PARKING SPACE AGREEMENT AND COVENANT

THIS PARKING SPACE AGREEMENT AND COVENANT (the "Agreement") is made and entered into effective as of this 24 day of 20, by and between CDR Delray FEC. LLC, a Florida limited liability company (hereinafter referred to as "CDR"), with its principal office located at 2665 S. Bayshore Drive, Suite 605B, Miami, Florida 33133 and the City of Delray Beach, a municipal corporation of the State of Florida (hereinafter referred to as "City"), with offices located at 100 N.W. Ist Avenue, Delray Beach, Florida 33444.

RECITALS:

- A. CDR is the lessee under that certain Real Estate Lease with FEC ROW, LLC, a Delaware limited liability company (the "FEC") dated December 12, 2017 (the "FEC Lease"), with respect to certain real property described on Exhibit "A" hereto (the "FEC Real Property), and CDR represents and warrants that it is the fee simple owner of the real property where the OG Restaurant and Bar is located, which is more fully described as: 166 SE 2nd Avenue, Delray Beach, FL 33444 (hereinafter referred to as the "OG Property"). CDR presently has a conditional use conversion application pending (Application No. 2020-024 ("Application")) with the City to convert the use of the OG Property from Freestanding Bar use to Restaurant use, and one condition which CDR must satisfy before the City can consider approving the Application is for CDR to provide either Twenty-Nine (29) additional off-site parking spaces or pay to the City an in lieu parking fee for Twenty-Nine (29) parking spaces (hereinafter referred to as the "Parking Condition");and
- B. CDR desires to construct and install, at its sole cost and expense, sixty-one (61) parking spaces within the FEC Real Property in accordance with the Conceptual Parking Plan and paving and grading plans attached hereto as Exhibit "B" (the "Project") and, accordingly, desires to enter into this Agreement with City to satisfy the Parking Condition by providing Twenty-Nine (29) off-site parking spaces instead of paying the City an in lieu parking fee (to satisfy the Parking Condition), and thirty-two additional parking spaces for use of the general public; and
- C. CDR desires to enter into this Agreement with the City with respect to the Project, management, and enforcement of the parking spaces, all in accordance with the terms and conditions of this Agreement and for CDR to comply with Article 4.6 of the City's Land Development Regulations with respect to satisfying the Parking Condition; and
- D. The Delray Beach City Commission, pursuant to Resolution No. <u>208-19</u> adopted <u>November 19, 2019</u> (the "Enabling Resolution"), authorized negotiation and execution of this Agreement with CDR, as being in the best interest of the City; and
- E. The City has determined that the Project serves a public purpose in that it will provide needed parking spaces within the City which will improve community activity and enhance the quality of life in the City; and
 - F. CDR acknowledges that the FEC Lease may be terminated by FEC, and agrees that if, for any reason, within ten (10) years after the first Parking Revenues (as defined below)

have been collected by City, the FEC Lease is terminated, and CDR no longer has the right to use the FEC Real Property to satisfy the Parking Condition, CDR will be required to pay to the City the in lieu parking fee for Twenty-Nine (29) parking spaces to satisfy the Parking Condition not less than ten (10) days prior to the effective date of the FEC Lease termination, failing which, the City's approval of the Application will automatically be revoked. CDR will be in violation of the City's Code and Ordinances, and the City will have the right, without limitation, to prohibit CDR from operating the converted use or any other use of the OG Property which is then not in compliance with the City's Codes and Ordinances.

NOW. THEREFORE, in consideration of Ten and No/100 Dollars (\$10.00) and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CDR and the City hereby agree that the foregoing recitals are true and correct and further agree as follows:

- (1) <u>Incorporation by Reference</u>. The recitals set forth in the preamble to this Agreement are incorporated by reference as though set forth in full herein and made a part hereof.
 - (2) Definitions. For purposes of this Agreement:
 - (a) "Parking Revenue" shall mean all gross income derived by the City from the sixty-one (61) Parking Spaces constructed on the FEC Real Property as part of the Project plus all parking enforcement fines and penalties related to such parking spaces.
 - (b) "Person" shall mean any individual, general, limited or limited liability partnership, limited liability company, trust, governmental authority or other organization or entity.
 - (c) "Parking Spaces" refers collectively to all sixty-one (61) parking spaces that CDR will construct on the FEC Real Property. "Public Parking Spaces" shall mean the thirty-two additional parking spaces for the use of the general public. "Off Site Parking Spaces" shall mean the Twenty-Nine (29) parking spaces CDR needs to satisfy the Parking Condition.
- that the FEC. lessor of the FEC Lease. is the holder of an easement on the FEC Real Property and the fee simple owner of the FEC Real Property is Florida East Coast Railway, LLC, a Florida limited liability company ("Railway"), and under the current FEC Lease, the FEC's and Railway's approval is required of this Agreement and prior to construction of any alterations contemplated by the Project to the FEC Real Property, including without limitation the sixty-one Parking Spaces, which may be withheld in the FEC's and Railway's sole discretion. CDR further acknowledges and agrees that (a) pursuant to the current FEC Lease, the FEC may acquire ownership of all or a part of the improvements constituting the Project, including without limitation the sixty-one (61) Parking Spaces, or require that such improvements, in whole or in

part, be removed upon expiration or earlier termination of the FEC Lease; and (b) the terms of the FEC Lease automatically renew for 12-month periods, provided, that, the FEC may terminate the FEC Lease by written notice given thirty (30) days prior to expiration of any 12-month renewal period. At any time, should FEC terminate its lease with CDR, CDR shall be solely responsible for costs to remove the improvements. This Agreement is contingent upon its written approval and the written approval of the Project improvements by FEC and Railway which approval must be obtained on or before the final City public hearing conducted to consider the approval of CDR's use conversion ("Approval Date"). CDR shall be responsible for seeking and obtaining approval from FEC and Railway, at CDR's sole cost and expense. In the event written approval of this Agreement or the Project improvements are not approved by both FEC and Railway on or before the Approval Date, this Agreement, at the option of City, may be canceled by the City by delivering written notice of cancellation to CDR within ten (10) days after the Approval Date. Upon cancellation, this Agreement shall be of no force or effect. CDR acknowledges and agrees that the City may withhold approval of the Application until FEC and Railway approve this Agreement, without prejudice to CDR to satisfy the Parking Condition by means other than this Agreement.

- Construction of the Project. CDR hereby covenants and agrees to commence construction of the Project as soon as feasible at its sole cost and expense and in accordance with the Conceptual Parking Plan and the City's Codes and Ordinances, which construction shall include, without limitation, soft costs, permitting, grading, paving, drainage, lighting, sidewalks and adequate safety fencing (in accordance with Section 17 of the FEC Lease) along the entire FEC Real Property. CDR acknowledges and agrees that it may not operate the converted use on the OG Property until construction of the sixty-one (61) Parking Spaces is properly completed in accordance with the City approved Conceptual Parking Plan, including without limitation, all signage. City shall install parking meters within a reasonable time after CDR's completion of construction of the Parking Spaces. The cost and expenses of the Parking Spaces parking meters. the City's installation of the Parking Spaces parking meters, and/or the City automated parking fee collection system for the Parking Spaces in the amount of \$7,452.00 shall be paid by CDR ("Parking Meter Costs"). CDR shall pay the Parking Meter Costs to City within ten (10) days after CDR's commencement of construction of the Project. City may withhold or revoke approval of the Project or CDR's application for conversion of use in the event CDR does not timely pay the Parking Meter Costs to City, time being of the essence. All work by CDR pursuant to this Agreement shall be performed in compliance with all applicable governmental rules, laws, ordinances, and building codes, and in a good, workmanlike, non-negligent manner. CDR shall indemnify and hold the City harmless from and against any and all claims, demands, attorney's fees, and liabilities that may arise in connection with or related to CDR's construction of the Parking Spaces.
- (5) <u>Parking Revenue and Enforcement</u>. City, at City's expense, shall collect all Parking Revenue and shall have authority to enforce all applicable parking regulations on the FEC Real Property. Parking Revenue shall be distributed as follows:
 - (a) 100% of the Parking Revenue, less and excepting the reasonable costs of City enforcement of the Parking Spaces which the parties agree is One Thousand Four Hundred and No/100 Dollars (\$1,400.00) per month, and fines and penalties collected by

City related to the enforcement of the City's parking regulations on the FEC Real Property, shall be paid to CDR until CDR is fully reimbursed for the reasonable cost of construction of the sixty-one (61) Parking Spaces, but in no event shall this amount exceed Three Hundred Twenty-Five Thousand and No/100 Dollars (\$325,000) (hereinafter referred to as the "Reimbursed Construction Costs").;

(b) From and after City has paid CDR in full for the Reimbursed Construction Costs from the Parking Revenue collected by the City. City and CDR shall share the Parking Revenue collected by the City in the following manner: The Parking Revenue, less all parking enforcement fines and penalties related to such Parking Spaces, and less the monthly cost of the City's enforcement of the Parking Spaces, is hereinafter referred to as the "Net Parking Revenue". The City shall pay to CDR fifty percent (50%) of the Net Parking Revenue ("CDR's Share"). CDR's Share shall be paid to CDR in arrears on a quarterly basis within thirty (30) days after the end of each quarterly period. Nothing in this section shall convey any interest in the City's enforcement fees generated from the Parking Spaces to CDR, and further CDR acknowledges that is not entitled to, nor seeks the City's Parking enforcement fees.

Upon completion of the construction of the Parking Spaces by CDR. CDR shall provide an audited accounting of the costs of construction of the Parking Spaces to the City for its review and acceptance.

The City shall provide to CDR a quarterly report in adequate detail of the Parking Revenue derived for the preceding three month periods at the same time the City pays CDR's Share separately identifying parking meter revenues and enforcement revenues.

The City has the authority to continuously enforce its parking regulations related to the sixty-one (61) Parking Spaces on the FEC Real Property during the same times as enforced on Atlantic Avenue, as provided in the City's Codes and Ordinances, or as otherwise agreed to by the parties. Any and all fees, fines, or penalties collected by City from parking enforcement shall exclusively be for the City.

Que of Spaces. CDR shall have the right to use the Twenty-Nine (29) Off Site Parking Spaces to satisfy the Parking Condition, with the balance of the Parking Spaces (thirty-two (32) parking spaces) to be available to the general public. City acknowledges that in the future. CDR may seek other, unrelated development approvals that may require off site parking and if any Parking Spaces are not needed to satisfy the Parking Condition ("Excess Parking Spaces"), CDR may request the City to consider whether any of the Excess Parking Spaces can be used to satisfy any off-site parking requirements of the City's Codes and Ordinances. City has no obligation to grant CDR's request by CDR to use any Excess Parking Spaces for such unrelated development approvals, and at minimum, approval by City is contingent upon CDR's compliance with all applicable City Codes and Ordinances which may relate to CDR's request. CDR's use of the Parking Spaces shall at all times comply with the applicable provisions of the City's Codes and Ordinances.

- Maintenance. CDR, at its sole cost and expense, shall cause any and all maintenance, repairs, and replacements to be made to the Parking Spaces as may be necessary or appropriate from time to time to keep the Parking aces in a commercially reasonable condition and in good repair. Maintenance items include, without limitation, the surface of the parking lot, the concrete underlay, curbs, gutters, lighting facilities, striping, markers, and directional signs. City shall have no obligation to maintain, repair, or replace, any portion of the Parking Spaces, and shall have no obligation to pay or reimburse Developer any portion of the costs and expenses Developer incurs in its maintenance, repair, or replacement of the Parking Spaces. CDR shall indemnify and hold the City harmless from and against any claim, demand suit, liability or other cause of action whatsoever, whether accrued, unaccrued, known or unknown (collectively a "Claim"), and including without limitation any attorney's fees and costs City might incur defending any Claim, that may arise in connection with CDR's obligation of maintenance of the Parking Spaces as set forth in this Paragraph, and/or any other obligation of CDR under this Agreement wherein it is alleged that CDR has breached this Agreement, or a Claim is based upon CDR's negligence or other wrongful conduct.
- (8) Termination of FEC Lease. In the event, for any reason, the FEC Lease is terminated or CDR no longer has the right to use the FEC Real Property to satisfy the Parking Condition, except as provided in paragraph (8)(a) of this Agreement, CDR shall, not less than ten (10) days prior to the effective date of the FEC Lease termination, either pay to the City the in lieu parking fee for Twenty-Nine (29) parking spaces (or enter into an in lieu off-site parking space fee agreement as allowed by the City's Code), or otherwise satisfy the Parking Condition, failing which, the City's approval of the Application will automatically be revoked, CDR will be in violation of the City's Code and Ordinances, and the City will have the right, without limitation, to prohibit CDR from operating the converted use or any other use of the OG Property which is then not in compliance with the City's Codes and Ordinances. City may exercise any rights and seek any remedies as provided by this Agreement, the City's Code and Ordinances, and as provided by law, whether legal or equitable, and all such rights and remedies shall be cumulative.
- a. If this Agreement has been in effect for at least ten (10) years from the date the City first collects Parking Revenue. CDR has not been and presently is not in default of this Agreement CDR has continuously satisfied the Parking Condition, and there have been not less than Thirty-Two (32) Public Parking Spaces on the FEC Real Property (in addition to the Off Site Parking Spaces) continuously for general public use, then the alternative in lieu parking fee needed by CDR to satisfy the Parking Condition shall be deemed satisfied.
- b. FEC and Railway shall deliver to City a copy of any termination notice or default notice of CDR under the FEC Lease at the same time and in the same manner it provides notice of default to CDR. CDR shall delivery a copy of any FEC Lease termination or default notice it receives from either FEC or Railway to the City within one (1) business day after CDR's receipt of the notice.
- c. City may, but shall have no obligation, to cure any default of CDR under the FEC Lease, and if the City cure a default, CDR shall upon City's written demand, reimburse City for any costs, fees, or expenses it incurs in curing the default.

- CDR's FEC Lease Obligations. CDR shall at all times comply with the FEC Lease. CDR shall indemnify and hold the City harmless from and against any claim, demand suit, liability or other cause of action whatsoever, whether accrued, unaccrued, known or unknown (collectively a "Claim"), and including without limitation any attorney's fees and costs City might incur defending any Claim, that may arise in connection with CDR's obligations under the FEC Lease. A default by CDR of the FEC Lease shall be deemed a default of this Agreement by CDR. CDR may not modify or amend the FEC Lease without obtaining City's written approval. CDR shall provide a Certificate of Insurance to City in the coverage amounts and the types required of CDR by the FEC Lease, naming the City as an additional insured, and CDR shall maintain such insurance coverage at its sole cost and expense, during the term of this Agreement. In the event of casualty loss, theft, or destruction or damage to any improvements. CDR, at its sole cost and expense, shall promptly repair and/or replace the improvements.
- (10) <u>Term of Agreement.</u> This Agreement shall commence on the Effective Date and shall continue until the earlier of:
- a. CDR satisfies the Parking Condition by a City approved means of other than the off site parking of thirty-one parking spaces on the FEC Real Property;
- b. If CDR is in default of this Agreement, City shall have the option of terminating this Agreement by delivering written notice of termination to CDR, without City waiving any other rights or remedies.
- c. FEC or Railway fail to approve this Agreement and City exercises its option to cancel this Agreement.

In the event of termination. CDR shall be responsible, at its sole cost and expense, for removing any improvements on or restoring the FEC Real Property as may be required or demanded by FEC or Railway.

(11) Covenant Runs With The FEC Real Property. The covenants and agreements contained in this Agreement shall run in favor and inure to the benefit of the City and shall be binding upon CDR and its successors and assigns. And shall be covenants which run with the FEC Real Property. City may record this Agreement.

(12) Governmental Functions.

- a. The parties agree that this Agreement shall not constitute a waiver of any portion of the City of Delray Beach's Code of Ordinances, Land Development Regulations, or any other applicable law, code, or regulation, and that the Owner shall comply with all applicable statutes, codes, regulations, and ordinances that apply to CDR's performance of its obligations pursuant to this Agreement.
- b. To the extent approval or permission must be obtained from the City of Delray Beach, such approval or permission shall be granted or denied in accordance with applicable governmental regulations, rules, laws, and ordinances, and no person shall have any vested rights.
 - c. The City has not waived its sovereign immunity and the limits of tort

liability set forth in F. S. §768.28(5), as may be amended from time to time. Nothing contained in this subparagraph or elsewhere in this Agreement is in any way intended to be a waiver of the limitation placed upon the City's liability as set forth in Florida Statutes, Section 768.28; and

- d. Any action by City shall be without prejudice to and shall not constitute a limit or impairment or waiver of, or otherwise affect the City's right to exercise its discretion in connection with its governmental or quasi-governmental functions.
- exercise any right, power or remedy inuring to any party upon any breach or default of any party under this Agreement shall impair any such right, power, or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence to such a breach of default, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default under this Agreement before or after occurring, nor shall there be any estoppel to enforce any provision of this Agreement, except by written instrument signed by the party charged with such waiver or estoppel. All remedies either under this Agreement or by law or otherwise afforded to the parties shall be cumulative and not alternative.

(14) Miscellaneous.

- appropriate actions in law and in equity by any party to this Agreement. IN ORDER TO EXPEDITE THE CONCLUSION OF THE ACTIONS BROUGHT PURSUANT TO THIS AGREEMENT, THE PARTIES, THEIR SUCCESSORS AND ASSIGNS HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY. Each party shall bear their own respective attorney's fees, provided, that, a court of competent jurisdiction may award costs to a prevailing party.
- (b) <u>Counterparts</u>. This Agreement may be executed in any number of counterparts and by the separate parties hereto in separate counterparts, each of which when taken together shall be deemed to be one and the same instrument.
- (c) <u>Successors and Assigns</u>. Except as otherwise provided herein, this Agreement may not be assigned, sold, pledged, hypothecated or encumbered, in whole or in part, including to an institutional lender providing construction funding for construction of the Project, without the prior approval of the City; which shall not be unreasonably withheld. Nothing contained in this Agreement shall be construed to confer upon any other party the rights of a third-party beneficiary.

- (d) Construction of Agreement. The section headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation hereof. All of the parties to this Agreement have participated fully in the negotiation of this Agreement, and accordingly, this Agreement shall not be more strictly construed against any one of the parties hereto. In construing this Agreement, the singular shall be held to include the plural, the plural shall be held to include the singular, and reference to any particular gender shall be held to include every other and all genders.
- (e) Notices. Any and all notices required or desired to be given hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand (including recognized overnight courier services, such as Federal Express), facsimile or email if a business day or, if not, on the next business day or four (4) business days after deposit in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, and addressed to the recipient at the address for such party set forth in the introductory paragraph to this Agreement (or to such other address as any party hereunder shall hereafter specify to the other in writing).

City: City Manager
City of Delray Beach
100 NW First Avenue
Delray Beach, FL 33444

With a copy to: City Attorney
City of Delray Beach
200 NW First Avenue
Delray Beach. FL 33444

CDR:

With a copy to:

2665 South Bayshore Drive, Suite 605B

Miami, Florida 33133 Attn: Clifford Rosen

Email: cdrosen@rosenassoc.com

Saul Ewing Arnstein & Lehr, LLP 515 N. Flagler Drive, Suite 1400 West Palm Beach, Florida 33401

Attn: Neil Schiller, Esq. Email: neil.schiller@saul.com

- (f) Severability. In the event any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted as such authority determines, and the remainder of this Agreement shall be construed in full force and effect.
- (g) <u>Exhibits</u>. All of the Exhibits attached to this Agreement are incorporated herein and made a part of this Agreement.
- (h) <u>Amendments</u>. This Agreement may not be amended or modified except by written agreement of the parties hereto, employing the same formalities as were used in

the execution of this Agreement.

- (i) Limitation of Damages. IRRESPECTIVE OF THE TERMS
 CONTAINED HEREIN OR OTHERWISE, NEITHER PARTY WILL BE LIABLE TO
 THE OTHER PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL,
 PUNITIVE, EXEMPLARY DAMAGES OR OTHERWISE OR FOR LOSS OF USE
 ARISING OUT OF OR RELATED TO THIS AGREEMENT.
 - (i) Intentionally Omitted.
- (k) <u>Entire Agreement</u>. This Agreement and the exhibits hereto constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings and arrangements, both oral and written, between the parties with respect thereto.
- (l) Governing Law; Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Florida. The parties hereby irrevocably agree, in any suit, action or proceeding arising out of or relating to this Agreement or any transactions contemplated hereby (whether during the term hereof or after its termination or expiration), to submit to the exclusive jurisdiction of any court located in Palm Beach County, Florida, and waive all other possible forums and any and all objections to such jurisdiction or venue that they may have under the laws of any state or country, including, without limitation, any argument that jurisdiction, situs and/or venue are inconvenient or otherwise improper. Each party further agrees that process may be served upon such party in any manner authorized under the laws of the United States or Florida, and waives any objections that such party may otherwise have to such process.
- (m) No Joint Venture. None of the parties intend to create hereby any joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business between themselves. Each of the parties agrees that it is acting solely as an independent contractor hereunder and that it is not, and shall not hold itself out to be, an employee, partner or agent of the other, and that it shall determine the manner, means and method in which it shall perform its obligations hereunder and shall have sole control over thereof.
- (n) <u>Time is of the Essence</u>. Time is of the essence in the performance of all duties and responsibilities of CDR under this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURE PAGES FOLLOW]

TWO WITNESSES AND A NOTARY BLOCK MUST BE ADDED

ATTEST:

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

CITY OF DELRAY BEACH

By: Halem Show Name: Title:	Name. Supare holan Title: Assistant City Manager on behalf of George
APPROVED AS TO FORM AND LEGAL SUFFICIENCY By: City Attorney	
A. C. C.	Florida limited tiability company By: Name: Curfford Rose of Title: Marries
	before me by means of physical presence or online of the physical presence of the physical prese
Personally known X OR Produced Identify Type of Identification Produced	Notary Public – State of Florida ESTHER CASTRO Notary Public - State of Florida Commission # GG 297389 My Comm. Expires Feb 12, 2023 Bonded through National Notary Assn.



EXHIBIT B

Site Engineering Plans

for

SE 2ND AVENUE PARKING EXPANSION PER FEC LEASE AGREEMENT CITY OF DELRAY BEACH, FLORIDA

ENGINEER

ENFRSIFED CONSTRUCTION & ENGINEERING SERVICES 2295 N.W. CORPORATE BLVC. SUIT 125 BOCA RATON, PL. 33431 [561], 750-3717

LANDSCAPE ARCHITECT

OWNER/DEVELOPER



LOCATION MAP

OF THE PERSON AND AND AND AND

INDEX OF DRAWINGS

JOVE RISPLET

LOVENSHEET

- PAINC & PADING PLAN

-2 SECTIONS

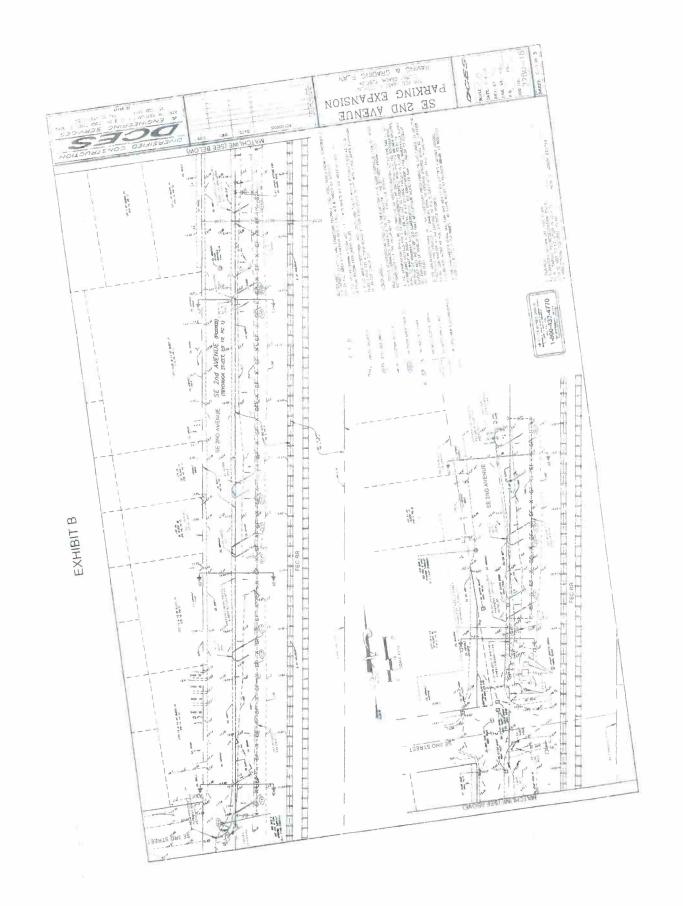
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-4 PAVEMENT MARKING & SIGNING DETAILS

-5 EROSION CONTROL DETAILS

LAND DESCRIPTION:

SE 2ND AVENUE PARKING EXPANSION



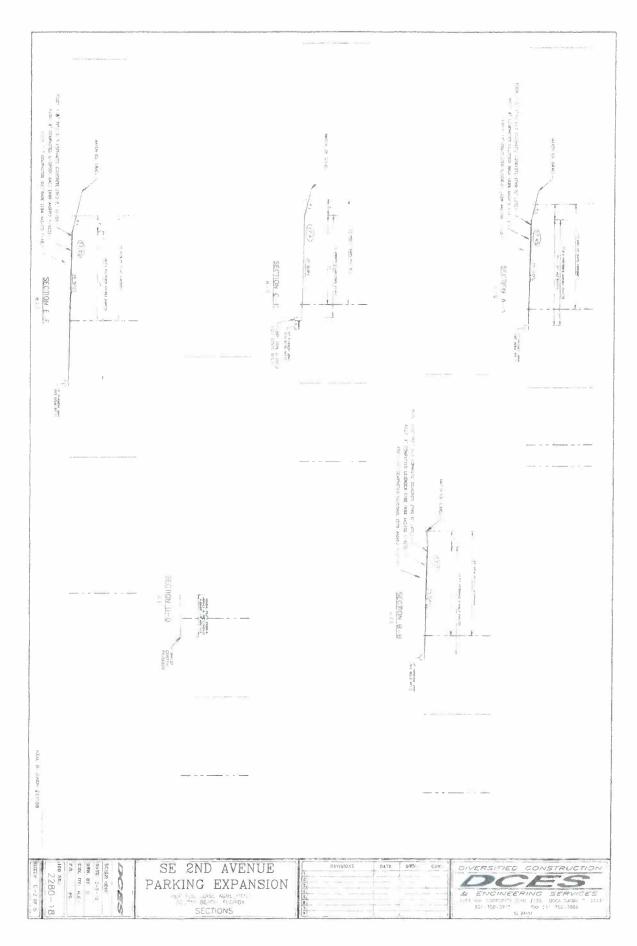


EXHIBIT B

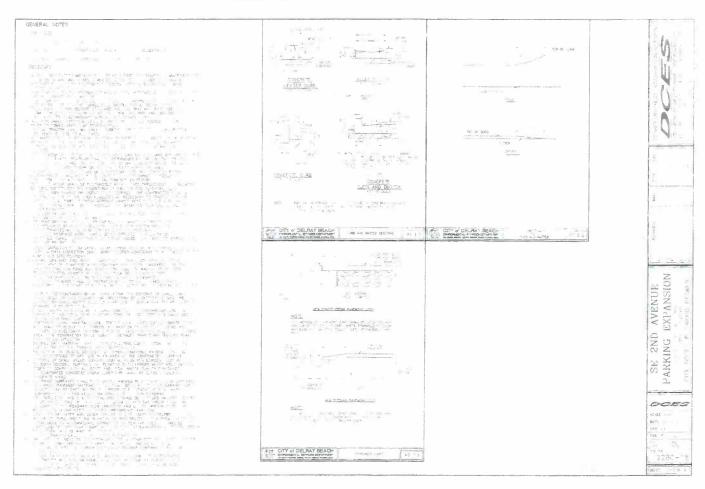
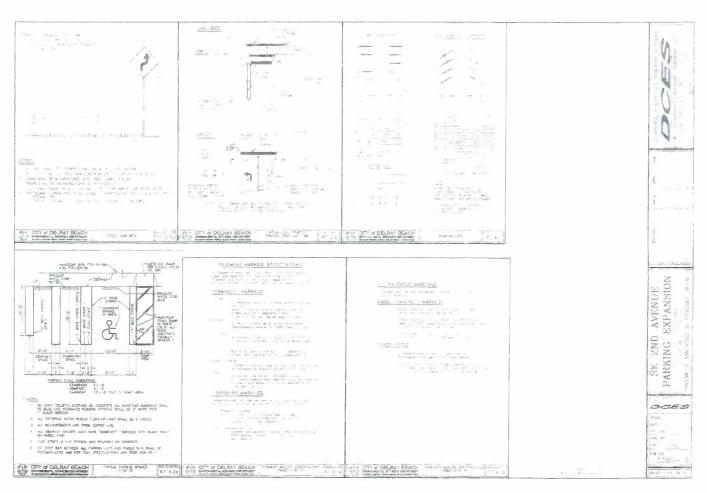
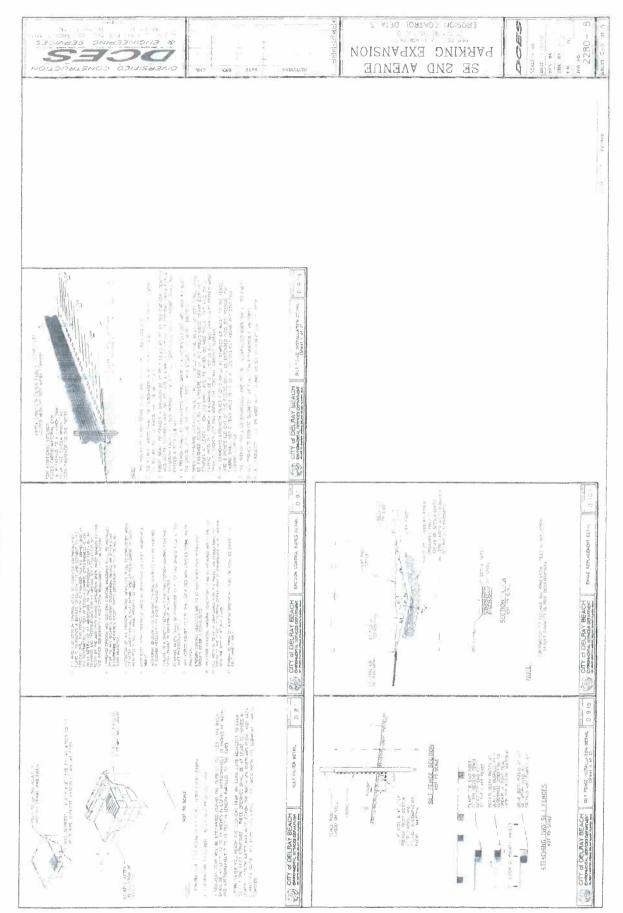


EXHIBIT B





Covelli Service Covelli Servic Delray Beach Florida Orenza: CDR Deliay FEC LLC STATE OF THE STATE randscape Plan 111 Plant Key Landscape Plan



Conceptual Parking Plan

Total Spaces - 71
North of 2nd Street
16 Spaces
South of 2nd Street
55 Spaces
IND provided for Audicid Str. (Sec.)

Conceptual Parking Plan CDR Dehay FEC, L.C Defray Beach Florida

