

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the “Agreement”) is made as of the ___ day of _____, 2021, by and between the CITY OF LAUDERHILL, a municipality of the State of Florida (the “City”), and CUIDAD DE NUESTROS ANGELES I, LLC, a Florida limited liability company, its successors and assigns, managed by EIG Inverrary Management, LLC, a foreign limited liability company (“Owner”) its successors and assigns.

W I T N E S S E T H:

WHEREAS, Owner owns certain real property located at 3501 Inverrary Boulevard, Lauderhill, FL, legally described on Exhibit A attached hereto (the “Property”); and

WHEREAS, Owner has presented a development plan to the City , to operate the hotel located on the Property (the “Hotel”) as a multi-family residential project which requires the installation of permanent kitchens into each of the 212 units of the Hotel and conduct certain other renovation work and intends to demolish a portion of the conference space in order to construct eight (8) one 1 bedroom units (the “Project”) as described and incorporated by reference as Exhibit B; and

WHEREAS, the Project will operate with twelve-month minimum leases; and

WHEREAS, the City has determined that the realization of the Project will be of a material benefit to the Lauderhill community and has authorized the negotiation and execution of this Agreement; and

WHEREAS, Owner desires the City’s approval of the Project, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of Ten (\$10.00) Dollars and other good and valuable consideration, the legal sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **INCORPORATION OF REPRESENTATIONS.** The foregoing representations made in the preamble WHEREAS paragraphs hereto are hereby deemed true and correct and the same are hereby incorporated herein.

2. **APPROVAL OF OPERATION OF THE PROJECT.** The City will consider the adoption of appropriate amendments to the Land Development Code (“LDR”) no later than twelve months after execution of this Agreement which will allow the Project to operate as a legal-conforming use within the City. In the event that the required LDR amendments are not adopted by the time the Owner obtains a Certificate of Occupancy, Owner shall have the right to rent out the units on the Property with a minimum of twelve (12) month leases, in accordance with the requirements of Section 4 below, prior to the final adoption of the amendments to the LDR. The City shall not revoke or modify the Owner’s right to operate the Project except as expressly provided in this Agreement or as consented to in writing by the Owner.

3. **AMENDMENT TO LAND DEVELOPMENT REGULATIONS.** Within twelve months of the execution of this Agreement, the City shall amend Schedule B of the Land Development Regulations (“LDR”) to include multifamily residential use as a permitted use on the Property through the special exception application process. In connection with the Project, the Owner shall provide the City with a traffic study, conducted by a reputable firm, which shall be pre-approved by the City, not to be unreasonably withheld, conditioned, or delayed.

4. **TENANCY AND LEASING REQUIREMENTS.** The Owner shall conduct a criminal background check on all prospective tenants at the Hotel over the age of 18. No unit shall be rented to a tenant who possesses a felony conviction for any violent crime, conviction for sexual

battery or sexual predator or drug dealing within ten (10) years of the date of the background search. All tenant leases shall include lease terms that the tenant lease shall be terminated if the Owner becomes aware of such tenant being convicted of a violent crime, sexual battery, sexual predator, or drug dealing. The Owner shall also perform a credit check on prospective tenants, and any tenant with a credit score of 650 or less shall not be eligible to rent a unit within the Project, unless such tenant has a gross annual income that is greater than or equal to 2.5 times their annual rental payments. At least ninety percent (90%) of the leases at the Project shall have an initial lease term of a minimum of twelve (12) months (excluding renewals or extensions of existing leases, which may be less), and no more than ten percent (10% or 21 units) of the leases at the Project may, at Owner's option, have an initial lease term between six (6) and twelve (12) months (excluding renewals or extensions of existing leases, which may be less). The Owner shall rent the units of the Project at market rates. All of the tenancy and leasing requirements set forth in this Section 4 shall be subject to all applicable federal, state, and local laws, codes, ordinances, rules, and regulations, including Department of Housing & Urban Development rules and regulations and any nondiscrimination fair housing laws and regulations.

5. **APPROVAL OF INSTALLATION OF KITCHENS.** The City shall allow and permit the Owner to install kitchens into each of the 212 units of the Project (the "Kitchen Installation or Kitchen Installations"), subject to the standard permitting review process by the City's building department. After all applicable permit fees are paid, the City agrees to process the permits submitted by Owner for the Kitchen Installation and the remainder of the Project expeditiously and with due haste following the approval of the Agreement. All plans submitted to the City shall be prepared by a licensed architect or engineer. All construction and improvements shall be performed under the direction and control of a general contractor licensed to perform commercial building construction. Once installed, the Kitchen Installations shall not be removed

until and unless an application to remove such Kitchen Installations is submitted by the then owner of the Property and approved by the City. At all times, the 212 units shall be occupied and used exclusively as a rental apartment unit. The maximum number of permanent residents per unit shall be limited to three (no more than two adults and one child under the age of seven (7)). If at any time any unit is occupied for any purpose other than as a rental apartment, the City will deem the Owner in violation of this Agreement and will exercise any and all rights and remedies available to the City. Units may not be sold individually.

6. **ADDITIONAL CONSTRUCTION.** The Owner will be permitted to demolish a portion the conference center facilities of the Hotel, and construct thereupon eight (8) one (1) bedroom/one (1) bath units as a part of the existing Hotel building as depicted on Exhibit B. Permitting of same shall be in accordance with the standard permitting review process by the City's building department. After all permit fees are paid, the City agrees to process the permits submitted by Owner for the additional construction expeditiously and with due haste following the approval of the Agreement. All plans submitted to the City shall be prepared by a licensed architect or engineer. All construction and improvements shall be performed under the direction and control of a general contractor licensed to perform commercial building construction.

7. **UTILITIES.** The Owner shall utilize a ratio utility billing system ("RUBS") within the Project, which shall use a method of calculating utility consumption based on the square footage and occupancy of each unit. The City shall meter and bill the property in the same manner as currently done.

8. **MAINTENANCE OF HOTEL GROUNDS.** The Owner shall have a continuing obligation to maintain the landscaping and grounds of the Property in a reasonably presentable and orderly condition. The Owner shall provide the City with a copy of an executed landscaping maintenance agreement for the grounds of the Property upon the City's request of same. If the

Owner shall fail to maintain the premises after receiving ten days' notice from the City to do so, then City shall have the right, but not obligation, to remove unsightly conditions and restore the property to an orderly condition. The Owner shall reimburse the City for its cost within ten days of receipt of a billing statement or said cost shall be included on the Owners annual tax bill.

9. **AUTHORITY.** The parties to this Agreement represent and warrant to each other that they each have the right, power, and authority to execute this Agreement and perform their respective obligations hereunder, and that each of the signatories for each party is a duly authorized representative with full power and authority to execute this Agreement on behalf of such party.

10. **NOTICE.** The delivery of any items and the giving of notice in compliance with the terms of this Agreement shall be accomplished by making same, in writing, and by the delivery thereof to the party intended to receive it or by mailing the same to the address of such party as hereinafter set forth. In the event such notice is made by mail, the same shall be given via U.S. mail, Return Receipt Requested and, unless otherwise provided herein, notice or delivery by mail shall be effective when mailed. For the purpose of notice hereunder, the parties addresses are:

TO: City of Lauderhill
ATTN: Desorae Giles-Smith, City Manager
5581 W. Oakland Park Blvd.
Dania Beach, FL 33313

COPY TO: Hall & Rosenberg
ATTN: Earl Hall, Esq.
8850 West Oakland Park Boulevard, Suite 101
Sunrise, FL 33351

TO: Cuidad de Nuestros Angeles I, LLC
ATTN: Luis Navas
214 King Street West #401
Toronto M5H 3S6 CA

TO: EIG Inverrary Management, LLC
ATTN: Roberto J. Suris
6201 SW 70th Street, Suite 200

South Miami, FL 33143

COPY TO: Dunay, Miskel, & Backman, LLP
ATTN: Hope W. Calhoun, Esq.
14 SE 14th Street
Suite 36
Boca Raton, FL 33432

11. **BINDING EFFECT:** All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective assigns, successors, legal representatives, heirs, and beneficiaries, as applicable, including any successor owners of the Property.

12. **CONSTRUCTION:** This Agreement and the terms hereof shall be construed in accordance with the laws of the State of Florida and venue for all actions in a court of competent jurisdiction shall lie in Broward County, Florida.

13. **SEVERABILITY:** Should any word, phrase or provision hereof be declared illegal or invalid by a court of competent jurisdiction, such declaration of illegality and/or invalidity shall not affect the remainder hereof.

14. **ENTIRE AGREEMENT; MODIFICATION:** No statements, representations, warranties, either written or oral, from whatever source arising, except as expressly stated in this Agreement, shall have any legal validity between the parties or be binding upon any of them. The parties acknowledge that this Agreement contains the entire understanding and agreement of the parties. No modifications hereof shall be effective unless made in writing and executed by the parties hereto with the same formalities as this Agreement is executed.

15. **CAPTIONS AND PARAGRAPH HEADINGS:** Captions and paragraph headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend, or limit the scope and intent of this Agreement, nor the intent of any provisions hereof.

16. **JOINT PREPARATION:** The preparation of this Agreement has been a joint effort of the parties, and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

17. **COUNTERPARTS:** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the parties have hereunto set their respective hands and seals
the day and year set forth below.

WITNESS:

CUIDAD DE NUESTROS ANGELES I, LLC,
a Florida limited liability company

By: _____
Print Name: _____

By: EIG Inverrary Management, LLC,
a Delaware limited liability company,
its Manager

By: _____
Print Name: _____

By: _____
Name: Roberto J. Suris
Title: Manager

STATE OF FLORIDA)
) ss:
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me, by means of ___ physical presence or ___ online notarization, this ___ day of _____, 2020 by Roberto J. Suris, of EIG Inverrary Management, LLC, a Delaware limited liability company, as Managing Member of CUIDAD DE NUESTROS ANGELES I, LLC, a Florida limited liability company, on behalf of the company. He is personally known to me or produced _____ as identification.

Name: _____
Notary Public, State of Florida
My commission expires:
Commission No. _____

CITY OF LAUDERHILL, a municipality of
the State of Florida:

By: _____
Name: _____
Title: _____

APPROVED FOR LEGAL FORM AND
CORRECTNESS:

EARL HALL
CITY ATTORNEY

EXHIBIT A

Legal Description of Property

Parcel 1:

A portion of Tract "A", THE INN AT INVERRARY, as recorded in Plat Book 83, Page 35, Public Records of Broward County, Florida, more particularly described as follows:

COMMENCING at the Northeast corner of said Tract "A"; thence North 66°36'42" West, along the northerly line of said Tract "A", a distance of 104.76 feet to a point of curve; thence northwesterly, along the said northerly line and along a curve to the right with a radius of 2904.79 feet and a central angle of 02°10'44", an arc distance of 110.47 feet to the POINT OF BEGINNING; thence continuing northwesterly, along the said north line and along a curve to the right, with a radius of 2904.79 feet and a central angle of 06°00'22", an arc distance of 304.50 feet; thence South 37°22'31" West, a distance of 542.20 feet; thence North 52°37'29" West, a distance of 199.25 feet to a point on the northwesterly line of Tract "A"; thence southerly, easterly and northerly, along the boundary line of said Tract "A", the following seven courses and distances: South 37°22'31" West, a distance of 133 feet; thence South 52°37'29" East, a distance of 559.89 feet; thence due North, a distance of 173.50 feet to a point of curve; thence northeasterly, along a curve to the right, with a radius of 88 feet and a central angle of 45°00'00", an arc distance of 69.12 feet to a point of tangency; thence North 45°00'00" East, a distance of 60.38 feet to a point of curve; thence northeasterly, along a curve to the right, with a radius of 74 feet and a central angle of 45°00'00", an arc distance of 58.12 feet to a point of tangency; thence due EAST, a distance of 33.11 feet to a point of termination of the seven courses and distances; thence North 37°22'31" East, a distance of 389.89 feet to the POINT OF BEGINNING.

AND THE FOLLOWING PARCEL:

A portion of Tract "A", THE INN AT INVERRARY, as recorded in Plat Book 83, Page 35, Public Records of Broward County, Florida, more particularly described as follows:

Commencing at the Northeast corner of said Tract "A"; thence North 66°36'42" West, along the northerly line of said Tract "A", a distance of 104.76 feet to a point of curve; thence northwesterly, along the said northerly line and along a curve to the right, with a radius of 2904.79 feet and a central angle of 02°10'44", an arc distance of 110.47 feet; thence South 37°22'31" West, a distance of 209.02 feet to the POINT OF BEGINNING; thence continuing South 37°22'31" West, a distance of 180.86 feet to a point on the southerly line of said Tract "A"; thence due East, along the said southerly line, a distance of 109.79 feet; thence due North, along the boundary line of said Tract "A" and the Northerly extension thereof, a distance of 143.73 feet to the POINT OF BEGINNING.

AND THE FOLLOWING PARCEL:

A portion of Tract "A", THE INN AT INVERRARY, as recorded in Plat Book 83, Page 35, Public Records of Broward County, Florida, more particularly described as follows:

BEGINNING at the northeast corner of said Tract "A"; thence N66°36'42"W, along the northerly

line of said Tract "A", a distance of 104.76 feet to a point of curve; thence northwesterly along the said northerly line of Tract "A" and along a curve to the right with a radius of 2904.79 feet and a central angle of $02^{\circ}10'44''$, an arc distance of 110.47 feet; thence South $37^{\circ}22'31''$ West, a distance of 209.02 feet; thence due South, a distance of 11.73 feet; thence Easterly and Northerly, along the boundary line of said Tract "A", the following two courses and distances due East, a distance of 323.57 feet; thence due North, a distance of 90.48 feet to the point of termination of the said two courses and distances, and the POINT OF BEGINNING.

LESS THE FOLLOWING DESCRIBED PARCEL:

A portion of Tract "A", THE INN AT INVERRARY, as recorded in Plat Book 83, Page 35, Public Records of Broward County, Florida, more particularly described as follows:

Beginning at the most Westerly corner of said Tract "A"; thence North $37^{\circ}22'31''$ East, along the Northwesterly line of said Tract "A", a distance of 133 feet; thence South $52^{\circ}37'29''$ East, a distance of 199.25 feet; thence South $37^{\circ}22'31''$ West, a distance of 133 feet to a point on the Southwesterly line of said Tract "A"; thence North $52^{\circ}37'29''$ West, along the said southwesterly line, a distance of 199.25 feet to the POINT OF BEGINNING.

BEING ALSO FORMERLY DESCRIBED AS:

All of THE INVERRARY RESORT HOTEL CONDOMINIUM, according to The Declaration of Condominium recorded in O.R. Book 21610, Page 923, and all exhibits and amendments thereof, Public Records of Broward County, Florida.