

Ground Lease Proposal – The Landings

GENERAL TERMS:

PARTIES:	Landlord – City of Clearwater
	Tenant – Harrod Properties, Inc., or its assigns
PROJECT:	The Landings Corporate Center (to be built +/- 750,000 SF – Class A - tilt wall industrial project).
GROUND LEASE PARCEL:	The entirety of the current Landings Golf Course located along Keene Rd. in Clearwater, FL (the “Property”). The Property is outlined on the aerial photograph attached hereto as Exhibit “A”, which shall be superseded by a metes and bounds survey prior to closing.
GROUND LEASE TERM:	65 years
RENEWAL OPTIONS:	Tenant shall have three successive 10-year renewal options.
REMAINING GOLF COURSE:	The City will enter into a direct lease with the Huston family for the 12.22 acre site that will remain golf use.
GROUND RENT	The rental rate for Phase 1 will be \$0.22 per useable square foot per year plus sales tax (if applicable) paid monthly. The rental rate shall increase annually by the greater of 2% or the annual increase in the United States Department of Labor Consumer Price Index for All Urban Consumers (CPI-U) for the South Region for all items, such increase not to exceed 5% annually, with the rate adjusting every five (5) years for payment purposes.
	The rental rate for future phases (Phase 2 through Phase 4) shall be the then current rental rate of the Phase 1 land lease at the commencement date of the future phase lease. The rental payments shall increase in the same fashion on a five-year interval.
	Tenant shall receive a ground rent credit for any additional development costs associated with the project as a result of the existing landfill, not to exceed [REDACTED]. It is anticipated that a portion of the land fill material (stormwater areas) will need to be removed. Landfill areas under buildings will be left in place and the building foundations will be modified from slab on grade to a pier system with grade beams. Landfill areas under parking areas will be left in place.
	Tenant shall, upon commencement of the Phase 1 Ground Lease, reimburse the existing tenant (Huston Family) for the then outstanding balance of their bank loan (±350K) to the City for the recently installed irrigation system. Tenant shall receive a ground rent credit equal to the amount of said loan payment.
	Tenant shall also provide liability insurance coverage for the Property, naming Landlord as an additional insured thereunder, for the duration of the Ground Lease.

Tenant will be responsible for the mowing and maintenance of the leased property upon commencement of the Phase 1 Lease Term.

Tenant shall cap all existing wells prior to the completion of the Phase 1 work. The City shall ensure the property is served with an appropriate amount of reclaimed water.

Tenant shall be responsible for all real estate taxes payable on the Property throughout the Lease Term.

**OBLIGATORY TAKEDOWN
SCHEDULE:**

Phase 1 (+/- 19.00 acres) – Immediately upon receipt of all approvals necessary to construct the proposed project.

Phase 2 (+/- 15.00 acres) – Timing at Tenant's discretion but no later than 3 years from the Phase 1 takedown.

Phase 3 (+/- 13.53 acres) – Timing at Tenant's discretion but no later than 5 years from the Phase 1 takedown.

Phase 4 (+/- 5.55 acres) – Timing at Tenant's discretion but no later than 7 years from the Phase 1 takedown.

The Phases shall be generally as delineated on "Exhibit A".

The Phases outlined herein are subject to adjustment by the parties and consent to such adjustment by the City shall not be unreasonably withheld. Any such adjustment shall include a rent adjustment of the rate of twenty-two cents (\$0.22) per usable square foot.

There will ultimately be four (4) separate ground leases with the same terms and conditions. The only modifications will be the commencement dates and the Tenant under each ground lease. This is a result of our desire to phase the project in accordance with market conditions and the fact that each phase may be owned by a different entity, but all of which will be an affiliate of Harrod Properties. These leases may be assigned by Tenant.

The time for performance of Tenant's obligations hereunder shall be "tolled" by the amount of time, if any, required to fully resolve any third-party challenge to any of the governmental approvals required to develop the project contemplated herein.

PREPAYMENT OPTION:

Tenant shall have the right at any time during the ground lease term and renewal terms to prepay the ground lease for a period of up to 20 years, with a minimum prepayment of 5 years. In the event Tenant elects to exercise said option, the prepayment shall be an amount equal to the discounted value of the future payments over the desired term. The discount rate utilized for this calculation shall be the lower of the then current prime rate of interest or four percent (4%).

CONTINGENCIES:

The obligations of Tenant hereunder shall be contingent upon the successful completion of all of the contingencies listed below:

- (a) The Clearwater City Council forwards the required referendum ballot question to the Supervisor of Election Office for inclusion in the November 2020 election cycle; and
- (b) The referendum question passes at referendum in November 2020; and
- (c) The Tenant is able to obtain final, non-appealable Development Orders including a Countywide LUPA, appropriate rezoning and FLD approval by November 2020, which timeframe shall be tolled by the number of days "lost" due to the pendency of any third party challenges to any of the approvals set forth therein; and
- (d) The current Tenant on the Property (Huston Family) fulfills its covenants to Tenant by separate agreement regarding the restructuring of its existing lease with the City.

ENVIRONMENTAL REVIEW:

Tenant shall have sixty (60) days from the date of approval of this term sheet by the City Council in which to determine whether the environmental condition of the Property is acceptable to Tenant, in its sole and absolute discretion. In the event that Tenant determines that material environmental conditions or geotechnical issues exist with respect to the Property, this transaction shall be deemed terminated, and neither party shall have any liability to the other.

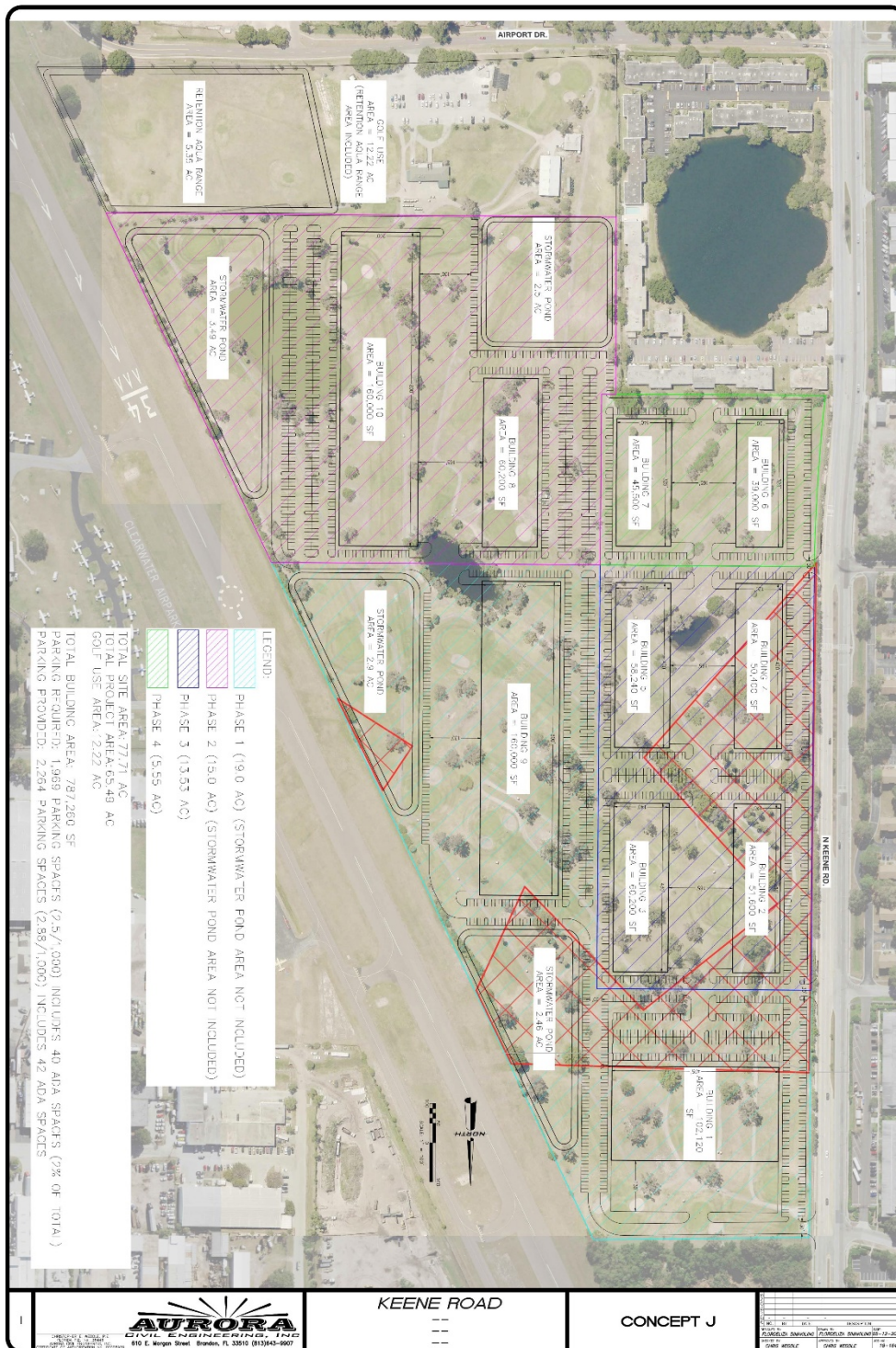
OFF SITE RETENTION:

Landlord acknowledges that some of the necessary retention for the proposed project will be located on the remaining golf course site to the south (the "Remaining Golf Course"), which will necessitate that a perpetual drainage easement be granted to Tenant. The cost of constructing the proposed retention will be borne by Tenant and Landlord will have the use of any fill dirt generated during the construction of the retention. The location of the proposed retention will be in an area mutually agreeable to Tenant, Landlord and the Tenant of the Remaining Golf Course.

Tenant shall also be granted an easement to construct, maintain and utilize the additional retention ponds on the remaining land phases upon commencement of the Phase 1 ground lease. Tenant shall size the pond on the Remaining Golf Course parcel to accommodate a future multi-family development on that site. The City will ensure that any future developer will pay its pro rata cost to maintain and repair said retention pond.

SUBORDINATION:

Landlord agrees that its interest in the ground lease will be subordinate to the lien of Tenant's institutional lender, and Landlord further agrees to enter into a subordination and non-disturbance agreement reasonably acceptable to Tenant's lender(s) evidencing such subordination.





1	 <p>AURORA CIVIL ENGINEERING, INC. 400 E. Main Street, Suite 10, 38101-0100</p>	KEENE ROAD	CONCEPT I	<table border="1"> <tr> <td>DATE</td> <td>BY</td> <td>CHKD</td> <td>INSTR</td> </tr> <tr> <td>10/1/2017</td> <td>10/1/2017</td> <td>10/1/2017</td> <td>10/1/2017</td> </tr> </table>	DATE	BY	CHKD	INSTR	10/1/2017	10/1/2017	10/1/2017	10/1/2017
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