Lease intended for the benefit of the Primary Leasehold Mortgagee, by the Lessor or the Lessee without the prior written consent of the Primary Leasehold Mortgagee, which consent shall not be unreasonably withheld. Notwithstanding the foregoing (but, in any event, subject to the Primary Leasehold Mortgagee's curative rights set forth in subsections (d) and (e) hereof), nothing herein shall be deemed to prohibit the Lessor from terminating this Ground Lease in accordance with its terms or exercising its option to purchase as provided for in this Ground Lease,

if any. There shall be no material modification in the Primary Leasehold Mortgage or related documentation without the Lessor's prior written consent, which consent will not be unreasonably withheld, so long as Lessor's interests in the Ground Lease and the Property are not adversely affected thereby.

(c) Notices to Permitted Leasehold Mortgagee. The Lessor, upon serving the Lessee with any notice of an Event of Default, failure to comply, or termination, shall simultaneously serve a copy of such notice on the Primary Leasehold Mortgagee. If the Lessor shall serve the Lessee with a notice of a failure to comply with any term, covenant, condition, or provision hereof, the Primary Leasehold Mortgagee shall then have the same period after service of the notice on it as is given to the Lessee hereunder to remedy or cause to be remedied such failure, and the Lessor shall accept performances by or at the instigation of the Primary Leasehold Mortgagee as if it had been done by the Lessee. Any notice required to be given to the Primary Leasehold Mortgagee shall be posted in the United States mail, postage prepaid, certified, return receipt requested (and wired by telegraphic means or transmitted by facsimile transmission) and addressed to the Primary Leasehold Mortgagee at the address and to the attention of the person designated to the Lessor by such Primary Leasehold Mortgagee to receive copies of such notices and shall be deemed to have been served as of the date the said notice is received or refused by such Primary Leasehold Mortgagee.

(d) Curative Rights of Permitted Leasehold Mortgagees. In addition to the rights granted to any Primary Leasehold Mortgagee under this Section, the Primary Leasehold Mortgagee shall have an additional period of ninety (90) days to remedy or cause to be remedied any Event of Default of which it shall have received notice; provided, however, in no event shall Primary Leasehold Mortgagee, its successors, assigns, nominee, or any purchaser be required to cure the following Events of Default: (a) any bankruptcy of the Lessee; (b) the Lessee's insolvency; and (c) the failure of the Lessee to perform financial covenants contained in this Ground Lease that are personal to the Lessee.

(e) Limitation Upon Termination Rights of the Lessor. If the Lessor shall elect to terminate this Ground Lease upon the occurrence of an Event of Default, the Primary Leasehold Mortgagee shall also have the right to postpone and extend the date of termination as fixed by the provisions hereof for a period of not more than six (6) months from the expiration of the ninety (90) day period specified in subsection (c) hereof, provided that the Primary Leasehold Mortgagee shall pay the Rent and other charges required to be paid under this Ground Lease during such period and comply with the other terms of the Ground Lease in all material respects, and provided further, that the Primary Leasehold Mortgagee shall forthwith take steps necessary to acquire the Lessee's interest and estate in this Ground Lease by foreclosure of its Permitted Leasehold Mortgage, or otherwise, and shall prosecute such action to completion with due diligence. If at the end of the six (6) month period, the Primary Leasehold Mortgagee hereof shall be actively engaged in steps to acquire or sell the Lessee's interest in this Ground Lease, the time for the Primary Leasehold Mortgagee to comply with the provisions of this subsection shall be extended for such period as shall be reasonably necessary to complete these steps with reasonable diligence and continuity.

(f) Assignment. The Lessor agrees that in the event of any foreclosure under any Permitted Leasehold Mortgage, either by judicial proceedings or under power of sale contained

therein all right, title, and interest encumbered by such Permitted Leasehold Mortgage may, without the consent of the Lessor, be assigned to and vested in the purchaser at such foreclosure sale subject and subordinate, however, to the rights, title, and interests of the Lessor; and, notwithstanding that the Lessor's consent to said assignment shall not have been obtained, any such assignee shall be vested by virtue of such assignment with any and all rights of the party whose estate was encumbered by such Permitted Leasehold Mortgage as though the Lessor had consented thereto. Any Permitted Leasehold Mortgagee, assignee or subsequent foreclosure purchaser must comply with, and shall be subject to, all terms, covenants and conditions of the Ground Lease.

(g) Mortgagee Leases. The Lessor agrees that in the event of a termination hereof by reason of the occurrence of any Event of Default, and subject to the rights herein granted to Leasehold Mortgagees, the Primary Leasehold Mortgagee shall have the option, but not the obligation, to enter into a Mortgagee Lease, with the Primary Leasehold Mortgagee, as lessee, for the remainder of the Term with the same covenants, conditions and agreements (except for any requirements which have been fully satisfied by Lessee or Lessor prior to termination); provided:

(i) The Primary Leasehold Mortgagee shall enter into a Mortgagee Lease within the six (6) month period specified in subsection (e) of this Section, with Lessor's obligation to enter into a Mortgagee Lease conditioned upon, on the date the Mortgagee Lease is executed, (A) Lessor receiving payment of all Rent due hereunder through the date of such Mortgagee Lease; (B) all monetary defaults having been cured; (C) all non-monetary defaults susceptible to cure having been remedied and cured or Primary Leasehold Mortgagee, as lessee, having commenced such cure and continuing to diligently complete the cure; and (D) the Lessor receiving payment of all expenses, including reasonable attorneys' fees and disbursements and court costs, incurred by the Lessor in connection with such Event of Default, the termination of this Ground Lease and the preparation of the new Mortgagee Lease together with interest thereon at the Default Rate from the due date or the date expended by the Lessor, as the case may be, to the date of actual payment by the Primary Leasehold Mortgagee.

(ii) Lessor's delivery of the Mortgagee Lease shall be (a) made without representation or warranty of any kind or nature whatsoever either express or implied; (b) Primary Leasehold Mortgagee, as lessee, shall take such Premises "as-is" in its then current condition; and (c) upon execution and delivery of such Mortgagee Lease, Primary Leasehold Mortgagee, as lessee, at its sole cost and expense, shall be responsible for taking such action as shall be necessary to cancel and discharge this Ground Lease and to remove Lessee from the Premises.

(iii) The Primary Leasehold Mortgagee, as lessee under the Mortgagee Lease, shall perform and observe all covenants contained in the Mortgagee Lease on the Lessee's part to be performed during such period of time commencing with the date of the execution of the Mortgagee Lease and terminating upon the abandonment or surrender of possession of the Premises under the said Mortgagee Lease.

(iv) The Primary Leasehold Mortgagee, as lessee under the Mortgagee Lease shall have the same right, title and interest in and to the Premises and the right to use the Improvements thereon as the Lessee had under this Ground Lease.

(h) Agreement Between the Lessor and the Primary Leasehold Mortgagee. The Lessor, upon request, shall execute, acknowledge, and deliver to the Primary Leasehold Mortgagee an estoppel and recognition agreement, in form reasonably satisfactory to the Primary Leasehold Mortgagee and the Lessor, by and among the Lessor, the Lessee, and the Primary Leasehold Mortgagee agreeing to all of the provisions of this Section.

(i) Limitation on Liability of the Permitted Leasehold Mortgagees. Notwithstanding any other provision hereof, the Lessor agrees that any Permitted Leasehold Mortgagee permitted under this Ground Lease shall in no manner or respect whatsoever be (i) liable or responsible for any of the Lessee's obligations or covenants under this Ground Lease (nor shall any rights of such Permitted Leasehold Mortgagee be contingent on the satisfaction of such obligations or covenants), or (ii) required to cure any Event of Default, provided; however, that if such Permitted Leasehold Mortgagee shall become the owner of the Leasehold Estate or shall become the lessee under a Mortgagee Lease, then such Permitted Leasehold Mortgagee shall be responsible and liable for all obligations and covenants accruing during such Permitted Leasehold Mortgagee's tenure as owner of the Leasehold Estate or as lessee under a Mortgagee Lease. Notwithstanding the foregoing, the liability of a Permitted Leasehold Mortgagee with respect to its obligations under this Ground Lease or any Mortgagee Lease shall be "non-recourse" and, accordingly, the Lessor's source of satisfaction of such obligations shall be limited to the Net Available Cash Flow and to the Lessee's interest in the Project, and the Lessor shall not seek to obtain payment through any judicial process or otherwise from any person or entity comprising such Permitted Leasehold Mortgagee or from any assets of such Permitted Leasehold Mortgagee other than the Net Available Cash Flow and the Lessee's interest in the Project.

(j) No Waiver of Lessee's Obligations or Lessor's Rights. Nothing contained herein or in any Permitted Leasehold Mortgage shall be deemed or construed to relieve Lessee from the full and faithful observance and performance of its covenants, conditions and agreements contained in this Ground Lease, or from any liability for the non-observance or non-performance thereof, or to require, allow or provide for the subordination to the lien of such Permitted Leasehold Mortgage or to any Permitted Leasehold Mortgagee of any estate, right, title or interest of the Lessor in or to the Ground Lease, Premises or Property, nor shall the Lessor be required to join in such mortgage financing or be liable for same in any way. Lessor's interest in the Property and this Ground Lease, as the same may be modified, amended or renewed, will not at any time be subject or subordinate to (a) any mortgage now or hereafter placed upon Lessee's interest in this Ground Lease, or (b) any other liens or encumbrances hereafter affecting Lessee's interest in this Ground Lease. Lessor represents and warrants to Lessee that no mortgages currently exist against its fee interest in the Property, and acknowledges that this Ground Lease shall not be subordinate to any future mortgage against the fee interest in the Property. Notwithstanding anything to the contrary contained in this Ground Lease, if all or any portion of the interest of Lessor in the Property or this Ground Lease shall be acquired by reason of foreclosure of any mortgage, security agreement, lien or other encumbrance or other proceedings brought to enforce the rights of the holder(s) thereof, by deed in lieu of foreclosure or by any other method, and as a result any Person succeeds to such interests of City, this Ground Lease and the rights of Lessee

hereunder shall continue in full force and effect and shall not be terminated or disturbed except as otherwise expressly permitted by the terms of this Ground Lease.

(k) *Refinanced Trustee Mortgage.* No consent or approval of the Lessor shall be required for any Refinanced Trustee Mortgage, *provided, however*, that the Lessor's prior written consent shall be required for:

(i) The issuance of any Additional Bonds the proceeds of which are not used to refund or defease any Outstanding Bonds or to pay the cost of issuance thereof, or

(ii) The restructuring, refunding or defeasance of any Outstanding Bonds that would:

(A) increase the aggregate principal balance of the Bonds outstanding immediately prior to the effective date of such restructuring, refunding or defeasance;

(B) extend the final maturity date of the Bonds or other indebtedness secured by the Trustee Mortgage beyond the final maturity date of the Bonds outstanding immediately prior to the effective date of such restructuring, refunding or defeasance; or

(iii) Any restructuring, refunding or refinancing of the Bonds, the result of which would require the Lessee to materially increase the rental payments of Eligible Residents.

(l) *Bankruptcy.* If either the Lessee or the Lessor files for bankruptcy protection:

(i) If this Ground Lease is rejected by the Lessee or the Lessee's trustee in a bankruptcy proceeding, as between the Lessor and any Permitted Leasehold Mortgagee (in order of priority, if there is more than one Permitted Leasehold Mortgagee), such rejection shall be deemed an assignment of the Ground Lease to such Permitted Leasehold Mortgagee unless the Leasehold Mortgagee shall reject such deemed assignment in a notice sent to Lessor" within thirty (30) days after the later to occur of: (i) the rejection or deemed rejection of the Ground Lease by the Lessee or the Lessee's trustee; and (ii) the approval of such rejection by the bankruptcy court.

(ii) If this Ground Lease is rejected by the Lessor or the Lessor's trustee in a bankruptcy proceeding, this Ground Lease shall not be terminated without the written consent of the Permitted Leasehold Mortgagee. If the Lessor or the Lessor's trustee proposes to sell the Property free and clear of the interest of the Lessee under this Ground Lease, the Lessee and the Permitted Leasehold Mortgagee shall be entitled to notice of any such sale of the Property by the Lessor or the Lessor's trustee. The Lessee and the Permitted Leasehold Mortgagee shall also have the right to contest such sale and to sue for adequate protection of its respective interests hereunder.

Section 27. Option to Purchase. Throughout the Term, the Lessor, at its sole discretion, shall have the right and option to purchase the Lessee's right, title, and interest in and

to the Project, this Ground Lease, and the applicable Occupancy Agreements (collectively, the "**Optioned Property**").

(a) **Exercise Notice.** The Lessor may exercise such option to purchase the Lessee's right, title and interest in and to the Optioned Property by delivering written notice (the "**Exercise Notice**") of such exercise to the Lessee, which Exercise Notice shall either state that the entirety of the Project is being purchased or identify with a metes and bounds description or lot and block description of the Optioned Property that Lessee desires to purchase.

(a) **Purchase Price.** If the option to purchase shall be exercised, the purchase price (the "**Option Price**") of the Lessee's right, title, and interest in and to the Optioned Property shall be equal to (i) the principal balance of all indebtedness secured by any Permitted Leasehold Mortgage then in effect, if any, **plus** (ii) any premium payable upon the prepayment or redemption of such indebtedness, if any, **plus** (iii) all interest accrued or to accrue on such sums through the date of payment or redemption of such indebtedness, if any, **plus** (iv) any reasonable costs of defeasing or redeeming the Bonds, as applicable, **plus** (v) all recording fees for satisfaction of the Lessee's loans relating to the Project, if any, **plus** (vi) all transfer taxes in connection with the sale of the Optioned Property and all recording fees in connection with recording of any deed and assignment, **plus** (vii) any unpaid fees and/or other compensation due to the Lessee hereunder, plus (viii) all other expenses incurred by the Lessee in connection with the Closing (as defined herein) not paid from the Operating Account. This provision for the Lessor's option shall not be in derogation of the Lessor's power of eminent domain, subject to payment in full of any then outstanding debt under the Leasehold Mortgage.

(b) **Closing.** The closing of the transfer of the Lessee's right, title and interest in and to the Optioned Property (the "**Closing**") shall be held on or before the date that is ninety (90) days after the date of the Exercise Notice, on such date and at such time and place as the Lessor and the Lessee shall agree. At Closing upon payment of the Option Price, title to the Project shall be conveyed by a limited warranty deed in recordable form executed by the Lessee, title to the Equipment shall be conveyed by a bill of sale containing limited warranties of title, this Ground Lease shall terminate as to the Optioned Property and the Lessee's interest in applicable Occupancy Agreements shall be conveyed by an assignment thereof containing limited warranties of title. If the Optioned Property shall be less than the entire Premises, then the Lessor and the Lessee shall execute an amendment to this Ground Lease at such closing amending the definition of the Premises.

(c) **Title.** The Optioned Property shall be conveyed free and clear of all loans, and shall be subject only to the applicable Occupancy Agreements, to Permitted Encumbrances, and to all matters occurring subsequent to the date hereof that would be disclosed by an accurate survey, title search, and inspection of the Premises.

(d) **Release of Lessee.** Upon the transfer of all of the Lessee's interest in the Optioned Property pursuant to this Section, the Lessee shall be released from, and relieved of, all of its obligations hereunder without any further action on the part of the Lessor or the Lessee.

Section 28. Notices.

(a) All notices, certificates, demands, requests, or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or by personal delivery addressed as follows (email addresses are included for convenience only):

If to the Lessee: CFC-MB I, LLC
333 N. Wilmot Road, Suite 227
Tucson, Arizona 85711
Tel: (520) 623-3377 EXT. 122
Fax: (520) 624-1728
Attention: Gary Molenda
Email: gmolenda@bdfc.com

With a copy to:

Lewis Roca Rothgerber Christie LLP
201 East Washington Street, Suite 1200
Phoenix, Arizona 85004-2595
Attention: Bryant D. Barber, Esq.
Email: bbarber@lewisroca.com

If to the Lessor: City of Miami Beach, City Hall
1700 Convention Center Drive
Miami Beach, Florida 33139
Attn: City Manager

with a copy to: City of Miami Beach, City Hall
1700 Convention Center Drive
Miami Beach, Florida 33139
Attn: City Attorney

If to the Trustee: Zions Bancorporation, National Association
7390 N Academy Boulevard
Colorado Springs, CO 80920
Attention: Vladimir Munoz
Email: Vladimir.Munoz@zionsbank.com

(b) Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery to any Person at any location where such Person may be found, or to an officer, agent, or employee of such Person at the address of such Person set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which shall be refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, electronic means, messenger, or courier service (whichever shall be chosen by the sender) that is not completed because of changed address of which no notice shall have been received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be

deemed to be and constitute receipt. Any Person named in this Section may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, demands, requests, or other communications shall be sent.

(c) Notwithstanding anything contained herein to the contrary, any notice required to be given by the Lessor or the Lessee hereunder shall be deemed to have been given and shall be effective as of the date such notice is received or refused reflected on said notice. All notices, certificates, demands, requests, or other communications made by either Party to the other that are required or permitted by the provisions hereof shall be in writing.

Section 29. Submission of Matters to the Lessor for Approval. Except as to the extent expressly provided for herein to the contrary, any matter that is required to be submitted to and/or consented to or approved in writing by the Lessor or any matter that is required to be submitted to the Lessor that may become effective if not denied, rejected, or disapproved by the Lessor, as required under this Ground Lease, shall be submitted to the applicable Lessor Representative by hand or mailed by United States certified or registered mail return receipt requested or sent by national-recognized overnight courier, to the address of the Lessor designated for the giving of notice to the Lessor under Section 28 hereof and shall either be accepted, affirmed, or approved or denied, rejected, or disapproved by the Lessor within sixty (60) days after receipt unless a shorter period of time is expressly stated elsewhere herein. If the Lessor shall fail so to accept, affirm, or approve or deny, reject, or disapprove within such sixty (60) day or other such shorter period as provided for herein, the Lessor's approval shall be assumed to have been unconditionally granted and the Lessee shall have the right to proceed on such matter so submitted. The Lessor shall inform the Lessee in writing of its acceptance, affirmation, or approval or denial, rejection, or disapproval of such submitted matter by United States certified or registered mail, return receipt requested, or sent by national-recognized overnight courier, to the address of the Lessee designated for the giving of notice to the Lessee in Section 28 hereof. Any review by the Lessor of any matter submitted to the Lessor is for the Lessor's own convenience and purpose only. By undertaking such review, the Lessor shall not have any liability to the Lessee or any other person, including, without limitation, the insurers and lenders of the Lessee.

Section 30. Holding Over by the Lessee. The Lessee shall not use or remain in possession of the Premises after the termination hereof. Any holding over, or continued use or occupancy by the Lessee after the termination hereof, without the written consent of the Lessor, shall not constitute a tenant-at-will interest in behalf of the Lessee, but the Lessee shall become a tenant-at-sufferance and liable for Rent and all other expenses, obligations, and payments in effect for the immediately preceding year of the Term. There shall be no renewal whatsoever hereof by operation of law.

Section 31. Environmental Matters.

(a) The Lessee covenants, represents, and warrants that the Lessee's use of the Premises shall not and will not involve the use, storage, generation, or disposal of Hazardous Materials in violation of any Environmental Laws, and that Lessee shall not cause or permit any Hazardous Materials to be brought, used, stored, generated, or disposed on or about the Premises by Lessee, its agents, employees, contractors, subcontractors, or invitees, unless such use shall be in

compliance with all laws, including, without limitation, Environmental Laws and with all governmental authorities.

(b) For purposes of this Ground Lease, the term "**Hazardous Materials**" means asbestos, asbestos-containing materials, materials presumed by law to contain asbestos, polychlorinated biphenyls ("**PCBs**"), petroleum, petroleum byproducts (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products, radioactive materials, and/or any hazardous or toxic substance, chemical or material, or any other environmentally regulated substance or material, waste, pollutant or contaminant, defined as such or regulated by any Environmental Laws. "**Environmental Laws**" means any federal, state or local statute, law, ordinance, code, common law, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning the protection of the environment, natural resources, health and safety, and/or activities involving any asbestos, asbestos-containing materials, materials presumed by law to contain asbestos, PCBs, petroleum, petroleum byproduct (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity) natural or synthetic gas products, radioactive materials, and/or hazardous or toxic substances, chemicals or materials, or any other waste, materials, pollutant or contaminant that is regulated to protect the environment, as may now or at any time hereafter be in effect, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Emergency Planning and Community Right- To-Know Act, and the Occupational Safety and Health Act.

Section 32. Property Condition. THE LESSOR AND THE LESSEE ACKNOWLEDGE AND AGREE THAT, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9 HEREOF, NEITHER THE LESSOR OR ANY OF ITS TRUSTEES, OFFICERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES MAKES OR HAS MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF, THE PROPERTY'S PHYSICAL CONDITION, INCOME TO BE DERIVED OR EXPENSES TO BE INCURRED WITH RESPECT TO THE PROPERTY, THE PROPERTY'S FITNESS OR SUITABILITY FOR ANY PARTICULAR USE, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE SAME, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES, OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE PROPERTY OR ANY PORTION THEREOF, EXCEPT AS MAY BE EXPRESSLY SET FORTH HEREIN, AND THAT THE LESSEE HAS INSPECTED THE PROPERTY AND LEASES THE PROPERTY "AS IS AND WHERE IS."

Section 33. Lessor Capital Contributions to the Project.

(a) Lessor shall make a total contribution to the Lessee for the construction of the Project in an amount [not to exceed] two million eight hundred and fifty thousand and 00/100 Dollars (\$2,850,000) (the "**Lessor Direct Capital Cost Contribution**") payable as follows: (i) eight hundred fifty thousand and 00/100 Dollars (\$850,000) shall be paid at Financial Closing

and may be used by Lessee to pay for any Project costs and (ii) the balance [not to exceed] two million and 00/100 Dollars (\$2,000,000) forty-five (45) days after the Project achieves fifty percent (50%) completion, as identified in the relevant application for payment received by the Developer from its general contractor¹, such second installment to be deposited into the Construction Fund and to be used solely to pay for Construction Costs associated with the improvements made by the Developer for the benefit of Lessee.

(b) Lessor hereby covenants to transfer an amount [not to exceed] four million and 00/100 Dollars (\$4,000,000) (the "**Lessor Arts and Culture G.O. Bond Cost Contribution**") to the Lessee for the construction of the Project. Lessor shall transfer the Lessor Arts and Culture G.O. Bond Cost Contribution to the Lessee on the earlier of: (i) forty-five (45) days after the Project achieves fifty percent (50%) completion, as identified in the applications for payment received by the Developer from its general contractor² (the "**Outside Transfer Date**") or (ii) forty-five (45) days after the date of issuance of the first tranche of the Arts and Culture G.O. Bond, to be deposited into the Construction Fund and to be used solely to pay for Construction Costs associated with the improvements made by the Developer for the benefit of Lessee. To the extent that the Lessor transfers any portion of the Lessor Arts and Culture G.O. Bond Cost Contribution to the Lessee prior to the issuance of the first tranche of the Arts and Culture G.O. Bond, Lessor intends to reimburse itself for the Lessor Arts and Culture G.O. Bond Cost Contribution from the proceeds of the Arts and Culture G.O. Bond.

(c) As a condition to receive any installment of the Lessor Direct Capital Cost Contribution and the Lessor Arts and Culture G.O. Bond Cost Contribution, Lessee shall provide an invoice and documentation to Lessor in such form as Lessor may require. The Lessor shall remit payment to the Lessee within forty-five (45) days of Lessor's receipt of an acceptable invoice and documentation.

Section 34. Leasehold Condominium. Lessee shall have the right to create a leasehold condominium for the Project, if such condominium structure is deemed necessary to secure or preserve any exemption from ad valorem taxes, provided that at the time of creation of said leasehold condominium, the declaration of condominium (the "Declaration") is in compliance with Chapter 718, Florida Statutes, as amended, and the provisions of this Ground Lease and the Bond Documents; and further subject to the City Manager's approval of the form and substance of the Declaration. Lessee shall reimburse Lessor, as part of the Expenses, for all reasonable costs of Lessor's review of the proposed Declaration, including, but not limited to reasonable fees and costs of Lessor's outside counsel. The leasehold condominium shall be limited to three (3) units, consisting of the Ground Floor condominium unit, the Dormitory Housing condominium unit, and one (1) condominium unit comprising all of the Workforce Housing Units. The Rent shall be based upon the Revenues derived from the operations of each of the three units. The provisions of this Ground Lease related to transfers or assignments of the Ground Lease shall apply to any transfer or assignment of each of the three (3) units, respectively, in the same manner as applicable to a transfer or assignment of the Ground Lease.

¹ Lessee shall provide notice to Lessor when the Project achieves thirty percent (30%) completion and an anticipated month where the Project is likely to achieve fifty percent (50%) completion.

² Lessee shall provide notice to Lessor when the Project achieves thirty percent (30%) completion and an anticipated month where the Project is likely to achieve fifty percent (50%) completion.

Section 35. Release of Portions of the Property. The Parties also agree that any portion of the Property may, from time to time, upon the written agreement of the Parties, be released from the terms of this Ground Lease; subject, however, to the terms and conditions of the Bond Documents or, if the Bonds are no longer Outstanding, the applicable requirements of any other Primary Leasehold Mortgagee.

Section 36. Miscellaneous.

(a) *No Waiver of Rights by the Lessor.* No failure of the Lessor to exercise any power given the Lessor hereunder or to insist upon strict compliance by the Lessee with its undertakings, duties and obligations hereunder, and no custom or practice of the Parties at variance with the provisions hereof shall constitute a waiver of the Lessor's right to demand exact compliance with the provisions contained in this Ground Lease.

(b) *Rights are Cumulative.* All rights, powers, and privileges conferred herein upon both Parties shall be cumulative.

(c) *Provisions are Binding Upon Assigns and are Real Covenants.* It is mutually covenanted, understood and agreed by and between the Parties, that each of the provisions hereof shall apply to, extend to, be binding upon and inure to the benefit or detriment of not only the Parties, but also the respective legal representatives, successors and assigns of the Parties, and shall be deemed and treated as real covenants running with the Property during the Term. The Parties further acknowledge and agree that the Trustee and any other Permitted Leasehold Mortgagee and their respective successors and assigns shall be deemed third party beneficiaries hereunder, but solely with respect to the enforcement of any rights or interests expressly granted hereunder to such Permitted Leasehold Mortgagees. Whenever a reference to either of the Parties is made, such reference shall be deemed to include the legal representatives, successors and assigns of said Party, the same as if in each case expressed.

(d) *Applicable Law; Venue.* This Ground Lease has been prepared and entered into by the Parties with the intention that the law of the State, exclusive of the State's rules governing choice of law, shall govern its construction.

(e) *All Genders and Numbers Included.* Whenever the singular or plural number, or masculine, feminine, or neuter gender is used in this Ground Lease, it shall equally apply to, extend to, and include the other.

(f) *Invalidity of Provision or Part Thereof.* In the event any provision, or any portion of any provision hereof shall be held invalid, the other provisions hereof and the remaining portion of said provision, shall not be affected thereby and shall continue in full force and effect.

(g) *Time is of the Essence.* All time limits stated in this Ground Lease are of the essence hereof.

(h) *Section Captions are to be Disregarded.* The captions of the numbered sections hereof are for purposes of identification and convenience only and are to be completely disregarded in construing this Ground Lease.

(i) Subordination. Except with respect to the Lessor's interest in the Ground Lease and the Lessor's fee interest in the Property, which interests shall not be subordinated to the rights of the Lessee, Permitted Leasehold Mortgagee, Trustee, or Bondholders, the Lessor agrees that the financing of the design, acquisition, construction, furnishing, and equipping of the Project will directly benefit the Lessor's operations and the Lessor agrees that its interest in and to the rents, revenues, issues and profits relating to the operation of the Project, including, without limitation, all insurance proceeds, reserve funds and gross revenues, as well as any and all rights to any and all contracts, agreements and other instruments in connection with the design, acquisition, construction, equipping, installation, and operation of the Project, including, without limitation, all Assigned Agreements shall be junior and subordinate to the interest of the Trustee in any such Assigned Agreements as granted or provided in any of the Bond Documents (collectively, the "**Bond Collateral**"). So long as any of the indebtedness created, evidenced, or secured by any of the Bond Documents shall remain outstanding and unpaid, the Lessor shall not exercise any rights or remedies with respect to the Bond Collateral without obtaining the prior written consent of the Trustee or any other Primary Leasehold Mortgagee succeeding to the interests of the Trustee.

(j) Entire Agreement Contained Herein. The making, execution and delivery hereof by the Lessee has not been induced by any representations, statements, covenants or warranties by the Lessor except for those contained in this Ground Lease. This Ground Lease constitutes the full, complete and entire agreement between the Parties; no agent, employee, officer, representative or attorney of the Parties has authority to make, or has made, any statement, agreement, representation or contemporaneous agreement, oral or written, in connection herewith modifying, adding to or changing the provisions hereof. No amendment hereof shall be binding unless such amendment shall be in writing, signed by both Parties and approved by the Primary Leasehold Mortgagee or Permitted Leasehold Mortgagee, as applicable, and attached to, incorporated in and by reference made a part hereof.

(k) No Partnership or Agency. Nothing in this Ground Lease is intended, or shall in any way be construed, so as to create any form of partnership or agency relationship between the Parties. The Parties hereby expressly disclaim any intention of any kind to create any partnership or agency relationship between themselves. Nothing in this Ground Lease shall be construed to make either Party liable for any of the indebtedness of the other, except as specifically provided herein.

(l) Limitation of Liability. Notwithstanding anything herein to the contrary, the liability of the Lessee hereunder (including, but not limited to its indemnity obligations) shall be limited to the Lessee's interest in the Premises and the rents, issues and surplus related thereto and, accordingly, the Lessor's sole source of satisfaction of such obligations shall be limited to such assets, and the Lessor shall not seek to obtain payment from any person or entity comprising the Lessee or from any assets of the Lessee other than those described herein, notwithstanding the survival of any obligation of the Lessee beyond the Term.

(m) Recordation of Memorandum of Lease. The Lessor and the Lessee agree that the Parties shall execute, seal, acknowledge, and deliver simultaneously with the execution hereof, in recordable form, a memorandum of lease setting forth the basic terms hereof.

(n) Counterparts. This Ground Lease may be executed simultaneously in two or more counterparts, each of which shall be deemed original and all of which, when taken together, shall constitute one in the same document. The signature of any Party to any counterpart shall be deemed a signature too, and may be appended to, any other counterpart.

(o) Preservation of Tax Exemption. The Lessor shall not take any action with respect to the Project that would adversely affect the exemption, if any, of interest on any Bonds from gross income for federal income tax purposes or would otherwise result in a breach of any representations, conditions, or covenants of the Lessee as set forth in the Bond Documents.

(p) Language Construction. The language in all parts hereof shall be construed, in all cases, according to its fair meaning, and not for or against either Party. The Parties acknowledge that each Party and its counsel have reviewed and revised this Ground Lease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation hereof.

(q) City Manager's Delegated Authority. Notwithstanding any provision to the contrary in this Ground Lease, nothing herein shall preclude the City Manager from seeking direction from or electing to have the City Commission determine any matter arising out of or related to this Ground Lease, including, without limitation, any approval contemplated under this Ground Lease, any proposed amendment or modification to this Ground Lease, or any separate agreement relating to the Premises or otherwise referenced in this Ground Lease.

(r) Nondiscrimination. Lessee, Asset Manager, and its employees, agents and representatives shall not discriminate against any employee, applicant for employment, vendor, Eligible Resident or invitee because of actual or perceived race, color, national origin, religion, sex, intersexuality, gender identity, sexual orientation, marital and familial status, age, disability, ancestry, height, weight, domestic partner status, labor organization membership, familial situation, or political affiliation. Further, Lessee shall comply with the City of Miami Beach Human Rights Ordinance, set forth in Chapter 62 of the City Code, as may be amended from time to time, prohibiting discrimination in employment, housing, public accommodations, and public services on account of actual or perceived race, color, national origin, religion, sex, intersexuality, gender identity, sexual orientation, marital and familial status, age, disability, ancestry, height, weight, domestic partner status, labor organization membership, familial situation, or political affiliation.

(s) Independent Legal Counsel. The Parties mutually acknowledge that they each have had the opportunity to be represented by independent legal counsel in negotiations leading up to and in executing this Ground Lease.

(t) Electronic Signatures. The Parties agree that the electronic signature of a Party hereto shall be as valid as an original signature of such Party and shall be effective to bind such Party. The Parties further agree that any electronically signed document (including this Ground Lease) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible

as between the Parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither Party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e mail message; and "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

(u) *Lessor's Failure to Perform.* If the Lessor shall fail to perform, or cause to be performed, any term, covenant, condition, or provision imposed upon it hereunder, and to correct such failure within ten (10) Business Days after written notice specifying such is given to the Lessor by the Lessee, the Lessee shall have the right to perform such term, covenant, condition, or provision on behalf of the Lessor.

Section 37. Books and Records; Audit Rights.

(a) Lessee shall at all times during the Term of this Ground Lease keep and maintain (separate from any of Lessee's other books, records and accounts), and shall cause the Asset Manager to keep and maintain, accurate and complete records pertaining to the Premises related thereto, including, without limitation, books of account reflecting the Revenues and Expenses and such other matters referenced in this Ground Lease, in accordance with the GAAP with such exceptions as may be provided for in this Ground Lease, and provided that Lessee (and the Asset Manager) may make such reasonable modifications in such books of account as are consistent with standard practice in accounting for its operations under management contracts generally. Lessor and its representatives shall have, during normal business hours and upon reasonable advance notice, access to inspect the books and records of Lessee and the Asset Manager pertaining to the Revenues and Expenses of the Premises, including, without limitation, books of account properly reflecting the operations of the Premises, which books and records shall be kept at its principal place of business. Lessor shall have the right to cause an audit by Lessor's internal auditors (in accordance with GAAP) of such books and records to be made at any time (but not more frequently than one (1) time in any twelve (12) month period, as an Expense of the Project (a copy of which shall be delivered to Lessee). Such right of inspection and audit may be exercised at any time within three (3) years after the end of the Lease Year to which such books and records relate, and Lessee and Asset Manager shall maintain all such books and records for at least such period of time and, if any dispute between the Parties has arisen and remains unresolved at the expiration of such period of time, for such further period of time until the resolution of such dispute. Notwithstanding anything to the contrary contained herein, in the event that Lessor determines to have such audit performed by its external auditors, Lessor shall pay the fees and expenses of said external auditors.

(b) If, upon any audit by Lessor as described above of the books or records of Lessee or Asset Manager, (i) an error (which shall mean a mistake in calculation of Revenues, an accounting error, but shall exclude any error based on assertions that Lessee or Asset Manager acted imprudently or unwisely in connection with the collection of the Revenues) shall be revealed which results in there being due to Lessor Net Available Cash Flow for any Lease Year for which Annual Financial Statements are being audited pursuant to this Section, the amounts of any such underpayments of Net Available Cash Flow which may be disclosed by such audit, together with interest thereon at the Default Rate from the date(s) on which such underpayment(s) should have been paid until the date of payment thereof, shall be paid to Lessor from amounts in the Surplus Fund under the Indenture in accordance with the following year's Annual Budget which allows for the Project to achieve the necessary Fixed Charges Coverage Ratio or (ii) an error (as defined in clause (i) above) shall be revealed which resulted in an overpayment by Lessee to Lessor of Net Available Cash Flow, Lessor shall remit the amount of such overpayment (less the cost of such audit) to Lessee within thirty (30) days after the completion of such audit. If Lessor does not notify Lessee of any error in the calculation of Net Available Cash Flow within three (3) years after the end of any Lease Year, then Lessor shall be deemed to have conclusively waived any and all objections with respect to any Net Available Cash Flow payments with respect to such Lease Year.

(c) Notwithstanding any of the foregoing provisions of this Section, so long as Lessor is the City or any instrumentality of the City, the following provisions shall be applicable to the books and records of the Project, the Annual Financial Statements, the Annual Budget and any other documents (collectively, the **"Project Documents"**) required to be delivered or made available to Lessor under this Ground Lease:

(i) All Project Documents shall be made available to Lessor and its representatives as provided above.

(i) If a copy of any Project Document is made by Lessor or any of its representatives and delivered to Lessor's offices and Lessee believes that such Project Document may contain proprietary or confidential information of the Lessee that is exempt from public records disclosure under Florida law, there shall be attached to the front of the first page of such Project Document a sheet of paper bearing the legend set forth below in capital letters and in a type size not less than that provided below:

THE ATTACHED DOCUMENT CONTAINS BUSINESS OR FINANCIAL INFORMATION. THE ATTACHED DOCUMENT SHALL BE SUBJECT TO PUBLIC RECORDS DISCLOSURE, SOLELY IN ACCORDANCE WITH APPLICABLE LAW.

(e) Promptly following receipt of a request under any Governmental Requirement for the release of a copy of any Project Document, Lessor shall send notify Lessee of such request, but neither Lessor nor any Indemnitees shall incur any liability to Lessee if Lessor fails to provide any such notice.

(f) Neither Lessor nor any Indemnitee shall incur any liability to Lessee in the event any Project Document is stolen, misplaced or otherwise released in violation of the foregoing provisions of this Section.

(g) The obligations of Lessee and Lessor under this Section shall survive the Expiration of the Term.

[The remainder of this page is intentionally left blank.]

DRAFT

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this GROUND LEASE AGREEMENT to be duly executed in duplicate counterparts each of which shall be deemed to be an original, the day and year first above written.

LESSOR:

Signed, sealed and delivered
in the presence of:

CITY OF MIAMI BEACH, FLORIDA, a
Florida municipal corporation

Print Name:

By: _____
_____, City Manager

Print Name:

ATTEST

Approved for form and legal sufficiency

By: _____
City Clerk

By: _____
City Attorney

STATE OF FLORIDA)
 :
MIAMI-DADE COUNTY)

I, the undersigned Notary Public in and for said County in said State, hereby certify that _____, City Manager of the City of Miami Beach, a Florida municipal corporation, is signed to the foregoing Ground Lease Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Ground Lease Agreement, she, as such officer and with full authority, executed the same voluntarily for and as the act of the City of Miami Beach.

Commission Expires:

Notary Public
Commission Number: _____

LESSEE

CFC-MB I, LLC, an Arizona limited liability company

By: Community Finance Corporation, an Arizona nonprofit corporation, its sole member

By: _____

Name: Michael S. Hammond

Its: President

STATE OF _____ §

_____ COUNTY §

§
§

I, the undersigned Notary Public in and for said County in said State, hereby certify that Michael Hammond whose name as President of CFC- MB I LLC, a Florida limited liability company, is signed to the foregoing Ground Lease Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Ground Lease Agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said CFC- MB I LLC.

GIVEN UNDER MY HAND AND OFFICIAL, NOTARIAL SEAL this _____ day of _____, 2022.

(SEAL)

Notary Public

My commission expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

Lots 7, 9 and 11, less the northern 10 feet for right-of-way, and the northern 25 feet of Lots 10 and 12, Block 2, Miami Beach Improvement Company Subdivision, as recorded in Plat Book 5, Page 7 of the Public Records of Miami-Dade County, Florida.

Folio Number: 02-3226-001-0460

DRAFT

EXHIBIT B
CITY DEVELOPMENT AGREEMENT

DRAFT

General Contractor's Assignment (the "**General Contractor's Assignment**") of even date herewith pursuant to which it has collaterally assigned to the Developer all of its right, title, and interest in and to all contracts and/or agreements (whether entered into on or before the date hereof or hereafter) between the General Contractor and any person or firm rendering services or supplying material in connection with the design or construction of the Project, including, without limitation, all construction, architectural, engineering, and landscaping or landscape improvement contracts or agreements and all plans, specifications, and drawings prepared pursuant to such contracts or agreements, and any amendments thereof and/or supplements thereto; and

WHEREAS, in order to secure its obligations under the Development Agreement, the Developer wishes to assign to the Borrower all of its right, title, and interest in and to the Construction Contract, the Architect's Agreement, and all other contracts and/or agreements (whether entered into on or before the date hereof or hereafter) between the Developer or the General Contractor and any person or firm rendering services or supplying material in connection with the development, design, or construction of the Project, including, without limitation, all construction, architectural, engineering, and landscaping or landscape improvement contracts or agreements and all plans, specifications, and drawings prepared pursuant to such contracts or agreements, and any amendments thereof and/or supplements thereto; and

NOW, THEREFORE, to induce the Borrower to enter into the Development Agreement and to secure the performance by the Developer of its agreements under the Development Agreement, and for and in consideration of the sum of One and No/100 Dollars (\$1.00) paid by the Borrower to the Developer this date, and for other valuable consideration, the receipt of which is acknowledged, the Developer and the Borrower (collectively, the "**Parties**" and each, a "**Party**") agree as follows:

Section 1. Creation of Security Interest; Description of the Development Documents. The Developer hereby grants to the Borrower a present and continuing security interest in the following collateral (the "**Development Documents**"), and in its expectancy to acquire the Development Documents in the ordinary course of business:

- (a) the General Construction Contract, and any amendments thereof and/or supplements thereto;
- (b) the General Contractor's Assignment;
- (c) the Architect's Agreement, and any amendments thereof and/or supplements thereto;
- (d) the Plans and Specifications;
- (e) all those other contracts and/or agreements between the Developer or the General Contractor and any person or firm rendering services or supplying material in connection with the development, design, or construction of the Project, including, without limitation, all construction, architectural, engineering, and landscaping or landscape improvement contracts or agreements and all plans, specifications, and drawings prepared pursuant to such contracts or agreements, and any amendments thereof and/or supplements thereto;

(f) all surveys, building permits, fill permits, sewer connection or tap-in permits, water connection or tap-in permits, curb-cut permits, certificates of occupancy, concurrency certificates, entitlements, development rights, zoning and variance approvals, utility service bonds and/or cash deposits, site improvement bonds and/or cash deposits, utility service agreements, site work agreements with any governmental authority or public utility, and all other agreements, contracts, contract rights, documents of title, choses in action, intangible property, permits, licenses, approvals, consents, authorizations, plans, franchises, trademarks, project logos, building names, insurance policies, bonds, escrow funds, easements, and exclusive agency licenses or leases of any kind now existing or hereafter arising or created or entered into relating to the acquisition, construction, renovation, or development of the property on which the Project is to be constructed (the “**Property**”) or any portion thereof;

(g) all warranties and guaranties covering any appliances and fixtures now or hereafter located on or placed upon the Property, including without limitation, air conditioning, heating, and other appliances and equipment;

(h) all accounts, books, records, and other property relating or referring to any of the foregoing; and

(i) all proceeds of any and all of the foregoing and, to the extent not otherwise included, all payments under insurance (whether or not the Borrower is the loss payee thereof), or any indemnity, warranty, or guaranty, payable by reason of damage to, loss with respect to, or otherwise with respect to, any of the foregoing.

Section 2. Present Assignment; Enforcement. THIS INSTRUMENT IS A PRESENT ASSIGNMENT OF THE DEVELOPER’S RIGHTS IN THE DEVELOPMENT DOCUMENTS The Borrower shall have the right, power, and privilege (but shall be under no duty) immediately to exercise all of the rights and privileges of the Developer. Notwithstanding the foregoing, until the earlier of (i) the occurrence of a default or an event of default under the Development Agreement (an “**Event of Default**”) or the occurrence of an event or circumstance that with the lapse of time or the giving of notice or both would constitute an Event of Default (a “**Default Condition**”) or (ii) the date after which the Developer shall have no further development responsibilities under the Development Agreement (the “**Termination Date**”), the Developer may exercise such rights and privileges. In the event of the occurrence of an Event of Default or a Default Condition, and in any event, after the Termination Date, the Borrower may at its option, then or thereafter and subject to the provisions of the Development Documents, do any one or more of the following as fully as the Developer could do if personally present: make, control, or modify any of the Development Documents upon such terms and for such periods of time and upon such conditions as the Borrower may deem fit and proper; enforce or cancel any of the Development Documents now in effect or hereafter in effect; collect, demand, sue for, attach, levy, recover and receive, compromise and adjust, and execute and deliver receipts and releases for all amounts payable under the Development Documents; from or out of any other funds of the Developer deposited with the Borrower, pay and discharge all expenses or charges in the satisfaction of any obligation of the Developer under any of the Development Documents or that it may be advisable for the Borrower to pay or expend in order to prevent or cure a default under any of the Development Documents,

including, but without limitation, reasonable attorneys' fees and costs for any other services that may be required; and otherwise do whatsoever ought to be done with respect to the Development Documents as fully as the Developer could do if personally present. The Borrower shall, after payment of all of the foregoing charges and expenses, credit the net amount of income that it may receive by virtue of this Assignment, if any, to any amounts due the Borrower from the Developer, with all the rights, powers, privileges, and authority so created. The Borrower shall not, prior to exercise or enforcement thereof by the Borrower, be deemed or construed to be obligated to appear in or defend any action or proceeding relating to the Development Documents, to take any action hereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty, or liability under the Development Documents.

Section 3. Power of Attorney. The Developer does hereby irrevocably constitute and appoint the Borrower the true and lawful attorney, coupled with an interest, of the Developer and in the name, place, and stead of the Developer to undertake its enforcement rights under the Development Documents and to collect and/or pay all amounts payable under the Development Documents. This Assignment shall constitute a direction to and full authority to such other party or parties to the Development Documents to render performance to or for the Borrower and/or to pay all such amounts to the Borrower or its appointed agent. A written demand by the Borrower on each such person for such performance and/or payment shall be sufficient to warrant such person's rendering all future performance and/or make all future payments of such amounts directly to the Borrower or its appointed agent without the necessity for further consent by the Developer. Each such person shall be entitled to rely upon a written demand by the Borrower for such performance and/or payment and shall be fully protected from any claims by the Developer for all performance rendered and/or payments made to the Borrower or its appointed agent after receipt of such written demand. The foregoing rights, powers, and privileges are to be irrevocable and continuing, and shall be exclusive in the Borrower so long as any part of the Development Agreement shall remain unperformed. Notwithstanding the foregoing, until the occurrence of an Event of Default or a Default Condition, the Borrower shall take no action pursuant to the foregoing rights, powers, and privileges.

Section 4. Authorization and Direction to General Contractor and Architect. The Developer hereby authorizes and directs the General Contractor, the Architect, and all other parties to the Development Documents upon receipt from the Borrower of written notice to the effect that the Developer is in default under the Development Agreement or that the Termination Date has occurred, to render performance to the Borrower, its appointed agent, or its assigns and to continue so to do until otherwise notified by the Borrower.

Section 5. Representations and Warranties. The Developer hereby represents and warrants to the Borrower that (a) the Developer is the sole owner of the "Owner's" interest under the Development Documents (either as principal or assignee) and has the full and complete right, title, and authority to sell, assign, transfer, and set over the same and to grant and confer upon the Borrower the rights, interests, liens, power, and authorities herein granted and conferred; (b) the Developer has not executed any prior assignment of the Development Documents; (c) the Developer has not performed any act or executed any other instrument that might prevent the Borrower from enjoying and exercising any of its rights and privileges evidenced hereby; (d) the Developer has not executed or granted any modifications to any existing Development Documents

except as previously disclosed to the Borrower in writing; (e) all existing Development Documents are valid and in full force and effect; (f) there are no defaults or events of default now existing under any of the Development Documents, and no event has occurred that with the passage of time or the giving of notice, or both, would constitute such a default or event of default.

Section 6. No Additional Encumbrances, Amendments, etc. The Developer agrees that, so long as any part of the Development Agreement shall remain unperformed, the Developer will make no further assignment, pledge, or disposition either of the Development Documents or any part of any thereof; nor will the Developer cancel or terminate any of the Development Documents so as to effect directly or indirectly, proximately or remotely, a termination or diminution of the obligations of the other party or parties thereunder; nor will the Developer, except to the extent required by the terms of any of the Development Documents, consent to an assignment of the interest and estate of the other party or parties under any of the Development Documents; and any such acts, if done or permitted to be done without the prior written consent of the Borrower, shall be null and void and shall constitute an Event of Default.

Section 7. Performance of Developer's Obligations Under the Development Documents; Further Assurances. The Developer covenants with the Borrower to observe and perform all the obligations imposed upon it under the Development Documents and not to do or permit to be done anything to impair the security thereof; to exercise any option or election contained in or relating to any of the Development Documents that the Borrower shall require; at the Borrower's request, to assign and transfer to the Borrower by specific assignment of development documents, in the form of this Assignment any and all subsequent Development Documents (it being understood and agreed that no such specific assignment shall be required for such subsequent Development Documents to be covered by and included within this Assignment as provided herein); and to execute and deliver at the request of the Borrower all such further assurances and assignments in the rights and privileges covered by the Development Documents as the Borrower shall from time to time require.

Section 8. Borrower Not Liable for Losses; Indemnification. The Borrower shall not be liable for any loss sustained by the Developer resulting from any act or omission of the Borrower in exercising its rights and remedies under this Assignment unless such loss is caused by the willful misconduct and bad faith of the Borrower, nor shall the Borrower be obligated to perform or discharge any obligation, duty, or liability under the Development Documents or under or by reason of this Assignment or the exercise of rights or remedies hereunder. The Developer shall and does hereby agree to indemnify the Borrower for, and to hold the Borrower harmless from, any and all liability, loss, or damage that may or might be incurred under any of the Development Documents or under or by reason of this Assignment or the exercise of rights or remedies hereunder and from any and all claims and demands whatsoever that may be asserted against the Borrower by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any of the Development Documents. Should the Borrower incur any such liability under any of the Development Documents or under or by reason of this Assignment or the exercise of rights or remedies hereunder or in defense of any such claims or demands, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall be secured hereby, and the Developer shall reimburse the Borrower therefor immediately upon demand. This Assignment shall not, in and of itself, operate to place

responsibility upon the Borrower for the carrying out of any of the terms and conditions of any of the Development Documents.

Section 9. No Waiver by the Borrower. Nothing contained herein and no act done or omitted by the Borrower pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by the Borrower of its rights and remedies under the Development Agreement or a waiver or curing of any Event of Default or Default Condition, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by the Borrower under the terms of the Development Agreement. The right of the Borrower to enforce any other security for the Development Agreement held by it may be exercised by the Borrower either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

Section 10. Borrower Deemed a Creditor of Other Parties to the Development Documents. The Borrower shall be and is hereby deemed to be the creditor of the other party or parties under the Development Documents in respect of any and all claims for damages, assignments for the benefit of creditors, and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such party or parties (without obligation on the part of the Borrower, however, to file or make timely filings in such proceeding or otherwise to pursue creditors' rights therein). The Developer hereby assigns to the Borrower any and all damages and any and all money received in connection with such assignment for the benefit of creditors or in any such bankruptcy, reorganization, insolvency, dissolution, or receivership proceeding with option to the Borrower to apply such damages or any money received by the Borrower as such creditor in reduction of any obligations owed to the Borrower under the Development Agreement in such order as the Borrower, in its sole and absolute discretion, may determine. The Developer hereby appoints the Borrower its attorney-in-fact to appear in any action and/or to collect any such money or payment, it being understood and agreed that, until the occurrence of an Event of Default or a Default Condition, the Borrower shall take no action pursuant to the foregoing appointment.

Section 11. Effect of Waivers and Consents by the Borrower. The Borrower may, at any time and from time to time, in writing (a) waive compliance by the Developer with any covenant herein made by the Developer to the extent and in the manner specified in such writing; (b) consent to the Developer's doing any act that hereunder the Developer is prohibited from doing, or consent to the Developer's failing to do any act that hereunder the Developer is required to do, to the extent and in the manner specified in such writing; or (c) release any part of the Development Documents or any interest therein from this Assignment. No such act shall in any way impair the rights of the Borrower hereunder except to the extent specifically agreed to by the Borrower in such writing.

Section 12. Borrower's Rights Not Impaired. The rights and remedies of the Borrower hereunder shall not be impaired by any indulgence, including but not limited to (a) any renewal, extension, or modification that the Borrower may grant with respect to the Development Agreement, or (b) any surrender, compromise, release, renewal, extension, exchange, or substitution that the Borrower may grant in respect of any of the Development Documents or any part thereof or any interest therein.

Section 13. Addresses for Notices, etc.. All notices and other communications provided for hereunder shall be in writing and shall be deemed given or furnished when mailed certified

mail, return receipt requested, when transmitted electronically, or when personally delivered to the Borrower c/o CFC–MB I, LLC c/o Community Finance Corp., 333 N. Wilmont Rd., Ste. 227, Tucson, AZ 85711 Attention: Gary Molenda Email: gmolenda@bdfc.com and to the Developer at 5525 North MacArthur Boulevard, Suite 760, Irving, Texas 75038 (Attention: President) E-Mail: rfigueroa@servitas.com. Either Party may change the address for said notice by appropriately notifying the other Party in writing.

Section 14. Required Consents to Amendments. The Developer covenants and agrees not to amend, modify, or supplement this Assignment, the Development Agreement, or any of the Development Documents without the prior written consent of the Borrower and agrees not to amend, modify, or supplement this Assignment, the General Construction Contract, or any of the Development Documents in a way that would materially adversely affect the interest of the owners of Series 2022 Bonds without the consent of the Trustee.

Section 15. Partial Invalidity/Severability. If any term, provision, covenant, or condition of this Assignment shall be deemed invalid or unenforceable in any jurisdiction, the remainder of this Assignment shall not be affected thereby, and each remaining term, provision, covenant, or condition shall, as to such jurisdiction, be valid and enforced to the fullest extent permitted by law.

Section 16. Execution of Counterparts. This Assignment may be executed in several counterparts, each of which shall be an original and all of which, when taken together, shall constitute but one and the same instrument.

Section 17. Law Governing Construction of this Assignment; Defined Terms. This Assignment has been prepared and entered into by the Parties with the intention that the law of the State, exclusive of such state's rules governing choice of law, shall govern its construction.

Section 18. Language Construction. The language in all parts of this Assignment shall be construed, in all cases, according to its fair meaning, and not for or against either Party. The Parties acknowledge that each Party and its counsel have reviewed and revised this Assignment and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Assignment.

Section 19. Independent Legal Counsel. The Parties mutually acknowledge that they each have had the opportunity to be represented by independent legal counsel in negotiations leading up to and in executing this Assignment.

Section 20. Headings. The headings of the sections of this Assignment are solely for convenience of reference, are not a part of this Assignment, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 21. Successors and Assigns. All covenants, promises, and agreements contained in this Assignment by or on behalf of or for the benefit of the Developer or the Borrower shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 22. Relationship of the Parties. Nothing contained in this Assignment shall be deemed or construed as creating an agency, partnership, or joint venture relationship between the Developer and the Borrower.

Section 23. Patriot Act. Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person who opens an account. Accordingly, the Parties acknowledge that the Trustee may require documentation from each non-individual Person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity and that the Trustee may also request identifying information to sufficiently verify the identities of individuals claiming authority to represent the entity.

Section 24. Specially Designated Nationals and Blocked Persons List. Each Party certifies that: (a) it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, “Specially Designated National and Blocked Person,” or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and (b) it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Each Party agrees to defend, indemnify, and hold harmless the other Party from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorneys’ fees and costs) arising from or related to any breach of the foregoing certification.

Section 25. WAIVER OF STAY. IN THE EVENT OF A VOLUNTARY OR INVOLUNTARY LIQUIDATION OR REORGANIZATION CASE BY OR AGAINST THE DEVELOPER UNDER BANKRUPTCY, RECEIVERSHIP, OR OTHER INSOLVENCY LAW, THE DEVELOPER HEREBY AGREES THAT THE BORROWER SHALL BE FREE TO PURSUE REMEDIES WITH RESPECT TO THE CONTRACTS AND AGREEMENTS WITHOUT OPPOSITION OR INTERFERENCE BY THE DEVELOPER, THAT THE BORROWER SHALL BE ENTITLED TO SEEK AND OBTAIN RELIEF FROM THE AUTOMATIC STAY UNDER §362 OF THE FEDERAL BANKRUPTCY CODE WITHOUT OBJECTION BY THE DEVELOPER, AND THAT ANY RIGHTS TO STAY, ENJOIN, OR OTHERWISE DELAY OR IMPEDE THE BORROWER’S REMEDIES AGAINST THE CONTRACTS AND AGREEMENTS THAT MIGHT BE AVAILABLE TO THE DEVELOPER, INCLUDING ANY RIGHTS UNDER §§105 AND 362 OF THE FEDERAL BANKRUPTCY CODE, ARE HEREBY RELEASED AND WAIVED.

IN WITNESS WHEREOF, the Developer has caused this DEVELOPER’S ASSIGNMENT to be executed as of the day and year first hereinabove written.

WITNESSES:

DEVELOPER:

SERVITAS, LLC

By _____
Denise Hauck, COO

EXHIBIT D
WORKFORCE HOUSING UNITS
COMPLIANCE PROCEDURES

(b) Definitions. Defined terms used herein and not otherwise defined shall have the same meanings as those set forth in the Ground Lease.

(c) Lessee's Obligation to Continuously Operate. Upon completion of construction of the Project, the Lessee shall continuously operate all Workforce Housing Units to serve Eligible Residents. The restrictions relating to the Workforce Housing Units shall extend for the duration of the Term, notwithstanding the durations otherwise identified in Chapter 58 of the City Code. The Lessee shall cause the Asset Manager to use its best efforts to maintain the highest possible occupancy rate at the Project at all times.

(d) Acceptance Priorities. The following acceptance priorities shall be applied to otherwise income-eligible individuals who apply for Workforce Housing Units (the "Acceptance Priorities"):

(i) Tier 1 – Artists practicing in Miami-Dade County; City of Miami Beach employees, including, without limitation, City of Miami Beach law enforcement personnel and firefighters; Area Educators and nurses employed within the City of Miami Beach; and Veterans who are either employed within the City of Miami Beach or whose last place of residence was within the City of Miami Beach;

(ii) Tier 2 – Individuals employed within the City of Miami Beach in the hospitality and entertainment industries; and

(iii) Tier 3 – Any other individuals employed within Miami-Dade County, with priority for income-eligible individuals employed within the City of Miami Beach.

(iv) Any Workforce Housing Unit remaining vacant for at least sixty (60) consecutive days may be offered and leased to any other Eligible Resident in a subsequent tiered Acceptance Priority.

(e) Unit Mix. All Workforce Housing Units shall be marketed and rented solely to Eligible Residents and units will be classified only as 80% AMI units, 100% AMI units or 120% AMI units. The Project intends ultimately to achieve the Target Unit Mix. The monthly rent for the Workforce Housing Units shall not exceed the rent limit by number of bedrooms in unit and household income for the AMI category applicable to the Workforce Housing Units in question, as determined from time to time. The current projected annual budgets reflected in the pro forma for the Project, anticipate a need for the Unit Mix at the time of opening to be 100% of the Workforce Housing Units (i.e., all 80 units) as 120% AMI units. When the Annual Budget is developed in respect of each Annual Period, Lessor and Lessee shall, if possible, modify the Unit Mix by reallocating units from 120% AMI units to 100% AMI and/or 80% AMI units to approach the Target Unit Mix as closely as possible, while ensuring, as of the date each such Annual Budget is developed, the Project's ability to repay the Series 2022 Bonds, to cover all operating expenses and meet the debt service coverage requirements of Section 510 of the Indenture for disbursement of the Rent. The restrictions relating to the Workforce Housing Units shall extend for the duration of the Term, notwithstanding the durations otherwise identified in Chapter 58 of the City Code.

(f) Documenting Eligible Resident Status.

5.1 The Lessee will obtain, complete and maintain on file a Resident Certification of Eligibility, in substantially the form of Attachment A attached hereto, from each Eligible Resident dated immediately prior to the initial occupancy by such eligible resident in the Workforce Housing Unit. The Lessee will verify a household's income either by obtaining (i) a copy of a resident's federal income tax return for the tax year immediately prior to the commencement of such resident's occupancy, (ii) an employer's verification of such resident's current income or (iii) if the resident is unemployed or if the tax return is unavailable, other satisfactory evidence of income for such year.

5.2 Not less than 90 days prior to the annual anniversary of each Occupancy Agreement throughout the Term, the Lessee shall recertify each resident obtaining an Annual Resident Recertification in substantially the form set forth in Attachment B attached hereto. If at the time of recertification the Eligible Resident's household income exceeds the applicable income limit for the unit in question, but is not more than 140% AMI, the Eligible Resident's rent shall be modified to be consistent with the household's then present income and the unit shall be accordingly reclassified. If the recertification demonstrates that any such resident's household income exceeds 140% AMI, the resident's residency must terminate at expiration of the resident's Occupancy Agreement. In such event, the Lessee shall immediately notify, in writing, each resident who is no longer an Eligible Resident of such fact, and that the resident must vacate the unit upon termination of the Occupancy Agreement and the unit will become available for another Eligible Resident. Each time a unit becomes available for rent to a new tenant, the Lessor and Lessee shall review the then existing Unit Mix and shall either leave the unit in the same AMI income category as existed when the prior Eligible Resident vacated or reclassify the unit into a different permitted AMI income category (i.e., 80% AMI, 100% AMI or 120% AMI) to approach the Target Unit Mix as closely as possible, while ensuring, as of the date each such determination is made, the Project's ability to repay the Series 2022 Bonds, to cover all operating expenses and meet the debt service coverage requirements of Section 510 of the Indenture for disbursement of the Rent.

5.3 The Lessee will maintain complete and accurate records pertaining to the Eligible Residents and will permit any duly authorized representative of the City or the Trustee to inspect the books and records of the Lessee pertaining to the Project, including, without limitation, those records pertaining to the occupancy and incomes of the Eligible Residents residing in the Project. This paragraph is not intended to create any additional duties of the City or the Trustee to inspect records.

5.4 The Lessee will prepare and submit to the City and the Trustee quarterly, on or before the first day of January, April, July and October for each year, commencing on the first such date following the date of commencement of operations, a Certification of Continuing Program Compliance in substantially the form of Attachment C executed by the Lessee, stating (i) the percentage of the Workforce Housing Units of the Project which were occupied by Eligible Residents (or held vacant and available for occupancy by Eligible Residents) during such period, and (ii) either that no default has occurred under these Compliance Procedures or that such a default has occurred in which event the certificate shall describe the nature of such default and the procedures being taken by the Lessee to remedy the same.

(g) Monthly Rents. The monthly rent for the Workforce Housing Units shall not exceed the rent limit by number of bedrooms in unit and household income for the AMI category applicable to the Workforce Housing Units in question, as determined from time to time.

(h) Occupancy Agreements.

7.1 All Occupancy Agreements for the Workforce Housing Units shall have initial terms of twelve (12) months, and no sub-leasing of Occupancy Agreements shall be permitted.

7.2 Any renewal terms for a period of less than six months and one day shall be strictly prohibited.

7.3 The Lessee agrees to inform all prospective Eligible Residents of the requirements for annual recertification of income and of the provisions of Section 5.3 in writing at initial occupancy.

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Attachment A

RESIDENT CERTIFICATION OF ELIGIBILITY

RE: CFC-MB I, LLC Collins Park Housing Project known known as the Miami Beach Ballet Apartments

The undersigned hereby (certify)(certifies) that:

1. This Resident Certification of Eligibility is being delivered in connection with the undersigned's application for occupancy of Apartment #_____ in the Miami Beach Ballet Apartments in Miami Beach, Florida.

2. List all the occupants of the apartment, the relationship (if any) of the various occupants, their ages, their employment and their employment address. If they are eligible to work from home, please check the appropriate box.

<u>Occupant</u>	<u>Relationship</u>	<u>Age</u>	<u>Employment</u>	<u>Employment Address (Street, City, State, Zip Code)</u>	<u>Eligible to Work from Home</u>
(a) _____	_____	_____	_____	_____	<input type="checkbox"/>
(b) _____	_____	_____	_____	_____	<input type="checkbox"/>
(c) _____	_____	_____	_____	_____	<input type="checkbox"/>
(d) _____	_____	_____	_____	_____	<input type="checkbox"/>
(e) _____	_____	_____	_____	_____	<input type="checkbox"/>
(f) _____	_____	_____	_____	_____	<input type="checkbox"/>

3. The total anticipated income for each person listed in paragraph 2 above during the 12 month period commencing with the date occupancy will begin including:

full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments including any lump sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts

received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone); lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of \$200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of \$480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of \$480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charges for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973; is as follows:

	Occupant	Anticipated Annual Income	Source of Income or Employer
(a)	_____	\$ _____	_____
(b)	_____	\$ _____	_____
(c)	_____	\$ _____	_____
(d)	_____	\$ _____	_____
(e)	_____	\$ _____	_____
(f)	_____	\$ _____	_____
	TOTAL:	\$ _____	

4. This Resident Certification of Eligibility is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit, and I/we declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable and that the statement of total anticipated income contained in paragraph 3 is reasonable and based upon such investigation as the undersigned deemed necessary.

5. I/we will assist the Owner in obtaining any information or documents required to verify the statements made therein, including either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding calendar year.

6. I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement (whether or not intentional) in this Resident Certification of Eligibility will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent my/our occupancy of the unit and will be cause for immediate termination of such lease.

7. The undersigned hereby acknowledge and agree that no less than 30 days prior to 3 the expiration of the lease agreement of each year the undersigned and any other current residents of such apartment will complete and deliver a new Resident Certification of Eligibility, in the form then in use, to the Owner and that the undersigned's rent is subject to increase 30 days after written notice is given to the undersigned stating that the undersigned has surpassed the initial qualifying income AMI or will be given 30 days' notice to vacate if the undersigned no longer qualifies as an Eligible Resident under the ground lease with the City of Miami Beach.

8. RESIDENTS STATEMENT: I/We certify that the statements are true and complete to the best of my/our knowledge and belief and are given under penalty of perjury. In the event this Income Certification is executed more than five (5) days prior to the date I/we intend to occupy the unit, I/we hereby agree to update and recertify the accuracy of the information herein provided as of the date I/we first occupy the unit:

- (a) _____ Date: _____
- (b) _____ Date: _____
- (c) _____ Date: _____
- (d) _____ Date: _____
- (e) _____ Date: _____
- (f) _____ Date: _____

[The signatures of all persons over the age of 18 years listed in Number 2 above are required]

9. Calculation of Eligible Income:

- a. Enter the amount entered for entire household in 3 above: \$ _____
- b. Enter any additional income derived from assets not listed above
\$ _____
- c. TOTAL ELIGIBLE INCOME (Line a + b) \$ _____

10. The amount entered in 9(c):

- a. _____ Qualifies the applicant(s) as an 80% Resident(s)
- b. _____ Qualifies the applicant(s) as a 120% Resident(s)
- c. _____ Does not qualify the applicant(s) as Eligible Residents

11. Number of apartment unit assigned: _____

Bedroom size: _____ Rent: \$ _____

Tenant-paid Utilities:

Water Electric

Trash Internet/Cable

12. Method used to verify applicant(s) income:

_____ Employer income verification or 2 consecutive months of payroll recordings

_____ Social Security Administration verification

_____ Copies of tax returns

_____ Other (_____)

Signature of Asset Manager's Authorized Representative:

_____ Date: _____
(Signature)

Name: _____

Title: _____

EXECUTION OF ITEMS 18 AND 19
_____ IS _____ IS NOT NECESSARY.

Initials: _____.

18. If this income Certification was executed by me/us more than five (5) days prior to my/our occupancy of the unit, I/we hereby update and recertify the accuracy of the information herein provided as of _____, 20____ and state:

_____ (a) No additional information is required to be provided to make this Income Certification true and correct on the date of this certification.

_____ (b) The following information is provided to update the information previously provided in the Income Certification:

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- (a) _____ Date: _____
- (b) _____ Date: _____
- (c) _____ Date: _____
- (d) _____ Date: _____
- (e) _____ Date: _____
- (f) _____ Date: _____

19. ASSET MANAGER’S STATEMENT: The family or individual(s) named in paragraph 2 of this Income Certification have, pursuant to paragraph 18 hereof, updated and recertified the information heretofore provided as specifically set forth in paragraph 18 hereof.

Representative _____ Signature of Asset Manager’s Authorized
 Print Name: _____
 Title: _____
 Date: _____

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INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by an issuance of bonds issued by The Miami Dade County Industrial Development Authority. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual Wages	_____
Overtime	_____
Bonuses	_____
Commissions	_____
Total Current Income	_____

I hereby certify that the statements above are true and complete to the best of my knowledge.

Signature

Title

Date

I hereby grant you permission to disclose my income to Miami Beach Ballet Apartments in order that they may determine my income eligibility for rental of an apartment located in their project which has been financed under the by an issuance of bonds issued by The Miami-Dade County Industrial Development Authority.

Date: _____

Signature: _____

Please send form to:

[INCOME VERIFICATION SIGNATURE PAGE]

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state (if applicable) income tax returns for the immediately preceding calendar year and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Date: _____

Signature: _____

DRAFT

Attachment B

**ANNUAL RESIDENT RECERTIFICATION
THE MIAMI BEACH BALLET APARTMENTS,
ANNUAL RESIDENT RECERTIFICATION**

Project name: _____

Apartment #: _____

Resident name: _____

TO THE RESIDENT:

This form is a continuation of the City of Miami Beach, Florida Workforce Housing Program (the "Program") which was previously discussed with you. In order to keep you on the qualifying list, you will need to update the following information each year when you renew your lease. The Owner is required by the Internal Revenue Code of 1986 and ground lease with the City to maintain this information in order to maintain the Program.

Household Composition:

- 1) Please list all of those individuals residing in your apartment.
- 2) Please list the anticipated annual income of all occupants of your household who are 18 years of age or older (if housemaker, or unemployed, etc.—please list as such).

	<u>NAME</u>	<u>SS#</u>	<u>AGE</u>	<u>ANTICIPATED ANNUAL INCOME *</u>	<u>OCCUPATION/PLACE OF EMPLOYMENT</u>
1)					
2)					
3)					
4)					
5)					
6)					
7)					
8)					
9)					

DEFINITION OF INCOME

The full amount, before any payroll deductions, of wages, salaries, overtime, commissions, fees, tips, and bonuses; net income from the operation of a business or profession or from the rental of real or personal property (without deducting expenditures for business expansion or amortization of capital indebtedness or any allowance for depreciation of capital assets); interest and dividends (including income from assets excluded below); the full amount of periodic payments from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic payments including any lump sum payment for the delayed start of a periodic payment; payments in lieu of earnings, such as unemployment and disability compensation, workers' compensation and severance pay; all public assistance income; periodic and determinable allowances such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; all regular and special pay and allowances of members of the Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse; and any earned income tax credit to the extent that it exceeds income tax liability;

but excluding:

income from employment of children (including foster children) under the age of 18 years; payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone); lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workers' compensation), capital gains and settlement for personal or property losses; amounts which are specifically for reimbursement of medical expenses; amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in either case only to the extent used for such purposes; special pay to a serviceman head of a family who is away from home and exposed to hostile fire; amounts received under training programs funded by HUD; amounts received under Plan to Attain Self-Sufficiency; amounts for out-of-pocket expenditures incurred in connection with other public assistance programs; resident service stipend (not in excess of \$200 per month); amounts from state or local employment training programs; temporary, nonrecurring or sporadic income (including gifts); reparation payments paid by a foreign government to persons who were persecuted during the Nazi era; earnings in excess of \$480 for each full-time student 18 years old or older (excluding head of family and spouse); adoption assistance payments in excess of \$480 per adopted child; deferred periodic payments of supplemental social security income and benefits received in a lump sum; refunds or rebates of property taxes paid on the unit; payments from state agency to allow developmentally disabled family member to stay home; relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; foster child care payments; the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charges for the allotments; and payments to volunteers under the Domestic Volunteer Service Act of 1973.

PLEASE HAVE ALL OCCUPANTS OVER THE AGE OF 18 SIGN THIS CERTIFICATION.

I/we acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit and will entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

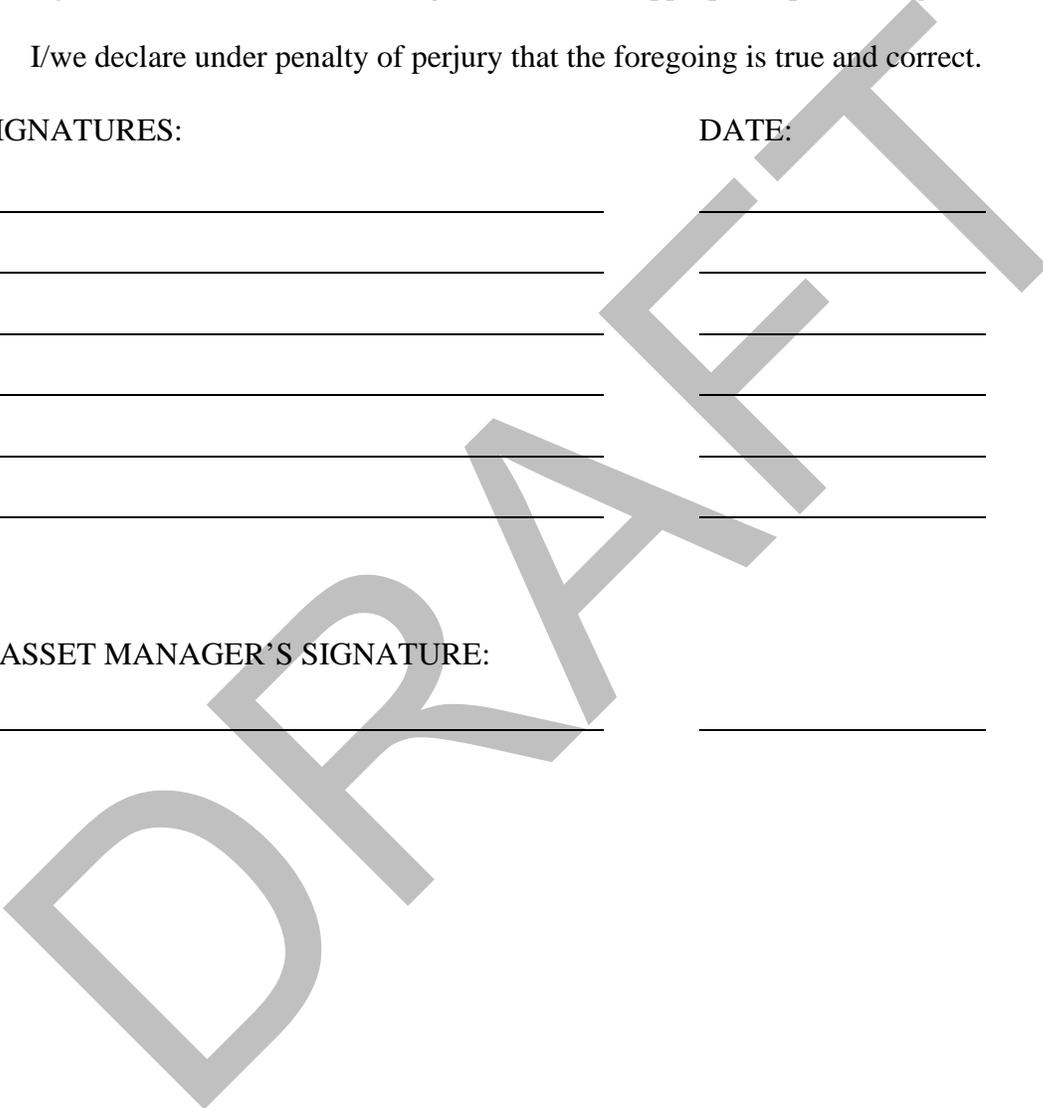
I/we declare under penalty of perjury that the foregoing is true and correct.

SIGNATURES:

DATE:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____
- 6) _____

ASSET MANAGER'S SIGNATURE:



Attachment C

CERTIFICATION OF CONTINUING PROGRAM COMPLIANCE

_____, 20__

To: Zions Bancorporation N.A.
7390 N Academy Boulevard
Colorado Springs, CO 80920
Attention: Vladimir Munoz
Telephone: (719) 594-7458

Email: Vladimir.Munoz@zionsbank.com
The Miami-Dade County Industrial Development Authority

Re: The Miami-Dade County Industrial Development Authority Industrial
Development Revenue Bonds (CFC – MB I, LLC- Collins Park Housing Project),
Series 2022 (the “Bonds”)

Ladies and Gentlemen:

The undersigned, an authorized representative for CFC–MB I LLC organized under the laws of the State of Arizona, authorized to and conducting business in the State of Florida, (the “Lessee”), hereby certifies, represents and warrants that:

1. The Lessee owns CFC–MB I, LLC Collins Park Housing Project (the “Project”).
2. The undersigned and the Lessee have read and are thoroughly familiar with the provisions of the Ground Lease Agreement, dated as of _____, 2022 by and between the City of Miami Beach, as Lessor, and CFC- MB I, LLC as Lessee.
3. A review of the activities of the Lessee and of the Lessee’s performance under the Ground Lease and the Loan Agreement during the quarter ended has been made under the supervision of the undersigned.
4. The Project’s Initial Occupancy Date was _____, 2023.
5. As of the date of this Certificate, the following percentages of completed Workforce Housing Units in the Project are (i) occupied by Eligible Residents by particular qualifying income levels or (ii) currently vacant and being held available for occupancy by Eligible Residents and have been so held continuously since the date an Eligible Resident vacated such unit, as indicated:

- A. Total Number of Workforce Housing Units in the Project: _____
- B. Total Number of Workforce Housing Units Occupied: _____

- C. Total Number of Workforce Housing Units rented to individuals whose income is at or below 80% of AMI: _____
- D. Percentage of Qualifying Tenants (line "C" divided by line "B") _____
- E. Total Number of Workforce Housing Units rented to individuals whose income is at or below 120% of AMI: _____
- F. Percentage of Qualifying Tenants (line "E" divided by line "B") _____
- G. Continuously held vacant for occupancy _____% Workforce Housing Units; _____ Nos. by Eligible Residents since last occupied by Eligible Residents

6. To the best knowledge of the undersigned, after due inquiry, all Workforce Housing Units were rented or available for rental on a continuous basis during the immediately preceding year to members of the general public, and the Lessee is not now and has not been in default under the terms of the Section 11 of the Ground Lease.

7. Unless otherwise expressly provided herein or unless the context requires otherwise, the capitalized terms used but not defined herein shall have the meaning assigned to such terms in the Ground Lease.

Dated: _____, 20__.

CFC-MB I, LLC, an Arizona limited liability company

By: Community Finance Corporation, an Arizona nonprofit corporation, its sole member

By: _____

Name: Michael S. Hammond

Its: President

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