

RESOLUTION NO. R-2018-120

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, GRANTING CONSENT TO THE TRANSFER, BY MARGARITAVILLE HOLLYWOOD BEACH RESORT, L.P. (THE "SELLER") TO MVHF, LLC (THE "BUYER"), OF SELLER'S INTEREST IN THE MARGARITAVILLE BEACH RESORT HOTEL.

WHEREAS, the Seller and the City of Hollywood entered into an Amended and Restated Development Agreement and Ground Lease dated as of June 21, 2013 (the "Agreement"); and

WHEREAS, the Seller has notified the City of its intent to transfer all of its interest in the Project, as defined in the Agreement, to the Buyer, and pursuant to Article V of the Agreement, the Seller has requested the City's consent to such transfer; and

WHEREAS, the Agreement expressly requires, as a part of the City's consent to a transfer under Article V of the Agreement, the City's approval of the transferee as an "Acceptable Owner", as defined in Exhibit "A" attached to the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated in this Resolution.

Section 2: That it approves the Buyer as an "Acceptable Owner" and consents to the proposed transfer from the Seller to the Buyer.

Section 3: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

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PASSED AND ADOPTED this 18 day of April, 2018.


JOSH LEVY, MAYOR

ATTEST:


PATRICIA A. CERNY, MMC
CITY CLERK

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY for the use and reliance
of the City of Hollywood, Florida only:


DOUGLAS R. GONZALES
CITY ATTORNEY

EXHIBIT "A"
ACCEPTABLE OWNER DEFINITION

A. "Acceptable Owner" means any individual, corporation or other entity which has, at a minimum, the following qualifications:

1. The proposed owner must possess the qualifications, good reputation and financial resources necessary for the ownership of the Project, according to the Trademark Agreements and this Lease, in a manner consistent with the quality, reputation and economic viability of the Project.

2. The proposed owner shall have no outstanding material violations of any Governmental Requirement against the proposed owner, or any hotel or other property owned or managed by such proposed owner, or an Affiliate of such proposed owner, within Florida, which have remained uncured for more than ninety (90) days.

3. The proposed owner must not be owned, controlled or run by entities or individuals who have been convicted, or are presently under indictment, for felonies under the laws of any foreign or United States of America jurisdiction. But, the foregoing shall not apply to individuals or entities owning less than a ten (10%) percent equity interest in the proposed owner, other than officers, directors, managers or others who have the power to direct and control the business and affairs of the proposed owner.

4. The proposed owner must not (nor any of the individuals or entities who own at least a ten (10%) percent equity interest in the proposed owner or are officers, directors, managers or otherwise have the power to direct and control the business and affairs of the proposed owner) have filed or been discharged from bankruptcy, or have been the subject of an involuntary bankruptcy, reorganization or insolvency proceedings within the past five (5) years (bankruptcy filings by affiliates shall not disqualify a proposed owner, unless such affiliates are any of the individuals or entities described in the parenthetical immediately above).

5. The proposed owner must not in its charter or organizations documents (defined as the articles of incorporation and bylaws for any corporation, the partnership agreement and partnership certificate for any partnership, the trust agreement for any trust and the constitution of the relevant government for any governmental entity, but expressly excluding any statements, positions, actions or allegations not contained in such charter organizational documents) expressly advocate or have as its stated purpose: (a) the violent overthrow of or armed resistance against, the U.S. government; or (b) genocide or violence against any persons; or (c) discrimination, hatred or animosity toward persons based solely on their race, creed, color, sex or national origin.

B. "Acceptable Owner Criteria": The foregoing five (5) categories of requirements are collectively defined as the "Acceptable Owner Criteria."

C. Evaluation of the "Acceptable Owner Criteria": Solely for the purpose of evaluating whether the proposed owner has met the five (5) criteria set forth above, it, he or she shall provide the following information to the Developer, which shall provide a copy to be reviewed by the City:

- (i) Information sufficient for the Hollywood Police Department to perform a background check according to Chapter 95 of the City of Hollywood Code of Ordinances;
- (ii) Financial statements reflecting the proposed owner's financial ability to meet the obligations and requirements for purchasing the Project;
- (iii) A list of all bankruptcies filed by or which the proposed Acceptable Owner was a party-bankrupt, if any;
- (iv) A list of all pending litigation, liens or claims in which the proposed owner is currently involved; and
- (v) A list of four (4) persons or firms with whom proposed owner has conducted business transactions during the past three (3) years. At least two (2) of those references must have knowledge of the proposed owner's debt payment history.

D. Approval Process: Regarding the issue of approving a proposed owner as an Acceptable Owner, the parties hereby agree that:

- (i) It is understood and agreed that the City will not unreasonably withhold its consent if the proposed Acceptable Owner complies with the Acceptable Owner Criteria;
- (ii) If a proposed Transfer requires the City's consent, Developer shall deliver written notice to the City, which shall confirm the identity of the proposed owner, and shall include with such notice:
 - (a) copies of any applicable operating licenses;
 - (b) identification of the hotels owned or managed by the proposed owner;
 - (c) the resume of the proposed owner, senior executives, and other key employees thereof, including without limitation, identification of and duration, of hotel ownership experience; and
 - (d) such other evidence as is commercially reasonably necessary to establish that the new entity proposed to be the Acceptable Owner, meets the Acceptable Owner Criteria.
- (iii) The City shall have forty-five (45) days after the delivery of such written notice and the information required under subparagraphs D(i) and (ii) immediately above, to determine whether, on a commercially reasonable basis, the proposed owner meets the Acceptable Owner Criteria.

- (iv) Provided that no Event of Default is then continuing, Developer's request for approval shall be deemed approved if (i) the first correspondence from Developer to City requesting such approval or consent is in an envelope marked "PRIORITY" and contains a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that "FIRST NOTICE: THIS IS A REQUEST FOR CONSENT UNDER SECTION 5.4. OF THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND GROUND LEASE, DATED AS OF JUNE [21], 2013, AND FAILURE TO RESPOND TO THIS REQUEST WITHIN FORTY-FIVE (45) DAYS MAY RESULT IN THE REQUEST BEING DEEMED GRANTED", and is accompanied by the information and documents required above, and any other information reasonably requested by City in writing prior to the expiration of such forty-five (45) day period in order to adequately review the same has been delivered; and (ii) if City fails to respond or to deny such request for approval in writing within the first thirty (30) days of such forty-five (45) day period, a second notice requesting approval is delivered to City from Developer in an envelope marked "PRIORITY" containing a bold-faced, conspicuous (in a font size that is not less than fourteen (14)) legend at the top of the first page thereof stating that "SECOND AND FINAL NOTICE: THIS IS A REQUEST FOR CONSENT UNDER SECTION 5.4 OF THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND GROUND LEASE, DATED AS OF JUNE [21], 2013. IF YOU FAIL TO PROVIDE A SUBSTANTIVE RESPONSE (E.G., APPROVAL, DENIAL OR REQUEST FOR CLARIFICATION OR MORE INFORMATION) TO THIS REQUEST FOR APPROVAL IN WRITING WITHIN FIFTEEN (15) DAYS, YOUR APPROVAL SHALL BE DEEMED GIVEN" and City fails to provide a substantive response to such request for approval within such final fifteen (15) day period.
- (v) If the City notifies Developer, in writing, within such forty-five (45)-day period, that the information submitted is, on a commercially reasonable basis, incomplete or insufficient (and specifies in what ways it is incomplete or insufficient), then Developer shall supplement such information, on a commercially reasonable basis, and the City shall have thirty (30) days after such supplemental information is provided to make its determination whether the proposed owner meets the Acceptable Owner Criteria.
- (vi) If the City disapproves the proposed owner, the City shall provide to Developer specific written, commercially reasonable reasons for such disapproval. The failure to object to the proposed owner within either of the two time periods set forth above shall be deemed to be the approval by the City of the proposed owner as an Acceptable Owner.
- (vii) Any entity approved as an Acceptable Owner must meet the Acceptable Owner Criteria throughout its service as an Acceptable Owner hereunder

unless certain of said qualifications were waived by the City, in writing, at the time of original approval.

- (viii) No approval by the City of a proposed owner as an Acceptable Owner or its meeting of the Acceptable Owner Criteria shall have the effect of waiving or estopping the City from later claiming that said Acceptable Owner is no longer operating or maintaining the Project according to the terms of this Lease, thereby creating an Event of Default. But, the time periods, such as "within the five (5) years", set forth in the Acceptable Owner Criteria are measured from the date each proposed Acceptable Owner submits its application for approval by the City.

E. Dispute Resolution: If there is any dispute, in whole or in part, over the provisions of this Exhibit "A", it shall be resolved in Broward County, Florida, using the then-applicable Commercial Arbitration rules of the American Arbitration Association, except that, in any event, there shall be three (3) arbitrators. They shall be the last three (3) people left on a list, after both parties alternate striking names, provided by the American Arbitration Association. The party that shall strike first shall be determined by lot. The list shall contain the names of twenty-one (21) people with substantial experience in hotel projects.

F. Interpretation:

- (i) All acts and omissions as well as rights and duties shall be done in a commercially reasonable manner, unless the standard of "sole discretion" is used.
- (ii) The implied covenant of good faith and fair dealing under Florida law is expressly adopted.