

GROUND LEASE TERM SHEET

This term sheet (this “**Term Sheet**”) is an expression of interest only and, except as expressly set forth herein, is not meant to be binding on the parties now or in the future. Accordingly, the parties understand and agree that, except as expressly set forth in this Term Sheet, unless and until a definitive agreement has been executed and delivered, no contract or agreement providing for a transaction between the parties shall be deemed to exist between the parties, and neither party will be under any legal obligation of any kind whatsoever with respect to a transaction, including any obligation to negotiate, by virtue of this Term Sheet or any written or oral expression thereof.

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Landlord	City of Margate Community Redevelopment Agency (“ Landlord ” or “ CRA ”)
Tenant	BPG Acquisitions LLC or its affiliate.
Guarantor	For the construction of a portion of any Phase (as defined below), prior to starting construction of any improvements, Tenant will provide to Landlord a guaranty from creditworthy individuals or entities guaranteeing the substantial completion of such improvements (subject to customary conditions including force majeure, lender or third-party equity failure to fund or other material adverse changes) (the “ Guaranty ”). If a phase has multiple components, Tenant may provide a separate guarantee for each such component based on the scope of the improvements set forth in the applicable building permit. The criteria for a creditworthy guarantor shall be agreed upon by Landlord and Tenant in their reasonable discretion and set forth in each Phase Ground Lease. After substantial completion of the guaranteed improvements, the Guaranty for such improvements shall automatically terminate.
Property	Parcels located near the intersection of North State Road 7 and Margate Boulevard, Margate, Florida, which are more fully described in the accompanying term sheet for the Development Agreement.
Project	A multi-phase, mixed-used project to serve as a town square for the City of Margate, consisting of residential and commercial retail uses.
Phases	Tenant contemplates developing the Project in one or more separate phases more fully described in the accompanying term sheet for the Development Agreement (each, a “ Phase ” and collectively, the “ Phases ”). The final configuration, uses, and densities of Phase 1 will be established and agreed upon prior to execution of the Development Agreement (described below) in a preliminary master plan. The Project Documents will also establish maximum development thresholds (e.g., total square footage, number of residential units, or floor area ratio) and will permit Tenant to modify the specific uses, densities and configurations of future phases of the Project provided that such modifications do not exceed the maximum development boundaries or thresholds to be further negotiated in the Project Documents, provided that any such modification is (a) communicated to the CRA and

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	<p>(b) is consistent with the criteria set forth in the Development Agreement. Notwithstanding the fact that the Phases are identified numerically in <u>Schedule 1</u>, each subsequent Phase may be constructed independently of, or in conjunction with one another and in varying sequence, but subject, in any case, to the Timeline established in the Development Agreement. Tenant shall have the right from time to time to remove, reconfigure, restrict access to, and replace the improvements in connection with the development and construction of the Project, so long as Tenant within a reasonable time delivers the improvements as required by the Development Agreement and as shown on the final design plans approved by the CRA. Subject to certain force majeure events, and subject to mortgagee and investor notice and cure rights, the Developer's failure to commence, or to complete, the development and construction of a Phase or a portion of a Phase will entitle the CRA to terminate the applicable Phase Ground Lease with respect to undeveloped parcels subject to such Phase Ground Lease. The foregoing termination right shall not apply with respect to any parcel for which Developer has received a final certificate of occupancy. With respect to any improvements under construction, the foregoing termination right will be stayed in the event Developer commences construction prior to any such deadline and thereafter continues to diligently pursue completion.</p>
Proposed Structure	<p>Landlord and Tenant will enter into a 99-year unsubordinated ground lease for the first Phase. The Development Agreement will grant Tenant an option to ground lease the remaining portions of the Property so that each Phase is developed under a separate 99-year unsubordinated ground lease (each, a "Phase Ground Lease" and collectively, the "Phase Ground Leases"). Each Phase Ground Lease shall set forth its own timeline for the completion of its applicable improvements, but the Phase Ground Leases will not be cross defaulted with the Development Agreement or each other. Each Phase Ground Lease shall permit Tenant, at its option, to further subdivide such Phase Ground Lease into multiple ground leases if required in connection with the financing or operation of the improvements in such Phase (and prorate the Base Rent accordingly).</p>
Construction and Development	<p>Tenant would be solely responsible for all development and construction of the Project in accordance with the Project Documents and applicable laws, subject to funding from Landlord and subject to the Guaranty. Landlord will have reasonable construction plan approval rights under the Phase Ground Leases, to be further detailed in the Phase Ground Leases.</p>
Rent Commencement Date	<p>The "Rent Commencement Date" under each Phase Ground Lease will occur on the date which is thirty (30) days after building permits for the construction for that Phase (or, for a Phase with multiple components, the</p>

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Term	<p>first components for that Phase) are issued by the applicable governmental authorities, to be more fully defined in the Phase Ground Leases.</p> <p>99-years, starting on the Rent Commencement Date (each a “Ground Lease Term”).</p>
NNN Lease	<p>Each Phase Ground Lease will be an absolute “triple-net” lease, with Tenant solely responsible for all costs of obtaining its leasehold interest in, and thereafter financing, developing, constructing, maintaining and operating the land and improvements thereon, subject to funding from Landlord as set forth in the Development Agreement.</p>
Base Rent/Participation Rent	<p>Starting on the Rent Commencement Date under each Phase Ground Lease, Tenant will pay fixed annual rent equal to \$100,000.00 (“Base Rent”).</p> <p>On the date that is 60 months after the Rent Commencement Date and every 60 months thereafter, Base Rent will adjust to an amount equal to 75% of the average Annual Ground Rent (as defined below) paid by Tenant during the prior 60-month period.</p> <p>Commencing with the first lease year after a temporary certificate of occupancy is issued for the improvements under each Phase Ground Lease, to the extent that the Participation Calculation (as defined below) for any lease year exceeds Base Rent for such lease year, then, within 120 days after the end of each lease year, Tenant will pay to Landlord the Participation Rent (if any) for the preceding lease year based on financial statements certified by Tenant.</p> <p>As used herein:</p> <p>“Applicable Percentage” means, for Phase I, 3.25%, for Phase II, 5.25%, and for Phase III, 5.25%.</p> <p>“Effective Gross Income” means, Tenant’s ordinary operating income received from the premises, subject to customary deductions and exclusions, to be further defined in the Phase Ground Lease. Effective Gross Income will include operating income from public amenities subject to the Ground Lease such as parking garages or metered surface parking.</p> <p>“Participation Calculation” means, for each lease year, the product of the Applicable Percentage and the Effective Gross Income for such lease year.</p> <p>“Participation Rent” means, the amount, if any, by which the Participation Calculation for any lease year exceeds the annual Base Rent payment for such lease year.</p>

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	<p>“Annual Ground Rent” means, for each lease year, the total Base Rent and Participation Rent paid by Tenant.</p> <p>The Phase Ground Lease for Phase 1 will contain a provision allowing for a credit against the Base Rent in event Developer achieves applicable milestones for public improvements but the CRA fails to reimburse the Developer for eligible costs incurred.</p>
Use	<p>Each Phase Ground Lease will permit any lawful use consistent with the preliminary master plan and applicable zoning and land development regulations.</p>
Financing	<p>Each Phase Ground Lease will be prior to any present and future fee mortgages, which fee mortgages will be subject and subordinate to the Phase Ground Lease. Leasehold mortgages will attach only to the leasehold and not Landlord’s fee estate.</p>
	<p>The leasehold estate will be financeable without Landlord’s consent. Each Phase Ground Lease will include customary leasehold mortgagee protections, which provisions will be applicable to traditional mortgage lenders and mezzanine and preferred equity-style lenders. The Phase Ground Lease will include a customary definition of an acceptable lender. Landlord will not join in, or “subordinate to,” Tenant’s mortgages or other security agreements.</p>
Damage	<p>Except in the instance of a casualty event occurring during the final 10 years of the term, Tenant must restore the improvements in all cases and may use loss proceeds to accomplish such restoration. A third-party institution (including Tenant’s lenders) will hold and apply undisbursed proceeds in compliance the Phase Ground Lease.</p>
Tenant Transfer	<p>Subject to the terms herein, Tenant will not assign all or a portion of a Phase Ground Lease and no change of Tenant control may occur without Landlord’s prior written consent (collectively, a “Transfer”). After receipt of a final certificate of occupancy for the contemplated improvements on any parcel subject to a Phase Ground Lease, Tenant may effect a Transfer of such parcel to a “Qualified Tenant” (as hereafter defined) without Landlord’s consent, subject to no less than 120 days’ advance notice of the proposed assignment.</p>
	<p>“Qualified Tenant” means an assignee that (i) has a net worth (assets minus liabilities) of no less than 10 times the then current annual Base Rent applicable to such parcel, (ii) owns, operates and/or manages improvements or projects similar in size and quality to the improvements to be operated and (iii) is not a Prohibited Person (as defined in the Development Agreement Term Sheet).</p>

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These transfer restrictions will not apply to Transfers to Tenant's affiliates, lender foreclosure actions, or Transfers resulting from the exercise of other enforcement remedies by a Tenant lender or equity partner (e.g., customary step-in or kick-out rights); provided, however, that each Phase Ground Leases shall have requirements regarding Tenant providing written notice to Landlord of any such Transfers.

Tenant may not Transfer any portion of the Phase Ground Lease for Phase 1 prior to completion of Phase 1. With respect to Phases other than Phase 1, Tenant may Transfer a parcel within such Phase prior to receipt of a final certificate of occupancy for such parcel only in connection with an assignment of the Development Agreement and pursuant to the terms set forth in the Development Agreement Term Sheet.

Cooperation

Landlord will cooperate with Tenant in connection with the development and construction of the Project. Landlord will assist Tenant in seeking tax abatements, subsidies, favorable financing, and other incentives, taking into account existing law. Additionally, Landlord will promptly join in and deliver such reasonable easements, restrictive covenants, covenants in lieu of unity of title or unified control agreements (or similar instruments), applications for zoning and building permits, plats, easement vacations or modifications and such other documents or instruments as may be necessary for Tenant to develop and use the Property in accordance with Project Documents.

Subleases

Tenant will have the right to freely sublease under the Phase Ground Leases subject to the terms and restrictions in the applicable Phase Ground Lease. Upon request by Tenant, Landlord will grant customary recognition and non-disturbance agreements to subtenants.

Purchase Option

Tenant will have an option to purchase Landlord's fee interest at any time from and after the 80th lease year. The option price for the purchase option will equal the fair market value of the land without adjustment for the leasehold estate or any improvements on the land, to be further defined in the Phase Ground Lease.

Environmental Responsibilities

Prior to the execution of each Phase Ground Lease, Tenant shall perform environmental due diligence on the applicable Property. In the event Tenant determines that there exists environmental contamination that must be remediated, mitigated or corrected, Tenant may elect to either proceed with the execution of the Ground Lease and remediate thereafter or to first have a single-purpose affiliate of Tenant (the "Remediation SPE") enter into a short-term license with Landlord for purposes of permitting such Remediation SPE to correct such environmental conditions on Landlord's behalf. In either event, Tenant shall first obtain pollution legal liability

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(PLL) insurance with limits mutually acceptable to both Tenant and Landlord. In the event that remediation costs exceed the PLL limits, Landlord and Tenant shall share any excess costs on a 50/50 basis up to an agreed-upon cap for CRA's contribution. The parties shall delineate such mutually agreed upon PLL insurance limits and CRA cap in the Ground Lease for each Phase. Landlord may elect to fund its share of such expense, if any, through CRA Funds, Phase Ground Lease rent credits or other available resources.

Alternatively, Tenant, at its option, may elect to foregoing PLL insurance, in which case Landlord shall have no liability for the costs of any such remediation.

The CRA shall cooperate with Tenant to identify and pursue funding sources such as Voluntary Cleanup Tax Credits (a.k.a. Brownfields tax credits) to offset any such remediation costs.

The Phase Ground Lease shall be executed following the completion of such work (if any), and each Phase Ground Lease shall provide that Tenant is responsible for all costs, liabilities, and obligations arising from environmental contamination (and, if required by law, any remediation, mitigation, or correction thereof) caused by or resulting from the Tenant's use, operations, or activities on such Property during the Ground Lease Term.

Master Declaration

Although the Property will be leased through the separate Phase Ground Leases, it is contemplated that the Project will be an integrated mixed-use project. To promote the integrated and mixed-use nature of the Project and to ensure shared components or facilities of the Project are properly maintained, Tenant may encumber each portion of the Property that is subject to a Phase Ground Lease to a recorded master declaration. Landlord agrees that it will join in such master declaration to ratify and confirm that the same encumbers and applies to Landlord's fee interest notwithstanding the termination of an underlying Phase Ground Lease.

**Landlord
Representative**

Landlord will designate a representative to review and approve and execute documents, plans, applications, estoppels and other agreements required to be executed by Landlord pursuant to the Project Documents, without further resolution or action by the City's commission.

Project Documents

- Access Agreement. After execution of this Term Sheet, the parties will execute a customary access agreement that will permit Tenant to due diligence the Property during the "Negotiation Period" under that certain Memorandum of Understanding dated April 9, 2025 between Tenant and Landlord (as amended from time to time, the "**MOU**").

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- Phase I Ground Lease.
- Development Agreement between Landlord and Tenant, which agreement, *inter alia*, will govern the terms of Landlord's contribution to the Project, civic and public spaces, and Landlord's grant to Tenant of the option to ground lease the portions of the Property not covered by the Phase Ground Lease for Phase 1.
- Memorandum of Ground Lease (to be recorded on Phase 1 Property) and Memorandum of Option Rights (to be recorded on remainder of the Property).

Tenant's legal counsel will prepare the first draft of the Phase I Ground Lease and the Development Agreement. The parties shall seek to complete negotiations of the Phase 1 ground lease and the development agreement prior to the expiration of the Negotiation Period.

Binding Provisions

Whether or not the parties sign the Project Documents, they agree to these provisions (the "**Binding Provisions**"):

- Subject to applicable law, the parties shall maintain confidentiality of these discussions and any nonpublic information received from the other party.
- Each party shall pay its own broker, if any. The CRA has engaged Colliers to represent it in this transaction. No broker shall be entitled to any compensation unless the parties sign a Phase Ground Lease and all conditions to the commencement date have been satisfied.
- Neither party shall have any liability or obligation of any kind relating to any Project Document unless and until the parties have signed final documents. Those final documents, if signed, shall entirely supersede this Term Sheet, including the Binding Provisions.
- The exclusivity provisions set forth in Section 2 and the good faith obligations in Section 4 of the MOU are hereby incorporated herein by reference.

[Signature Page Follows]

The parties agree to the Binding Provisions above. This Term Sheet does not otherwise bind, or impose any obligation on, any party in any way.

BPG ACQUISITIONS LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

**CITY OF MARGATE COMMUNITY
REDEVELOPMENT AGENCY,**
a Florida public agency

By: _____
Name: _____
Title: _____