

RESOLUTION NO. R-BCRA-2011-03

A RESOLUTION OF THE HOLLYWOOD, FLORIDA, COMMUNITY REDEVELOPMENT AGENCY ("CRA") AUTHORIZING THE APPROPRIATE CRA OFFICIALS TO EXECUTE THE ATTACHED LOAN AGREEMENT BETWEEN MARGARITAVILLE AND THE CRA, THE ATTACHED LEASEHOLD MORTGAGE AND SECURITY AGREEMENT BETWEEN MARGARITAVILLE AND THE CRA, THE ATTACHED CRA FUNDING AGREEMENT BETWEEN MARGARITAVILLE AND THE CRA, AND THE ATTACHED LICENSE AGREEMENT FOR THE JOHNSON STREET PARCEL BETWEEN MARGARITAVILLE HOLLYWOOD BEACH RESORT, LLC ("MARGARITAVILLE"), THE CITY OF HOLLYWOOD, AND THE CRA, ALL IN CONNECTION WITH THE DEVELOPMENT OF THE CITY-OWNED JOHNSON STREET PROPERTY.

WHEREAS, on July 30, 2009, the City of Hollywood, Florida issued Request for Proposals No. 4212-09-IS for the redevelopment of the site commonly known as Johnson Street for a resort hotel project; and

WHEREAS, on April 7, 2010, pursuant to Resolution Number R-2010-097, the appropriate officers of the City were authorized to negotiate with Margaritaville the basic terms and conditions for such redevelopment; and

WHEREAS, the basic terms and conditions for the redevelopment are in the Memorandum of Understanding between the City, Margaritaville and the CRA (the "MOU"); and

WHEREAS, consistent with the MOU, appropriate officers of the City and the CRA negotiated with Margaritaville's representatives, and these negotiations resulted in a number of agreements; and

WHEREAS, among the agreements are the attached Loan Agreement, which provides for the CRA to loan a maximum of \$10,000,000.00 to Margaritaville for furniture, fixtures and equipment for the hotel, the attached Promissory Note, which evidences Margaritaville's obligation to pay off the loan, and the attached Leasehold Mortgage and Security Agreement, which provides security for the loan; and

WHEREAS, one of the agreements is the attached CRA Funding Agreement, which provides for the CRA to pay up to \$5,000,000.00 for the public improvements to be constructed by Margaritaville on the Johnson Street Parcel and the Intracoastal Parcel; and

WHEREAS, one of the agreements is the attached License Agreement for the Johnson Street Parcel, which provides for the City to grant to Margaritaville a non-exclusive license to use, operate and maintain the public improvements to be constructed by Margaritaville on the Johnson Street Parcel and provides the CRA with certain rights and obligations in connection therewith; and

WHEREAS, the remaining agreements are a Development Agreement and Ground Lease between Margaritaville and the City, which provides (i) for the City to lease to Margaritaville the Johnson Street Property, (ii) for Margaritaville to construct, develop, operate and maintain a resort hotel and related improvements including, without limitation, a parking garage containing public parking and (ii) for Margaritaville to construct public improvements on the Johnson Street Parcel and the Intracoastal Parcel, and a License Agreement for the Intracoastal Parcel, provide for the City to grant to Margaritaville a non-exclusive license to use, operate and maintain the public improvements to be constructed by Margaritaville on the Intracoastal Parcel; and

WHEREAS, the Executive Director and the General Counsel recommend that the CRA Board approve execution of the attached Loan Agreement, Leasehold Mortgage and Security Agreement, CRA Funding Agreement, and License Agreement for the Johnson Street Parcel;

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

Section 1: That it hereby approves and authorizes the execution, by the appropriate CRA officials, of the attached Loan Agreement between Margaritaville and the CRA, the attached Leasehold Mortgage and Security Agreement between Margaritaville and the CRA, the attached CRA Funding Agreement between Margaritaville and the CRA, and the attached License Agreement for the Johnson Street Parcel between Margaritaville, the City and the CRA, all in connection with the development of the City-owned Johnson Street property, together with such nonmaterial changes as may be subsequently agreed to by the Executive Director and approved as to form and legality by the General Counsel.

Section 2: That to comply with the terms and conditions of the Loan Agreement, it hereby approves and authorizes the approval and authorization for the \$10,000,000 loan from the unappropriated budget reserve to an account to be created.

Section 3: That to comply with the terms and conditions of the CRA Funding Agreement, it hereby approves and authorizes the transfer of \$5,000,000 from the unappropriated budget reserve to an account to be created specifically for this project as set forth herein.

Section 4: That this resolution shall be in full force and effect immediately upon its passage and adoption.

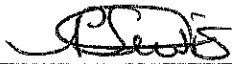
CRA RESOLUTION APPROVING AGREEMENTS RELATED TO MARGARITAVILLE
RESORT HOTEL TO BE CONSTRUCTED ON CITY-OWNED JOHNSON STREET
PROPERTY.

PASSED AND ADOPTED this 19th day of January, 2011.



PETER BOBER, CHAIR

ATTEST:



PHYLLIS LEWIS
BOARD SECRETARY

APPROVED AS TO FORM & LEGALITY
for the use and reliance of the
City of Hollywood, Florida only:


JEFFREY P. SHEFFEL
GENERAL COUNSEL