

SUMMARY OF TERMS  
 BISCAYNE LANDING  
 DRAFT LEASE  
 February 20, 2012

Premises	Approximately 183.8 acres of land in the City of North Miami, in Miami-Dade County, Florida, known as “Biscayne Landing”
Landlord	The City of North Miami
Tenant	Oleta Partners LLC, owned by Millennium LLC, The Swerdlow Group, and The LeFrak Organization
Lease Term	99 years, starting when parties have signed the Lease and Landlord has delivered possession (“Commencement Date”)
Renewal Options	One option to renew for an additional 99 years; annual renewal Fixed Rent to be reset at 7.5% of the appraised fair market value at the time of exercise of the option to renew
Expenses	“Triple net” lease. Tenant pays all taxes, insurance, construction and repairs, expenses, and responsibilities, with a few exclusions for items personal to Landlord . Tenant controls all operations, leasing, tax protests.
Condition of Premises	“As-is” at Commencement Date, no representations or warranties. There is no due diligence period. Limited exclusion for prior unknown unforeseeable environmental conditions (see below)
Environmental:	<ol style="list-style-type: none"> <li>1. Groundwater remediation: City will retain responsibility for the design and construction of the groundwater remediation system (currently underway with CH2M Hill), Tenant to assume all other groundwater obligations under the CLCP and Landfill closure permit (monitoring, stormwater system).</li> <li>2. Landfill closure: Tenant to assume all landfill obligations under the CLCP and Landfill closure permit (grading, capping, methane control)</li> <li>3. Tenant assumes responsibility for all existing environment conditions and all new, excluding only for prior unknown unforeseeable environmental conditions</li> </ol>
Grant Agreement with MDC for Landfill Closure	Grant Agreement provides funding for the closure and remediation of the landfill. \$31,027,000 was originally allocated to the Site for both closure and remediation. The Schedule of Values currently shows approximately \$14MM for the groundwater remediation and \$10MM for Landfill closure/capping. All funds are disbursed pursuant to Grant procedures (inspections, certifications, back-up documents, releases of lien). The Lease provides that the City will request/disburse funds for work done pursuant to and in compliance with the Grant Agreement.
Materials on Premises	Landlord will assign rights in construction material and equipment detailed in an inventory list that is on the Premises on the Commencement Date, but excluding the fusing machine, crane, and generator
Initial Payment	On execution of the Lease, the Tenant pays Landlord approximately \$22 Million Dollars (\$17,500,000 initial payment, \$1,500,000 first year’s rent, and outstanding real estate taxes)

Base Rent	\$1,500,000.00 per year, except that during years 2 through 5, rent will be completely abated unless and until Tenant completes 500,000 square feet of improvements, at which point a reduced rent of \$200,000 per year will be due. Beginning with the sixth year, the Base Rent again goes back to \$1,500,000 per year.
Fixed Adjustments to Base Rent	On each tenth anniversary of the Commencement Date throughout the term of the lease, the Base Rent will be increased by \$150,000.00. There will be no indexed increases. An increase in rent will be achieved through Participation Rents (see below).
Participation Rent	<ol style="list-style-type: none"> <li>1. <i>Retail or Office Uses</i>. 1.5% of Tenant's gross revenue</li> <li>2. <i>Short Term Rentals</i>. 1.25% of Tenant's gross revenue (senior and residential housing under 6 months)</li> <li>3. <i>Hotel</i>. 2% of Tenant's gross revenue</li> <li>4. <i>Long Term Rentals or Sales</i>. 3% of the gross revenue (condos have a \$250 per square foot minimum sales price)</li> <li>5. <i>Other Commercial Uses; Future Uses and Revenue</i>. reasonable additional Participation Rent Amendment to Lease to be agreed in good faith (same for Casino Gambling or Gaming, see section 3.12)</li> </ol> <p>(works as an index for inflation)</p>
Park Property	Active park: 7.2 acre site and 13.7 acre site; 37 acres of open space
Financing	No subordination of the Landlord's interest to any financing obtained by tenant or a subtenant. Certain Leasehold Mortgagee protections are provided to a Leasehold Mortgagee (cure rights if Tenant defaults, New Lease on termination if exercised within a set time period)
Casualty and Condemnation	Tenant is responsible for restoration after casualty or partial condemnation. There is no termination of the Lease, and no abatement of the rent, unless it occurs in the last 5 years of the lease, in which case the insurance proceeds go to Landlord. Condemnation awards are made in accordance with Florida law.
Use	Tenant may use the premises for any lawful purpose in accordance with applicable zoning and other laws and regulations
Construction Rights	Tenant and subtenants may construct and alter improvements without Landlord approval, but in accordance with all zoning, building codes, Laws, permits, etc.. Landlord will cooperate where necessary by signing easements, permit applications, etc., within reasonable limitations.
Construction Obligations	<p>Tenant has 2 hard deadlines for construction:</p> <ol style="list-style-type: none"> <li>1. Initial Development must be completed by the fifth anniversary of the Commencement Date, and includes the items shown on attached exhibit A. Tenant will provide a projected Schedule of Values and timeline.</li> <li>2. The Second Stage Development must be completed by the seventh anniversary of the Commencement Date, and includes (a) substantial completion of an additional 500,000 square feet of improvements and (b) completion of the Remedial Action (i.e., all portions of the Landfill closure except the groundwater remediation system, which is the City's responsibility) by the</li> </ol>

	If either of the hard deadlines are not met, unless it is for good cause (“Unavoidable Delay”), the Landlord can hold Tenant in default under the Lease and subject to cure rights in any Leasehold Mortgagee, can terminate it, in which case Landlord will take back the land in its improved state (there will be non-disturbance agreements for certain qualifying subtenants). The landlord keeps the Initial Payment in any event.
Construction of the Balance	Except for the Initial Development and Second Stage Development, there are no hard deadlines in the Lease for construction of the balance of the improvements that will constitute the project in order to provide Tenant with needed flexibility to make the most advantageous decisions according to then current market conditions/trends. The moving force will be the financial incentive Tenant has to begin to recoup its investment; until it builds and subleases, it has no income coming in despite the \$50 Million dollars (plus carry costs, expenses for plans, professionals, etc.) it has invested in the Premises.
Guaranties	Due to the unusual Initial Payment, no guaranties or security deposits will be required
Bonds	Requires payment and performance bond to be issued prior to building permit unless waived by City PE due to particular circumstances. Requires compliance with 255.05, Fla. Stat. (2012) for a bond for any “public work.” Requires bond to be issued prior to building permit for improvements to be located in dedicated rights of way and/or public facility easements.
Transfer of Lease	<ol style="list-style-type: none"> <li>1. No transfer until Tenant’s Construction Obligations are completed (Initial Development and Second Stage Development)</li> <li>2. No transfer if an Event of Default exists</li> <li>3. Any transfer must be to a Qualified Developer</li> <li>4. No release of Tenant despite Transfer prior to the 10<sup>th</sup> anniversary of the Commencement Date (Tenant is still liable on the lease for 10 years)</li> </ol>
Transfer of Equity Interests in Tenant	<ol style="list-style-type: none"> <li>1. No transfer until Tenant’s Construction Obligations are completed (Initial Development and Second Stage Development) except to a Permitted Equity Owner</li> <li>2. No transfer if an Event of Default exists</li> </ol>
Right of First Offer	(Instead of the requested Right of First Refusal) If Landlord decides to transfer the fee estate, Landlords will notify Tenant as to important terms on which it is willing to sell (purchase price, deposit, any purchase money financing, timing). Tenant will need to exercise or waive the right before Landlord starts marketing.
Option to Purchase Condo parcels	An option to purchase any portion(s) of the 50.6 acres designated as Phase III and IV which will be used for condo/condo conversion is granted, exercisable after the Initial Development is completed and before the 20 <sup>th</sup> Anniversary of the Commencement Date. Purchase price is adjusted to less out the value added by the Initial Development.
Recourse	The Lease is nonrecourse to both parties (in a lawsuit the damages would be limited to that party’s interests in the Premises, or the proceeds if sold)
2 Tiered Default System	Minor Defaults (e.g., not providing a progress report, not maintaining a building in good condition) do not risk termination of the lease; the remedy is Delay Fee or

	specific performance, unless specific performance is not reasonably available, in which case it can become a major default
Additional Payments to Landlord	Tenant will pay up to One Million Dollars to reimburse the City for its maintenance and other costs of carrying the property and its third party professional fees incurred in connection with the lease transaction. Tenant will also reimburse the City up to \$100,000 annually for its administrative costs monitoring the Lease for the first 5 years of the lease.
Transfer Taxes	All transfer taxes arising from the Lease transaction, if any, will be paid by Tenant
Subleasing	Tenant may enter into subleases without restriction. Landlord shall agree to recognize and nondisturb subtenants that satisfy reasonable objective criteria in the Lease.

## **EXHIBIT A**

### **DESCRIPTION OF INITIAL DEVELOPMENT**

All in compliance with Law and applicable permits and Approvals:

1. The Storm Water Master Plan for the entire site with trunk line storm water drainage installed and positive outfall drainage for entire site
2. The Lake Fill Project (permit and fill all lakes except Ibis, denoted as such on Exhibit B)
3. Mass Grading and Balancing of Premises (but not individual pad sites), including trash/debris removal and/or compaction to levels approved for development for full site and all excess material, including but not limited to excess material from landfill, completely disposed of offsite
4. The Spine Road extension from the South end of Biscayne Landing Boulevard to the 143rd Street Intersection at US 1
5. All Utility Infrastructure along the Spine Road, including Domestic Water and Fire Flow Supply, Sanitary Sewer, Storm Water Collection and Disposal, Power Supply Corridor, Communications and CATV Raceways, Gas Supply Main and Reuse Irrigation Main (if allowed by Miami-Dade County Regulatory Authority)
6. All daily Landfill Closure Permit and CLCP (except related to the design and construction of the groundwater remediation system) required activities, and including without limitation groundwater monitoring
7. The Park Property Improvements (except for the Delayed Park Property denoted on Exhibit B to this Lease, which will be used initially for a staging area and will, when the surrounding improvements are built, be landscaped and irrigated), including dedicated public access to same.
8. The Community Center [STATUS AS ACTIVE PART OF PARK PROPERTY OR NOT TO BE DETERMINED]
9. At least 500,000 gross square feet of Improvements (excluding tenant improvements, tenant interior work and tenant build-out)
10. Creation of a homeowner's association or community development district or declaration of covenants and restrictions or similar funding source running with the land included in the Premises for all environmental monitoring and compliance costs under the CLCP as provided in section 9.3.3 of this Lease.