

# MEMORANDUM

Agenda Item No. 8(K)(1)

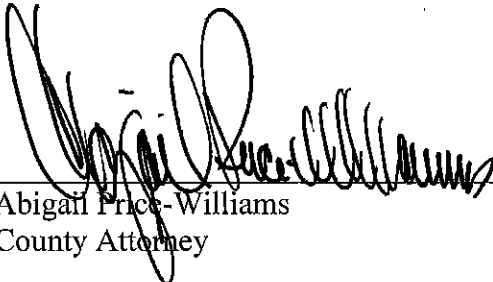
**TO:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners

**DATE:** January 24, 2017

**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Resolution approving and authorizing the County Mayor to execute an Assumption of Florida Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement and of Other Loan Documents and Termination of Sublease by and among Parrot Jungle and Gardens of Watson Island, Inc, PJG Watson, LLC, ESJ J.I. Leasehold, LLC, Bernard M. Levine, Mary Levine, and Miami-Dade County, subject to United States Department of Housing and Urban Development's approval; and waiving the requirements of Resolution No. R-130-06

The accompanying resolution was prepared by the Internal Services Department and placed on the agenda at the request of Prime Sponsor Vice Chairwoman Audrey M. Edmonson.



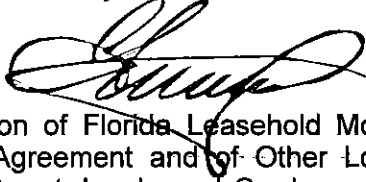
Abigail Price-Williams  
County Attorney

APW/smm

**Date:** January 24, 2017

**To:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor



**Subject:** Consent to Assumption of Florida Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement and of Other Loan Documents and Termination of Sublease Between Parrot Jungle and Gardens of Watson Island, Inc., PJG Watson LLC, ESJ J.I. Leasehold LLC, Bernard M. Levine, Mary Levine, and Miami-Dade County

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### **Recommendation**

It is recommended that the Board of County Commissioners (Board) approve the attached resolution that approves and authorizes the County Mayor or the County Mayor's designee to execute an Assumption of Florida Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement and of Other Loan Documents and Termination of Sublease (Agreement) among Parrot Jungle and Gardens of Watson Island, Inc. (Parrot Jungle), PJG Watson LLC (PJG) (together collectively referred to as Parrot Jungle), ESJ J.I. Leasehold LLC (ESJ), Bernard M. Levine and Mary Levine, and Miami-Dade County (County) whereby the County consents to the transaction. This assignment of obligations related to Jungle Island, formerly known as Parrot Jungle (Attraction) will permit the sale of the property's leasehold interest to ESJ and will further release Mrs. Levine as guarantor. It is further recommended that the Board approves the waiver of Resolution No. R-130-06, which requires all contracts to be fully negotiated and executed by non-County parties prior to placing such contracts on the Board's agenda.

### **Scope**

The Attraction is located in Commission District 3, represented by Commissioner Audrey M. Edmonson. The operation of Jungle Island as a tourist attraction has countywide significance.

### **Fiscal Impact/Funding Source**

The execution of the Agreement (Exhibit 1) has no direct fiscal impact to Miami-Dade County. ESJ will assume all the obligations of the Parrot Jungle. Given the planned investment of capital into the property of approximately \$10 million upon sale, the obligations due the County should be better secured going forward as the operation of the facility should generate more revenues.

### **Track Record/Monitor**

There is a US Department of Housing and Urban Development (HUD) Section 108 loan outstanding on the property which requires 603 jobs to be created and retained. To date, the job creation goal has not been met. The Agreement will allow ESJ up to of five years to meet the original job creation goal of 603 full time equivalent jobs. Mr. Clarence Brown of the Miami-Dade Public Housing and Community Development Department will monitor the Agreement.

### **Background**

The Attraction sits on land that is leased by the City of Miami (City) to Parrot Jungle and which is subleased to PJG, who manages the Attraction. The Board in 1998 in an effort to facilitate the relocation of the Attraction from its long-term home in South Dade to a new location on Watson Island, approved a \$25 million HUD Section 108 Loan Program loan (HUD Loan) to Parrot Jungle. The County made the loan to Parrot Jungle on January 9, 2001. Following the Board's approval of the HUD Loan, on September 9, 1998, the City and the County entered into a Joint Participation Agreement pursuant to which the City assumed 80 percent of the outstanding principal balance and future interest on the HUD Loan and became lender as to 80 percent of the outstanding principal balance and future interest on the HUD Loan. The County retains a 20 percent interest in the HUD Loan.

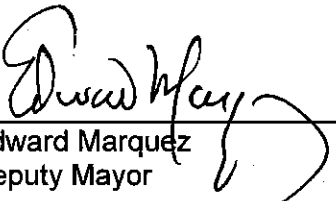
However, due to various financial difficulties encountered by the Attraction, the Board pursuant to Resolution Nos. R-475-03 and R-916-06, approved additional loans to Parrot Jungle in the amount of \$2.5 million and \$4,701,782. The Board also pursuant to Resolution No R-886-07 approved Parrot Jungle's request to defer payments on the HUD Loan until 2012 subject to the City's approval. As a result of the agreement to defer payments, the County between 2004 and 2011, and the City between 2006 and 2011 made the required HUD Loan payments on behalf of Parrot Jungle. As a condition of this advancement of funds by the City and the County, Parrot Jungle has agreed to make a lump sum payment in the amount of \$2.0 million to ZooMiami by August 1, 2020.

The County has been advised of a contemplated sale of certain assets of Parrot Jungle to the ESJ, which includes all right, title and interest of Parrot Jungle in the Lease and the Leasehold Estate, pursuant to that Purchase Agreement dated as of December 4, 2015 between Parrot Jungle and ESJ. ESJ is an affiliate by virtue of common management with ESJ Capital Partners, LLC., an Aventura based real estate investment firm which is registered with and regulated by the Security and Exchange Commission (SEC) and has over \$500 million of real estate assets under management. The principals of ESJ Capital Partners have been vetted by the City and have been found to be in good standing. The City and County staff have also reviewed the financial capability and business plans of ESJ and have concluded that due to additional investment capabilities, the entity should be a viable business partner once the sale of the leasehold from Parrot Jungle to ESJ is complete. ESJ's proposal for improvements to the property is summarized in Exhibit 2.

Parrot Jungle and ESJ desire to obtain the County's consent to (i) the transfer of all right, title and interest in the Attraction and the ground lease between the City and Parrot Jungle, the leasehold interest secured by the HUD Loan, (ii) the assumption by ESJ of Parrot Jungle's obligations under the HUD Loan, including the payments for the aviary and the additional loans approved pursuant to resolution Nos. R-475-03, R-916-06 and R-886-7; (iii) the assumption by ESJ of Parrot Jungle's obligations and liabilities pertaining to job creation and retention; and (vi) termination of the sublease and the subleasehold.

Additionally, the Agreement contemplates the release of Parrot Jungle from its obligations under the HUD Loan after the effective date of the Agreement, but they will remain liable for their obligations that arose prior to the effective date of the Agreement. The Agreement further contemplates that although Dr. Levine will remain liable for all of his obligations as guarantor, Mrs. Levine will be released from her obligations as guarantor. The release of Mrs. Levine as a guarantor is offset, in terms of credit quality, by a \$5.0 million indemnification to Dr. Levine by ESJ. As of September 30, 2016, all obligations due the County were current under the provisions of the agreement and totaled \$13,378,336. The obligation due will be recalculated by the County to account for additional interest accrued from October 1, 2016 until the date of closing.

The City Commission, pursuant to Resolution No. R-16-0567, which is attached, has approved the Agreement and should the Board adopt the attached resolution, the Agreement will be presented to HUD for its approval, which is the final authorization necessary for the sale to be executed. Waiver of Resolution No. R-130-06 is necessary because HUD approval is still required and because the amount of the total obligation due must be recalculated closer to the time of closing.

  
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Edward Marquez  
Deputy Mayor

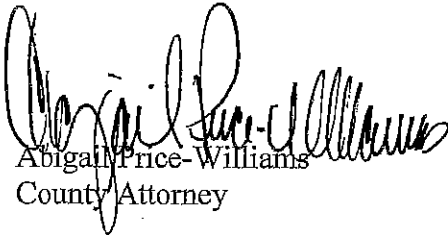


# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Esteban L. Bovo, Jr.  
and Members, Board of County Commissioners

**DATE:** January 24, 2017

**FROM:**   
Abigail Price-Williams  
County Attorney

**SUBJECT:** Agenda Item No. 8(K)(1)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 8(K)(1)  
1-24-17

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXECUTE AN ASSUMPTION OF FLORIDA LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT AND OF OTHER LOAN DOCUMENTS AND TERMINATION OF SUBLEASE BY AND AMONG PARROT JUNGLE AND GARDENS OF WATSON ISLAND, INC, PJG WATSON, LLC, ESJ J.I. LEASEHOLD, LLC, BERNARD M. LEVINE, MARY LEVINE, AND MIAMI-DADE COUNTY, SUBJECT TO UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S APPROVAL; AND WAIVING THE REQUIREMENTS OF RESOLUTION NO. R-130-06

**WHEREAS**, the Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that:

**Section 1.** This Board ratifies and adopts the matters in the foregoing recital and in the accompanying justification memorandum as if fully set forth herein.

**Section 2.** This Board hereby approves the Assumption of Florida Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement and of Other Loan Documents and Termination of Sublease ("Agreement") and authorizes the County Mayor or the County Mayor's designee to execute the Agreement in substantially the form attached hereto as Exhibit A.

**Section 3.** This Board hereby waives the requirement of Resolution No. R-160-06 for the reasons set forth in the County Mayor's memorandum.

The foregoing resolution was offered by Commissioner  
who moved its adoption. The motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Esteban L. Bovo, Jr., Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	


The Chairperson thereupon declared the resolution duly passed and adopted this 24<sup>th</sup> day of January, 2017. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



Shannon D. Summerset-Williams

THIS INSTRUMENT PREPARED  
BY AND RETURN TO:

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE ONLY

**Note to Clerk of Circuit Court:** This instrument evidences the assumption by Purchaser (defined below) of the obligations of Seller (defined below) under the County HUD Note (defined below) and under the County HUD Mortgage (defined below), which secures the County HUD Note. This instrument also evidences the assumption by Purchaser of the obligations of Parrot Jungle (defined below) under the \$1M County Note (defined below) and under the \$4.7M County Note (defined below). The \$1M County Note and the \$4.7M County Note are not secured by the County HUD Mortgage or by any other mortgage or other lien on real property located in the State of Florida.

- A. Documentary Stamp Tax Calculations. Pursuant to F.S. §§201.08(b) and 201.09(c), F.S.: (i) an instrument pursuant to which the obligations under a promissory note and the mortgage securing that note are assumed by a new obligor is a taxable renewal for Florida documentary stamp tax purposes based on the outstanding principal balance of such promissory note as of the date of such instrument and (ii) an instrument pursuant to which the obligations under a promissory note not secured by a mortgage or other lien on real property located in the State of Florida are assumed by a new obligor is a taxable renewal for Florida documentary stamp tax purposes based on the outstanding principal balance of such promissory note as of the date of such instrument; provided, that pursuant to F.S. §§201.08(1)(a), Florida documentary stamp tax on any such renewal shall not exceed \$2,450. The outstanding principal balance of the County HUD Note as of the date hereof is \$\_\_\_\_\_. Accordingly, Florida documentary stamp tax in the amount of \$\_\_\_\_\_ based on such outstanding principal amount is paid on this instrument with respect to the County HUD Note and the County HUD Mortgage. The outstanding principal balance of the \$1M County Note as of the date hereof is \$\_\_\_\_\_. Accordingly, Florida documentary stamp tax in the amount of \$2,450.00 is paid on this instrument with respect to the \$1M County Note. The outstanding principal balance of the \$4.7M County Note as of the date hereof is \$\_\_\_\_\_. Accordingly, Florida documentary stamp tax in the amount of \$2,450.00 is paid on this instrument with respect to the \$4.7M County Note.
- B. Nonrecurring Intangible Tax Calculations. Because the County is a political subdivision of the State of Florida, pursuant to F.S. §199.183 the intangible personal property owned by the County constituting the County HUD Mortgage, as modified by this instrument, is exempt from Florida nonrecurring intangible tax. Because neither the \$1M County Note nor the \$4.7M County Note is secured by the County HUD Mortgage, as modified by this instrument, nor by any other mortgage or other lien on real property located in the State of Florida, no nonrecurring intangible tax is due on this instrument with respect to the \$1M County Note or the \$4.7M County Note.

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**ASSUMPTION OF FLORIDA LEASEHOLD MORTGAGE,  
ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT  
AND OF OTHER LOAN DOCUMENTS AND TERMINATION OF SUBLEASE**

THIS ASSUMPTION OF FLORIDA LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT AND OF OTHER LOAN DOCUMENTS AND TERMINATION OF SUBLEASE (this "Agreement") is dated as of \_\_\_\_\_, 2017 (the "Effective Date"), by and among **PARROT JUNGLE AND GARDENS OF WATSON ISLAND, INC.**, a Florida corporation ("**Parrot Jungle**"), **PJG WATSON, L.L.C.**, a Florida limited liability company ("**PJG**" and together with Parrot Jungle, collectively the "**Seller**"), each with an address at 1111 Parrot Jungle Trail, Miami, Florida 33132, **ESJ J.I. LEASEHOLD, LLC**, a Florida limited liability company (the "**Purchaser**"), with an address at 19950 W. Country Club Drive, Suite 800, Aventura, Florida 33180, **BERNARD M. LEVINE** ("**Mr. Levine**") and **MARY LEVINE** ("**Mrs. Levine**" and together with Mr. Levine, collectively the "**Guarantors**"), each with an address at 1111 Parrot Jungle Trail, Miami, Florida 33132, and **MIAMI-DADE COUNTY**, a political subdivision of the State of Florida (the "**County**"), with an address at 111 NW 1<sup>st</sup> Street, 29<sup>th</sup> Floor, Miami, FL 33128.

**WITNESSETH:**

**WHEREAS**, the City of Miami, a Florida municipal corporation (the "**City**"), as landlord, and Parrot Jungle, as tenant, entered into that certain Lease and Development Agreement dated September 2, 1997, as amended by that certain Modification to Lease and Development Agreement dated April 14, 2000 by and between the City and Parrot Jungle, as further amended by that certain Modification to Lease and Development Agreement dated August 13, 2002 by and between the City and Parrot Jungle, as further amended by that certain Third Modification to Lease and Development Agreement dated October 29, 2008 by and between the City and Parrot Jungle, and as further amended by that certain Fourth Modification to Lease and Development Agreement dated June 24, 2009 by and between the City and Parrot Jungle (the foregoing being collectively defined in the County HUD Mortgage, defined below, as the "**Ground Lease**"), which Ground Lease is memorialized by Memorandum of Lease recorded in Official Records Book 19946, Page 1, as modified by instrument recorded in Official Records Book 20602, Page 3487, each in the Public Records of Miami-Dade County, Florida, and which Lease, *inter alia*, demises a leasehold estate in favor of Parrot Jungle in: (i) the real property described in Exhibit A attached hereto and made a part hereof (defined in the County HUD Mortgage as the "**Property**"), (ii) all buildings, structures and other improvements located on the Land (the "**Improvements**"), and (iii) any and all fixtures attached to or incorporated therein (the leasehold estate in the "**Fixtures**", together with the leasehold estate in the Property and the leasehold estate in the Improvements, referred to collectively in the County HUD Mortgage as the "**Groundleasehold**");

**WHEREAS**, Parrot Jungle, as sublandlord, and PJG, as subtenant, entered into that certain Sublease dated October 1, 2000, as amended by that certain First Modification of Sublease dated as of August 13, 2002 by and between Parrot Jungle and PJG (defined in the County HUD Mortgage as the "**Sublease**"), which Sublease is



memorialized by Memorandum of Sublease recorded in Official Records Book 19446, Page 8, as modified by instrument recorded in Official Records Book 20602, Page 3495, each in the Public Records of Miami-Dade County, Florida, which Sublease demises a subleasehold estate in favor of PJG in: (i) the Property, (ii) the Improvements, and (iii) the Fixtures (the subleasehold estate in the Property, the Improvements and the Fixtures, being collectively defined in the County HUD Mortgage as the "**Subleasehold**");

**WHEREAS**, on January 9, 2001, the County made a loan to Seller in the original principal amount of Twenty-Five Million and No/100 Dollars (\$25,000,000.00) (the "**County Loan**") pursuant to that certain Development Agreement dated April 20, 2000, by and among the County, Parrot Jungle and the City, as amended by (i) that certain Amendatory Agreement dated August 25, 2003 and (ii) that certain Amendment to Development Agreement dated August 3, 2007 (collectively, the "**Development Agreement**"). The County Loan and Seller's obligations under the Development Agreement are: (a) further evidenced by a Promissory Note, dated January 9, 2001 by Seller in favor of the County (the "**County HUD Note**"), and (b) secured *inter alia* by a Florida Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement by Seller in favor of the County, dated January 9, 2001 and recorded January 10, 2011 in Official Records Book 19446, Page 48, of the Public Records of Miami-Dade County, Florida (the "**County HUD Mortgage**") and other related loan documents (the Development Agreement, the County HUD Note, the County HUD Mortgage and such other loan documents being collectively described on Exhibit B attached hereto and being collectively referred to herein as the "**County HUD Loan Documents**"), [as set forth in **Resolution No. 916-06 adopted by the Board of County Commissioners on July 18, 2000**]. The County HUD Loan was made in connection with the development of the Property, the Improvements and the Fixtures, which collectively are commonly known as Jungle Island (the "**Development**"). The County HUD Mortgage encumbers the right, title and interest of Parrot Jungle and PJG in and to the "Premises", as that term is defined in the County HUD Mortgage;

**WHEREAS**, pursuant to the provisions of the Development Agreement, Seller is obligated to make certain payments with respect to the aviary located at the Development (such payments being defined in the Development Agreement as the "**Aviary Payments**");

**WHEREAS**, on August 21, 2003 the County made a loan to Parrot Jungle in the original principal amount of One Million and No/100 Dollars (\$1,000,000.00) (the "**\$1M County Loan**"), pursuant to that certain Loan Agreement dated in August, 2003 by and between Parrot Jungle and the County (the "**\$1M County Loan Agreement**") and which is evidenced by that certain Promissory Note dated August 21, 2003 made by Assignor in favor of the County, as amended by Amendment to Promissory Note dated August 3, 2007 by and between Parrot Jungle and the County (collectively, the "**\$1M County Note**", together with the \$1M County Loan Agreement, the "**\$1M County Loan Documents**") which pertain to the \$1M County Loan;

**WHEREAS**, on August 3, 2007 the County made a loan to Parrot Jungle in the original principal amount of Four Million Seven Hundred One Thousand Seven Hundred

Eighty-Two and No/100 Dollars (\$4,701,782.00) (the "**\$4.7M County Loan**"), pursuant to that certain Loan Agreement dated August 3, 2007 by and between Parrot Jungle and the County (the "**\$4.7M County Loan Agreement**") and which is evidenced by that certain Promissory Note dated August 3, 2007 made by Parrot Jungle in favor of the County (the "**\$4.7M County Note**", together with the \$4.7M County Loan Agreement, the "**\$4.7M County Loan Documents**") which pertain to the \$4.7M County Loan;

**WHEREAS**, as further security for the County HUD Loan, (i) the Guarantors executed: (a) a Continuing Guaranty and (b) a joinder Guaranty to Environmental Indemnity Agreement, each dated January 9, 2001 and in favor of the County, and (ii) Mr. Levine executed a collateral assignment of term life insurance policy issued by Ohio National Financial Services in favor of the County (collectively the "**Guarantor County HUD Documents**");

**WHEREAS**, as further security for the \$1M County Loan, Guarantors executed that certain Continuing Guaranty dated August 21, 2003 in favor of the County (the "**\$1M County Loan Guaranty**");

**WHEREAS**, as further security for the \$4.7M County Loan, Mr. Levine executed that certain Continuing Guaranty dated August 3, 2007 in favor of the County (the "**\$4.7M County Loan Guaranty**");

**WHEREAS**, the County funded the County Loan by virtue of a \$25,000,000.00 loan guaranteed by the United States Department of Housing and Urban Development ("**HUD**") which was advanced to the County on June 14, 2000 pursuant to the United States Section 108 Loan Guarantee Program (the "**HUD Loan**");

**WHEREAS**, in accordance with the intent of a Joint Participation Agreement between the City and the County dated September 9, 1998, and as authorized by Resolution No. 07-0405, adopted by the City Commission on July 10, 2007 and Resolution No. 886-07, adopted by the Board of County Commissioners on July 24, 2007, the City and the County entered into the Participation Agreement pursuant to which the City assumed eighty percent (80%) of the outstanding principal balance and future interest on the HUD Loan and became lender as to eighty percent (80%) of the outstanding principal balance and future interest on the County HUD Loan;

**WHEREAS**, the County HUD Mortgage was and is subordinate to a loan (the "**Senior Loan**") originally made to Seller by Union Planters Bank, N.A. ("**UPB**") pursuant to the terms and conditions of a Construction Loan Agreement executed as of January 9, 2001 (as assigned and amended, the "**Senior Loan Agreement**"). The Senior Loan and Seller's obligations under the Senior Loan Agreement are secured *inter alia* by a Florida Mortgage, Assignment of Leases and Rents and Security Agreement executed as of January 9, 2001 by Seller in favor of UPB, recorded in Official Records Book 19446, Page 14 of the Public Records of Miami-Dade County, Florida (as modified from time to time, the "**Senior Mortgage**") and are evidenced and secured by certain other documents executed by Seller and other parties in favor of UPB (such other documents being collectively referred to herein as the "**Senior Loan Documents**");

**WHEREAS**, the Senior Loan, the Senior Loan Agreement, the Senior Mortgage and the Senior Loan Documents were assigned by UPB to HSBC Bank, USA ("HSBC") pursuant to an Assignment of Mortgage and Other Loan Documents recorded in Official Records Book 21670, Page 4016 of the Public Records of Miami-Dade County, Florida, and were subsequently assigned by HSBC to LC Jungle Island, LLC, a Florida limited liability company ("**Senior Lender**") pursuant to an Assignment of Mortgage, Note, And Other Loan Documents recorded in Official Records Book 29926, Page 680, of the Public Records of Miami-Dade County, Florida;

**WHEREAS**, the County has been advised of the contemplated sale of certain assets of Seller to Purchaser, including all right, title and interest of Parrot Jungle in the Lease and the Leasehold Estate, pursuant to that certain Purchase Agreement dated as of December 4, 2015 by and between Seller and ESJ Real Estate Services, LLC, a Florida limited liability company ("**ESJ**"), as buyer, as amended to date (collectively, the "**Purchase Agreement**"), as assigned by ESJ to Purchaser and as assumed by Purchaser;

**WHEREAS**, the County has been made aware that Senior Lender has consented to, subject to the execution and delivery of this Agreement: (i) the transfer of all right, title and interest of Parrot Jungle in and to the Ground Lease, the Groundleasehold and all other property collectively defined in the County HUD Mortgage as the "Premises" by Parrot Jungle to Purchaser, (ii) the assumption by Purchaser of the obligations and liabilities of Seller under the Senior Loan, the Senior Loan Agreement, the Senior Mortgage and the Senior Loan Documents arising from and after the Effective Date, (iii) the assumption by Purchaser of the obligations and liabilities of Seller under the County HUD Loan Documents, including the obligation to make the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, arising from and after the Effective Date, and arising prior to the Effective Date, but only to the extent described in following clause (iv), (iv) the assumption by Purchaser of Seller's obligations and liabilities pertaining to job creation and retention set forth in Section 4 of the Development Agreement as more particularly described in Section 2(c) below, (v) the release of Guarantors from their obligations under the Senior Loan Documents, and (vi) termination of the Sublease and the Subleasehold Estate;

**WHEREAS**, Purchaser and Seller desire to obtain the County's consent to (i) the transfer of all right, title and interest of Parrot Jungle in and to the Ground Lease, the Groundleasehold and all other property collectively defined in the County HUD Mortgage as the "Premises" by Parrot Jungle to the Purchaser, (ii) the assumption by Purchaser of the Seller's obligations under the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents arising from and after the Effective Date, and arising prior to the Effective Date, but only to the extent described in following clause (iii), (iii) the assumption by Purchaser of Seller's obligations and liabilities pertaining to job creation and retention set forth in Section 4 of the Development Agreement, as more particularly set forth in Section 2(c) below, (iv) the release of Mrs. Levine from her obligations under the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty as of the Effective

Date and (v) termination of the Sublease and the Subleasehold (collectively, the "Requested Actions");

**WHEREAS**, this Agreement is being delivered pursuant to the requirements of the County to consent to and effect the Requested Actions; and

**WHEREAS**, the County has agreed to consent to the Requested Actions, all on the terms set forth below.

**NOW, THEREFORE**, for and in consideration of the mutual covenants, promises and agreements set forth herein, the receipt and sufficiency of which the parties hereby acknowledge, the Purchaser, the Seller and the County agree as follows:

**Section 1. Definitions and Incorporation of Recitals.** All capitalized terms used in this Agreement and not otherwise defined herein shall have the same meanings as set forth in the County HUD Mortgage unless the context clearly requires otherwise. The foregoing recitals and the capitalized terms defined therein are hereby incorporated by reference as if fully set forth herein.

**Section 2. Assumption of Obligations Under the County Mortgage, the County HUD Loan Documents, the \$1M County Loan Documents and the \$4.7M County Loan Documents.**

(a) Parrot Jungle and PJG hereby assign, transfer and convey to Purchaser all rights and benefits conferred on either or both of them under the County HUD Loan Documents including, without limitation, the Development Agreement, the \$1M County Loan Documents and the \$4.7M County Loan Documents.

(b) Purchaser hereby covenants and agrees as follows: (i) Purchaser assumes and agrees to pay and perform all obligations and liabilities of the Seller under the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents as the successor lessee under the Lease, as owner of the Premises and as operator of the Development (whether designated in the County HUD Mortgage as the "Principal", the "Developer", the "Owner", or otherwise) arising from and after the Effective Date, and prior to the Effective Date to the extent, but only to the extent, set forth in Section 2(c) below (provided, however, Purchaser also assumes and agrees to pay all accrued and unpaid: (A) interest on the \$1M County Loan and the \$4.7M County Loan when due under the \$1M County Loan Documents and the \$4.7M County Loan Documents and (B) Aviary Payments when due under the Development Agreement), and (ii) Purchaser agrees to be bound by and comply with all covenants, agreements, conditions, restrictions and limitations applicable to the lessee under the Ground Lease, the owner of the Premises and operator of the Development (whether designated therein as the "Principal", the "Developer", the "Owner", or otherwise) pursuant to the County HUD Loan Documents, the \$1M County Loan Documents and the \$4.7M County Loan Documents, concerning the operation of the Development, arising from and after the Effective Date, and prior to the Effective Date to the extent, but only to the extent, set forth in Section 2(c) below.

(c) The County, Seller and Purchaser acknowledge and agree that pursuant to Section 4 of the Development Agreement 603 full time equivalent jobs are required to be created and/or retained (the "**Job Creation/Retention Obligation**"). Purchaser hereby assumes and agrees to perform the Job Creation/Retention Obligation subject to and in accordance with the following: (i) the County, Seller and Purchaser acknowledge and agree that, prior to the Effective Date, certain full time equivalent jobs were created and/or retained, (ii) the County, Seller and Purchaser acknowledge and agree that from and after the Effective Date a total of 603 full time equivalent jobs are required to be created and/or retained under Section 4 of the Development Agreement, and (iii) the County and Purchaser agree that Purchaser shall work towards creating and/or retaining the before-mentioned 603 full time equivalent jobs no later than five (5) years after the Effective Date.

(d) Notwithstanding any provision of this Agreement, or of the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, as assumed hereby, to the contrary, Purchaser and its members, partners and/or manager shall have no responsibility, obligation or liability to the County, to Seller or any member, shareholder, director or manager of Seller, to any tenant or former tenant of the Development for:

(i) any breach or default by Seller under the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, occurring, accruing, arising or relating to any time prior to the Effective Date;

(ii) all obligations of Seller which arise from events, actions or omissions that occurred during Seller's ownership of the Ground Lease, the Groundleasehold, the Sublease and the Subleasehold and operation of the Development at any time prior to the Effective Date;

(iii) any obligation or liability in connection with any violation of, or misrepresentation by Seller during the period of time Seller owned the Ground Lease, the Groundleasehold, the Sublease and the Subleasehold contained in or made in connection with the County HUD Loan Documents, the \$1M County Loan Documents or the \$4.7M County Loan Documents at any time prior to the Effective Date;

(iv) any breach or default by Guarantors under the Guarantor County HUD Documents, the \$1M County Loan Guaranty or the \$4.7M County Loan Guaranty occurring, accruing, arising or relating to any time prior to the Effective Date;

(v) all of the obligations of Guarantor under the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty, which arise from events, acts or omissions that occurred during Seller's ownership of the Ground Lease, the Groundleasehold, the Sublease and the Subleasehold and operation of the Development at any time prior to the Effective Date; and

(vi) any obligation or liability in connection with any violation of, or misrepresentation by, Guarantors during the period Seller owned the Ground Lease, the

Groundleasehold, the Sublease and the Subleasehold contained in or made in the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty or made in connection with the County HUD Loan Documents, the \$1M County Loan Documents and the \$4.7M County Loan Documents at any time prior to the Effective Date.

(e) The County acknowledges and agrees that any violation, breach or default by Seller with respect to the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, or Guarantors with respect to the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty, occurring, accruing, arising or related to any time prior to the Effective Date shall not constitute a default or event of default under any of the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents, the \$4.7M County Loan Documents, the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty and the County will exercise any of its rights and remedies solely against Seller or Guarantors, as applicable, with respect thereto and not against Purchaser or any of the collateral encumbered by the County HUD Loan Documents.

**Section 3. Termination of Sublease.** Parrot Jungle and PJG hereby terminate the Sublease and the Subleasehold Estate effective as of the Effective Date.

**Section 4. Release of Seller, Continuing Obligation of Mr. Levine as Guarantor and Release of Mrs. Levine as Guarantor.**

(a) Except as otherwise expressly stated herein, the County hereby releases Seller and Seller shall have no responsibility for any obligations or liabilities or for any defaults under the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, arising on or after the Effective Date (it being agreed that the foregoing release shall also apply to the obligations to pay all accrued and unpaid: (A) interest on the \$1M County Loan and the \$4.7M County Loan and (B) Aviary Payments, which obligations to pay Purchaser is assuming pursuant to Section 2(b) above). The Seller acknowledges and agrees that it shall remain liable for (i) all of its obligations under the County HUD Loan Documents, the \$1M County Loan Documents and the \$4.7M County Loan Documents which accrued, arose or relate to any time period prior to the Effective Date (other than accrued and unpaid: (A) interest on the \$1M County Loan and the \$4.7M County Loan and (B) Aviary Payments, which Purchaser is assuming pursuant to Section 2(b) above), (ii) all of its obligations under the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, which arise from events, actions or omissions that occurred during Seller's ownership of the Ground Lease and the Groundleasehold and operation of the Development at any time prior to the Effective Date, and (iii) any obligation or liability in connection with any violation of, or misrepresentation by, Seller during the period of time Seller owned the Ground Lease and the Groundleasehold at any time prior to the Effective Date contained in or made in connection with the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents.

(b) Except as otherwise expressly stated herein, Mr. Levine shall continue to have responsibility, as Guarantor, for all obligations and liabilities under the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty, arising on or after the Effective Date including: (A) interest on the \$1M County Loan and the \$4.7M County Loan and (B) Avairy Payments, which obligations to pay Purchaser is assuming pursuant to Section 2(b) above). The County hereby releases Mrs. Levine, as Guarantor, and Mrs. Levine shall have no responsibility for any obligations or liabilities under the Guarantor County HUD Documents, the \$1 million County Loan Guaranty and the \$4.7M County Loan Guaranty arising on or after the Effective Date (it being agreed that the foregoing release of Mrs. Levine shall also apply to the obligations to pay all accrued and unpaid : (A) interest on the \$1M County Loan and the \$4.7M County Loan and (B) Avairy Payments, which obligations to pay Purchaser is assuming pursuant to Section 2(b) above). The Guarantors acknowledge and agree that they shall remain liable for (i) all of their obligations under the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty, which accrued, arose or relate to any time prior to, and as to Mr. Levine only, after, the Effective Date (other than accrued and unpaid: (A) interest on the \$1M County Loan and the \$4.7M County Loan and (B) Avairy Payments, which Purchaser is assuming pursuant to Section 2(b) above), (ii) all of their obligations under the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty, which arise from events, actions or omissions that occurred during Seller's ownership of the Ground Lease, the Groundleasehold, the Sublease and the Subleasehold and operation of the Development at any time prior to, and as to Mr. Levine only, after, the Effective Date, and (iii) any obligation or liability in connection with any violation of, or misrepresentation by, Guarantors during the period Seller owned the Ground Lease, Groundleasehold, the Sublease and the Subleasehold at any time prior to, and as to Mr. Levine only, after, the Effective Date, contained in or made in connection with the County HUD Loan Documents, the \$1M County Loan Documents, the \$4.7M County Loan Documents, the Guarantor County HUD Documents, the \$1M County Loan Guaranty and the \$4.7M County Loan Guaranty.

**Section 5. Consent of County.** The County hereby consents to the following:

(a) The sale, assignment and transfer of all right, title and interest of Parrot Jungle in and to the Ground Lease, the Groundleasehold and all other property included within the term "Premises" as defined in the County HUD Mortgage to Purchaser;

(b) The assignment and transfer to Purchaser of all rights and benefits conferred on either or both of Parrot Jungle and PJG under the County HUD Loan Documents including, without limitation, the Development Agreement, the \$1M County Loan Documents and the \$4.7M County Loan Documents as set forth in Section 2 above.

(c) The assumption by Purchaser of those obligations and liabilities of Seller under the County HUD Loan Documents, including the Avairy Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, as more particularly set forth in Section 2 above; and

(d) The termination of the Sublease and the Subleasehold as above particularly set forth in Section 3 above.

**Section 6. Representations, Warranties and Agreements of the Purchaser.**

The Purchaser hereby represents and warrants to and agrees with the Seller and the County as follows:

(a) Executed counterparts or photocopies of executed counterparts of this Agreement and the County HUD Loan Documents, the \$1M County Loan Documents and the \$4.7M County Loan Documents have been received and reviewed by the Purchaser and its counsel. The Purchaser is knowledgeable of the Development and has made an independent investigation of all facts and circumstances deemed relevant to it in connection with the acquisition of the Ground Lease and the Groundleasehold and operation of the Development and is familiar with all of the terms, provisions and conditions of the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, and all of the obligations thereunder which have been assumed by the Purchaser under Section 2 of this Agreement.

(b) The Purchaser has obtained all consents, authorizations and approvals from all governmental agencies and other governmental authorities necessary for its acquisition of the Ground Lease and the Groundleasehold and operation of the Development.

(c) Purchaser has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as now conducted, including, without limitation, its acting as successor lessee under the Ground Lease and as owner of the Groundleasehold and operator of the Development.

(d) Purchaser has full power, authority and legal right to enter into, execute and deliver this Agreement and to assume and perform the obligations under the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, as set forth herein and to engage in the transactions contemplated thereby.

(e) As of the date hereof, Purchaser has no knowledge of any matters or circumstances that would adversely affect its creditworthiness and/or management ability to operate the Development in the manner contemplated by the County HUD Loan Documents, the \$1M County Loan Documents and the \$4.7M County Loan Documents.

(f) Purchaser agrees to execute such other agreements and documents as may be reasonably required by the County or Seller to effectuate the transactions contemplated by this Agreement; provided, that any such agreement or document shall not adversely affect Purchaser's rights and obligations under this Agreement and shall not amend, change, alter or modify any of the terms, conditions and provisions of the County HUD Loan Documents, including, without limitation, the Development Agreement,



the \$1M County Loan Documents and the \$4.7M County Loan Documents, as assumed by Purchaser pursuant to this Agreement.

(g) Purchaser warrants that its correct legal name is ESJ JI Leasehold, LLC, a Florida limited liability company, and it has been properly organized under and is in active status under the laws of the State of Florida as of the Effective Date.

(h) As of the Effective Date, Purchaser has no right of offset against or counterclaim or defense in its respect of the obligations to pay and perform the County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents, as set forth herein, and hereby waives and releases any such right, counterclaim or defense it may have as of the Effective Date.

**Section 7. Seller's Representations and Warranties.** Seller represents and warrants to the County and Purchaser that:

(a) Parrot Jungle is a Florida corporation, properly organized under and in active status under the laws of the State of Florida, with full power, authority and legal right to enter into, execute and deliver this Agreement, to transfer the Premises and operations of the Development to Purchaser, and to engage in the transactions contemplated hereby.

(b) PJG is a limited liability company properly organized under and is in active status under the laws of the State of Florida, with full power, authority and legal right to enter into, execute and deliver this Agreement.

(c) The County HUD Loan Documents, including the Aviary Payments, the \$1M County Loan Documents and the \$4.7M County Loan Documents are in full force and effect and constitute restrictions upon the use and operation of the Development described therein in accordance with their terms.

(d) The execution, delivery and performance of this Agreement: (i) have been duly authorized on behalf of Seller by all necessary corporate, company, partnership or judicial action as the case may be and, upon its execution by the other parties hereto, this Agreement shall be in full force and effect as of the Effective Date; (ii) do not contravene any federal, state or local law, statute, ordinance, rule or regulation, or any judgment, decree or order of any federal, state or local court of competent jurisdiction or governmental body or agency by which Seller or its properties and assets, including the Development, are bound; and (iii) do not violate or result in a default under any agreement, contract, indenture, mortgage, deed of trust, security agreement or other instrument to which Seller is a party or by which its properties and assets, including the Development, are bound.

(e) Seller agrees to execute such other agreements and documents as may be reasonably required by the County or Purchaser to effectuate the transactions contemplated by this Agreement; provided, that any such agreement or document shall not adversely affect Seller's rights and obligations under this Agreement.

(f) As of the Effective Date, other than the County HUD Loan, the \$1M County Loan and the \$4.7M County Loan, there are no outstanding unpaid loans from the County to either or both of Parrot Jungle and PJG.

**Section 8. The County's Representations and Warranties.** The County represents and warrants to Seller and Purchaser that:

(a) The undersigned signatory on behalf of the County has the requisite capacity and authority to execute this Agreement on behalf of the County and to legally bind the County to the terms and provisions hereof.

(b) From and after the Effective Date, the County will recognize the right of Purchaser to exercise all rights and benefits conferred upon Seller under the County HUD Loan Documents, including, without limitation, the Development Agreement, the \$1M County Loan Documents and the \$4.7M County Loan Documents and shall be bound by all the terms and conditions in the County HUD Loan Documents, including, without limitation, the Development Agreement, the \$1M County Loan Documents and the \$4.7M County Loan Documents, as modified herein.

(c) As of the Effective Date: (i) the principal amount owing under the County HUD Loan Documents is \$\_\_\_\_\_, (ii) unpaid accrued interest owing under the County HUD Loan Documents is \$\_\_\_\_\_ (which amount of unpaid accrued interest includes \$46,179.50 of unpaid accrued interest as of February 1, 2004); (iii) the "Deferred Amount", as that term is defined and used in the Development Agreement, is \$17,277,403, which is comprised of \$\_\_\_\_\_ of unpaid principal and \$\_\_\_\_\_ of unpaid accrued interest (which amounts of unpaid principal and accrued interest are included in the amounts set forth in preceding clause (i)), (iv) Seller is not in default with respect to its obligations under the County HUD Loan Documents, and (v) Guarantors are not in default with respect to their obligations under the Guarantor County HUD Documents.

(d) As of the Effective Date: (i) the principal amount owing under the \$1M County Loan Documents is \$\_\_\_\_\_ and unpaid accrued interest owing under the \$1M County Loan Documents is \$\_\_\_\_\_, (ii) Seller is not in default with respect to its obligations under the \$1M County Loan Documents and (iii) Guarantors are not in default with respect to their obligations under the \$1M County Loan Guaranty.

(e) As of the Effective Date: (i) the principal amount owing under the \$4.7M County Loan Documents is \$\_\_\_\_\_ and unpaid accrued interest owing under the \$4.7M County Loan Documents is \$\_\_\_\_\_, (ii) Seller is not in default with respect to its obligations under the \$4.7M County Loan Documents, and (iii) Mr. Levine is not in default with respect to his obligations under the \$4.7M County Loan Guaranty.

(f) As of the Effective Date, the amount owing under the Aviary Payments is \$\_\_\_\_\_.

(g) As of the Effective Date, other than the County HUD Loan, the \$1M County Loan and the \$4.7M County Loan, there are no outstanding unpaid loans from the County

to either or both of Parrot Jungle and PJG and that certain Promissory Note dated August 21, 2003 issued by Parrot Jungle to the order of the County in the principal amount of \$1,500,000.00 has been paid in full.

**Section 9. County's Consent to Pledge.** The County hereby acknowledges and consents to that certain Pledge Agreement made by ESJ JI, LP, a Florida limited partnership (the sole member of Purchaser) (the "**Sole Member**"), in favor of Mr. Levine (the "**Pledge**"). The Pledge is being made to secure the obligations of ESJ Capital Partners, LLC under that certain Indemnification Letter Agreement in favor of Mr. Levine (the "**Indemnity**"), which Pledge and Indemnity are being made pursuant to Section 11.2.2 of the Purchase Agreement. Notwithstanding the foregoing, in no way shall the County's acknowledgement and consent to the Indemnity and Pledge: (i) affect the Guarantor County HUD Documents, the \$1M County Loan Guaranty or the \$4.7M County Loan Guaranty, or (ii) require the County to pursue ESJ or the Sole Member.

**Section 10. Modifications to County HUD Loan Documents, \$1M County Loan Documents and \$4.7M County Loan Documents.** From and after the Effective Date, the County HUD Loan Documents, the \$1M County Loan Documents and the \$4.7M County Loan Documents shall be modified in accordance with the terms set forth in Schedule A attached to and incorporated into this Agreement.

**Section 11. References to County HUD Loan Documents, \$1M County Loan Documents and \$4.7M County Loan Documents.** All references to the term "Loan Documents" in the County HUD Mortgage and the County HUD Loan Documents, the \$1M County Loan Documents and the \$4.7M County Loan Documents are modified to include this Agreement.

**Section 12. Authority.** The signatories on behalf of Seller and Purchaser each represent that they have the requisite capacity and authority to execute and deliver this Agreement and to legally bind Seller and Purchaser to the terms and provisions hereof.

**Section 13. Notices.** All notices or other communications required under this Agreement shall be in writing and shall be given by electronic mail, personal delivery, Federal Express or UPS (or other similar nationally recognized overnight courier service) or by registered or certified U.S. Mail, return receipt requested, addressed to the other party at the address indicated herein or to such other address as a party may designate by notice given herein provided. Notice shall be deemed given on the day on which hand-delivered or on the day hand-delivery is refused; or if by U.S. Mail, on the day of actual receipt, or on the day acceptance of delivery is refused; or if by overnight courier, the day of actual delivery or the day on which delivery is refused; or if by electronic mail, on the day on actual receipt, as follows:

**Purchaser:** ESJ JI Leasehold, LLC  
19950 W. Country Club Drive, Suite 800  
Aventura, Florida 33180  
Attention: Arnaud Sitbon  
E-Mail: [as@esj.us](mailto:as@esj.us)

With a copy to: ESJ JI Leasehold, LLC  
19950 W. Country Club Drive, Suite 800  
Aventura, Florida 33180  
Attention: Gabriel Amiel  
E-Mail: [ga@esj.us](mailto:ga@esj.us)

With a copy to: ESJ JI Leasehold, LLC  
19950 W. Country Club Drive, Suite 800  
Aventura, Florida 33180  
Attention: Elie Mimoun  
E-Mail: [em@esj.us](mailto:em@esj.us)

with a copy to: Shutts & Bowen LLP  
200 Biscayne Boulevard  
41st Floor  
Miami, Florida 33131  
Attention: Alex Tachmes, Esq.  
E-Mail: [atachmes@shutts.com](mailto:atachmes@shutts.com)

**Seller:** c/o Jungle Island  
1111 Parrot Jungle Trail  
Miami, Florida 33132  
Attention: Bernard Levine  
E-Mail: [bern@jungleisland.com](mailto:bern@jungleisland.com)

with a copy to: Bilzin Sumberg Baena Price & Axelrod LLP  
1450 Brickell Avenue, 23rd Floor  
Miami, Florida 33131  
Attention: Phillip S. Sosnow, Esq.  
E-Mail: [psosnow@bilzin.com](mailto:psosnow@bilzin.com)

with a copy to: Bilzin Sumberg Baena Price & Axelrod LLP  
1450 Brickell Avenue, 23rd Floor  
Miami, Florida 33131  
Attention: Suzanne Amaducci-Adams, Esq.  
E-Mail: [samaducci@bilzin.com](mailto:samaducci@bilzin.com)

**Miami-Dade  
County:**

Miami-Dade County  
Attention: Carlos Gimenez, Mayor  
111 NW 1<sup>st</sup> Avenue, 29<sup>th</sup> Floor  
Miami, FL 33128  
E-Mail: \_\_\_\_\_

With a copy to: Public Housing and Community Development Department  
701 N.W. 1<sup>st</sup> Court, 16<sup>th</sup> Floor  
Miami, FL 33136  
Attn: Director  
E-Mail: \_\_\_\_\_

With a copy to: Shannon D. Summerset-Williams, Esq.  
Assistant County Attorney  
Miami-Dade County Attorney Office  
111 NW 1<sup>st</sup> Avenue, 2810  
Miami, FL 33128  
E-Mail: [SDS2@Miami-Dade.gov](mailto:SDS2@Miami-Dade.gov)

**Section 14. Miscellaneous.** This Agreement will be construed in accordance with laws of the State of Florida without regard to any conflict of laws rule or principle that would give effect to the laws of another jurisdiction and will be recorded in Miami-Dade County, Florida. In the event that any party should have to retain counsel to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its costs including a reasonable fee for the legal services rendered on its behalf. Any dispute arising under, in connection with or related to this Agreement or related to any matter which is the subject of this Agreement shall be subject to the exclusive jurisdiction of the state and/or federal courts located in Miami-Dade County, Florida.

**Section 15. Effective Date.** The Effective Date shall be the same date as the Closing Date under the Purchase Agreement.

**Section 16. Successors and Assigns.** This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

**Section 17. Counterparts.** This Agreement may be executed in counterparts, and all counterparts together shall be construed as one document.

**Section 18. Severability.** If any covenant, condition, term, or provision contained in this Agreement is held to be invalid by final judgment of any court of competent jurisdiction, the invalidity of such covenant, condition, term, or provision shall not in any way affect any other covenant, condition, term, or provision contained in this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the County, the Purchaser, the Seller and the Guarantors have executed this Agreement as of the date first set forth above.

**ATTEST:**

**MIAMI-DADE COUNTY:**

HARVEY RUVIN, Clerk

\_\_\_\_\_  
\_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Deputy Mayor  
Address: 111 NW 1st Street, 29th Floor  
Miami, FL 33128

Approved as to form and legal sufficiency:

By: \_\_\_\_\_  
Shannon D. Summerset-Williams  
Assistant County Attorney

STATE OF FLORIDA        )  
                                          )  
COUNTY OF MIAMI-DADE )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_ as Deputy Clerk of **MIAMI-DADE COUNTY**, a Florida political subdivision, on behalf of that county, who is personally known to me or who has produced \_\_\_\_\_ as identification.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: Notary Public  
Serial No., if any: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

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STATE OF FLORIDA        )  
                                  )  
COUNTY OF MIAMI-DADE )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_ as Deputy Mayor of **MIAMI-DADE COUNTY**, a Florida political subdivision, on behalf of that county, who is personally known to me or who has produced \_\_\_\_\_ as identification.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: Notary Public  
Serial No., if any: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

STATE OF FLORIDA        )  
                                  )  
COUNTY OF MIAMI-DADE )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 2017, by Shannon D. Summerset-Williams, as Assistant County Attorney of **MIAMI-DADE COUNTY**, a Florida political subdivision, on behalf of that county, who is personally known to me or who has produced \_\_\_\_\_ as identification.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: Notary Public  
Serial No., if any: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

**WITNESSES:**

\_\_\_\_\_

Print: \_\_\_\_\_

\_\_\_\_\_

Print: \_\_\_\_\_

**SELLER:**

**PARROT JUNGLE AND GARDENS OF  
WATSON ISLAND, INC.**, a Florida  
corporation

By: \_\_\_\_\_

Name: Bernard Levine

Title: Chief Executive Officer

Address: 1111 Parrot Jungle Trail  
Miami, Florida 33132

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by Bernard Levine, as Chief Executive Officer of **PARROT JUNGLE AND GARDENS OF WATSON ISLAND, INC.**, a Florida corporation, on behalf of the corporation. Said person is personally known to me or has produced a valid driver's license as identification.

\_\_\_\_\_  
Notary Public; State of Florida

Print Name: \_\_\_\_\_

Commission Expires: \_\_\_\_\_

Commission No.: \_\_\_\_\_



**WITNESSES:**

\_\_\_\_\_

Print: \_\_\_\_\_

\_\_\_\_\_

Print: \_\_\_\_\_

**SELLER:**

**PJG WATSON, L.L.C.**, a Florida limited liability company

By: \_\_\_\_\_

Name: Bernard Levine

Title: Authorized Member

Address: 1111 Parrot Jungle Trail  
Miami, Florida 33132

STATE OF FLORIDA        )  
                                  )  
COUNTY OF MIAMI-DADE )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by Bernard Levine, as Authorized Member of **PJG WATSON, L.L.C.**, a Florida limited liability company, on behalf of the company. Said person is personally known to me or has produced a valid driver's license as identification.

\_\_\_\_\_  
Notary Public; State of Florida  
Print Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_  
Commission No.: \_\_\_\_\_

**WITNESSES:**

**GUARANTOR:**

\_\_\_\_\_

\_\_\_\_\_  
**BERNARD M. LEVINE**

Print: \_\_\_\_\_

\_\_\_\_\_

Print: \_\_\_\_\_

*Address:* 1111 Parrot Jungle Trail  
Miami, Florida 33132

STATE OF FLORIDA        )  
                                  )  
COUNTY OF MIAMI-DADE )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by **Bernard Levine**. Said person is personally known to me or has produced a valid driver's license as identification.

\_\_\_\_\_  
Notary Public; State of Florida  
Print Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_  
Commission No.: \_\_\_\_\_

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WITNESSES:

GUARANTOR:

\_\_\_\_\_

\_\_\_\_\_

Print: \_\_\_\_\_

MARY LEVINE

\_\_\_\_\_

Print: \_\_\_\_\_

Address: 1111 Parrot Jungle Trail  
Miami, Florida 33132

STATE OF FLORIDA        )  
                                  )  
COUNTY OF MIAMI-DADE )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017, by **Mary Levine**. Said person is personally known to me or has produced a valid driver's license as identification.

\_\_\_\_\_  
Notary Public; State of Florida  
Print Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_  
Commission No.: \_\_\_\_\_

**WITNESSES:**

\_\_\_\_\_

Print: \_\_\_\_\_

\_\_\_\_\_

Print: \_\_\_\_\_

**PURCHASER:**

**ESJ J.I. LEASEHOLD, LLC**, a Florida limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: 19950 W. Country Club Drive  
Suite 800  
Aventura, Florida 33180

STATE OF FLORIDA        )  
                                  )  
COUNTY OF MIAMI-DADE )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_, as \_\_\_\_\_ of **ESJ J.I. LEASEHOLD, LLC**, a Florida limited liability company, on behalf of said limited liability company. Said person is personally known to me or has produced a valid driver's license as identification.

\_\_\_\_\_  
Notary Public; State of Florida  
Print Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_  
Commission No.: \_\_\_\_\_

22  
28

**CERTIFICATE OF APPROVAL  
OF ASSUMPTION OF FLORIDA  
LEASEHOLD MORTGAGE, ASSIGNMENT  
OF LEASES AND RENTS AND SECURITY  
AGREEMENT AND OF OTHER LOAN  
DOCUMENTS AND TERMINATION  
OF SUBLEASE**

The City of Miami, a Florida municipal corporation (the "City"), in its capacity as Landlord under that certain Lease and Development Agreement dated September 2, 1997, between the City and Parrot Jungle and Gardens of Watson Island, Inc., a Florida corporation ("Parrot Jungle"), as amended by Modification of Lease and Development Agreement dated April 14, 2000 by and between the City and Parrot Jungle, and further amended by Modification to Lease and Development Agreement dated August 13, 2002 by and between the City and Parrot Jungle, as further amended by Third Modification to Lease and Development Agreement dated October 29, 2008 by and between the City and Parrot Jungle, and as further amended by Fourth Modification to Lease and Development Agreement by and between the City and Parrot Jungle, and pursuant to Section 5.1 of that certain Development Agreement dated April 20, 2000, by and among Miami-Dade County, a political subdivision in the State of Florida (the "County"). Parrot Jungle and the City, as amended by that certain Amendatory Agreement dated August 25, 2003 and that certain Amendment to Development Agreement dated August 3, 2007 (collectively, the "Development Agreement"): (a) hereby approves, as to the form and substance, all of the terms, conditions and provisions set forth in that certain Assumption of Florida Leasehold Mortgage, Assignment of Florida Leasehold Mortgage, Assignment of Leases and Security Agreement and of Other Loan Documents and Termination of Sublease, dated \_\_\_\_\_, 2017, by and among the County, Parrot Jungle, PJG Watson L.L.C., a Florida limited liability company ("PJG"), ESJ J.I. Leasehold, LLC, a Florida limited liability company ("ESJ"), Bernard M. Levine and Mary Levine (the "Assumption Agreement"), a true and correct copy of which is attached hereto; and (b) hereby consents to the execution and delivery of the Assumption Agreement by the County, Parrot Jungle, PJG, ESJ, Bernard M. Levine and Mary Levine.

**IN WITNESS WHEREOF**, the City has executed and delivered this Certificate the \_\_\_ day of \_\_\_\_\_, 2017.

Attest:

**CITY OF MIAMI**, a Florida municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Manager

Approval as to Form and Content:

25  
29

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF FLORIDA            )  
                                          )  
COUNTY OF MIAMI-DADE    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017 by \_\_\_\_\_, as City Manager of the **CITY OF MIAMI**, a Florida municipal corporation, on behalf of that corporation, who is personally known to me or produced \_\_\_\_\_ as identification.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: Notary Public, State of Florida  
Serial No., if any: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

(SEAL)

STATE OF FLORIDA            )  
                                          )  
COUNTY OF MIAMI-DADE    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017 by \_\_\_\_\_, as \_\_\_\_\_ of the **CITY OF MIAMI**, a Florida municipal corporation, on behalf of that corporation, who is personally known to me or produced \_\_\_\_\_ as identification.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: Notary Public, State of Florida  
Serial No., if any: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

(SEAL)

STATE OF FLORIDA            )

COUNTY OF MIAMI-DADE             )  
                                                          )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017 by \_\_\_\_\_, as City Manager of the **CITY OF MIAMI**, a Florida municipal corporation, on behalf of that corporation, who is personally known to me or produced \_\_\_\_\_ as identification.

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: Notary Public, State of Florida  
Serial No., if any: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

(SEAL)

<sup>-25</sup>  
31

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

PARCEL I:

That portion of WATSON ISLAND lying and being in Sections 31 and 32, Township 53 South, Range 42 East, being more particularly described as follows:

Commence at a point known as P.T. STATION 25+50 of the official map of location and survey of a portion of Section 8706, designated as a part of State Road A-1-A in Dade County, Florida as recorded in Plat Book 56 at Page 71 of the Public Records of Dade County, Florida, said Point being the point of tangency of the centerline of the most Northerly curve of General Douglas Macarthur Causeway, running Southeastwardly from the Northwesterly corner of Watson Island and having a radius of 1432.69 feet and a central angle of 62 degrees 00 minutes 00 seconds; thence run North 60 degrees 52 minutes 45 seconds East, along the Northeasterly prolongation of the radial line of the above mentioned curve for a distance of 670.74 feet to the Point of Beginning of the parcel to be described. (Said point being also the Point of Beginning of lease area 1 Miami Yacht Club; thence South 09 degrees 52 minutes 53 seconds East, along the Southwesterly line of said lease area 1 and its Southeasterly extension for 857.30 feet; thence South 60 degrees 52 minutes 45 seconds West, for 223.24 feet to its intersection with a line parallel and 100 feet Northeasterly of the most Northerly right-of-way line of said Macarthur Causeway; thence North 29 degrees 07 minutes 15 seconds West, parallel to said right-of-way for 1100.97 feet to a point of tangency; (A) thence along a tangential curve concave to the Southwest having a radius of 800.00 feet, a central angle of 25 degrees 16 minutes 16 seconds for an arc distance of 352.85 feet, thence South 90 degrees 00 minutes 00 seconds West for 94.95 feet to its intersection with the Northerly right-of-way line of said Macarthur Causeway and a circular curve concave to the Southwest, said point bears South 41 degrees 51 minutes 52 seconds West from its center; (B) thence along said curve having for its elements a radius of 1090.64 feet, a central angle of 6 degrees 47 minutes 18 seconds for an arc distance of 129.22 feet to a point of compound curvature; (C) thence along a compound curve concave to the Southwest having for its elements a radius of 1441.25 feet, a central angle of 20 degrees 27 minutes 49 seconds for an arc distance of 514.75 feet; (D) thence North 34 degrees 54 minutes 16 seconds East for 338.29 feet; thence South 55 degrees 05 minutes 44 seconds, East for 726.47 feet to its intersection with the approximate shoreline of Biscayne Bay; thence continue along said shoreline for the following eight courses (1) South 88 degrees 21 minutes 37 seconds East for 63.38 feet; (2) thence South 86 degrees 09 minutes 34 seconds East for 68.47 feet; (3) thence South 82 degrees 33 minutes 21 seconds East for 131.22 feet; (4) thence South 72 degrees 18 minutes 34 seconds East for 82.71 feet; (5) thence South 69 degrees 29 minutes 02 seconds East for 102.34 feet; (6) thence South 67 degrees 53 minutes 24 seconds East for 82.52 feet; (7) thence South 69 degrees 05 minutes 26 seconds East for 94.62 feet; (8) thence North 80 degrees 40 minutes 44 seconds East for 46.77 feet to its intersection with the Southwesterly line of said lease Area 1; thence South 08 degrees 07 minutes 15 seconds East along said line for 288.12 feet to the Point of Beginning and there terminating.



LESS AND EXCEPT:

That portion of WATSON ISLAND lying and being in sections 31 and 32, Township 53 South, Range 42 East described as follows:

Commence at a point known as P.T. Station 25+50 of the official map of location and survey of a portion of section 8706 designated as a part of State Road A-1-A in Miami-Dade County, Florida as recorded in Plat Book 56, Page 71 of the Public Records of Miami-Dade County, Florida, said point being the point of tangency of the centerline of the most northerly curve of General Douglas MacArthur Causeway, running southeasterly from the northwesterly corner of Watson Island and having a radius of 1432.69 feet and a central angle of 62 degrees 00 minutes 00 seconds; thence North 60 degrees 52 minutes 45 seconds East, along the northeasterly prolongation of the radial line of the above mentioned curve for a distance of 130.00 feet to a point on the easterly right-of-way line of said MacArthur Causeway as recorded in Official Records Book 18018, at Page 1171 and Official Records Book 18699, at Page 1236 of the Public Records of Miami-Dade County, Florida; thence North 29 degrees 07 minutes 15 seconds west, along said right-of-way line, 256.28 feet to a point of curvature of a curve concave to the southwest; thence northwesterly along the arc of said curve, having a radius of 926.00 feet and a central angle of 25 degrees 46 minutes 26 seconds, a distance of 416.55 feet; thence North 54 degrees 53 minutes 41 seconds West, 3.51 feet to the Point of beginning; thence continue North 54 degrees 53 minutes 41 seconds west, 157.45 feet to a point of curvature of a curve concave to the southwest; thence northwesterly along the arc of said curve, having a radius of 1454.25 feet and a central angle of 16 degrees 22 minutes 32 seconds, a distance of 415.64 feet; thence North 18 degrees 43 minutes 47 seconds East, radially to the last and next described curves, a distance of 4.77 feet to a point on a non-tangent curve, concave to the southwest; thence northwesterly along the arc of said curve, having a radius of 1459.02 feet and a central angle of 03 degrees 50 minutes 38 seconds, a distance of 97.89 feet (the preceding six courses and distance being coincident with the easterly and northeasterly right - of-way line of said MacArthur Causeway as recorded in Official Records Book 18018, at Page 1171 and Official Records Book 18699, at Page 1236 of the Public Records of Miami-Dade County); thence South 34 degrees 54 minutes 16 seconds West, 18.80 feet to a point of curvature of a non-tangent curve concave to the southwest ( a radial line to said point bears North 14 degrees 36 minutes 45 seconds East); thence southeasterly along the arc of said curve, having a radius of 1441.25 and a central angle of 20 degrees 27 minutes 49 seconds, a distance of 514.75 feet to a point of compound curvature of a curve concave to the southwest; thence southeasterly along the arc of said curve, having a radius of 1090.64 feet and a central angle of 06 degrees 47 minutes 18 seconds, a distance of 129.22 feet; thence North 90 degrees 00 minutes 00 seconds East, 35.33 feet to the Point of Beginning.

TOGETHER WITH THE FOLLOWING LANDS:

That portion of WATSON ISLAND lying and being in sections 31 and 32, Township 53 South, Range 42 East described as follows:

Commence at a point known as P.T. STATION 25+50 of the official map of location and survey of a portion of Section 8706, designated as a part of State Road A-1-A Miami-Dade County, Florida as recorded in Plat Book 56, Page 71 of the Public Records of Miami-Dade County, Florida, said point being the point of tangency of the centerline of the most northerly curve of General Douglas MacArthur Causeway, running southeasterly from the northwesterly corner of Watson Island and having a radius of 1432.69 feet and a central angle of 62 degrees 00 minutes 00 seconds; thence North 60 degrees 52 minutes 45 seconds East, along the northeasterly prolongation of the radial line of the above mentioned curve for a distance of 670.74 feet; thence South 09 degrees 52 minutes 53 seconds East, 387.30 feet to the Point of Beginning; thence continue South 09 degrees 52 minutes 53 seconds East, 470.00 feet; thence North 60 degrees 52 minutes 45 seconds East, 30.75 feet; thence North 08 degrees 45 minutes 06 seconds West, 49.29 feet; thence North 09 degrees 52 minutes 53 seconds West, 180.24 feet; thence North 13 degrees 41 minutes 45 seconds West, 134.32 feet; thence North 13 degrees 41 minutes 15 seconds West, 94.07 feet; thence South 89 degrees 32 minutes 37 seconds West, 15.03 feet to the Point of Beginning.

PARCEL II:

TOGETHER WITH Non-Exclusive Easements and rights in real property in favor of Parrot Jungle and Gardens of Watson Island, Inc. created in the Lease, to wit:

Easements (i) for the temporary use of Watson Island during construction of leasehold improvements by Lessee on the Subject Property, (ii) in favor of Lessee, on a non-exclusive basis, for installation, operation, maintenance, repair, replacement, relocation and removal of utility facilities such as water lines, fire lands, gas mains, electrical power lines, telephone lines, storm and sanitary sewers and other utility lines and facilities, including reasonable rights of ingress and egress; (iii) for the non-exclusive right and easement for unobstructed vehicular access to and from the Subject Property to MacArthur Causeway; (iv) for the non-exclusive right of Lessee to use portions of Watson Island, which Watson Island is depicted by sketch in the Lease ("Watson Island"), in common with the public, subject to the Lessor's right to restrict portions of Watson Island for reasonable periods during special events, for the unobstructed pedestrian access to and from the Subject Property by Lessee, subtenants and their employees, agents, customers and invitees to all of the public areas of Watson Island; (v) for the reasonable right and easement to enter onto those portions of Watson Island for the purpose of performing maintenance and repairs to the Lessee's Leasehold Improvements; and (vi) for the non-exclusive rights and easements for installation, maintenance, repair and replacement of utility facilities and for pedestrian and vehicular access to and from the adjacent portions of Watson Island to the Subject Property as such locations as may be approved by the Lessor from time to time.

**EXHIBIT "B"**

**COUNTY HUD LOAN DOCUMENTS**

1. Promissory Note dated January 9, 2001 by Seller in favor of the County
2. Development Agreement dated April 20, 2000, by and among the County, Parrot Jungle and the City
3. Modification of Mortgage and Other Loan Documents by and among Seller and the County, recorded in Official Records Book 20891, Page 1902, Public Records of Miami-Dade County, Florida
4. Amendatory Agreement dated August 25, 2003, by and among the County, Parrot Jungle and the City
5. Amendment to Development Agreement dated August 3, 2007 among the County, Parrot Jungle and the City
6. Environmental Indemnity Agreement dated January 9, 2001 by Seller in favor of the County
7. UCC-1 Financing Statement
8. Mortgage Subordination Agreement dated January 9, 2001 by and between UPB, Seller and the County, recorded in Official Records Book 19446, at Page 81, of the Public Records of Miami-Dade County, Florida
9. Modification to Subordination Agreement dated September 17, 2003 by and between HSBC, Seller, and the County, recorded in Official Records Book 21670, at Page 4036 of the Public Records of Miami-Dade County, Florida

**SCHEDULE A**

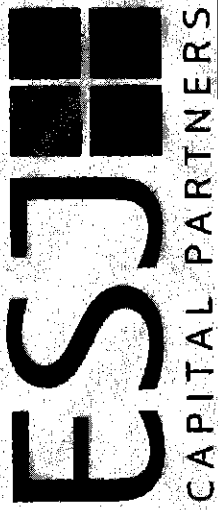
**MODIFICATION TO LOAN DOCUMENTS**

1. All references to "Borrower", "Parrot Jungle", "Mortgagor", or "Maker" under the County HUD Loan Documents, \$1M County Loan Documents and \$4.7M County Loan Documents shall now refer to **ESJ J.I. LEASEHOLD, LLC**.
2. All notices to "Borrower", "Parrot Jungle", "Mortgagor", or "Maker" under the County HUD Loan Documents, \$1M County Loan Documents and \$4.7M County Loan Documents shall now be sent to:

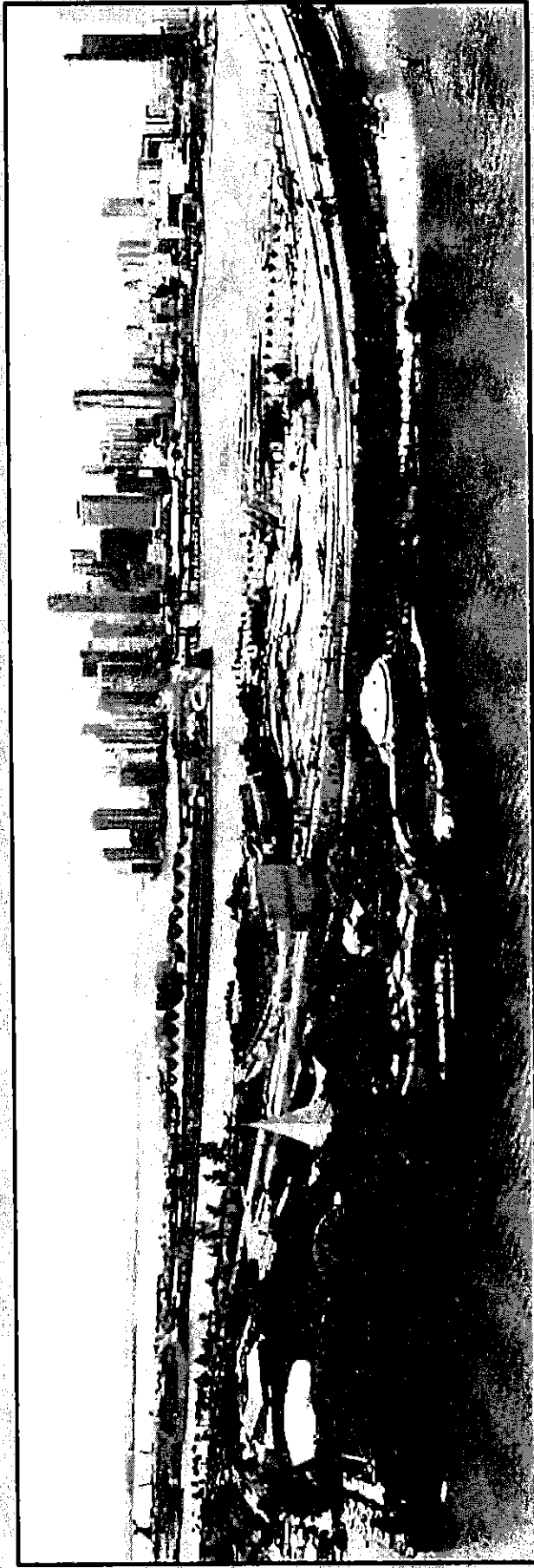
ESJ J.I. Leasehold, LLC  
19950 W. Country Club Drive, Suite 800  
Aventura, Florida 33180  
Attention: Arnaud Sitbon  
Phone: (305) 600-5001  
Email: [as@esj.us](mailto:as@esj.us)

with a copy to:

Shutts & Bowen LLP  
200 Biscayne Boulevard  
41st Floor  
Miami, Florida 33131  
Attention: Alex Tachmes, Esq.  
Phone: (305) 347-7341  
Email: [atachmes@shutts.com](mailto:atachmes@shutts.com)



Confidential Investment Presentation  
October 2016



# Jungle Island

Mixed-Use Redevelopment  
Miami - Florida

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# DISCLAIMER

The information contained in this Investment Presentation is confidential, and is being furnished to a limited number of sophisticated, accredited investors solely for the purpose of providing information to assist you in considering the "investment" described herein and in the accompanying Subscription Agreement and other materials. It is not to be used for any other purpose or made available to any other person without the express written consent of ESJ CAPITAL PARTNERS, LLC ("the Company"). The materials used herein are based in part upon internal information obtained by the Company from sources the Company deems to be reliable.

This presentation was prepared by the Company and has been reviewed by its representatives; however, neither the Company nor any of its employees, affiliates or representatives make any representation or warranty, express or implied, as to the accuracy or completeness of any of the information contained in this Investment Presentation. It contains selected information pertaining to the Company and the Jungle Island Businesses and Leasehold Project which the ESJ J.I. L.P. (the "Partnership") intends to purchase through wholly-owned subsidiaries, over a period of approximately the next 6 months. It does not purport to be all-inclusive or to contain all of the information which prospective investors and financial sources may desire to know.

This presentation is not intended to form the basis of any investment decision or any decision to purchase any interest in respect to the Company or the Properties. It does not constitute an offer or invitation for the sale or purchase of any interest with respect to the Partnership or the Properties and neither this presentation nor its contents shall form the basis of any contract.

It should be noted that there are no financial projections provided in this Investment Presentation because the assumptions relating to the general economy, the Miami real estate market, competition for the properties, financing costs for acquisition and development of businesses and commercial real property and other relevant factors, are beyond the control of the Company and, therefore, are subject to material variation. The use of financial projections for this project are further complicated because the Partnership intends to acquire the leasehold and businesses in phases, develop said businesses, entitle parts of the real estate to allow the development of a themed hotel and supporting retail. We will also pursue an extension of the leasehold to 90 years.

The accuracy or completeness of the information in this Investment Presentation is not guaranteed. The contents of this Investment Presentation are subject to change which may alter the considerations upon which an investment in the Partnership are based. The Company does not intend to update or otherwise revise the contents of this Investment Presentation to reflect circumstances existing after the date of this presentation, nor in the event the assumptions or estimates underlying the material presented are shown to be inaccurate.

In making an investment decision, investors must rely on their own examination of the Properties described herein, and the terms of the definitive offering documents governing the investment, which consists of a Limited Partnership Agreement for the Partnership, an Operating Agreement for the General Partner of the Partnership, and a Subscription Agreement (the "Offering Documents" collectively), including the merits and risks involved. This Investment Presentation is subject to and qualified in its entirety by the Offering Documents.

Prospective investors should not construe the contents of this presentation and of the Offering Documents as legal, tax, investment or accounting advice. Prospective investors are urged to consult with their own advisors with respect to legal, tax, regulatory, financial and accounting consequences of their investment in the underlying project described herein.

For additional information regarding this project, please contact:

ESJ Capital Partners, LLC  
19950 W Country Club Dr.

Suite 800

Aventura, FL 33180

Telephone: + 1 (305) 600-5001

Fax: + 1 (305) 402-8069

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## INVESTMENT SUMMARY

ESJ Capital Partners ("ESJ") is pleased to present a landmark opportunity to acquire the leasehold interest and operating company for Jungle Island (the "Park"), an 18.6-acre (7.53-hectare) multi level entertainment destination located on Miami's Watson Island. ESJ plans to immediately implement a comprehensive redevelopment plan on this urban island alongside a veteran management team.

As this is the first time the leasehold interest and operating business is selling in over 17 years, ESJ has been carrying out its due diligence since October 2015 to assess Jungle Island's management, finances, and operations in order to qualify an equity investment. As a precursor to this equity investment, ESJ helped current owner secure a new first mortgage refinancing on January 9, 2016. In concurrence with the acquisition of the Jungle Island leasehold, ESJ intends to refinance the first mortgage with a new lender.

Upon acquisition, ESJ's redevelopment goal is to upgrade Jungle Island with new capital improvements and vendor partnerships, new attractions, improve the customer's experience with more water features, and future food/beverage opportunities. The final phase, once the park is fully upgraded, is the potential to develop a theme-based hotel with unobstructed views of Downtown Miami and Miami Beach. Jungle Island will then be blending retail, hospitality, and entertainment to create a multi-faceted destination that drives attendance from both tourists and Florida locals.

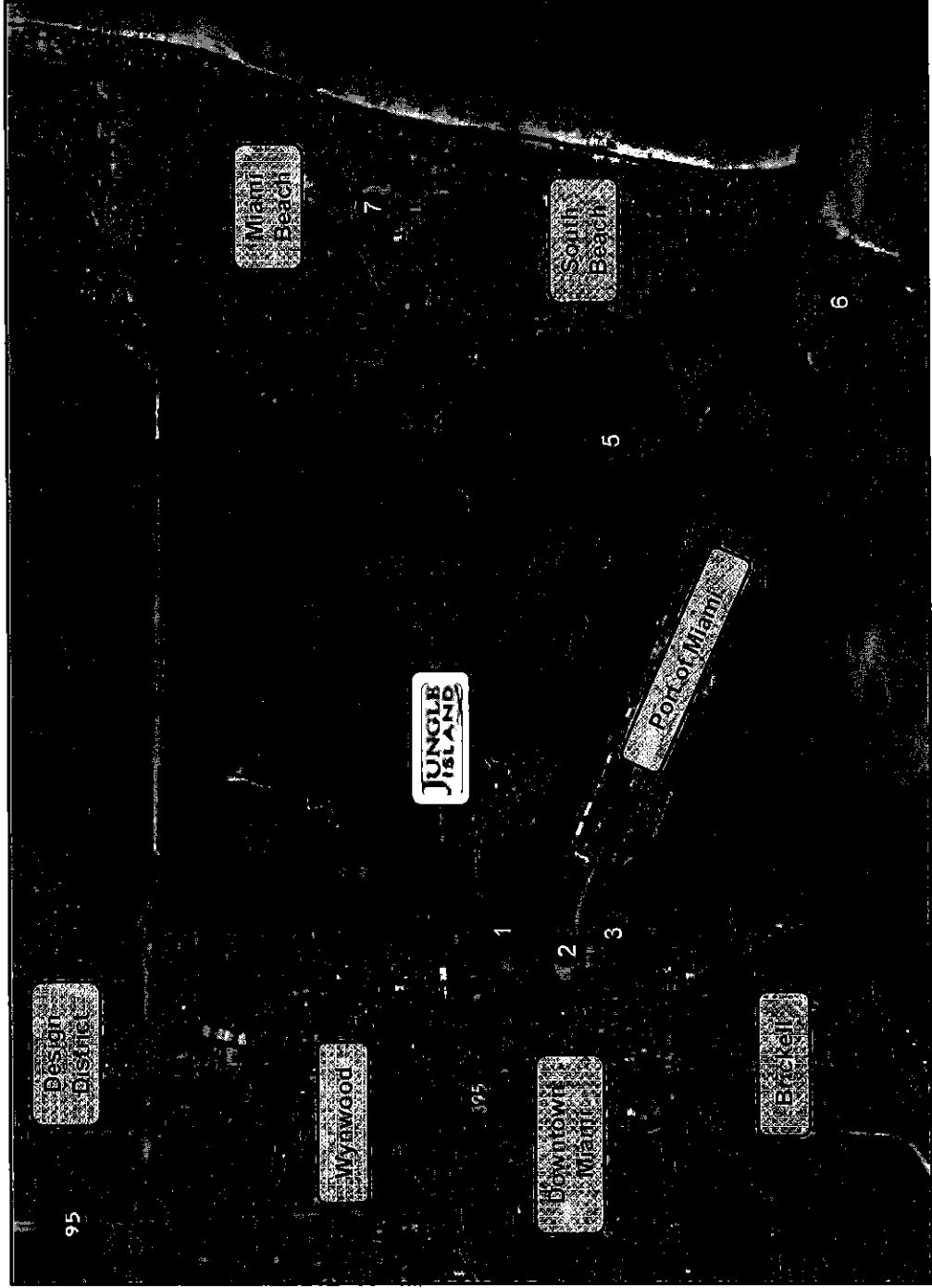
Nature of Investment:	Mixed-Use Redevelopment
Investment Type:	Real Estate Leasehold and Operating Business
Total Project Costs:	\$83,680,007
Equity Amount:	\$41,846,179
Expected Investment Term:	5 to 7 Years
Collateral Business:	Retail, Office, Entertainment Attraction, Hospitality (Planned)
Collateral Location:	Watson Island (Downtown Miami/Miami Beach)
Closing Date:	January 2017
Expected IRR:	N/A
Expected Multiple:	N/A



# PROPERTY INFORMATION



## MIAMI AERIAL



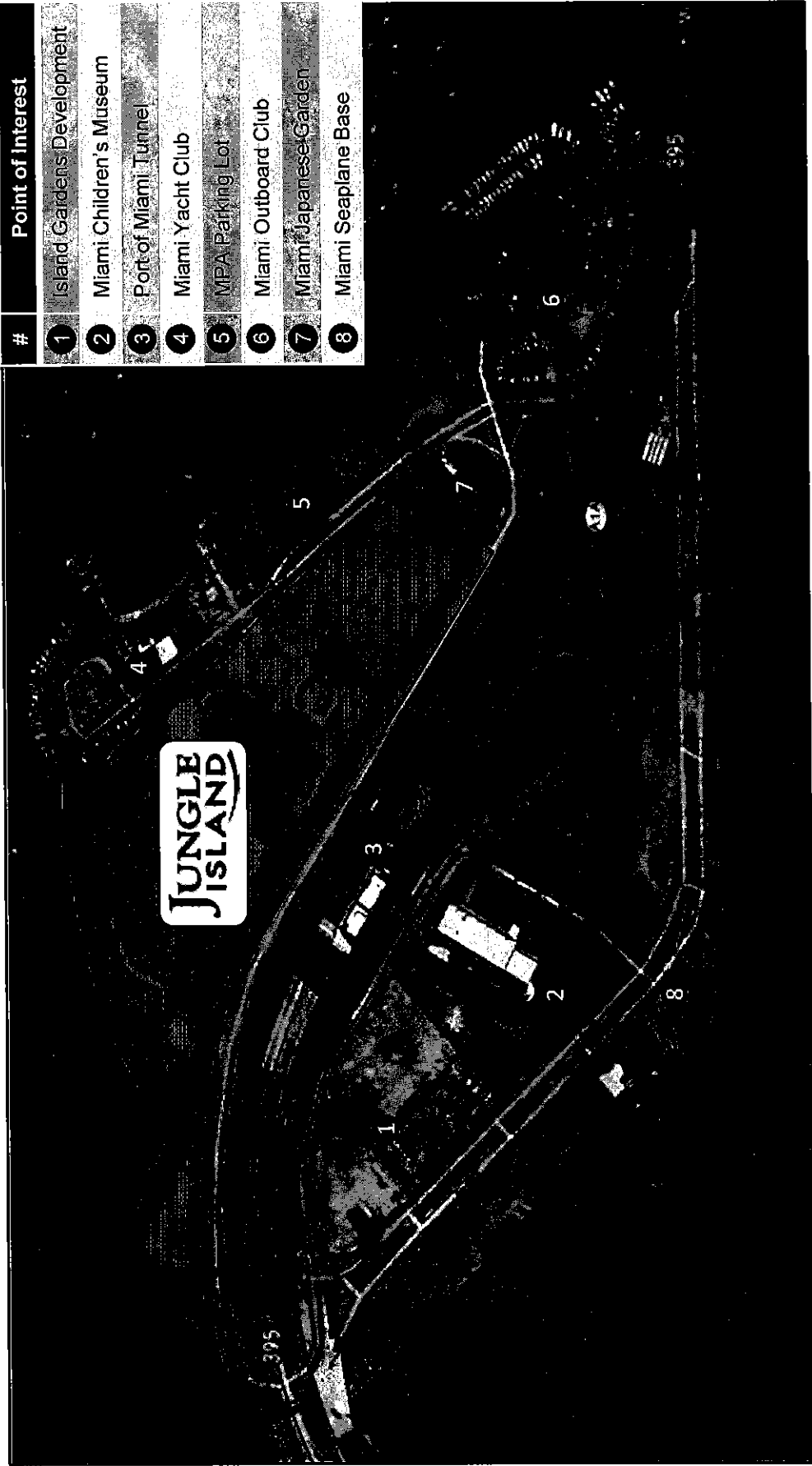
#	Points of Interest
1	Perez Art Museum
2	American Airlines Arena
3	Bayside Marketplace
4	Brickell Key
5	Star Island
6	Fisher Island
7	Convention Center

H



# PROPERTY INFORMATION

## WATSON ISLAND AERIAL

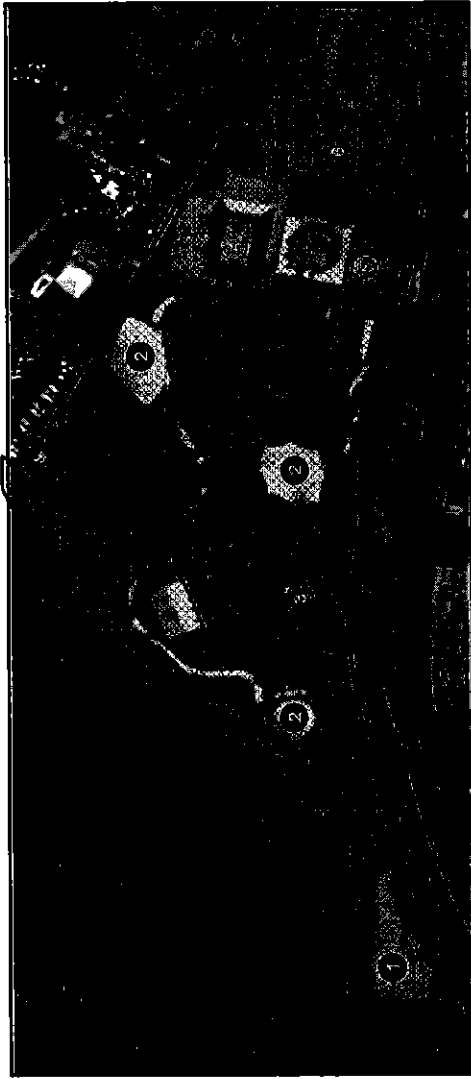


#	Point of Interest
1	Island Gardens Development
2	Miami Children's Museum
3	Port of Miami Tunnel
4	Miami Yacht Club
5	MPA Parking Lot
6	Miami Outboard Club
7	Miami Japanese Garden
8	Miami Seaplane Base



## PROPERTY INFORMATION

### DESCRIPTION OF CURRENT IMPROVEMENTS



1 Private white-sand beach with unobstructed views of Biscayne Bay

2 There are three covered entertainment amphitheaters that have seating capacity between 500 to 1,100 persons

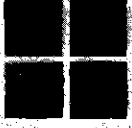
3 The barn and petting zoo have animal holding areas on the 1st level and a veterinary area on the 2nd level

4 The administration building includes offices, retail, admissions, and the banquet / meeting room facilities

5 Café building including a cafeteria/self-service style food service area, a commercial kitchen and event area on the 1st floor and retail and event space on the 2nd floor

6 Parking – 579 spaces

Property Description	
Site Address	1111 Parrot Jungle Trail Miami (Dade) FL 33132
Site Size:	18.61 Acres / 7.53 Hectares
Land:	16.11 Acres / 6.52 Hectares
Water:	2.50 Acres / 1.01 Hectares
Existing Built Size	367,026 SF / 34,098 m <sup>2</sup>
Number of Buildings:	6 (including 3 pavilions)
Parking	579 spaces
Year Built:	2003
Zoning:	Civic Space Zone (Miami 21)
Original Construction Cost:	\$57,000,000 (\$81.23/SF)
Current Land Lease Expiration:	2045 (with one 15-year option)
Potential Themed Hotel Component:	Up to 260 rooms + retail (given current height restrictions)



## PROPERTY INFORMATION

### MIAMI, FLORIDA HIGHLIGHTS

- Miami's metropolitan area is the 2<sup>nd</sup> most populous in the Southeastern U.S. and 8<sup>th</sup> most populous in the U.S. with a population of over 6.0 million<sup>1</sup>
- Miami has 3 consecutive record-setting years in its number of overnight visitors with 14.2 million visitors in 2013, 14.6 in 2014, and 15.5 million visitors in 2015 (nearly 1 million more visitors over 2014)<sup>2</sup>
  - In 2015, overnight visitors spent an estimated record \$24.4 billion in direct expenditures in the Miami area (over \$500 million more than in 2014)<sup>2</sup>
- According to Knight Frank's *Global Wealth Report for 2015*, Miami was ranked as the 6<sup>th</sup> most important city in the world (ahead of cities like Paris and Dubai) based on the population of wealthy residents<sup>3</sup>

### WATSON ISLAND HIGHLIGHTS

- A 179-acre, man-made island created through land reclamation in Biscayne Bay in 1926
  - The island directly connects South Beach, Port of Miami, and Downtown Miami by way of the MacArthur Causeway and the PortMiami Tunnel
- Major attractions in the submarket include Miami's Children Museum, Perez Art Museum, American Airlines Arena (Miami Heat Stadium), Miami Yacht Club, Port of Miami, Frost Museum of Science (2017)
- One major development on the island is Flagstone's Island Gardens; a recently completed mega-yacht luxury marina
  - Flagstone has also begun the development for Island Gardens, its \$600 million project that will have 221,000 square feet of retail and restaurant, as well as 2 luxury condominium hotels and a residential tower

### JUNGLE ISLAND HIGHLIGHTS

- A highly sought after location with green space and waterfront location with green space overlooking Biscayne Bay
- Easy access to I-395 (which handles over 130,000<sup>4</sup> cars on average per day from Doral, Miami International Airport, Downtown Miami, Port of Miami, and South Beach)

<sup>1</sup>United States Census Bureau; <sup>2</sup>Greater Miami and the Beaches 2015 Annual Research Report; <sup>3</sup>Knight Frank Wealth Report 2015; <sup>4</sup>Florida Traffic Online 2014

## HISTORY OF JUNGLE ISLAND



Jungle Island, Miami's premier entertainment destination, combines the beauty of Miami's tropical landscape with a jungle full of extraordinary animals from around the globe. Building upon its rich 75-year history, today's Jungle Island is a traditional theme park, featuring extremely rare twin orangutans and over 300 vibrant birds, including the world's only trained Cassowary.

Jungle Island began its history in 1936 as Parrot Jungle. Created by Franz Scherr with the idea of an attraction where birds could "fly free," Parrot Jungle was originally located in south Miami and was known primarily for its wide array of exotic birds including Pinky, the high-wire bicycle riding cockatoo, and its world-famous pink flamingos who have been prominently featured in the opening credits of television's Miami Vice among other shows and movies.

The park has evolved over the years under the direction of its current owners who purchased it in 1988. After Hurricane Andrew, the owners set their sights on continuing to develop the park on Watson Island. After construction was completed in 2003, the Watson Island location opened for business as Parrot Jungle Island.

The evolution of the Jungle has led to the renaming of the park as Jungle Island to better encompass the wide variety of animals, plants and activities available.

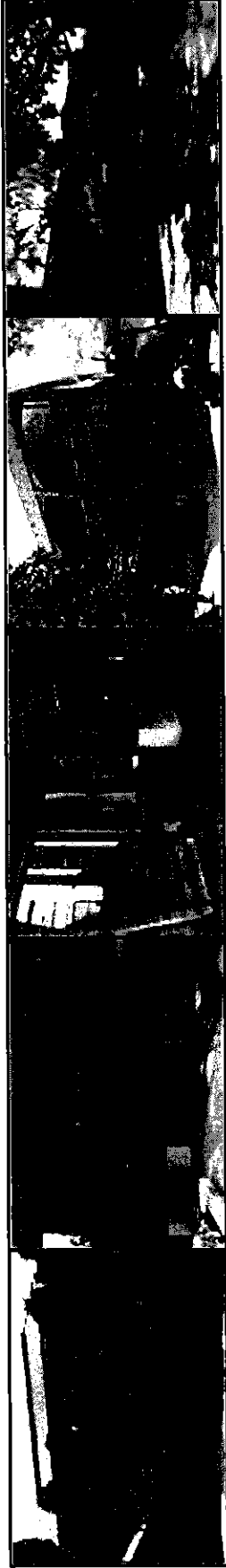
Jungle Island lives up to its name with unusual flora, from the extraordinary African sausage tree to a collection of rare cycads. Visitors can stroll along the 1.35 miles of winding, covered trails while enjoying the many special exhibits, attractions and tours that are available.





**JUNGLE ISLAND PICTURES**

**MAIN ENTRANCE PHOTOS**



**ALTERNATIVE STRUCTURE PHOTOS**



**BOTANICAL GARDEN PHOTOS**



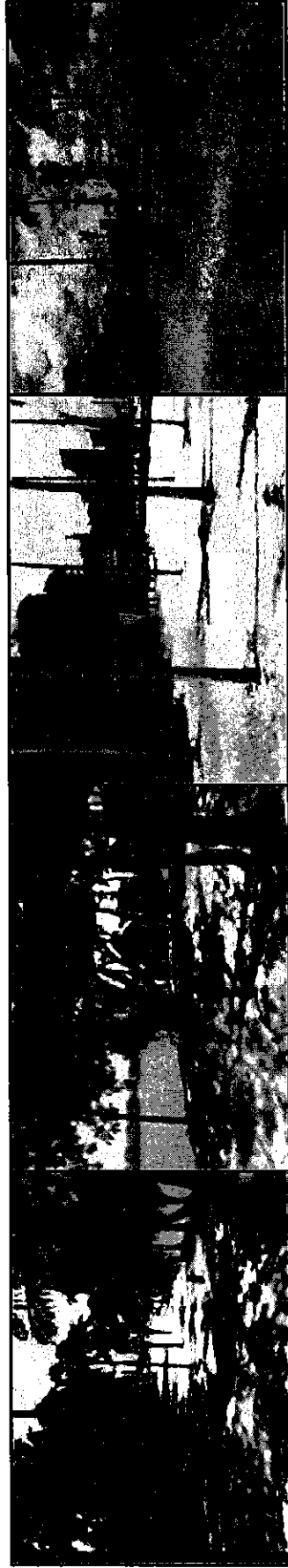


**JUNGLE ISLAND PICTURES**

**OPEN SPACE PHOTOS**



**PRIVATE BEACH PHOTOS**





## OPPORTUNITY DESCRIPTION

### IMMEDIATE VALUE-ADD OPPORTUNITY

Though guests typically have positive reviews of their experiences at Jungle Island, the general lack of park upkeep and maintenance gives off an unintended message that the welfare of the guests and animals is not the #1 priority. The following is a list of areas where ESJ can make an immediate impact in the value of Jungle Island's operating business:

#### Issue

There is evidence of brand name miscommunication, many different names are spread throughout the Park's marketing collateral and public relations communication

The "Jungle Island" name creates guest expectations that are not being met by the Park's visual storytelling

Access and quality of restaurant & park concessions do not meet guest expectations

The Park's primary entrance lacks a sense of arrival, it is difficult to identify guest-entrances

Current wayfinding program has many thematic and functional inconsistencies, including a notable amount of negative messaging throughout the park

Jungle Island atmosphere is sparse and unwelcoming without enough visually aesthetic magnets that draw guests to different areas within the Park

Animal enclosures are obvious, inconsistent, and seem unwelcoming for its inhabitants

#### Solution

Carry out a complete re-branding of Jungle Island to provide consistency and better brand recognition for the Park's new identity

Create a view of lush foliage, overgrown walkways, trails, boundless natural beauty, beaches, water, ruins, and tribal elements

Renegotiation of current vendor's contract to improve operations and renovate all food and beverage areas

Create an arrival sequence that leaves a lasting impression and gives a sense of arrival to our guest

Create signs that deliver messages with a sense of fun, beauty, and craftsmanship

Provide milestones and "discoveries" along pathways and gathering points to reward guests for taking the journey

Provide animal enclosures that reassure guests that the animals are loved and cared for

Handwritten initials or signature.



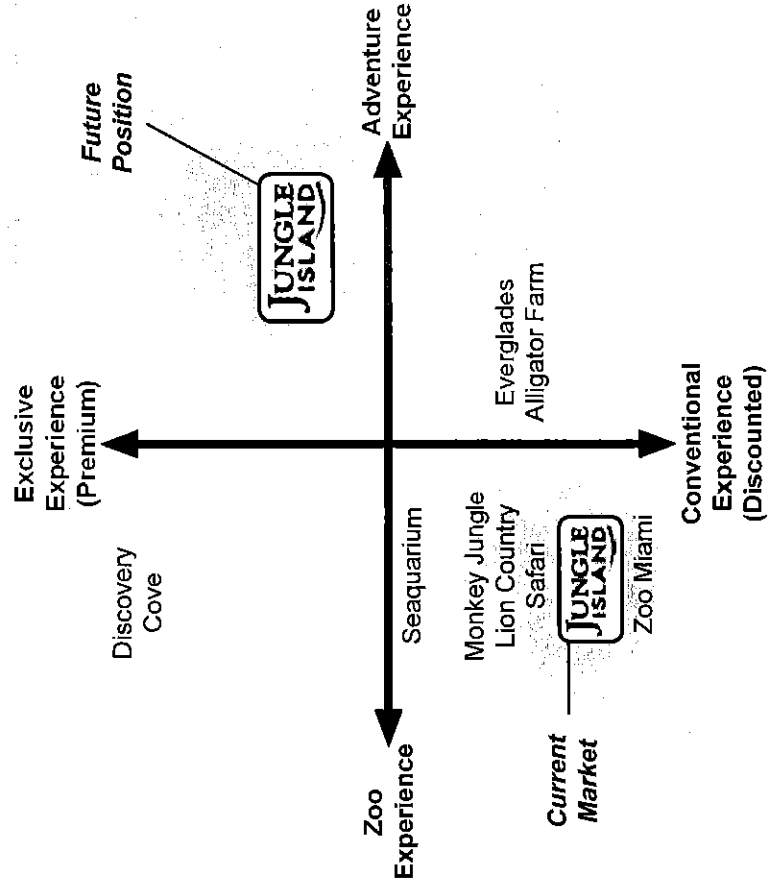
## OPPORTUNITY DESCRIPTION

### JUNGLE ISLAND REPOSITIONING

- Currently, Jungle Island is known as a zoological theme park that contains unusual animals, professional & educational wildlife shows in its 3 amphitheaters. The park also includes a café, retail outlets, and the Tree Top Ballroom for special events that are all due for updates
- Current ownership is unable and unwilling to invest any additional capital into the park in order to do any necessary improvements. This is the obvious opportunity for new ownership
- With an aggressive redevelopment and rebranding plan, the underlying real estate and operating business of Jungle Island will drive more guests while improving operating margins and commanding a premium entrance price
- Jungle Island has not had any substantial capital investments in at least seven years yet it still averages 315,000 visitors annually over the last 3 years the park can accommodate up to 600,000 visitors per year comfortably
  - ESJ's goal is to increase annual visitors by 30%, or 100,000 attendees within 5 years
- With the inclusion of more adventure activities like zip-lines, helicopter tours, a fully equipped water park, and more hands-on animal experiences that appeal to visitors of all ages, Jungle Island will have no direct competition and command its own market
- Jungle Island has the ability to create a unique adventure experience unlike any other premium destination attraction outside of Orlando in the Southeast US
- With more capital, a deeper vision, and great partnerships, ESJ's mission is to better utilize the prime location of Jungle Island
- The goal is to marry the existing botanical and zoological experience with new water & adventure experiences to create a Must-See Destination for tourists and locals that will ultimately increase the park's popularity, attendance, revenues, and investor returns during the expected holding period

### South Florida Family Animal Attractions

Perceptual Map





## **OPPORTUNITY DESCRIPTION**

### **MANAGEMENT & MARKETING STRATEGY**

- A new management and marketing strategy will increase attendance revenues, while providing a premium experience
- A rebranding of Jungle Island, more targeted marketing, collaborating with cruise ships & tourism, and enhanced activities & experiences at the park will assist in further driving up attendance and top-line revenues

### **CAPITAL IMPROVEMENTS**

- An infusion of new capital into Jungle Island will improve the Park aesthetically and add new attractions, capturing a new customer-base
  - Improving the overall guest experience will increase customer repeat visits, online reviews, market share, and the likelihood that Jungle Island becomes a must-see destination for both Florida residents and visitors

### **LEASE EXTENSION & HOTEL ENTITLEMENTS**

- ESJ is consulting with legal and city officials on determining if we should be put on the November 2017 referendum ballot in order to request for a lease extension and an approval for themed hotel

## OPPORTUNITY DESCRIPTION

### PLANNED PARK POTENTIAL IMPROVEMENTS

- Reconfigure the animal exhibits with a clear message to tell a complete visual story
- Add digital/interactive exhibit description displays for the animals as well as new signage, maps, and wayfinding displays to better guide guests
- Replace the current Island Burger restaurant with a restaurant that includes a Jungle Island theme build-out
- Add water features to Jungle Island equipped with a jungle-themed crystal lagoon, lazy river, water slides, and a swimmable Cenote
- Redesign the beach area (currently Parrot Cove) for the creation of a Beach Club that provides exclusive access and benefits for park and non-park guests
- Build a public boardwalk that gives full access to water views and island experience
- Build docks for customers arriving by personal watercraft or commercial day tours

### PLANNED POTENTIAL EXPERIENCE ENHANCEMENTS

- Provide evening entertainment that includes:
  - Extended operating hours during peak season
  - VIP tours conducted in the evenings, when the animals are most active
  - Zip-line will hold evening excursions that include glowing harnesses and helmets
- Develop tour guide operating partnerships to become a more significant Miami tourism destination
- Host more themed events throughout the year
- Expand on the number of animals in the Petting Farm
- Provide more interactive experiences between the employees and the park visitors
- Include more 3<sup>rd</sup> party vendors to provide park entertainment

### EXPERIENCE ENHANCEMENTS UNDER CONSIDERATION

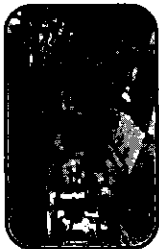
- Create a virtual reality experience and a Jungle Island mobile app to be used during the park visit
- Add exhibit-themed retail at the end of popular exhibits
- Introduce themed concession stands throughout park



# OPPORTUNITY DESCRIPTION

## REDEVELOPMENT PLAN: PHASE I

Improved Exhibits



Zip Line



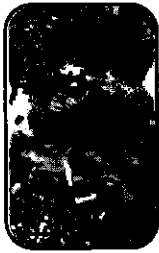
Upgraded Ballroom



Beach Club



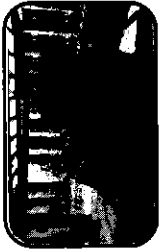
Photography Posts



Cenote



New Concessions

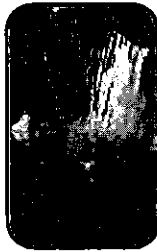


Water Slides

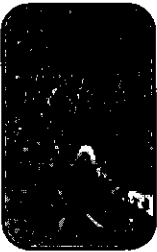


## REDEVELOPMENT PLAN: PHASE II

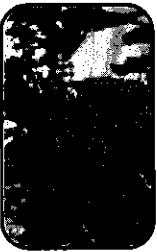
Crystal Lagoon



Lazy River



Boardwalk



Docks



Billboards



## REDEVELOPMENT PLAN: PHASE III

Themed Hotel



## PROPERTY MANAGEMENT

### JOHN DUNLAP, ICONIC ATTRACTIONS GROUP

President & CEO, Iconic Attractions Group ("IAG") and President of Jungle Island

Upon acquisition, John Dunlap will be retained as the Park General Manager for Jungle Island, responsible for overseeing the park's day-to-day operations. Retaining John and current management will allow the Park to seamlessly transition to new ownership and immediately implement ESJ's redevelopment plan due to the team's familiarity with the current state of Jungle Island

John Dunlap has made his reputation in hospitality management successfully running world-famous zoos and hotels

- Prior to forming Iconic Attractions Group, John served as managing director of the San Diego Zoo, where he grew membership, visitation, and revenue to record highs and directed a \$100 million improvement project at what is inarguably considered one of the world's most renowned zoological attractions
- Previously, at Starwood Hotels and Resorts, John led esteemed properties including the Westin St. Francis in San Francisco to AAA four diamond ratings in under a year, and earned the highest brand standards awards and assurance ratings in the Westin family
  - While at Starwood, Dunlap also served as Director of Six Sigma
- John earned a bachelor's degree in Latin American studies from the University of Virginia; master's degree from the Kellogg School of Management from Northwestern University, in addition to having certificates in executive leadership, financial management, and food service management from Cornell University





## PROJECT MANAGEMENT

### WEBER GROUP, INC.

Weber Group will be retained as the Project Manager for ESJ's redevelopment plan to ensure feasibility and effective/efficient integration of the master plan

Weber Group ("Weber") is a design/build firm with over 30 years experience and a 100+ employees serving the entertainment & leisure, multi-family housing & commercial construction, healthcare and hospitality industries

▪ The company has an extensive portfolio of theme and water park design and construction experience as well as over 30 zoo & aquarium projects

▪ Collaboration and Creativity is the Weber Group philosophy, which allows for a high level participation and input from ESJ as the client regarding design concepts while allowing the Weber Group to provide their industry expertise to maximize the benefits of the partnership

WEBER GROUP, INC.

### REPRESENTATIVE THEME & WATER PARK ENGAGEMENTS

- Alabama Adventure Hotel
- Aquatica Waterparks at SeaWorld (Disney)
- Aquatica Waterparks at SeaWorld San Antonio
- Boyne Mountain Resort
- Breaker Bay Water Park at Blue Harbor Resort and Spa
- Calistoga Splash Park at Glacier Run
- Cedar Fair Great America
- Cedar Fair Kings Island
- Cedar Fair Carowinds
- Coco Key Water Resorts
- Commercial Modular Buildings
- Dollywood Theme Park
- Great Wolf Resorts
- Green Lantern Ride Theming
- Kalahari Resorts
- Magic Springs & Crystal Falls
- Nickelodeon Parade Floats
- Norfolk Kroc Center
- Safari Off-Road Adventure
- Six Flags Kentucky Kingdom
- Six Flags Hurricane Harbor
- Six Flags Looney Tunes Movie Store
- Six Flags Looney Tunes Boomtown
- Sky Hike
- Soaring Eagle Casino and Resort
- Tomb Raider the Ride
- Zehnder's Splash Village
- Zoomezi Bay at the Columbus Zoo and Aquarium

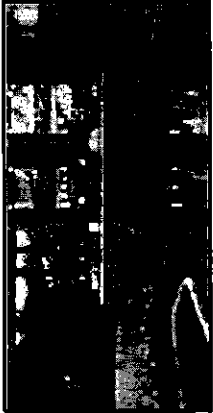
## CURRENT VENDORS

### OVATIONS

- Operation: Ballroom Catering/Food & Beverage
- Ovations took over Jungle Island's 500 plus seat ballroom and café operations in September 2013 with the following terms:
  - 12-year contract
  - \$2.5 million initial capital investment made by Ovations to be allocated towards ballroom/restaurant improvements
  - Jungle Island receives 30% of Ovations' F&B and catering revenues
- Phase I of ESJ's redevelopment plan includes an upgraded ballroom as well as new concession stands throughout the Park



[www.food-management.com](http://www.food-management.com)



### WILDLIFE TRADING COMPANY

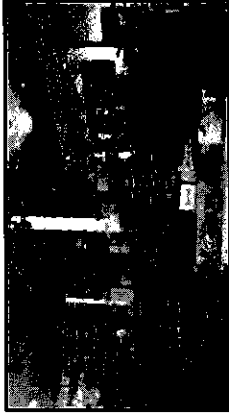
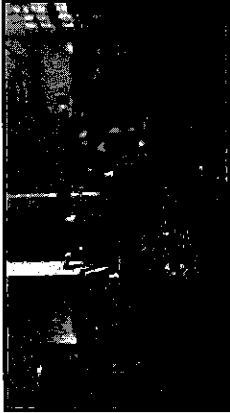
- Operation: Retail
- Wildlife took over Jungle Island's gift shop operations in November 2013 with the following terms:
  - 10-year contract
  - \$250,000 capital commitment from Wildlife
  - Deal generates over \$180,000 of annual income for Jungle Island without any landlord responsibilities
- A full-store redesign is planned post-closing at tenant's expense



**Wildlife Trading Company**

retail solutions partner

[www.wtcm.com](http://www.wtcm.com)

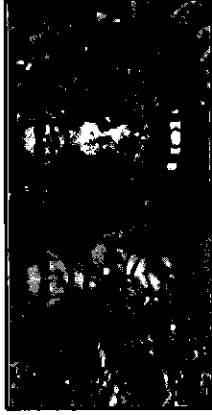


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## CURRENT VENDORS

### SHARPSHOOTER IMAGING

- Operation: Photography
- Sharpshooter took over Jungle Island's photography operations in April 2014 with the following terms:
  - 5-year contract
  - \$375,000 commitment in invested capital to Jungle Island
  - \$420,000 in commission revenue to Jungle Island in 2015
- Phase I of the redevelopment plan includes new photography posts to be stationed throughout the Park at tenant's expense



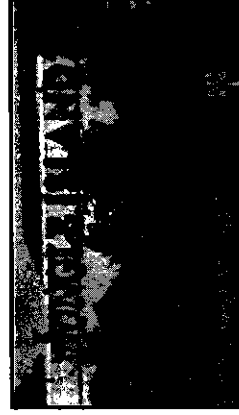
**Sharpshooter**  
I M A G I N G

[www.sharpsooterimaging.com](http://www.sharpsooterimaging.com)



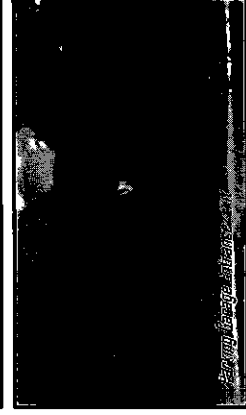
### LAZ PARKING

- Laz Parking signed a new contract to sublease Jungle Island's parking operations in October 2015 with the following terms:
  - 5-year contract with two 5-year extension options
  - LAZ Parking pays a base rate of \$37,500 a month in rent
  - For the first year, tenant pays 10% of gross revenues over \$1,020,000 up to a maximum payment of \$1,200,000
  - After the first year, tenant pays 20% of gross revenues over \$1,200,000
- Phase I of the redevelopment plan includes a new signage and wayfinding that will create more of a welcoming and exciting feel to the parking entrances and exits



**LAZ**  
P A R K I N G

[www.lazparking.com](http://www.lazparking.com)

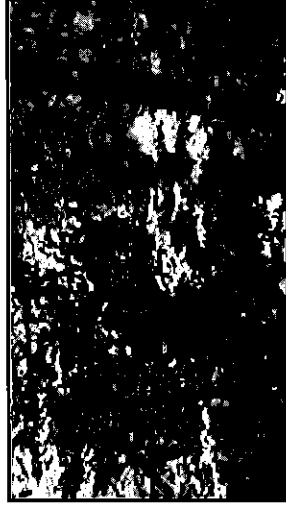




## POTENTIAL VENDOR CONTRACTS

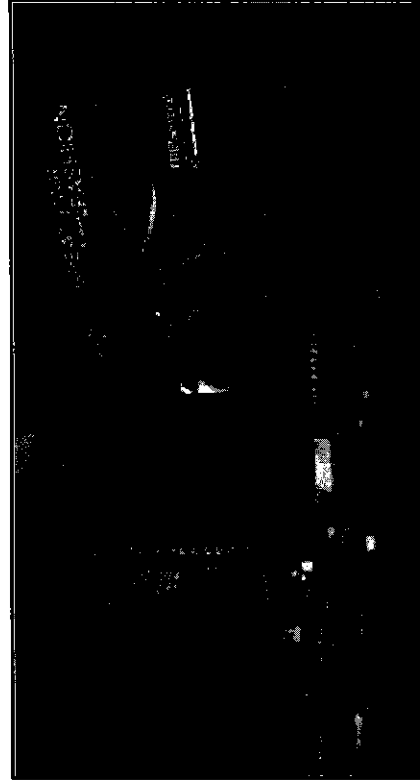


### AIRPLAY ADVENTURES



- AirPlay Adventures, a Go Zip USA affiliate, will be installing and operating a zip-line adventure park at Jungle Island
- Jungle Island will have the only operating zip line in Miami-Dade County
- The contract is for 5 years with one 5-year renewal option at the higher of a base rate or 30.0% - 33.5% (based on phase completion) of gross revenues paid monthly
- AirPlay Adventures will spend a minimum of \$4,000,000 in capital improvements to install a minimum of 7 lines as part of a 3-phase implementation into Jungle Island
- The contract has already been signed and the operator is currently working to be operational by beginning of year 2017

### PEARL MEDIA BILLBOARDS



- Pearl Media has interest in installing, operating, maintaining, and repairing up to 3 digital billboards for advertising at Jungle Island. Pearl Media currently operates billboards on Watson Island's Children's Museum
  - Estimated annual net income is over \$300,000
  - Minimum contract term of 5 years
  - This will be implemented during Phase II of ESJ's redevelopment plan



**PEARL**  
www.pearlmedia.com

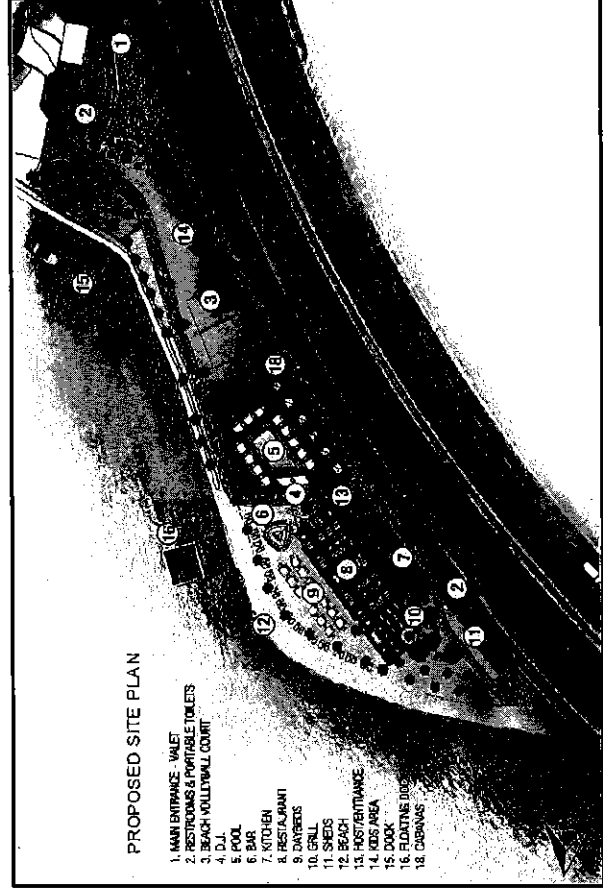


## POTENTIAL VENDOR CONTRACTS

### BEACH CLUB

- As part of Phase I of ESJ's redevelopment plan, a Beach Club will be built out and operated by a successful Miami-based 3<sup>rd</sup> party beach club operator
- The operator intends to invest up to \$2,000,000 to create a day club destination on Jungle Island's private beach (currently named Parrot Cove) with over 65 state-of-the-art speakers for sound control
- The Beach Club will have exclusive access with a separate entrance and valet parking for its members
- Contract negotiations are still underway; however, it has been proposed that the Beach Club operator pay a base minimum rent of \$40,000 monthly with up to 5% of total revenues

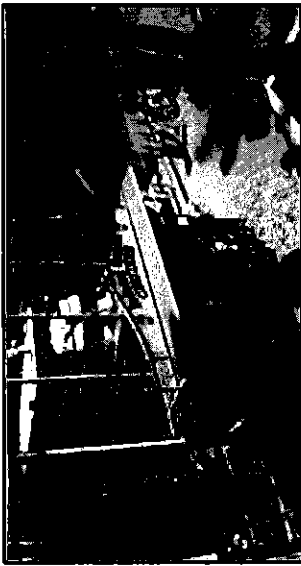
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## POTENTIAL JOINT-VENTURES

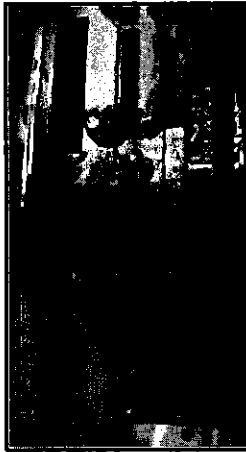


### ISLAND QUEEN CRUISES



- Island Queen Cruises has 16 different cruise experiences that currently pass Jungle Island daily, touring 800,000 passengers each year
- The operator plans to invest over \$300,000 to build a new dock at Jungle Island to add it as a stop for its tours
  - The estimated attendance boost will be an additional 9,000 visitors annually
- Partnership will coincide with the development of the boardwalk and docks that are planned for Phase II of ESJ's redevelopment plan

### BIG BUS MIAMI



## BIG BUS

• MIAMI •

- Big Bus currently has 5,500,000 passengers each year
- Has expressed interest in adding a permanent stop at Jungle Island conditional on the construction of a destination-style restaurant
  - We will solicit offers from 3<sup>rd</sup> party operators to build and operate this restaurant

### MSC CRUISE LINES



## MSC CRUISES

The most modern fleet in the world

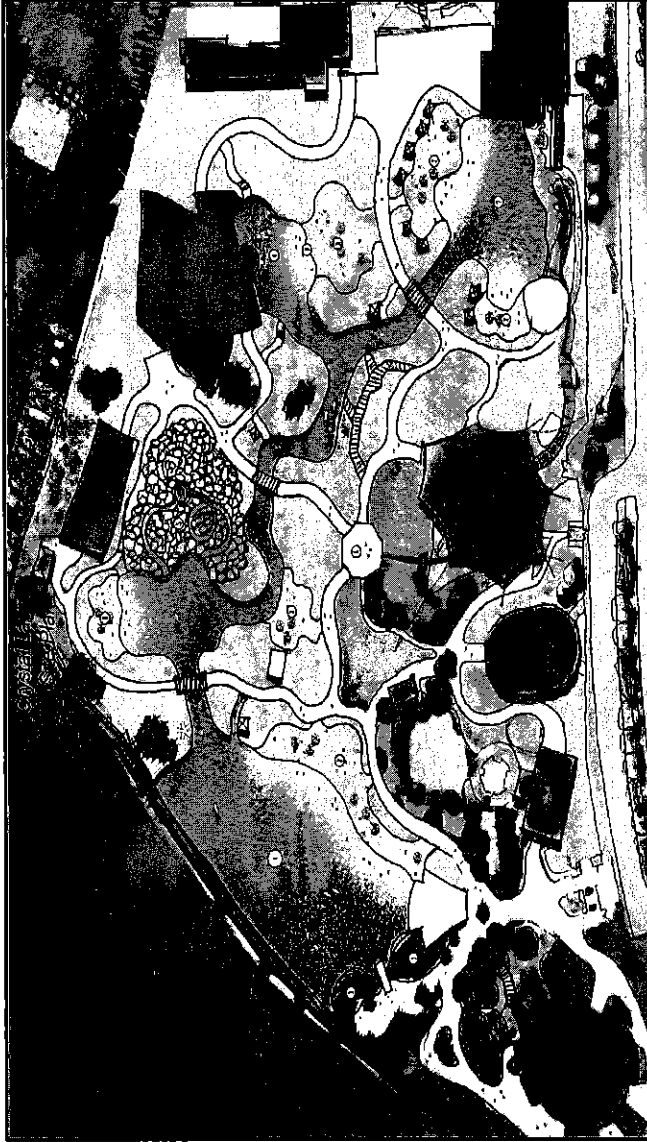
- MSC has expressed interest in partnering with Jungle Island once the hotel component is complete in order to house customers before and after cruising
- Will have a new 4,140-passenger ship, called the MSC Seaside, based year-round at PortMiami by November 2017

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## POTENTIAL WATER FEATURES

### PHASED IMPLEMENTATION

- ESJ's redevelopment plan contains a Cenote that includes water slides and other activities that will be built where the flamingo exhibit is currently located, as well as a Crystal Lagoon and a Lazy River
- There will be a shallow section for the younger guests and a swimmable section that caters to the older guests





# POTENTIAL TIMELINE FOR PARK IMPROVEMENTS

Project Commencement Dates & Cost of Park Improvements

Improvement	Phase	Start Date	Completion Date	Cost to Park	Cost to Vendor
HVAC Replacement	I	January 2017	June 2017	\$2,000,000	
Restrooms / Lockers	I	January 2017	June 2017	\$250,000	
Improved Animal Exhibits / Landscaping	I	June 2017	December 2017	\$650,000	
Painting / Theming / Photography Posts	I	January 2017	June 2017	\$350,000	
New Restaurant / Concessions / F&B Improvements	I	January 2017	June 2017	\$275,000	\$500,000
New Way-finding / Signage / Maps	I	January 2017	June 2017	\$250,000	
Zip Lines (3 Phases)	I	August 2017	April 2018	\$250,000	\$4,000,000
Beach Club	I	January 2017	June 2017	\$275,000	\$500,000
Helicopter Tours / Helipads	I	January 2017	June 2017	\$25,000	\$50,000
Docks	I	June 2017	January 2018	\$400,000	\$300,000
Boardwalk	I	March 2017	March 2018	\$250,000	\$500,000
Cenote / Waterslides	II	February 2017	June 2018	\$1,000,000	\$500,000
Crystal Lagoon	II	December 2017	June 2018	\$2,500,000	
Aero Bar	II	February 2017	May 2018	\$20,000	\$1,000,000
Land Lease Extension	II	January 2017	November 2017	\$1,750,000	
Hotel Entitlements	II	June 2017	November 2017	\$750,000	
Roof Repair	II	June 2018	September 2018	\$500,000	
Themed Hotel	III	July 2020	July 2022		
<b>Total</b>		<b>January 2017</b>	<b>June 2020</b>	<b>\$11,525,000</b>	<b>\$7,350,000</b>
Billboards	II	December 2017	January 2019	\$50,000	\$1,500,000
Lazy River	II	November 2019	June 2020	\$1,500,000	



# SWOT ANALYSIS

## STRENGTHS

The 44 years remaining on land lease will limit the pool of buyers if not extended  
Assumable 2nd mortgage with short maturities temporarily depressing cash flow  
Potential Net Operating Income is not being realized due to seller's lack of capital commitment

## WEAKNESSES

- The 44 years remaining on land lease will limit the pool of buyers if not extended
- Assumable 2nd mortgage with short maturities temporarily depressing cash flow
- Potential Net Operating Income is not being realized due to seller's lack of capital commitment

## THREATS

- There is an influx of capital in the Miami hotel/condo market which may negatively impact investment returns and demand for hotel units
- Slowing economy may reduce redevelopment momentum as well as the size of the discretionary spending market needed for attraction parks to be successful

## CONTACT INFORMATION



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Aventura, FL 33180

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Fax: +1 305 402 8069

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Website: [www.esj.us](http://www.esj.us)

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Email: [ga@esj.us](mailto:ga@esj.us)

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Email: [pg@esj.us](mailto:pg@esj.us)



# City of Miami

## Legislation

### Resolution R-16-0567

City Hall  
3500 Pan American Drive  
Miami, FL 33133  
www.miamigov.com

File Number: 1212

Final Action Date: 11/17/2016

A RESOLUTION OF THE MIAMI CITY COMMISSION, WITH ATTACHMENT(S), AUTHORIZING THE CITY MANAGER TO EXECUTE AN ASSIGNMENT AND ASSUMPTION AGREEMENT AND TERMINATION OF SUBLEASE ("ASSIGNMENT"), IN SUBSTANTIALLY THE ATTACHED FORM, FOR THE LEASE AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MIAMI ("CITY") AND PARROT JUNGLE AND GARDENS OF WATSON ISLAND, INC., A FLORIDA CORPORATION ("ASSIGNOR"), DATED SEPTEMBER 2, 1997, AS AMENDED ("LEASE"), AND THE ASSIGNOR'S SUBTENANT, PJG WATSON ISLAND, L.L.C., A FLORIDA LIMITED LIABILITY COMPANY ("SUBTENANT"), FOR THE DEVELOPMENT AND OPERATION OF JUNGLE ISLAND; APPROVING THE TRANSFER OF THE JUNGLE ISLAND LEASEHOLD INTEREST, LOCATED ON WATSON ISLAND, MIAMI, FLORIDA, TO ESJ J.I. LEASEHOLD, LLC, A FLORIDA LIMITED LIABILITY COMPANY ("ASSIGNEE"); CONTINGENT UPON THE CITY'S REVIEW AND APPROVAL OF ALL BACKGROUND CHECKS REQUESTED BY THE CITY, COMPLETION OF THE CITY'S AUDIT OF ALL DEFERRED RENT THROUGH 2013 AND ALLOWING FOR THE CITY'S ONGOING AUDIT OF ALL ACCRUED UNPAID RENT FROM 2013 THROUGH 2016 IN ADDITION TO ANY AND ALL LOANS AND SUCH OTHER OUTSTANDING AMOUNTS THAT MAY BE OWED TO MIAMI-DADE COUNTY ("COUNTY") AND THE CITY TO SURVIVE THE CLOSING, IF NOT FINALIZED BY THEN, WITH PAYMENT OF MONETARY DIFFERENCES OWED THE CITY PAID FROM A PRE-DETERMINED AMOUNT APPROVED BY THE CITY AND SET ASIDE IN AN ESCROW ACCOUNT, IF NECESSARY; PROVISION OF THE COUNTY'S LOAN ASSUMPTION JOINDER AND CONSENT AGREEMENT IN A FORM COMPARABLE WITH THIS ASSIGNMENT AND ACCEPTABLE TO THE CITY ATTORNEY; PROVIDING THE CITY A TRANSFER FEE OF A MINIMUM OF APPROXIMATELY ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00); WITH SUCH ADDITIONAL TERMS AND CONDITIONS AS MORE PARTICULARLY SET FORTH IN THE LEASE.

WHEREAS, pursuant to Resolution No. 95-676, adopted September 28, 1995, the City Commission ("Commission") authorized the City Manager ("Manager") to commence negotiations for execution of the Lease and Development Agreement between the City of Miami ("City") and Parrot Jungle and Gardens of Watson Island, Inc., a Florida corporation ("Assignor"), dated September 2, 1997, as amended ("Lease") for the development and operation of Jungle Island; and

WHEREAS, pursuant to Resolution No. 95-782, adopted November 15, 1995, the Commission accepted the City Clerk's certification and declaration of the results of the special municipal election held on November 7, 1995 at which a majority of votes of qualified voters was cast approving the proposed execution of the Lease between the City and the Assignor; and

WHEREAS, pursuant to Resolution No. 00-264, adopted March 23, 2000, the Commission authorized the Manager to execute a development agreement with Miami-Dade County ("County") and the Assignor establishing the terms and conditions of a twenty five million



dollar (\$25,000,000.00) United States Department of Housing and Urban Development ("HUD") Section 108 Loan Guarantee from the County to the Assignor, referred to jointly and severally with any and all such other amounts owed and obligations due and comprising the Assignor's outstanding debt ("Loans"), and to execute what is deemed Modification No. 1 to the Lease incorporating certain provisions relating to the financing of the project by an institutional lender, and consenting to the Assignor's Sublease Agreement ("Sublease") of the property with PJG Watson Island, L.L.C., a Florida limited liability company ("Subtenant") subject to Assignor not being released from any Lease obligation, ownership and control of the Assignor and Subtenant being identical, Assignor complying with all requirements of Article 8 of the Lease, and Assignor and Subtenant providing the City all documentation required as evidence of full compliance; and

WHEREAS, pursuant to Resolution No. 02-460, adopted April 25, 2002, the Commission authorized the Manager to execute Modification No. 2 to the Lease excluding approximately 0.21 acres of its Lease area, which is Florida Department of Transportation ("FDOT") right-of-way property, in exchange for approximately 0.28 acres of other real property on site; and

WHEREAS, pursuant to Resolution No. 08-0492, adopted September 11, 2008, the Commission authorized the Manager to execute Modification No. 3 to the Lease permitting the construction of additional capital improvements ancillary to the existing destination visitor attraction, establishing percentage rent for the additional capital improvements at an amount equal to one percent (1%) of gross revenue received from the Subtenant, modifying the formula for calculating the City's Transfer Fee, with such other terms and conditions as more fully set forth in this Modification No. 3; and

WHEREAS, pursuant to Resolution No. 09-0178, adopted April 2, 2009, the Commission authorized the Manager to execute Modification No. 4 to the Lease granting Assignor a forty-eight (48) month deferment of minimum annual rent in the amount of four hundred thousand dollars (\$400,000.00), for an aggregate amount of one million six hundred thousand dollars (\$1,600,000.00), and any percentage rent due from April 1, 2009 to March 31, 2013 ("Deferred Rent"), with Assignor to pay the Deferred Rent on or before December 31, 2020, with the Deferred Rent allowing Assignor to retain a minimum of four hundred (400) then existing full-time jobs, to secure the City's interest and obligation under the HUD Section 108 Loan Guarantee ("HUD Loan"), and protection of the City's Community Development Block Grant ("CDBG") funding providing for a rent abatement under certain conditions, with such other terms and conditions as more fully set forth in this Modification No. 4; and

WHEREAS, the Assignor wants to assign its Jungle Island leasehold interest to ESJ J.I. Leasehold, LLC, a Florida limited liability company ("Assignee"), terminate its Sublease with the Subtenant and seek City approval and execution of an Assignment and Assumption Agreement and Termination of Sublease ("Assignment"); and

WHEREAS, the City's Department of Real Estate and Asset Management ("DREAM") has conducted its due diligence and awaits receipt of the required background checks requested by the City for the City's acceptance of the Assignment and for the Assignee's assumption and payment of any and all Loans, Deferred Rent and such other amounts and obligations that may be due from the Assignor and, thereafter the transfer, from the Assignee; and

WHEREAS, at DREAM's request, the City's Office of the Auditor General ("Auditor") is engaged in an ongoing audit of any and all Loans, Deferred Rent through March 2013 and accrued unpaid rent for the period from 2013 through 2016 as well as such other amounts and obligations that are due from the Assignor and, thereafter the transfer, from the Assignee, with

said audit surviving the closing of the Assignor's transfer of the Jungle Island leasehold interest to the Assignee, with payment of monetary differences owed the City paid from a pre-determined amount approved by the City and set aside in an escrow account, if necessary; and

WHEREAS, at DREAM's request, the Auditor is also assisting with the calculation of the Transfer Fee of a minimum of approximately one hundred fifty thousand dollars (\$150,000.00) the Assignor will pay the City upon its transfer of the Jungle Island leasehold interest to the Assignee; and

WHEREAS, once available, the County will seek the City's execution of a County Loan Assumption Joinder and Consent Agreement for the HUD Loan ("Joinder and Consent"), with the City expecting said Joinder and Consent in a form comparable with this Assignment and acceptable to the City Attorney;

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

Section 1. The recitals and findings contained in the Preamble to this Resolution are adopted by reference and incorporated as if fully set forth in this Section.

Section 2. The City Manager is authorized<sup>1</sup> to execute the Assignment, in substantially the attached form, relating to the Lease between the City and the Assignor and its Subtenant for that certain land located on Watson Island, in the City of Miami, commonly known as Jungle Island, as more fully described in the Lease.

Section 3. The City hereby approves the transfer of the Assignor's interest in the Lease to the Assignee, contingent upon the City's review and approval of all background checks requested by the City and completion of the City's audit of all Deferred Rent through 2013 and accrued unpaid rent from 2013 through 2016, with payment of monetary differences owed the City paid from a pre-determined amount approved by the City and set aside in an escrow account, if necessary.

Section 4. The City hereby confirms that the Assignee and the subject Assignment comply with the lease transfer criteria contained in the Lease.

Section 5. The Manager is authorized<sup>1</sup> to execute the Joinder and Consent regarding the Assignment between the County, the Assignor and Assignee, relating to that certain HUD Loan owed by the Assignor to the County and the City, provided that such Joinder and Consent is in a form comparable to the Assignment and approved by the City Attorney.

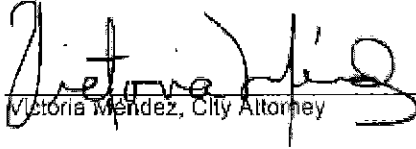
Section 6. The payment to the City by the Assignor of a Transfer Fee in a minimum approximate amount of one hundred fifty thousand dollars (\$150,000.00), subject to adjustments depending on the results of the City's ongoing audit, is approved.

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<sup>1</sup> The herein authorization is further subject to compliance with all requirements that may be imposed by the City Attorney, including but not limited to those prescribed by applicable City Charter and City Code provisions.

Section 7. This Resolution shall become effective immediately upon its adoption and signature of the Mayor.<sup>2</sup>

APPROVED AS TO FORM AND CORRECTNESS:

  
Victoria Mendez, City Attorney 11/7/2016

<sup>2</sup> If the Mayor does not sign this Resolution, it shall become effective at the end of ten (10) calendar days from the date it was passed and adopted. If the Mayor vetoes this Resolution, it shall become effective immediately upon override of the veto by the City Commission.



# City of Miami

## Master Report

City Hall  
3500 Pan American Drive  
Miami, FL 33133  
www.miamigov.com

**Enactment Number: R-16-0567**

**File Number:** 1212                      **File Type:** Resolution                      **Status:** ADOPTED

**Revision:**                                              **Controlling Body:** City Commission

**File Name:** Parrot Jungle and Watson Island                      **Introduced:** 10/17/2016

**Requesting Dept:** Department of Real Estate and Asset Management                      **Final Action Date:** 11/17/2016

**Title:** A RESOLUTION OF THE MIAMI CITY COMMISSION, WITH ATTACHMENT(S), AUTHORIZING THE CITY MANAGER TO EXECUTE AN ASSIGNMENT AND ASSUMPTION AGREEMENT AND TERMINATION OF SUBLEASE ("ASSIGNMENT"), IN SUBSTANTIALLY THE ATTACHED FORM, FOR THE LEASE AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MIAMI ("CITY") AND PARROT JUNGLE AND GARDENS OF WATSON ISLAND, INC., A FLORIDA CORPORATION ("ASSIGNOR"), DATED SEPTEMBER 2, 1997, AS AMENDED ("LEASE"), AND THE ASSIGNOR'S SUBTENANT, PJG WATSON ISLAND, L.L.C., A FLORIDA LIMITED LIABILITY COMPANY ("SUBTENANT"), FOR THE DEVELOPMENT AND OPERATION OF JUNGLE ISLAND; APPROVING THE TRANSFER OF THE JUNGLE ISLAND LEASEHOLD INTEREST, LOCATED ON WATSON ISLAND, MIAMI, FLORIDA, TO ESJ J.I. LEASEHOLD, LLC, A FLORIDA LIMITED LIABILITY COMPANY ("ASSIGNEE"); CONTINGENT UPON THE CITY'S REVIEW AND APPROVAL OF ALL BACKGROUND CHECKS REQUESTED BY THE CITY, COMPLETION OF THE CITY'S AUDIT OF ALL DEFERRED RENT THROUGH 2013 AND ALLOWING FOR THE CITY'S ONGOING AUDIT OF ALL ACCRUED UNPAID RENT FROM 2013 THROUGH 2016 IN ADDITION TO ANY AND ALL LOANS AND SUCH OTHER OUTSTANDING AMOUNTS THAT MAY BE OWED TO MIAMI-DADE COUNTY ("COUNTY") AND THE CITY TO SURVIVE THE CLOSING, IF NOT FINALIZED BY THEN, WITH PAYMENT OF MONETARY DIFFERENCES OWED THE CITY PAID FROM A PRE-DETERMINED AMOUNT APPROVED BY THE CITY AND SET ASIDE IN AN ESCROW ACCOUNT, IF NECESSARY; PROVISION OF THE COUNTY'S LOAN ASSUMPTION JOINDER AND CONSENT AGREEMENT IN A FORM COMPARABLE WITH THIS ASSIGNMENT AND ACCEPTABLE TO THE CITY ATTORNEY; PROVIDING THE CITY A TRANSFER FEE OF A MINIMUM OF APPROXIMATELY ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00); WITH SUCH ADDITIONAL TERMS AND CONDITIONS AS MORE PARTICULARLY SET FORTH IN THE LEASE.

**Sponsors:**

**Notes:**

**Links:**

**Attachments:** 1212 Exhibit (PDF)  
1212 Back-Up Documents (PDF)

**History of Legislative File:**

Revision:	Acting Body:	Date:	Action:	Result:
	Aldo Bustamante	11/7/2016	Department Head Review	Completed
	Christopher M Rose	11/7/2016	Budget Review	Completed
	Alberto N. Parjus	11/7/2016	Assitant City Manager Review	Completed
	Daniel J. Alfonso	11/7/2016	City Manager Review	Completed

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# City of Miami

## Master Report

City Hall  
3500 Pan American Drive  
Miami, FL 33133  
www.miamigov.com

### Enactment Number: R-16-0567

Victoria Méndez	11/7/2016	Approved as to Form and Correctness	Completed
City Commission	11/17/2016	Meeting	Completed
City Commission	11/17/2016	ADOPTED	Passed
Mayor's Office	11/23/2016	Signed by the Mayor	Completed
City Clerk's Office	11/23/2016	Signed and Attested by the City Clerk	Completed