

**TERM SHEET**  
**PROPOSED GROUND LEASE AND MASTER DEVELOPMENT AGREEMENT**  
**BETWEEN THE CITY OF MIAMI AND MIAMI FREEDOM PARK, LLC**  
**July 17, 2018**

This Term Sheet outlines the basis upon which the City of Miami (the “City”) would lease to Miami Freedom Park, LLC (“MFP”) certain real property owned by the City and generally located at 1400 N.W. 37<sup>th</sup> Avenue, Miami, Florida 33125. The proposed transaction is subject to: (i) approval by the City’s qualified electors of an amendment to Section 29-B of the City’s Charter, as amended, to authorize the City Commission to waive competitive bidding and negotiate a Ground Lease and Master Development Agreement (the “Lease”) with MFP; and (ii) the negotiation, execution and delivery by the City and MFP of a mutually acceptable and legally binding definitive Lease consistent with the following provisions:

- 1. Leased Premises and Term:** Approximately seventy-three (73) acres (the “Leased Premises”) of the property generally located at 1400 N.W. 37<sup>th</sup> Avenue, Miami, Florida 33125, identified as all or portions of folio numbers 01-3132-000-0080 and 01-3132-000-0090, currently known as the Melreese Golf Course (the “Property”). The term will be 39 years, with MFP’s option to extend for two additional 30-year periods, for a total term of up to 99-years.
- 2. Permitted Uses:** Construction, development and use of: (i) a professional soccer complex inclusive of an approximately 25,000 seat stadium and related facilities (the “Soccer Stadium”); and (ii) ancillary development, including, but not limited to, (a) a minimum of 1,000,000 square feet of office, retail and entertainment uses, and (b) approximately 750 hotel rooms and conference center (the “Ancillary Development”).
- 3. Annual Rent:** Annual rent payable to the City by MFP will be equal to the greater of (a) the Fair Market Value of the Leased Premises or (b) 5.0% of the Rent from the Ancillary Development, but under no circumstances less than \$3,577,000 per year. The “Fair Market Value” will be based on the highest and best use of the Demised Premises taking into consideration the actual cost of environmental remediation for the Property, the site development cost for the Park (as defined below), and such other impositions and limitations on the use of the Property consistent with the Uniform Standards of Professional Appraisal Practice). The Fair Market Value will be determined through the

selection of independent appraisers through a process mutually acceptable to the parties. The term “Rent” will mean the gross rent revenue derived by MFP from the lease of any portion of the Ancillary Development on the Demised Premises exclusive of the Demised Premises’ pass-through operating expenses paid by tenants to MFP under such leases.

**4. No City Funding:**

MFP, at no cost to the City, will fund the development of the Soccer Stadium and the Ancillary Development. For avoidance of doubt, the City will have no obligation to pay for any portion of the development of the Soccer Stadium or the Ancillary Development, including any cost associated with the environmental remediation of the Leased Premises.

**5. Capital Transactions Fee:**

MFP will pay to the City an amount equal to 1% of the gross proceeds received by MFP from any Capital Transaction. The phrase “Capital Transaction” means any transfer of the interests of MFP in the Lease which results in a change of control.

**6. Public Park:**

On or prior to the issuance of a certificate of occupancy for the Soccer Stadium, MFP will complete the site development work for the approximately 58 acre public park adjacent to the Demised Premises (the “Park”). The site development work will consist of (i) the environmental remediation necessary for the public use of the Park, and (ii) such draining, dredging, excavating, filling, grading, and earthwork as necessary to complete the Park pursuant to the specifications set forth in the Lease.

**7. Additional Park Contribution and Baywalk-Riverwalk Commitment:**

In addition to the annual rent and the site development for the Park, MFP will contribute to the City \$20,000,000, payable over 30 years in equal annual installments, for improvements to greenspace and parks. In addition to the \$20,000,000 for improvements to greenspace and parks, MFP will contribute an additional \$5,000,000 for the completion of the City’s Baywalk-Riverwalk Project.

**8. No Net Loss:**

MFP will comply with the existing No Net Loss Policy in the City of Miami Comprehensive Plan. The amount of acreage required to comply with such policy, as a result of the rezoning of such property,

will be determined in a manner consistent with the City's past practice and will be satisfied prior to the issuance of a certificate of occupancy for any structures in the rezoned property.

- 9. Environmental Remediation:** MFP will be responsible for all environmental remediation of the Property, including the Park and the Leased Premises. The environmental remediation plans will be developed by MFP, at its sole cost, and will be subject to approval by the Miami-Dade County Department of Environmental Resources Management. MFP currently estimates that the environmental remediation costs for the development will be approximately \$35 million.
- 10. Living Wage and Labor Peace Agreement:** MFP and its affiliates will pay its Covered Employees a living wage of no less than \$15.00 per hour without health benefits; or a living wage of no less than \$13.19 an hour with health benefits. The phrase "Covered Employees" means those hourly employees of MFP and its affiliates who primarily work at the Demised Premises. MFP has commenced negotiations with Unite Here, Local 355, on a Labor Peace Agreement.
- 11. First Tee Commitment:** MFP will make available space within the Ancillary Development to the First Tee Program for its educational programs and will design the Park, with the consent of the City, to include driving ranges and other amenities for use by the First Tee Program.
- 12. Professional Services Agreement Termination Fee:** The Professional Services Agreement between the City and Delucca Enterprises, Inc., terminates on September 30, 2021 (the "PSA"). The PSA provides the City the right to terminate the PSA prior to such termination date, which may require the payment of a termination fee. If required to terminate the PSA, MFP will reimburse the City for the amount of such termination fee.