

AGREEMENT TO ENTER INTO SUB-SUBLEASE

THIS AGREEMENT TO ENTER INTO SUB-SUBLEASE (this “Agreement”) is made as of the _____ day of _____, 2024 (the “Effective Date”), by and between **CITY OF PEMBROKE PINES** (“City”), with an office at 601 City Center Way, Pembroke Pines, Florida 33025, and **HG PINES, LLC**, a Florida limited liability company (“HG Pines”), with an office at 99 Conifer Hill Drive, Suite 304, Danvers, Massachusetts 01923.

RECITALS

A. Pursuant to that certain Sublease Agreement (Sublease No. 2628-14) dated March 15, 2001 by and between the Department of Children and Family Services of the State of Florida, as sublandlord (the “Sublandlord”), and City, as sublessee, as amended by (i) Amendment Number 1 to Sublease Number 2628-14 dated March 14, 2002, (ii) Amendment Two to Sublease Number 2628-14 dated March 19, 2004, (iii) Amendment Number 3 to Sublease Number 2628-14 from the State of Florida Department of Children and Family Service to the City of Pembroke Pines dated September 9, 2008, (iv) Amendment Number Four to Sublease Number 2628-14 dated June 21, 2016, and (v) Amendment Number 5 to Sublease Number 2628-14 dated January 26, 2021 (collectively, the “Sublease”, a copy of which is attached as Exhibit H), and that certain Lease (No. 2628) dated January 4, 1973, by and between The Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (the “Landlord”), as landlord, and Sublandlord, as tenant (“Lessee”), as amended by (i) Amendment Number One to Lease Number 2628 dated March 19, 2004, (ii) Amendment Number Two to Lease Number 2628 to the State of Florida Department of Children and Family Services dated September 9, 2008, and (iii) Amendment Number Three to Lease Number 2628 dated June 6, 2016, and (iv) Amendment Number 4 to Lease Number 2628 dated December 8, 2020 (collectively, the “Lease”, a copy of which is attached as Exhibit I hereto), City is the sublessee of what is commonly known as the Pembroke Pines Health Park, more particularly described in the Sublease (the “Sublease Property”).

B. City desires to sub-sublease to HG Pines, and HG Pines desires to sub-sublease from City, a portion of the Sublease Property consisting of (a) certain real property located in the City of Pembroke Pines, Florida, located at 8210 Florida Drive, Pembroke Pines, Florida, more particularly described on Exhibit A attached hereto and made a part hereof (the “Land”), and (b) all buildings, structures, parking areas, fixtures, and other improvements of every kind and nature presently situated on, in, or under, or used in, on, or about the Land, including those improvements commonly known as Pines Place Apartments containing 614 residential units (collectively, the “Improvements” and together with the Land, the “Property”) in accordance with and subject to the terms and conditions set forth in this Agreement, subject to the approval of Landlord and Sublandlord as provided in this Agreement..

C. City desires to sell to HG Pines, and HG Pines desires to buy from City, all of City’s rights, title and interest in and to the Improvements (as defined in paragraph 1B below), subject to and in accordance with the terms and provisions hereinafter set forth.

NOW THEREFORE, in consideration of the above Recitals, the mutual covenants and agreements herein set forth and the benefits to be derived therefrom, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, HG Pines and City agree as follows:

1. **PURCHASE AND SALE**. Subject to and in accordance with the terms and conditions set forth in this Agreement:

A. City shall sub-sublease the Property and HG Pines shall sub-sublease the Property from City pursuant to a sub-sublease in a form similar to sub-subleases City has previously entered into

in recent transactions where City sub-subleases portions of the Sublease Property, which sub-sublease shall be coterminous with the Lease and Sublease and all extensions thereof, with such further terms as are acceptable to the Parties and approved by the Landlord and Sublandlord (the “Sub-Sublease”), and;

B. City agrees to sell to HG Pines, and HG Pines shall purchase from City all of City’s sublessee’s rights, fee title and leasehold interest in the following: (i) all leases, subleases, licenses, concessions, occupancy agreements and similar agreements entered into by City granting to any other Person the right to use or occupy any portion of the Improvements (collectively, the “Tenant Leases”), together with all unapplied tenant security deposits held by City on the “Closing Date” (hereinafter defined); (ii) all furniture, furnishings, fixtures, equipment, tools and other tangible property (collectively, the “Personal Property”) owned by City, located on the Land and used solely in connection with the Improvements, a list of which shall be provided to HG Pines at least five (5) days prior to the end of the Review Period; (iii) except as otherwise provided herein and to the extent assignable or transferable and applicable to the period from and after the Closing (as hereinafter defined), all right, title and interest of City under any and all of the maintenance, service, advertising and other like contracts and agreements with respect to the operation of the Improvements, a list of which shall be provided to HG Pines at least five (5) days prior to the end of the Review Period attached hereto (collectively, the “Service Contracts”), other than “Rejected Contracts”, as hereinafter defined;); (iv) if and to the extent transferable without third party consent or cost or liability to City, City’s right, title and interest in and to all trade names, including the trade name Pines Place Apartments, trademarks, and website URL’s associated with the Property, all plans and specifications and other architectural and engineering drawings for the Improvements, and any other intangible personal property owned by City and used in connection with the operation, management and maintenance of the Land and the Improvements (the “Intangible Property”); (v) to the extent assignable or transferable, all licenses, permits, consents, authorizations, approvals, registrations and certificates issued by any Governmental Authority which are currently held by City with respect to the Property, including, without limitation, all such licenses, permits, consents, authorizations, approvals, registrations and certificates issued by any Governmental Authority necessary for the use, operation, or occupancy of the Property currently held by City (the “Licenses and Permits”); and (vi) to the extent assignable or transferable: (1) all surveys, drawings, plans and specifications, engineering diagrams, schematics, and renderings in City’s possession or control which relate to the Property, and (2) City’s interest in all warranties and guaranties benefitting the Property; (the “Additional Property”). All of the foregoing expressly excludes all property owned by tenants or other users or occupants of the Property.

2. SUB-SUBLEASE CONSIDERATION. The total consideration to be paid by HG Pines to City for enter in into the Sub-Sublease and the conveyance of all of City’s right, title and interest in the Improvements is Ninety Million Dollars (\$90,000,000.00) (the “Sub-Sublease Consideration”). The Sub-Sublease Consideration shall be paid as follows:

2.1 Earnest Money.

2.1.1 City, HG Pines and a duly authorized representative of Fidelity National Title Insurance Company (“Escrow Agent”) shall concurrently herewith execute Earnest Money Escrow Instructions, in the form attached hereto as Exhibit B, and HG Pines shall deliver to Escrow Agent, within five (5) calendar days subsequent to the execution of this agreement by both parties, the initial earnest money in the sum of Three Million Dollars (\$3,000,000.00) (the “Earnest Money”). The Earnest Money shall be invested as set forth as applicable in the applicable Earnest Money Escrow Instructions.

2.1.2 If the transaction closes in accordance with the terms of this Agreement, at Closing, the Earnest Money shall be delivered by Escrow Agent to City as part payment of the Sub-Sublease Consideration. If the transaction fails to close due to a default on the part of HG Pines, City shall have the remedy options provided for in Section 7.2. If the transaction fails to close due to a default on the part of City, HG Pines shall have the remedy options provided for in Section 7.1.

2.2 Cash at Closing. At Closing, HG Pines shall pay to City, with current, federal funds wire transferred to the Escrow Agent in accordance with wire transfer instructions to be provided by the Escrow Agent, an amount equal to the Sub-Sublease Consideration, minus the sum of the Earnest Money which City shall receive at Closing from the Escrow Agent; and plus or minus, as the case may require, the closing prorations and adjustments to be made pursuant to Section 4.5.

3. EVIDENCE OF TITLE.

3.1 Title Insurance. Within ten (10) calendar days after the Effective Date, HG Pines shall obtain, at HG Pines' expense, a title insurance commitment (the "Title Commitment") issued by Fidelity National Title Insurance Company (the "Title Insurer") agreeing to provide a ALTA Owner's Policy of Leasehold Title Insurance, in Florida standard form (the "Leasehold Title Insurance Policy") in the amount of the Sub-Sublease Consideration, which shall show insurable subleasehold title to the Land to be vested in City pursuant to the Sublease and shall name HG Pines as the proposed insured. HG Pines shall pay the costs of the Title Commitment including any title examination fees and any municipal lien searches. HG Pines may request that Title Insurer issue any available endorsements to the Owner's Policy. Upon issuance, the Owner's Policy will except from coverage only any exceptions which become Permitted Exceptions pursuant to Section 3.3 (collectively, the "Permitted Exceptions"). Except as permitted under this Agreement, no additional encumbrances which will continue to encumber the City's subleasehold interest in the Land after Closing may be created by City after the Effective Date without the prior consent of HG Pines.

3.2 Survey. Within fifteen (15) calendar days after the Effective Date, City shall deliver to HG Pines one copy of the most recent existing survey of the Land (the "Existing Survey") in City's possession and control. HG Pines may obtain, at HG Pines' sole option, election and expense, an updated or new as-built survey of the Land (the "Updated Survey").

3.3 Title Review.

3.3.1 HG Pines shall have until ten (10) calendar days prior to the expiration of the Review Period (the "Title Review Period") to give City a detailed notice objecting to any exception or condition contained in the Title Commitment or shown on the Existing Survey, and ten (10) calendar days after HG Pines' receipt of the Updated Survey to give City a detailed notice objecting to any matter shown on the Updated Survey (the "Updated Survey Review Period"). If HG Pines does not give notice of any objections to City within the Title Review Period or the Updated Survey Review Period, HG Pines shall be deemed to have approved the title as shown in the Title Commitment, the title exceptions, and all matters shown on the Existing Survey or the Updated Survey, if any, and any such exceptions or matters listed on Schedule B of the Title Commitment (other than general exceptions) shall become "Permitted Exceptions". If HG Pines provides timely objections, City shall have ten (10) days after receipt of a HG Pines' notice (each such period being referred to herein as a "Title Cure Period") in which to elect, by written notice to HG Pines ("City's Response Notice"), either (i) to cure or attempt to cure HG Pines' objections on or prior to Closing, or (ii) not to cure HG Pines' objections. If City fails to respond to HG Pines' objection notice within the Title Cure Period, City shall be deemed to have elected not to cure HG Pines' objections. If HG Pines provides timely objections and either City has elected (or is deemed to have elected) not to cure all of HG Pines' objections, or all of HG Pines' objections are not cured (or agreed to be cured by City prior

to Closing) within a Title Cure Period for any reason, then, within five (5) days after the last day of any such Title Cure Period, HG Pines shall, as its sole and exclusive remedy with respect to the title of the Property, waiving all other remedies, either: (x) terminate this Agreement by giving a termination notice to City, in which case Escrow Agent shall return the Earnest Money to HG Pines, and the parties shall have no further rights, liabilities, or obligations under this Agreement (other than those that expressly survive termination); or (y) waive the uncured objections by proceeding to Closing and thereby be deemed to have approved the HG Pines' title as shown in the Title Commitment, the title exception documents, the Existing Survey or the Updated Survey, and any such uncured objections shall become "Permitted Exceptions". Notwithstanding the foregoing, HG Pines shall not need to make any objection to, and City shall in all events be obligated to cure, all matters or items that are, and none of the following shall be deemed to be Permitted Exceptions (collectively, "**Mandatory Cure Items**"):: (i) mortgage or deed of trust liens or security interests against the Property, (ii) real estate tax liens, other than liens for taxes and assessments not yet delinquent, (iii) liens that have been voluntarily placed against the Property by City after the date of this Agreement and that are not otherwise permitted pursuant to the provisions hereof, (iv) judgment or other monetary liens arising from City's acts, and (v) mechanic's or materialman's liens arising from work contracted by or through City.

3.3.2 If an update of the Updated Survey or any supplemental title commitment or title update issued subsequent to the date of the original Title Commitment discloses any materially adverse matters that are objectionable to HG Pines and that were not set forth on the Existing Survey, the Updated Survey or the original Title Commitment, then, no later than the later of (i) the expiration of the Review Period, or (ii) seven (7) days after HG Pines' receipt of such update of the Updated Survey, or (iii) seven (7) days after HG Pines' receipt of such supplemented or updated Title Commitment, as applicable, HG Pines shall have the right to object to any such matter, in which event the same procedures for response, termination and waiver set forth above shall apply to such new objections, including HG Pines' rights to terminate and receive a refund of the Earnest Money. The Closing Date shall be extended as necessary to allow HG Pines and City to comply with the provisions of this Section 3.3.2.

4. CLOSING.

4.1 Closing Date. The "Closing" of the transaction contemplated by this Agreement shall occur on the later to occur of: (a) forty-five (45) calendar days after the expiration of the Review Period, and (b) forty-five (45) calendar days after approval of the Sub-Sublease by the Landlord, Sublandlord and all other agencies having jurisdiction over the Property. The Closing shall occur through an escrow closing with the Title Insurer, or at such other time and place as City and HG Pines shall agree in writing. The "Closing Date" shall be the date of Closing. HG Pines shall have the right to extend the Closing for one additional period of thirty (30) calendar days by delivering on or before the date that is ten (10) days prior to the then-scheduled Closing Date: (i) written notice to City and Title Insurer of HG Pines' exercise of such extension right, and (ii) an additional nonrefundable earnest money deposit of Five Hundred Thousand Dollars (\$500,000.00) payable to the City.

4.2 Closing Conditions.

4.2.1 HG Pines Closing Conditions. HG Pines' obligations to close the transactions described in this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (the "HG Pines Closing Conditions") failing any of which, HG Pines, at its option, and in addition to any other remedy available, shall be entitled to terminate this Agreement and receive a return of the Earnest Money:

(i) City's Deliveries. All of City's closing deliveries shall have been delivered to HG Pines or deposited with Escrow Agent for delivery to HG Pines at Closing.

(ii) Representations and Warranties. The representations and warranties of City in this Agreement shall be true and correct in all respects as of the Closing.

(iii) Leasehold Title Policy. The Title Insurer shall have committed to issue the Owner's Policy in the form required by this Agreement dated as of the date of the Closing Date, insuring sub-subleasehold title to the Property in HG Pines subject only to the Permitted Exceptions, or an irrevocable commitment to issue the Leasehold Policy at Closing.

(iv) Landlord Estoppel Certificate. The delivery to HG Pines of a landlord estoppel certificate and consent in a form to be negotiated between the parties and agreed to prior to the expiration to the Review Period as set forth in Section 8 herein similar to estoppels provided in recent transactions where the City sub-subleases other portions of the Sublease Property, with such further revisions as are acceptable to the Parties and approved by the Landlord (the "Landlord Estoppel and Consent"), addressed to and expressly to be relied on by HG Pines and its lender, with such modifications as may be reasonably requested by HG Pines' lender, duly executed by the Landlord, which estoppel certificate shall be dated no earlier than 10 days prior to the Closing Date.

(v) Sublandlord Estoppel Certificate. The delivery to HG Pines of a sublandlord estoppel certificate and consent in a form similar to estoppels provided in recent transactions where the City sub-subleases other portions of the Sublease Property, with such further revisions as are acceptable to the Parties and approved by the Sublandlord (the "Sublandlord Estoppel and Consent"), addressed to and expressly to be relied on by HG Pines and its lender, with such modifications as may be reasonably requested by HG Pines' lender, duly executed by Sublandlord, which estoppel certificate shall be dated no earlier than 10 days prior to the Closing Date.

(vi) Termination of Management Agreement. City shall terminate the property management agreement related to the Property, if any. All termination fees and other costs and expenses relating to such termination shall be the sole responsibility of the City, and the HG Pines shall not have any responsibility or liability therefor.

(vii) Access. To the extent not already existing, City shall provide commercially acceptable evidence, or the Sub-sublease shall contain provisions confirming, that throughout the term of the Sub-Sublease, HG Pines shall have (i) ingress/egress between the Property and a public right-of-way, and (ii) access to all utilities in service at the Property.

(viii) Use. City shall provide commercially acceptable evidence that throughout the term of the Sub-Sublease, HG Pines shall have the right to use of the Property with respect to the number of units, parking spaces and other matters, consistent with its current uses, notwithstanding any conflict with City's code.

(ix) Tax Exemption. HG Pines shall have (A) received satisfactory evidence of the Property retaining its exemption from ad valorem taxation after Closing, or (B) entered into an agreement for payment in lieu of taxes on terms acceptable to HG Pines.

(x) Financing Contingency. HG Pines shall obtain a written commitment or term sheet from a lender setting forth the terms and conditions upon which the lender is willing to make a mortgage loan to HG Pines acceptable to HG Pines in its discretion ("Loan Approval"). If HG Pines does not obtain Loan Approval within sixty (60) days from the Effective Date ("Loan Approval Date"), HG Pines may within three (3) days after the Loan Approval Date, deliver written notice to City electing to (i) waive the foregoing financing contingency and close on the purchase of the Property on an "all cash" basis, or (ii) terminate this Agreement, whereupon any deposits shall be returned to HG Pines

and the parties shall be released of all further obligations under the Contract except for those obligations which survive the terminate thereof.

4.2.2 City Closing Conditions. City's obligations to close the transactions contemplated in this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (the "City Closing Conditions") failing any of which, City, at its option, and in addition to any other remedy available, shall be entitled to terminate this Agreement:

(i) Receipt of the Sub-Sublease Consideration. HG Pines shall have (A) paid to City or deposited with Escrow Agent with written direction to disburse the same to City at Closing, the Sub-Sublease Consideration (as adjusted pursuant to the terms of this Agreement), and (B) delivered written direction to Escrow Agent to disburse the Earnest Money to City as a credit against the cash portion of the Sub-Sublease Consideration at Closing.

(ii) HG Pines' Deliveries. All of HG Pines' closing deliveries shall have been delivered to City or deposited with Escrow Agent for delivery to City at Closing.

(iii) Representations and Warranties. The representations and warranties of HG Pines in this Agreement shall be true and correct in all material respects as of the Closing.

(iv) Approval of Landlord and Sublandlord. The Landlord and Sublandlord shall have approved all documents required to be executed or approved by them, including without limitation the Sub-Sublease required in paragraph 4.3.1, the Restrictive Covenant for Affordable Housing required by paragraph 4.4.13, and all Landlord and Sublandlord Estoppels and Consents required by Sections 4.3 and 4.4 of this Agreement.

(v) City Bonds. A written determination by City's Bond Counsel prepared at City's expense that no conditions of this Agreement will adversely affect the tax-exempt status of the Bonds.

4.3 City's Closing Deliveries. Subject to approval by Landlord and Sublandlord, at Closing, City shall execute and deliver to HG Pines the following:

4.3.1 an executed counterpart of the Sub-Sublease pursuant to Section 1A, above. sub-subleasing all of City's right, title and interest in and to the Property to HG Pines, subject only to the Permitted Exceptions;

4.3.2 an executed and notarized counterpart of a Memorandum of Sub-Sublease substantially in the form attached as Exhibit C (the "Memorandum of Sub-Sublease");

4.3.3 an executed Bill of Sale for the Personal Property substantially in the form attached as Exhibit D;

4.3.4 a letter advising tenants under the Tenant Leases of the change in operation of the Property substantially in the form attached hereto as Exhibit E;

4.3.5 an Assignment and Assumption of Tenant Leases, Security Deposits and Service Contracts substantially in the form attached hereto as Exhibit F (the "Assignment and Assumption Agreement");

4.3.6 an updated Rent Roll certified by City to be true, correct and complete in all material respects dated as of the Closing Date;

4.3.7 an Affidavit identifying City's U.S. taxpayer identification number and that City is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;

4.3.8 City's Affidavit substantially in a form to be provided, and such evidence of City's power and authority as Title Insurer may require;

4.3.9 documentation to establish to the Title Company's reasonable satisfaction the due authorization of (i) City's consummation of the transaction contemplated herein, including City's execution of this Agreement and the Closing Documents required to be delivered by City;

4.3.10 a City closing statement (the "City Closing Statement"), as required by Section 4.5 below, setting forth the prorations and adjustments to the Sub-Sublease Consideration;

4.3.11 One original of the Landlord Estoppel and Consent duly executed by the Landlord;

4.3.12 One original of the Sublandlord Estoppel and Consent duly executed by the Sublandlord;

4.3.13 A fully executed counterpart of the Holdback Escrow Agreement (referenced in Section 10.2 below) executed by City;

4.3.14 A certificate updating City's representations and warranties as if made on the Closing Date; and

4.3.15 Evidence of the termination of all management agreements affecting the Property, effective as of the Closing Date, and duly executed by City and the property manager.

4.4 HG Pines' Closing Deliveries. At Closing, HG Pines shall execute and deliver to City the following:

4.4.1 the funds required pursuant to Section 2.2 above;

4.4.2 a HG Pines' closing statement as required by Section 4.5 below, setting forth the prorations and adjustments to the Sub-Sublease Consideration;

4.4.3 counterpart originals of the Sub-Sublease referenced in Section 4.3.1 above;

4.4.4 a fully executed and notarized counterpart of the Memorandum of Sub-Sublease;

4.4.5 a fully executed counterpart of the Assignment and Assumption Agreement;

4.4.6 a fully executed counterpart of the Landlord Estoppel and Consent;

4.4.7 a fully executed counterpart of the Sublandlord Estoppel and Consent;

4.4.8 a fully executed and notarized counterpart of the Memorandum of Understanding;

4.4.9 A fully executed counterpart of the Holdback Escrow Agreement (referenced in Section 10.2 below) executed by HG Pines;

4.4.10 such evidence of HG Pines' power and authority as Title Insurer may reasonably require; and

4.4.11 A certificate updating HG Pines' representations and warranties as if made on the Closing Date.

4.4.12. An affidavit required by Section 692.204(6), Florida Statutes, which prohibits the purchase or acquisition of real property by the People's Republic of China.

4.4.13. a Restrictive Covenant for Affordable Housing in a form acceptable to the City to be recorded in the public records of Broward County.

4.5 Closing Prorations and Adjustments.

4.5.1 The following items are to be prorated, adjusted or credited (as appropriate) as of the close of business on the Closing Date, it being understood that for purposes of prorations and adjustments, HG Pines shall be deemed to be the tenant under the Lease as of the Closing Date:

(i) real estate taxes, if any, ad valorem personal property taxes, if any, except to the extent payable by any tenants directly to the taxing authority and less any applicable discounts;

(ii) the base rent payable by the City, as tenant under the Sublease, for the month of Closing;

(iii) the rent payable by tenants under the Tenant Leases; provided, however, that rent and all other sums which are due and payable to City by any tenant but uncollected as of the Closing (collectively, the "Delinquent Amounts") shall not be adjusted, but if any Delinquent Amounts are actually received by HG Pines, in good funds, following Closing, all such amounts shall first be applied to post closing rents and other amounts due to HG Pines for the period from and after Closing, and the balance shall be paid by HG Pines to City to the extent, and only to the extent of any Delinquent Amounts owed by any such tenant to City for the period prior to Closing. Notwithstanding the foregoing provisions of this Section 4.5.2(iii), all rentals that are received by HG Pines more than six (6) months following Closing shall be retained by HG Pines, and City shall have no rights with respect thereto. At Closing, City shall deliver to HG Pines a schedule of all such Delinquent Amounts.

(iv) the amount of unapplied refundable security deposits held by City under the Tenant Leases shall be credited against the Sub-Sublease Consideration at Closing;

(v) water, electric, telephone and all other utility charges (at cost plus sales tax); provided, however, that any deposits with utility companies shall remain the property of the City and shall not be prorated or credited (to the extent possible, utility prorations will be handled by meter readings on the day immediately preceding the Closing Date); and

(vi) amounts due and payable by City under the Service Contracts assumed by HG Pines at Closing, if any. Any advance lump-sum or "up front" payment received in connection with any Service Contracts, including, without limitation, any laundry lease or cable contract, shall be amortized over the term of such Service Contracts and prorated as of the Closing Date.

4.5.2 Any proration which must be estimated at Closing shall be reprorated following Closing and finally adjusted as soon as practicable after the Closing Date but in any event not later than ninety (90) days following the Closing Date; otherwise, subject to the provisions of Section 4.5, all prorations shall be final. The obligations of HG Pines and City under Section 4.5 of this Agreement shall survive the Closing.

4.6 Closing Costs. Closing costs shall be allocated between HG Pines and City as follows:

4.6.1 City shall pay:

(i) fees for recording releases of liens or encumbrances, if any;

4.6.2 HG Pines shall pay:

(i) all costs associated with HG Pines' financing, if any;

(ii) any costs incurred in connection with HG Pines' inspection and investigation of the Property;

(iii) the cost of the title insurance search, examination charges, Owner's Title Policy and survey.

(iv) the cost of recording of any and all documents, any documentary stamps, and any fees and costs imposed by any government agency.

4.6.3 Each Party shall pay all fees of its own consultants, if any, and the attorneys' fee charged by that Party's attorneys, except as otherwise provided in this Agreement.

4.6.4 The obligations of the parties under this Section shall survive the Closing (and not be merged therein) or any earlier termination of this Agreement.

4.7 Possession. Upon Closing, City shall deliver to HG Pines possession of the Property, subject to such matters as are permitted by or pursuant to this Agreement.

5. CASUALTY LOSS AND CONDEMNATION.

5.1.1 City's Risk. Risk of loss by casualty, or the taking of the Land or any part thereof by eminent domain (or by deed in lieu thereof), is assumed solely by City until Closing.

5.1.2 If, prior to Closing, the Property is damaged by fire, vandalism, acts of God or other casualty or cause, such loss shall be borne by City. In such event, HG Pines shall have the option of (i) closing under this Agreement and receiving all insurance proceeds, if any, paid in connection therewith together with an assignment of all of City's right to receive any unpaid proceeds, together with a credit for City's deductible under the applicable insurance policies; or (ii) postponing the Closing until the damage is repaired by City; or (iii) if the loss or damage exceeds

\$1,575,000.00, canceling this Agreement. Should HG Pines exercise its option of closing under this Agreement in accordance with (i) above, City agrees to assign its rights to all insurance proceeds to HG Pines and cooperate with HG Pines in any loss adjustment negotiations or agreements with the insurance company.

5.1.3 If, prior to Closing, the entire Land is taken by proceedings in condemnation, this Agreement shall terminate and HG Pines shall have no right to receive any compensation or damages awarded in such proceedings. Should only a part of the Land be so taken, HG Pines shall have the option of (i) closing under this Agreement with City's assignment of all of City's right to receive the compensation or damage so awarded, or (ii) terminating this Agreement.

5.1.4 If this Agreement is terminated pursuant to this Article 5, the Parties shall be released of any and all obligations and liabilities and the Earnest Money, with any interest earned thereon, shall be delivered to HG Pines.

6. BROKERAGE. HG Pines and City each represents and warrants to the other that it has not dealt with any person or entity entitled to a brokerage commission, finder's fee or other compensation with respect to the transaction contemplated hereby. City and HG Pines shall each indemnify and hold the other harmless from and against any and all claims of all other brokers and finders claiming by, through or under the indemnifying party and in any way related to the sale and purchase of the Property, this Agreement or otherwise, including, without limitation, reasonable attorneys' fees and expenses incurred by the indemnified party in connection with such claim. This Section 6 shall survive the termination of this Agreement for one hundred eighty (180) days.

7. DEFAULT AND REMEDIES.

7.1 HG Pines' Pre-Closing Remedies. If, at or prior to Closing, City fails to perform one or more of the covenants, warranties or representations under this Agreement, then HG Pines may terminate this Agreement by written notice to City and Escrow Agent, in which event Escrow Agent shall promptly return the Earnest Money to HG Pines and City shall reimburse HG Pines for actual costs in connection with its inspection and pursuit of the Property of up to One Hundred Thousand Dollars (\$100,000.00).

7.2 City's Pre-Closing Remedies. Upon HG Pines' breach or default under this Agreement prior to Closing, if HG Pines has not remedied such breach or default within 10 calendar days of written notice from City specifying such breach or default (other than with respect to HG Pines' obligations to timely deliver the items set forth in Section 4.3), City shall be entitled, as its sole and exclusive remedy, to terminate this Agreement by delivering written notice to HG Pines and Escrow Agent and receive from Escrow Agent the Earnest Money. The Parties agree that City's damages as a result of such breach or default would be speculative and cannot be determined at this time and that the Earnest Money is a reasonable estimate of such damages. The Parties agree to liquidate and limit City's damages and HG Pines' liability under this Agreement to such Earnest Money; no other property or assets of HG Pines or of any of its partners, members, officers, directors or stockholders, or of any disclosed or undisclosed principal of HG Pines, shall be subject to attachment, levy, execution or other enforcement procedures by reason of the execution or breach of this Agreement.

7.3 Post-Closing Remedies. From and after the Closing, City and HG Pines shall, subject to the terms and conditions of this Agreement including, without limitation, the terms of Section 10.3, Section 10.5 and Section 13.1 below, have such rights and remedies as are available at law or in equity, except that neither City nor HG Pines shall be entitled to recover from the other consequential, special damages, or punitive damages. Nothing herein precludes or prevents the Landlord, Sublandlord

and City to enforce the terms of the Sub-Sublease required in 4.3.2, substantially in the form attached hereto as Exhibit G.

8. REVIEW PERIOD

8.1 HG Pines' Review Period.

8.1.1 HG Pines shall have until 5:00 p.m. (Pembroke Pines, Florida time) on the date that is sixty (60) days following, (i) the date this Agreement (or the transaction contemplated herein) is approved by the City Commission of the City of Pembroke Pines, and (ii) the date on which City certifies it has delivered to HG Pines all of the materials described in Section 8.1.2 below, within which to inspect the Property (the “Review Period”). If HG Pines determines, for any reason or for no reason, and in HG Pines’ sole discretion, that the Property is unsuitable for its purposes, HG Pines may terminate this Agreement at any time prior to the expiration of the Review Period by delivering written notice to City within the Review Period, and the entire Earnest Money shall be returned to HG Pines, without the consent or joinder of City being required, at which time this Agreement shall be null and void and neither party shall have any further rights or obligations under this Agreement except those which expressly survive termination. If HG Pines determines to proceed with the purchase of the Property, HG Pines shall provide City with written notice of approval of HG Pines’ due diligence (the “Due Diligence Approval Notice”). Failure of HG Pines to deliver the Due Diligence Approval Notice to City on or before the end of the Review Period shall be deemed HG Pines’ decision to terminate this Agreement in accordance with the provisions of this Section 8.1.1. If this Agreement is not terminated in accordance with this Section 8.1.1, the Property shall be delivered to HG Pines at Closing in its condition at the time of HG Pines’ inspection, and City shall repair any defects, disrepair or other matters arising between the date of HG Pines’ inspections and Closing. At all times prior to Closing, HG Pines and its authorized representatives shall have access during business hours to inspect and examine the Property and its books and records. HG Pines’ right of inspection pursuant to this Section 8 shall be subject to the rights of tenants under the tenant leases.

8.1.2 Within fifteen (15) calendar days of the Effective Date, City shall furnish to HG Pines all existing surveys, title policies, environmental and inspection reports, building plans, specifications, governmental development orders, leases, current rent roll, Service Contracts, notices of violation issued by any Governmental Authority or pursuant to any title document encumbering the Property, sales tax returns, and any permits and approvals currently issued for the development and/or operation of the Land and Improvements in the possession of City or obtainable by City (the “Due Diligence Materials”).

8.1.3 On or before the end of the Review Period, HG Pines shall deliver a written notice of any Service Contracts that HG Pines does not agree to assume (the “Rejected Contracts”) from and after the Closing Date (the “Contract Rejection Notice”), and City hereby agrees to cancel all Rejected Contracts not later than Closing if the terms of the Rejected Contracts afford the City the right to terminate without a penalty or fee. If HG Pines fails to timely deliver a Contract Rejection Notice in accordance with the foregoing, HG Pines shall be deemed to have agreed to accept and assume all Service Contracts. HG Pines will assume the obligations arising from and after the Closing Date under those Service Contracts that HG Pines does not timely request be terminated in the Contract Rejection Notice. Any Service Contracts which are not assignable or have not been provided to HG Pines shall be the sole responsibility of City, and shall be cancelled by City on or before Closing.

8.1.4 Prior to the end of the Review Period, City shall deliver to HG Pines a Landlord Estoppel and Consent, duly executed by the Landlord, which Landlord Estoppel and Consent shall be dated no earlier than 10 days prior to the end of the Review Period.

8.1.5 Prior to the end of the Review Period, City shall deliver to HG Pines a Sublandlord Estoppel and Consent, duly executed by Sublandlord, which Sublandlord Estoppel and Consent shall be dated no earlier than 10 days prior to the end of the Review Period.

8.2 City's Review Period.

8.2.1 The City's Review Period shall be thirty (30) calendar days from the Effective Date.

8.2.2 Within fifteen (15) calendar days of the Effective Date, HG Pines shall provide to City documentation demonstrating the HG Pines' history and ability to operate affordable housing as required by the terms of Sublease 2628-14.

8.2.2. Within the Review Period, the Lessor and Sublessor, and the Parties, shall have entered into a Sub-Sublease for the Property, contingent on Closing.

8.2.3. Within the Review Period, consents required by Section 9 shall be obtained by HG Pines during City's Review Period.

8.2.4. Within the Review Period, the City shall receive the written opinion from City's bond counsel required under paragraph 4.2.2(v).

8.2.5 If City determines that HG Pines is not able to operate affordable housing pursuant to the terms of the Sublease, or a Sub-Sublease is not executed as required by 8.2.2, or the Consents required by Section 9 are not obtained, or if City's bond counsel renders an opinion of adverse tax consequences to the City's bonds as a result of the transaction, City may terminate this Agreement at any time prior to the expiration of the Review Period by delivering written notice to HG Pines within the Review Period, and return the entire Earnest Money to HG Pines, without the consent or joinder of City being required, at which time this Agreement shall be null and void and neither party shall have any further rights or obligations under this Agreement except those which expressly survive termination. Unless written notice is received pursuant to this section by HG Pines prior to the expiration of the Review Period, the City shall be deemed as consenting to proceeding to Closing

9. CONSENT TO SUB-SUBLEASE.

9.1 City, HG Pines, and the Landlord shall enter into the Landlord Estoppel and Consent substantially in a form to be negotiated between the Parties and agreed to prior to the expiration to the Review Period as set forth in Section 8 herein similar to that used in recent transactions where the City subleases property owned by Landlord, with such further revisions as are acceptable to the Parties and approved by the Landlord, but subject to such additional terms as may be required by HG Pines or its lender in their sole discretion, at Closing.

9.2 City, HG Pines, and the Sublandlord shall enter into the Sublandlord Estoppel and Consent substantially in a form similar to that used in recent transactions where the City subleases property from Sublandlord, with such further revisions as are acceptable to the Parties and approved by the Sublandlord, but subject to such additional terms as may be required by HG Pines or its lender in their sole discretion, at Closing.

9.3 City covenants and agrees to use good faith, commercially reasonable efforts to obtain all consents required in connection with the Sub-Sublease, and shall timely submit all information

and documentation reasonably requested in connection therewith. If the consents required by Section 9 have not been obtained by the Parties prior to the expiration of the Closing, including any extension thereof as provided herein, the City may terminate this Agreement by delivering written notice and the Earnest Money will be returned to HG Pines.

10. REPRESENTATIONS AND WARRANTIES.

10.1 City's Representations and Warranties. City represents and warrants to HG Pines as of the Effective Date as follows:

10.1.1 City is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Florida.

10.1.2 City has full power, right and authority to enter into and perform its obligations under this Agreement. The execution by City of this Agreement in the manner indicated in this Agreement and of all documents contemplated by this Agreement (collectively "**Transfer Documents**"), delivery of this Agreement and the Transfer Documents and performance of all obligations arising under this Agreement and such Transfer Documents are authorized under the organizational documents of City or have otherwise been approved in the matter described in such organizational documents. This Agreement and the Transfer Documents, upon such execution and delivery, constitute the legal, valid and binding obligations of City, enforceable in accordance with their respective terms. There are no claims, defenses, personal or otherwise, against City or offsets to the validity or enforceability of this Agreement or the Transfer Documents.

10.1.3 The execution and delivery of this Agreement and the Transfer Documents, and the recording of the Transfer Documents to be recorded do not and will not contravene, result in a breach of, or constitute a default under, or require any consent (other than the consent of the Landlord) pursuant to (i) any existing law, regulation, order, decree, writ or injunction, (ii) the organizational documents of City or (iii) any agreement, indenture, mortgage, purchase agreement, guaranty or any other instrument to which City is a party or by which City or the Property may be bound or affected.

10.1.4 City is, and at the time of Closing City shall be, the sublessee of the Property pursuant to the Sublease attached hereto as Exhibit H, which is a true, correct and complete copy of the Sublease. Sublandlord is, and at the time of Closing shall be, the lessee of the Property pursuant to the Lease attached hereto as Exhibit I, which is a true, correct and complete copy of the Lease. Each of the Lease and the Sublease is in full force and effect and has not been amended or modified. City has not received (i) written notice from Sublandlord as to an event of default by City, and no event has occurred that with the passage of time or giving notice or both would constitute an event of default by City under the Sublease, or (ii) written notice from the Landlord as to an event of default by Sublandlord under the Lease, and, to the best of City's knowledge, no event has occurred that with the passage of time or giving notice or both would constitute an event of default by Sublandlord under the Lease. City has not sent to Sublandlord a written notice of a default by Sublandlord under the Sublease, and to best of City's knowledge, no event has occurred that with or without the passage of time or giving notice or both would be an event of default by Sublandlord under the Lease. To the best of City's knowledge, Sublandlord has not sent the Landlord a written notice of a default by the Landlord under the Lease and to the best of City's knowledge, no event has occurred that with or without the passage of time or giving notice or both would be an event of default by the Landlord under the Lease. City's interest in the Sublease has not been assigned, pledged or encumbered in any manner. To the best of City's knowledge, Sublandlord's interest in the Lease has not been assigned, pledged or encumbered in any manner. There is no pending or to City's knowledge, threatened litigation by either the Landlord or Sublandlord against City with respect to the Sublease. There

is no pending or to City's knowledge, threatened litigation by the Landlord against Sublandlord with respect to the Lease. Prior to Closing City will not, without the prior written consent of HG Pines, which may be granted or withheld in HG Pines' sole discretion, (i) modify, amend or terminate the Sublease, or (ii) consent to, permit or suffer any modification, amendment or termination of the Lease, and City will perform all obligations of the "Sublessee" under the Sublease in all material respects.

10.1.5 The list of the Service Contracts that affect the Property and the service provider under each Service Contract to be provided as part of the Due Diligence Materials is complete and there are no other such agreements affecting the Property. Each Service Contract is unmodified, in full force and effect without any actual or alleged defaults by either party thereto and expresses the complete understanding between the parties thereto with respect to the subject matter thereof.

10.1.6 The Tenant Leases are valid and binding, include all leases, tenancies and occupancies affecting the Property, are unmodified, in full force and effect without any actual or alleged defaults by the Sublandlord and express the complete understanding between the parties thereto with respect to the leasing and tenant's occupancy. City is the holder of the interest of Landlord under the Tenant Leases and has not assigned or encumbered its interest. All work, improvements, alterations, and installations required to be done to date by Sublandlord under the Tenant Leases have been done and have been accepted by the tenants. There are no leasing, broker's or finder's commissions of any kind due and owing or to become due and owing to anyone with respect to any of the Tenant Leases.

10.1.7 The rent roll to be provided as part of the Due Diligence Materials (which is effective as of the date indicated thereon), and as the same shall be updated and recertified at Closing by City describes, the following information concerning all Tenant Leases affecting the Land as of the date thereon ("Rent Roll"): (a) unit number, (b) name of tenant, (c) rental rate, (d) move in date, (e) expiration date, (f) amount of security deposit, (g) any renewal or expansion rights or options, and (h) any concessions, discounts or other periods of free or discounted rent, as applicable, and is and shall be true, correct and complete in all material respects. Except for those tenants in possession of the Property under written Tenant Leases for space in the Property, as shown on the Rent Roll, there are no parties in possession of, or claiming any possession to, any portion of the Real Property.

10.1.8 The Property and the current use thereof complies with requirements of all applicable laws, rules, regulations, statutes, codes and ordinances of Governmental Authorities (including, without limitation, environmental laws and regulations), the Lease, and all restrictive covenants or other encumbrances affecting the Property. No violations or notices of violations of any applicable governmental regulations have been issued or noted. All consents, licenses, permits, approvals and certificates required for the operation of the Property and Improvements in the manner presently being operated, including, but not limited to, the issuance of final certificates of occupancy, have been issued and fully paid for, are in full force and effect, have not been revoked and will not be invalidated, violated or otherwise adversely affected by the transfer of the Improvements to HG Pines. No changes have been made in the Property since the date of any certificates of occupancy which would require issuance of any new certificate of occupancy. Use of the Property for the purposes for which it is presently being used is permitted as of right under all applicable zoning or use requirements and is not subject to "permitted nonconforming" use or structure classifications. The use of the Property is in compliance with all applicable laws, including, without limitation, those pertaining to zoning, building and the disabled. There are no proceedings pending, or to City's knowledge, threatened that would involve the condemnation, re-designation, rezoning, redefinition or other modification of the zoning classifications of the Property, or any portion thereof, or any property adjacent to any Land or affecting, in any material respect, the continuing availability of sewer, water, electric, gas, telephone or other services or utilities servicing the Property. Unless otherwise requested by HG Pines, City shall not apply for or acquiesce in any such change. There exists no violation of any requirement or condition to such zoning classification applicable to the Property.

10.1.9 The Property is in compliance with all Environmental Laws (defined below). No portion of the Property has been used for or in connection with the generation, manufacture, processing, incineration, treatment, use, storage or disposal of hazardous or toxic wastes, materials or substances or as a cemetery, gas station, dry cleaning facility, landfill or garbage dump. No materials or substances (including, without limitation, radon, asbestos and items containing PCBs such as electric transformers), that are hazardous, toxic or prohibited, limited or regulated by any Governmental Authorities, or which pose a hazard to the health or safety of the owners or occupants of the Property or adjacent property are located in, on, under or above or used or stored on or generated from any portion of the Property. No above ground or underground storage tanks are or have in the past been located on or below the surface of any portion of the Property. No portion of the Property constitutes, or is located in the vicinity of, reclaimed phosphate land or environmentally sensitive wetlands or is included on any governmental agency's list of sites on or under which hazardous or toxic waste materials or substances may be located, used, stored or generated or with respect to which remedial action may be necessary. City shall promptly deliver to HG Pines any notices related to any of the foregoing matters received prior to or after Closing. As used in this paragraph, "Environmental Laws" means all current and future federal, state, and local statutes, regulations, ordinances, and rules relating to (i) the emission, discharge, release, or threatened release of a hazardous substances into the air, surface water, groundwater, or land; (ii) the manufacturing, processing, use, generation, treatment, storage, disposal, transportation, handling, removal, remediation, or investigation of a hazardous substances; or (iii) the protection of human health, safety, or the indoor or outdoor environment, including, without limitation, the Clean Air Act, the Federal Water Pollution Control Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Occupational Safety and Health Act, all amendments thereto, all regulations promulgated thereunder, and their state or local statutory and regulatory counterparts.

10.1.10 There is no pending assessment or lien for public improvements with respect to the Land.

10.1.11 To the extent applicable, City has filed all federal, state and local tax returns, including sales tax returns, required to be filed.

10.1.12 This Agreement, and the certificates or other items prepared or supplied to the HG Pines, or on behalf of, City do not contain any untrue statements of a material fact or omit to state a material fact necessary to make each statement contained in this Agreement or other materials allowed to HG Pines not misleading. Copies of all documents referred to this Agreement which or have been delivered to HG Pines, are accurate and complete copies thereof, and include all amendments, supplements or modifications thereto or waives thereunder.

10.1.13 City has not received from any governmental authority having the power of eminent domain any written notice of any condemnation of the Land or any part thereof.

10.1.14 No bankruptcy, insolvency, rearrangement or similar action or proceeding, whether voluntary or involuntary, is pending or, to City's knowledge, threatened against City.

10.1.15 The operating statements and other financial reports regarding the Property provided by City to HG Pines were prepared by or for City in the ordinary course of its business, are the Operating Statements used and relied upon by City in connection with its operation of the Property and, to City's knowledge are true, correct and complete in all material respects as of the date thereof.

10.1.16 There are no employment agreements of any kind to which City is a party, including union or collective bargaining agreements, which will be binding on HG Pines after the Closing.

10.1.17 The Property is subject to the low or moderate income tenant requirements and other income-based restrictions set forth on Exhibit J hereto, and such requirement shall be in the Sub-Sublease.

10.1.18 Other than HG Pines, no party has a right or option to acquire City's interest in the Land or any interest in the Sublease.

10.1.19 Property Sold As Is, Where Is; Release. Except as otherwise provided herein, City makes and shall make no warranty regarding the title to the Property except as to any warranties which will be contained in the instruments to be delivered by City at Closing in accordance with this Agreement (including the Affidavit described in 4.3.10), and City makes and shall make no representation or warranty either expressed or implied (except as specifically set forth in the Agreement) regarding condition, operability, safety, fitness for intended purpose, use, governmental requirements, development potential, utility availability, legal access, economic feasibility or any other matters whatsoever with respect to the Property. HG Pines specifically acknowledges and agrees that City shall sub-sublease and HG Pines shall accept the sub-sublease the Property on an "AS IS, WHERE IS, AND WITH ALL FAULTS" basis and that, except for the City's representations and warranties set forth in this Agreement, HG Pines is not relying on any representations or warranties of any kind whatsoever, express or implied, from City, its agents, officers, or employees, as to any matter concerning the Property including, without limitation, any matter relating to (i) the quality, nature, adequacy or physical condition of the Property; (ii) the quality, nature, adequacy or physical condition of soils, fill, geology, or any groundwater; (iii) the existence, quality, nature, adequacy or physical condition of utilities serving the Property; (iv) the development potential, income potential, or expenses of the Property; (v) the Property's value, use, habitability, or merchantability; (vi) the fitness, suitability, or adequacy of the Property for any particular use or purpose; (vii) the zoning or other legal status of the Property; (viii) the compliance of the Property or its operation with any applicable codes, laws, rules, regulations, statutes, ordinances, covenants, judgments, orders, directives, decisions, guidelines, conditions, or restrictions of any governmental or quasi-governmental entity or of any other person or entity, including without limitation, environmental person or entity, environmental laws; (ix) the presence of Hazardous Materials, as defined herein, or any other hazardous or toxic matter on, under or about the Property or adjoining or neighboring property; (x) the freedom of the Property from latent or apparent defects; (xi) peaceable possession of the Property; (xii) environmental matters of any kind or nature whatsoever relating to the Property; (xiii) any development order or agreement, or (xiv) any other matter or matters of any nature or kind whatsoever relating to the Property.

As used herein, the term "Hazardous Materials" means (i) those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances" or "solid waste" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §960 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S. C. §1801 et seq., or the Clean Water Act, 33 U.S.C. §1321 et seq., as amended, and in the regulations promulgated pursuant thereto; (ii) those substances listed in the United States Department of Transportation Table (49 CFR §172.101) or by the Environmental Protection Agency as "hazardous substances," "hazardous materials," "toxic substances" or "solid waste;" (iii) such other substances, materials and wastes which are regulated, or classified as hazardous or toxic, under applicable local, state or federal laws, ordinances or regulations; and (iv) any material, waste or substance which is petroleum, asbestos, polychlorinated, biphenyls, flammable explosives or radioactive materials.

Notwithstanding the foregoing, from and after the Effective Date, City shall maintain the Property and shall cause the Property to be maintained in a manner generally consistent with past practices and in a manner fully compliant with applicable law and the City shall reasonably endeavor to prevent the introduction of any Hazardous Materials onto the Property and HG Pines shall have and is hereby granted the right to enter upon the Property to confirm the compliance of the City with the foregoing duties and

obligations. Any notices received by the City concerning an environmental condition, condemnation, code violation or other matter concerning the Property shall promptly be sent to HG Pines.

Notwithstanding the foregoing, the City does not and HG Pines acknowledges that City has not waived the provisions of sovereign immunity that exist within Section 768.28 of the Florida Statutes.

10.2 Survival of City's Representations and Warranties. The representations and warranties of City set forth in Section 10.1 shall be updated by City at Closing in accordance with Section 4.3.11 and shall survive the Closing for a period of one hundred and eighty (180) days following the Closing Date (the “Survival Period”). Subject to the City’s sovereign immunity under Section 768.28, Florida Statutes, and without a waiver of such, City shall indemnify and defend HG Pines against and hold HG Pines harmless from all claims, demands, liabilities, losses, damages, costs and expenses, including reasonable attorneys’ fees and disbursements, that may be suffered or incurred by HG Pines if any representation or warranty made by City in Section 10.1 hereof was untrue or incorrect in any respect when made, at the Closing, or that may be caused by any breach by City of any such representation or warranty. Notwithstanding the foregoing, City shall have no liability to HG Pines for a breach of any representation or warranty made by City under Section 10.1 hereof unless written notice containing a description of the specific nature of such breach has been given by HG Pines to City and HG Pines shall have commenced an action against City with respect to such breach prior to the expiration of the Survival Period. The sum of \$630,000.00 (the “Holdback Amount”) shall be withheld from the net sales proceeds otherwise due to City at Closing. The Holdback Amount shall be held by the Escrow Agent in an interest bearing account for the Survival Period as an additional source of payment for City’s obligations under this Agreement; provided, however, if HG Pines delivers written notice to City and Escrow Agent of a breach of representation by City prior to the expiration of the Survival Period, the Title Company shall continue to hold the Holdback Amount until such dispute is adjudicated or settled. If HG Pines fails to deliver any such notice during the Survival Period, the Escrow Agent shall return the entirety of the Holdback Amount (or the balance of the Holdback Amount less any amounts previously disbursed) plus interest to City promptly after the expiration of the Survival Period. Any disputed amounts for which HG Pines has timely delivered notice as required hereunder shall be held by the Escrow Agent until the earliest to occur of: (A) settlement of the action by an instrument executed in writing by City and HG Pines , which directs the disposition of the disputed amounts, (B) a final judgment has been entered by a court of competent jurisdiction in the action which directs the disposition of the disputed amounts, or (C) joint written instructions of City and HG Pines directing disposition of the disputed amounts. The provisions of this Section 10.2 shall survive Closing. At Closing, the parties shall each execute and deliver a holdback escrow agreement in the form to be mutually agreed upon by the Parties (the “Holdback Escrow Agreement”)

10.3 HG Pines’ Representations and Warranties. HG Pines represents and warrants to City as of the Effective Date as follows:

10.3.1 HG Pines is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida.

10.3.2 HG Pines has full power, right and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance of this Agreement by HG Pines have been duly and properly authorized by proper company action in accordance with applicable law and with the Articles of Organization of HG Pines. This Agreement is the legal, valid and binding obligation of HG Pines, enforceable against HG Pines in accordance with its terms (subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally), and does not, to HG Pines’ knowledge, violate any provision of any agreement or judicial order to which HG Pines is a party or to which HG Pines is subject. The person executing this Agreement on behalf HG Pines has been duly authorized to execute this Agreement.

10.3.3 Neither HG Pines nor, to HG Pines' knowledge, any direct or indirect owner of HG Pines is (a) identified on the OFAC List (as hereinafter defined) or (b) a person with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, rule, regulation or Executive Order of the President of the United States. The term "OFAC List" shall mean the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and any other similar list maintained by the U.S. Treasury Department, Office of Foreign Assets Control pursuant to any law, rule, regulation or Executive Order of the President of the United States, including, without limitation, trade embargo, economic sanctions, or other prohibitions imposed by Executive Order of the President of the United States.

10.4 Survival of HG Pines' Representations and Warranties. The representations and warranties of HG Pines set forth in Section 10.4 shall be deemed to be remade by HG Pines as of Closing and shall survive the Closing for the Survival Period.

11. OPERATION OF THE PROPERTY. From and after the Effective Date until the Closing Date or earlier termination of this Agreement:

11.1 Ordinary Course of Business. City shall continue to operate, manage and maintain the Property through the Closing Date in the ordinary course of City's business and substantially in accordance with City's present practice, subject to ordinary wear and tear.

11.2 Service Contracts. After the expiration of the Review Period, City shall not enter into any new written service contract with respect to the Property that will not be cancelable by HG Pines without penalty upon no greater than thirty (30) days' notice, without the prior written consent of HG Pines, which may be granted or withheld in HG Pines' sole discretion.

11.3 Property Insurance. City shall maintain in full force and effect property insurance on the Property through the Closing Date in an amount and with such coverages as are consistent with City's current business practices. After the Closing Date, HG Pines shall maintain in full force and effect property insurance on the Property and name City as an additional insured.

11.4 Personal Property. City shall not transfer or remove any Personal Property from the Property after the Effective Date except for repair or replacement thereof. Any items of Personal Property replaced after the Effective Date shall be promptly installed prior to Closing and shall be of substantially similar quality to the item of Personal Property being replaced.

11.5 Tenant Leases; Lease Modifications.

11.5.1 City shall keep, observe, and perform its obligations as landlord under the Tenant Leases. Notwithstanding anything contained herein to the contrary, City shall have the right, without the consent of HG Pines at any time prior to the Closing Date, to (i) enter into new residential leases (each a "New Lease") in the ordinary course of business provided such New Lease is on the City's standard form of lease agreement (which was provided to HG Pines as part of the Due Diligence Materials), at market rents and terms and for a term of not more than one (1) year, and (ii) extend or renew any existing residential lease in the ordinary course of business, provided such extension or renewal term is at market rents for not more than one (1) year (the "Permitted Leases").

11.5.2 City may enter into a New Lease or an extension or renewal of an existing lease that is not a Permitted Lease (each, a "Proposed Lease") only with HG Pines' prior written

consent. To the extent HG Pines' consent is required hereunder, City shall furnish HG Pines with a written notice of the Proposed Lease which shall contain all information that is reasonably necessary to enable HG Pines to make an informed decision with respect to the advisability of the Proposed Lease. If HG Pines fails to object in writing to any such Proposed Lease within ten (10) days after receipt thereof, HG Pines shall be deemed to have approved the Proposed Lease. HG Pines, in its sole and absolute discretion, shall be entitled to grant or withhold its consent with respect to any such Proposed Lease.

11.6 Further Encumbrance. Except as provided herein, City shall not further encumber the Property in any manner which would survive the Closing without the consent of HG Pines.

11.7 Listing of Property for Sale. From the Effective Date until the Closing Date, City agrees to not list, verbally or in writing, the City's interest in the Land with any broker or otherwise solicit or make or accept any offers to sell or assign the City's leasehold interest in the Land or enter into any contracts or agreements, including back-up contracts, regarding any disposition of the City's leasehold interest in the Land.

11.8 Stucco Replacement. From the Effective Date through and including the Closing Date, City shall diligently prosecute at its sole cost the stucco repairs currently underway on Building II as shown on Exhibit K (the "Stucco Repairs"). All warranties, lien waivers (if any), plans and valid permits with respect to the Stucco Repairs shall be provided and/or assigned to HG Pines at Closing.

11.9 Obligation to Provide Notices. City agrees to promptly provide HG Pines with copies of any and all notices which City receives from and after the Effective Date concerning (i) any proposed or threatened condemnation of the Land, (ii) any alleged violations of the Property with respect to applicable governmental laws or requirements, (iii) any litigation filed or threatened against City or the Property, or (iv) any other matter that adversely affects, or potentially could adversely affect, the Property.

12. MISCELLANEOUS.

12.1 Entire Agreement; Exhibits. All understandings and agreements heretofore had between City and HG Pines with respect to the Property are merged in this Agreement, which alone fully and completely expresses the agreement of the parties. All exhibits referenced herein and attached hereto are incorporated in this Agreement by this reference, with all forms subject to finalization.

12.2 No Modification. This Agreement shall not be modified or amended except in a written document signed by City and HG Pines.

12.3 Time of the Essence. Time is of the essence of this Agreement.

12.4 Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of Florida.

12.5 Notice. All notices, requests, demands or other communications required or permitted under this Agreement shall be in writing and delivered personally, by certified mail, return receipt requested, postage prepaid, by overnight courier (such as Federal Express), or by facsimile transmission or pdf electronic mail with a copy sent the same day by certified mail, return receipt requested, postage prepaid or by overnight courier, addressed as follows:

If to City:

If to HG Pines:

[REDACTED]

HG Pines
99 Conifer Hill Drive, Suite 304
Danvers, Massachusetts 01923
Attn: Elliott J. White

With copies to:

With copies to:

Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, Florida 33130
Attn: Brian J. McDonough

All notices given in accordance with the terms hereof shall be deemed received on the next business day if sent by overnight courier, on the same day if sent by facsimile or pdf electronic mail before 6:00 p.m. (Miami, Florida time) on a business day, on the third (3rd) business day following deposit with the United States Mail as a registered or certified matter with postage prepaid, or when delivered personally or otherwise received or refused. A notice given by counsel to a party hereunder shall have the same effect as if given by such a party. Either party hereto may change the address for receiving notices, requests, demands or other communication by notice sent in accordance with the terms of this Section 12.5.

12.6 Waiver of Trial by Jury. IN ANY LAWSUIT OR OTHER PROCEEDING INITIATED BY HG PINES OR CITY UNDER OR WITH RESPECT TO THIS AGREEMENT, HG PINES AND CITY EACH WAIVE ANY RIGHT IT MAY HAVE TO TRIAL BY JURY TO THE FULLEST EXTENT PERMITTED BY LAW.

12.7 Counterpart Signatures. This Agreement may be signed in any number of counterparts each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

12.8 Weekends and Legal Holidays. Whenever the time for performance of a covenant or condition required to be performed pursuant to the terms of this Agreement or the final date of any period which is set out in any provision of this Agreement falls upon a Saturday, Sunday or Federal or State of Florida holiday, such time for performance shall be extended to the next business day. Otherwise all references herein to "days" shall mean calendar days.

12.9 Signatures. Handwritten signatures to this Agreement transmitted by telecopy or electronic transmission (for example, through use of a Portable Document Format or "PDF" file or DocuSign) shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver to the other party an executed original of this Agreement with its actual signature, but a failure to do so shall not affect the enforceability of this Agreement, it being expressly agreed that each party to this Agreement shall be bound by its own telecopied or electronically transmitted handwritten signature and shall accept the telecopied or electronically transmitted handwritten signature of the other party to this Agreement.

12.10 Legal Representation. Each party hereto has been represented by legal counsel in connection with the negotiation of the transactions herein contemplated and the drafting and negotiation of this Agreement. Each party hereto and its counsel has had an opportunity to review and suggest revisions to the language of this Agreement. Accordingly, no provision of this Agreement shall be construed for or

against or interpreted to the benefit or disadvantage of any party by reason of any party having or being deemed to have structured or drafted such provision.

12.11 Prevailing Party Attorney Fees. In connection with any litigation arising out of the interpretation, enforcement or termination of this Agreement, the prevailing Party shall be entitled to recover from the nonprevailing Party all reasonable costs, charges, and expenses, including reasonable attorneys' and paralegal fees, incurred in connection with such litigation, whether at trial or on appeal. The terms of this Section 12.11 shall survive Closing or any earlier termination of this Agreement.

12.12 Assignment. HG Pines shall not assign this Agreement or HG Pines' rights under this Agreement without the prior written consent of City, not to be unreasonably withheld, provided, however, that HG Pines may assign this Agreement to an entity affiliated with HG Pines without the consent of City. HG Pines shall promptly deliver to City a true and complete copy of such assignment to City no later than five (5) days prior to Closing, which assignment shall contain a provision whereby such assignee assumes all of the obligations of HG Pines under this Agreement. No assignment of this Agreement or HG Pines' rights hereunder shall relieve HG Pines of its liabilities under this Agreement.

12.13 Effective Date. The Effective Date of this Agreement shall be the date upon which the last party to sign this Agreement has executed this Agreement. HG Pines shall confirm to City in writing the date of the Effective Date. HG Pines recognizes that though it has negotiated this Agreement with City's representatives and has signed it, City cannot execute this Agreement until it has fully complied with the provisions of Section 8.03 of City's Charter. If the City Commission of City approves this Agreement in accordance with Section 8.03 of the Charter, then the Effective Date shall be the date upon which City executes this Agreement.

12.14 Radon Gas Disclosure. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Additional information regarding radon and radon testing may be obtained from public health officials. By its execution of this Agreement, HG Pines acknowledges that (a) it has read and understands the foregoing radon warning, and (b) HG Pines has obtained or before the end of the Study Period shall obtain such studies and tests for radon as HG Pines deems appropriate. The provisions of this Section 12.14 shall survive the Closing or termination of this Agreement.

12.15 Public Records. The City of Pembroke Pines is a public agency subject to Chapter 119, Florida Statutes. HG Pines shall comply with Florida's Public Records Law. Specifically, HG Pines shall:

- a. Keep and maintain public records required by the City to perform the service;
- b. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in chapter 119, Fla. Stat., or as otherwise provided by law;
- c. Ensure that public records that are exempt or that are confidential and exempt from public record disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and, following completion of the contract, HG Pines shall destroy all copies of such confidential and exempt records remaining in its possession after HG Pines transfers the records in its possession to the City; and
- d. Upon completion of the contract, HG Pines shall transfer to the City, at no cost to the City, all public records the possession of HG Pines. All records stored electronically by HG Pines must be

provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

e. The failure of HG Pines to comply with the provisions set forth in this Article shall constitute a Default and Breach of this Agreement.

IF HG PINES HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO HG PINES' DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

**CITY CLERK
601 CITY CENTER WAY, 4th FLOOR
PEMBROKE PINES, FL 33026
(954) 450-1050
mgraham@ppines.com**

12.16 Scrutinized Companies. HG Pines, its principals or owners, certify that they are not listed on the Scrutinized Companies that Boycott Israel List, Scrutinized Companies with Activities in Sudan List, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or is engaged in business operations with Syria. In accordance with Florida Statute 287.135, as amended, a company is ineligible to, and may not, bid on, submit a proposal for, or enter into or renew a contract with any agency or local governmental entity for goods or services if:

- a. Any amount of, at the time bidding on, submitting a proposal for, or entering into or renewing such contract, the company is on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725 or is engaged in a boycott of Israel; or
- b. One million dollars or more if, at the time of bidding on, submitting a proposal for, or entering into or renewing such contract, the company:
 - i. Is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to s. 215.473; or
 - ii. Is engaged in business operations in Syria.

12.17 Compliance with Foreign Entity Laws. HG Pines ("Entity") hereby attests under penalty of perjury the following:

- a. Entity is not owned by the government of a foreign country of concern as defined in Section 287.138, Florida Statutes. (Source: § 287.138(2)(a), Florida Statutes);
- b. The government of a foreign country of concern does not have a controlling interest in Entity. (Source: § 287.138(2)(b), Florida Statutes);
- c. Entity is not owned or controlled by the government of a foreign country of concern, as defined in Section 692.201, Florida Statutes. (Source: § 288.007(2), Florida Statutes);
- d. Entity is not a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country of concern, as defined in Section 692.201, Florida Statutes, or a subsidiary of such entity. (Source: § 288.007(2), Florida Statutes);

- e. Entity is not a foreign principal, as defined in Section 692.201, Florida Statutes. (Source: § 692.202(5)(a)(1), Florida Statutes); and
- f. Entity is in compliance with all applicable requirements of Sections 692.202, 692.203, and 692.204, Florida Statutes.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, City and HG Pines have executed and delivered this Agreement as of the date first above written.

CITY:

**THE CITY OF PEMBROKE PINES, a municipal corporation
of the State of Florida**

By:

By:_____

Name:_____

Its:_____

HG PINES:

HG PINES, LLC, a Florida limited liability company

By: _____
Elliott White, Manager

EXHIBITS

- A — Legal Description
- B — Earnest Money Escrow Instructions (Joint Escrow)
- C — Form of Memorandum of Sub-Sublease
- D — Form of Bill of Sale
- E — Form of Tenant Notice Letter
- F — Form of Assignment and Assumption of Tenant Leases, Security Deposits and Service Contracts
- G — Form of Sub-Sublease
- H — Sublease
- I — Lease
- J — Income-Based Restrictions
- K — Stucco Repairs

EXHIBIT A
LEGAL DESCRIPTION