

February 14, 2019

SENT VIA EMAIL: jorhernandez@broward.org

Mr. Jorge Hernandez
Port Everglades Dep't Business Administration
Division Director
1850 Eller Drive
Suite 603
Ft. Lauderdale, FL 33316-4201

RE: PROPOSED ASSIGNMENT TO CENTERPOINT PORT EVERGLADES LLC

Dear Jorge,

At this point in time, Port Everglades International Logistics Center, LLC ("PEILC") and CenterPoint Port Everglades LLC have submitted to the Port several items of information related to our original request of assignment of the PEILC lease agreement (the "Lease") on December 17, 2018 and later revised on January 2, 2019. It is our belief that all necessary and required information has now been submitted to the Port for their analysis of the proposed assignment. We are hopeful that most of the analysis has already been accomplished.

A question was proffered by the Port of what the relationship of CenterPoint Properties Trust and CenterPoint Port Everglades LLC, is and how is the Port assured there is enough capital in the LLC to comply with the requirements of the lease. The purpose of this letter is to clarify any issues around this question, and to make clear how the project will be developed should the Port and Broward County approve the proposed assignment.

CenterPoint Properties Trust (the "Trust") is the sole member of CenterPoint Port Everglades LLC ("Everglades"). The structure of and the validity of Everglades has previously been submitted and will not be revisited in this letter. As the sole member of Everglades, the Trust will provide all necessary funding requirements of the project development through the Everglades structure. Specifically, when Everglades closes on its assignment of PEILC, Everglades will have invested \$2.4 million in acquisition fee and approximately \$2.3 million in reimbursable cost of construction previously spent by PEILC for a total investment of \$4.7 million. The Trust will then fund all new construction costs through completion of the project, estimated to be approximately \$30 million. Once complete, the assets owned by Everglades will include the leasehold rights of the Lease and the full value of the completed building.


In the information provided to the Port for analysis, the project most like our transaction at Port Everglades is the ground lease between the City of Oakland, CA and CenterPoint-Oakland Development I LLC dated January 8, 2018. The project is anticipated to be a 440,880 sf warehouse with an opportunity to build on more land made available at a future date. The project is constructed on a 66-year ground lease with the Port of Oakland. The requirements of CenterPoint to fund and construct the facilities in Oakland are very similar to those imposed on the Lease at Port Everglades, and include these primary provisions as shown in the table below.

PROVISION PROTECTING THE PORT		PORT EVERGLADES REQUIREMENT	PORT EVERGLADES LEASE SECTION
1.	Leaseholder is obligated to pay rental payments to the Port regardless of construction schedule	Commencement Date is the earlier of completion of the Improvements or 26 months after issuance of Notice to Proceed	Section 2.B.
2.	Leaseholder must construct the facilities within a certain project schedule	Complete Improvements within 730 calendar days after issuance of Notice to Proceed	Section 12.E.
3.	Leaseholder provides a Performance & Payment Bond for 100% cost of construction	Bond is provided by Leaseholder prior to start of construction of Improvements	Section 12.F.
4.	Various default provisions by Leaseholder including non-payment of liens, claims & encumbrances, and vacating or desertion of Premises	With notice, the Leaseholder must correct the various default items or suffer financial consequences, depending upon the nature of the default	Section 25
5.	Insolvency or bankruptcy by the Leaseholder prior to the end of the lease term	With notice, the Lessor may place the Leaseholder in default	Section 28

It should be noted that CenterPoint Properties Trust, the entity that is fully funding Everglades is a \$4.5 Billion company with significant resources. Although PEILC is qualified in its capacity and was approved financially for the project, CenterPoint represents a significant financial benefit to the Port should they be approved for the assignment. With the experience reflected in the submissions for assignment, the financial capacity, and the quality of CenterPoint the organization, Broward County will be fortunate to have them as a partner in the Port Everglades International Logistics Center project.

We encourage port staff to recommend approval of the assignment from PEILC to CenterPoint Port Everglades LLC and place the item on the Broward County Commission agenda for approval. Time is of the essence in that there are only two (2) commission hearings in March, and it's important for the schedule of development to close no later than the end of March. We appreciate your help and cooperation.

CenterPoint Port Everglades LLC.
By: CenterPoint Properties Trust

By: 
Rick A. Mathews
SVP, General Counsel

**AFFIDAVIT OF THE SECRETARY OF
THE SOLE MEMBER OF CENTERPOINT PORT EVERGLADES LLC**

This Affidavit is made and delivered by Rick A. Mathews, General Counsel and Secretary of CenterPoint Properties Trust (the “Member”), the sole member of CenterPoint Port Everglades LLC (“Everglades”). In that capacity, I hereby duly swear as follows:

1. The Member is the sole member of Everglades and owns 100% of the membership/voting interest of Everglades; and
2. No individual or entity owns more than 10% of any class of outstanding, non-voting stock of Everglades. The following individuals comprise the members of the Board of Directors and the applicable Officers of the Member:

Board of Directors:

John Saer (Chair)	Rick Magnuson
Roman Braslavksy	Bob Chapman
George Psaras	Tony Lin

Officers:

Chief Executive Officer:	Bob Chapman
Chief Development Officer:	Michael Murphy
Chief Investments Officer:	Jim Clewlow
Chief Financial Officer:	Michael Kraft
Executive Vice President, Operations:	Nate Rexroth

3. Everglades does not constitute a Disqualified Person.
4. None of Everglades or its officers, directors, executives, partners, shareholders, employees, managers, members or agents have been convicted of a public entity crime as defined in FS § 287.133.
5. Everglades’ address is as follows: c/o CenterPoint Properties Trust, 1808 Swift Drive, Oak Brook, IL 60523, ATTN: General Counsel.

[remainder of page intentionally left blank]

FURTHER AFFIANT SAYETH NOT

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of February 2019.



A handwritten signature in blue ink, appearing to read "Rick A. Mathews".

Rick A. Mathews, Secretary

A handwritten signature in blue ink, appearing to read "Megan A. Nutley".

Signature of Notary

2-4-2019

Date of Notarization



Bob Chapman

Mr. Robert Chapman is the President and Chief Executive Officer of CenterPoint Properties Trust. CenterPoint is a Chicago-based company focused on the development, investment and management of industrial property and related rail, road and port infrastructure. Initially publicly traded in 1993 (NYSE: CNT), CenterPoint was privatized in 2006 by CalEast Global Logistics, LLC, an investment vehicle substantially owned by the California Public Employees' Retirement System (CalPERS). GI Partners, a San Francisco based real estate and private equity investment firm, co-invested in CenterPoint in 2010, subsequently selling its position to CalPERS. GI Partners currently acts as oversight manager for CalPERS.

Prior to joining the Company in 2013, Mr. Chapman held executive positions with several national real estate firms, most recently as Chief Operating Officer at Duke Realty Corporation. Preceding his tenure at Duke, Mr. Chapman was with RREEF Funds in Chicago, Hines Interests in Houston and Lincoln Property Company in San Francisco.

A graduate of Stanford University and of the Stanford Graduate School of Business, Mr. Chapman is a member of several boards, including Cousins Properties Inc. (NYSE: CUZ) and First Century Energy Holdings, Inc. He is also an Executive Advisor to the Chicago Metropolitan Planning Council (MPC), and Business Advisory Council (BAC).



Roman Braslavsk

Roman Braslavsky is a Director of GI Partners and oversees investments in Real Estate. Prior to joining GI Partners, Mr. Braslavsky was with Morgan Stanley Real Estate in New York where he focused on private equity real estate investments on behalf of the Morgan Stanley Real Estate Funds. Earlier in his career, he worked in private equity investing for Stonington Partners in New York and for the Chief Financial Officer of Omnicom Group Inc. (NYSE: OMC) where he focused on corporate finance and strategy.

Education

- M.B.A. from the Wharton School of Business
- B.A. in Economics and Political Science from Columbia University



Tony Lin

Tony Lin is a Director of GI Partners and oversees direct investments in Real Estate. Prior to joining GI Partners, Mr. Lin was with MacFarlane Partners in San Francisco, where he managed a \$3 billion portfolio of infill redevelopment assets in Washington D.C. Prior to that, he was at AMB Property Corporation in San Francisco, where he managed the company's Bay Area portfolio and started AMB's Value Added Conversion platform. Early in his career, Mr. Lin worked for Goldman, Sachs & Co. in New York.

Education

- M.B.A. from the UCLA Anderson School of Management
- A.B. in Economics and Government from Dartmouth College



Rick Magnuson

Rick Magnuson founded GI Partners in 2001, and is a member of its Investment and Compensation Committees. Mr. Magnuson is also the co-founder and Chairman Emeritus of Digital Realty Trust, Inc. (NYSE:DLR), a leading global provider of data centers and internet peering points. He has investment responsibilities for, and currently serves on the boards of Flexential, Far Niente Wine Estates, and CenterPoint Properties Trust. He previously served on the boards of Duckhorn Wine Company, SoftLayer Technologies, STAG Industrial (NYSE:STAG), Waypoint Homes, The Linc Group, Sunset Gower Studios, ViaWest, as well as Glenborough Realty Trust, Inc. (NYSE:GLB). Prior to founding GI Partners, he served as Deputy Managing Director of Nomura International's Principal Finance Group in London, which he joined in 1994. Previously, Mr. Magnuson was a Director of Investment Banking at Merrill Lynch & Co.. Earlier in his career, he worked for Digital Research, the company that created the personal computer operating system, and founded and sold Interactive Software, a software services business.

Education

- M.B.A. from the Stanford Graduate School of Business
- B.A. with honors from Dartmouth College



George Psaras

George Psaras Jr. joined GI Partners in October 2010, in conjunction with GI Partners' appointment as manager and co-investor of CalEast Global Logistics, LLC, a CalPERS' sponsored owner/operator of a \$3.4 billion industrial real estate platform. Prior to joining GI Partners, Mr. Psaras served as Senior Vice President at LaSalle Investment Management, with overall responsibility for accounting, financial reporting and treasury for one of the firm's largest funds. Previously, Mr. Psaras served as Director of Financial Reporting for Trizec Properties, Inc. and First Industrial Realty Trust, Inc. Mr. Psaras began his career with Coopers & Lybrand specializing in real estate. Mr. Psaras has over 10 years of financial accounting and reporting experience at the Controller and VP level. Mr. Psaras serves on the Board of Trustees for CenterPoint Properties.

Mr. Psaras is a certified public accountant and a member of the American Institute of Certified Public Accountants.

Education

- B.S. in Accounting from Northern Illinois University



John K. Saer Jr.

John Saer is a Managing Director of GI Partners and leads the Real Estate team. Mr. Saer joined GI Partners in November 2010, in conjunction with GI Partners' creation of its first separate real estate joint venture with an institutional investor. Prior to joining GI Partners, Mr. Saer was a partner at Kohlberg Kravis Roberts & Co (KKR), which he joined in 2001. While at KKR, Mr. Saer served as head of both the industrial and the real estate investing industry groups, and was also a member of the Portfolio Management Committee. Mr. Saer was actively involved in a number of KKR investments, including Biomet, Aveos, Borden Chemical, KSL Recreation, KSL Holdings, and SunGard Data Systems. Prior to joining KKR, Mr. Saer served as Chief Financial Officer of KSL Recreation Corporation, a KKR portfolio company that owned and operated large scale destination resorts, which he joined in 1993 as Vice President of Business Development and Acquisitions. Earlier in his career, Mr. Saer had extensive experience in real estate management turnarounds, loan restructurings, and portfolio workouts, principally advising financial institutions and governmental regulatory agencies.

Education

- M.B.A. from the Stanford Graduate School of Business
- A.B. in Economics from Dartmouth College; Cum Laude, Rufus Choate Scholar



PORT EVERGLADES
INTERNATIONAL LOGISTICS CENTER

**WRITTEN CONSENT IN LIEU OF MEETING OF MANAGERS AND MEMBERS OF PORT
EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC**

*Pursuant to Chapter 605 of the Florida Revised Limited Liability Company Act (the "Act"), the
Managers and Members hereby adopt the following resolutions:*

THE UNDERSIGNED, being all of the managers (the "Managers") and Members (the "Members") of **PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC**, a Florida limited liability company (the "**Company**"), hereby consent and subscribe to the following acts and resolutions in lieu of holding a formal meeting regarding the same (this "**Consent**"), pursuant to the Act and the Operating Agreement of the Company. This instrument shall have the same force and effect as if the actions herein referred to had been taken at a timely called and duly held meeting of the same.

RESOLVED, the Managers and Members ratify, approve and authorize the Company to enter into an assignment of the Company's leasehold rights under the terms of the executed Amended and Restated Lease Agreement (the "**Lease Agreement**") between Broward County and Port Everglades International Logistics Center, LLC as approved by the Broward County Board of Commissioners on March 20, 2018.

RESOLVED FURTHER, the Company is authorized and instructed to enter into that certain Contract for Assignment and Assumption of Ground Lease (the "**Contract**") dated November 14, 2018 between the Company and CenterPoint Port Everglades, LLC (the "**Proposed Assignee**"), in the form approved by the Managers. The Company is instructed take all action required or helpful in connection with the Contract, including working with the Proposed Assignee to assist the Proposed Assignee in its diligence efforts and to develop and to execute all Exhibits needed for the Contract. Further, the Company shall render reasonable assistance to the Proposed Assignee in connection with the requested approval of the proposed assignment by the Broward County Commission per the Lease Agreement and the Contract.

The Managers of the Company are authorized to take all necessary or helpful actions to carry out the purposes of this Consent. Additionally, any of the following individuals (whose signatures are set forth below) are authorized, individually or jointly, to execute all documents on behalf of the Company to carry out the purposes of this Consent.

Fred C. Rogacki President and Manager

Nelson Fernandez Vice President and Manager

Eric D. Swanson Treasurer and Manager



PORT EVERGLADES
INTERNATIONAL LOGISTICS CENTER

WRITTEN CONSENT IN LIEU OF MEETING OF MANAGERS AND MEMBERS OF PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC


Pursuant to Chapter 605 of the Florida Revised Limited Liability Company Act (the "Act"), the Managers and Members hereby adopt the following resolutions:

THE UNDERSIGNED, being all of the managers (the "Managers") and Members (the "Members") of **PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC**, a Florida limited liability company (the "**Company**"), hereby consent and subscribe to the following acts and resolutions in lieu of holding a formal meeting regarding the same (this "**Consent**"), pursuant to the Act and the Operating Agreement of the Company. This instrument shall have the same force and effect as if the actions herein referred to had been taken at a timely called and duly held meeting of the same.

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The Managers of the Company are authorized to take all necessary or helpful actions to carry out the purposes of this Consent. Additionally, any of the following individuals (whose signatures are set forth below) are authorized, individually or jointly, to execute all documents on behalf of the Company to carry out the purposes of this Consent.

_____	Fred C. Rogacki	President and Manager
	Nelson Fernandez	Vice President and Manager
_____	Eric D. Swanson	Treasurer and Manager

In Witness Whereof, the undersigned hereby duly execute this Written Consent as of November 14, 2018.

MANAGERS:


Fred C. Rogacki

Nelson Fernandez

Eric D. Swanson

MEMBERS:

JACAL MANAGEMENT, LLC,

By: _____
Name: _____, its _____

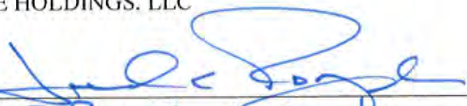
JJ TRUST, LLC

By: _____
Name: _____, its _____

GAM MANAGEMENT, LLC

By: _____
Name: _____, its _____

F&E HOLDINGS, LLC

By: 
Name: F. Rogacki, its member

TREADWELL FRANKLIN CAPITAL INFRASTRUCTURE, INC.

By: _____
Name: _____, its _____

In Witness Whereof, the undersigned hereby duly execute this Written Consent as of November 14, 2018.

MANAGERS:

Fred C. Rogacki

Nelson Fernandez

Eric D. Swanson

MEMBERS:

JACAL MANAGEMENT, LLC

By: _____

Name: Alberto Fernandez, its Manager

JJ TRUST, LLC

By: _____

Name: Nelson Fernandez, its MANAGER

GAM MANAGEMENT, LLC

By: _____

Name: ALBERTO Gil, its MANAGER

F&E HOLDINGS, LLC

By: _____

Name: _____, its _____

TREADWELL FRANKLIN CAPITAL INFRASTRUCTURE, INC.

By: _____

Name: _____, its _____

In Witness Whereof, the undersigned hereby duly execute this Written Consent as of November 14, 2018.

MANAGERS:

Fred C. Rogacki

Nelson Fernandez

Eric D. Swanson

MEMBERS:

JACAL MANAGEMENT, LLC,

By: _____
Name: _____, its _____

JJ TRUST, LLC

By: _____
Name: _____, its _____


GAM MANAGEMENT, LLC

By: _____
Name: _____, its _____

F&E HOLDINGS, LLC

By: _____
Name: _____, its _____

TREADWELL FRANKLIN CAPITAL INFRASTRUCTURE, INC.

By: 
Name: STEVEN JONES, its PARTIAL INTEREST

CONTRACT FOR ASSIGNMENT AND ASSUMPTION OF GROUND LEASE

This Contract for Assignment and Assumption of Ground Lease (this “**Contract**”) is made and entered into as of the Effective Date (as hereinafter defined) by and between **PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC** (the “**Assignor**”) and **CENTERPOINT PORT EVERGLADES, LLC** (the “**Assignee**”).

BACKGROUND

- A. Assignor is the tenant under the “**Lease**” (as such term is subsequently defined).
- B. Assignor desires to assign its rights, and have Assignee assume its obligations under the Lease from and after the Closing, in accordance with the terms of this Contract. Assignee desires to have Assignor assign its rights, and Assignee desires to assume Assignor’s obligations under the Lease from and after the Closing, in accordance with the terms of this Contract.

In consideration of the mutual agreements herein set forth and intending to be legally bound, the parties hereto agree as follows:

1. **Definitions.** The following terms when used in this Contract for Purchase and Sale shall have the following meanings:

1.1 **Approval.** The unconditional approval of the County of (i) the assignment of the Lease to Assignee pursuant to the terms of this Contract and Section 11 of the Lease and (ii) any Commercial Tenant Leases that require the approval of the County under the Lease. Assignor shall apply for the Approval within three (3) Business Days after the expiration of the Due Diligence Period, assuming that Assignee has not previously terminated this Contract during the Due Diligence Period.

1.2 **Assignee.** CenterPoint Port Everglades, LLC, a Delaware limited liability company, whose mailing address is c/o CenterPoint Properties Trust, 1808 Swift Drive, Oak Brook, Illinois 60523-1501, Attn: Mr. Michael P. Murphy; Ph: 630-586-8142; Email: mmurphy@centerpoint.com.

1.3 **Assignee’s Attorney.** Mark S. Richmond Esq., Richmond Breslin LLP, 5215 Old Orchard Road, Suite 420 Skokie, Illinois 60077, Telephone: 312-568-4401; E-mail: mrichmond@rb-llp.com.

1.4 **Assignment and Assumption.** That certain Assignment and Assumption Agreement attached as **Exhibit A** to this Contract, amended as necessary to satisfy any reasonable requirements of the County.

1.5 **Assignment Approval Information.** All information with respect to Assignee that is initially required to be submitted to the County pursuant to Section 11.A.3 of the Lease, or otherwise reasonable required by the County in order to obtain the Approval (the “**Assignment Approval Information**”). Assignee shall deliver the Assignment Approval Information relevant to the Assignee to Assignor prior to the expiration of the Due Diligence

Period. Thereafter, Assignee shall cooperate with Assignor, at no cost or liability to Assignee, and promptly take all actions reasonably required by the County to obtain the Approval.

1.6 Assignor. Port Everglades International Logistics Center, LLC, a Florida limited liability company Attention: Eric Swanson, 1875 NW Corporate Boulevard, Suite 280, Boca Raton, FL 33431; Telephone: 954.903.3898; E-Mail: eric.swanson@avisonyoung.com, with a copy to Assignor's Attorney.

1.7 Assignor's Attorney. Brian Belt, Esq., whose address is Acevedo-Belt & Belt, P.A., The Four Seasons Office Tower, 1441 Brickell Avenue, Miami, FL 33131, Telephone: (305) 396-4771; E-mail: bbelt@abbattorneys.com.

1.8 Assumption Fee. Four Million Dollars (\$4,000,000.00), to be paid to Assignor, subject to the terms and conditions set forth in this Contract, as set forth in Section 3. The obligation to pay the Assumption Fee is in addition to the obligation to pay the Reimbursement Costs as otherwise provided in this Contract.

1.9 Attorneys' Fees. All reasonable fees and expenses charged by an attorney for the attorney's services and the services of any paralegals, legal assistants or law clerks, including (but not limited to) fees and expenses charged for representation at the trial level and in all appeals in any judicial or administrative proceedings for the enforcement of this Contract.

1.10 Business Day. Any day that commercial banks in the State of Florida are open for business, excluding Saturdays and Sundays and Legal Holidays.

1.11 Cash to Close. The Initial Assumption Payment, plus all of the closing costs specified herein to be paid by Assignee, subject to the adjustments herein set forth.

1.12 CBI. Cheney Bros., Inc.

1.13 Closing. The consummation of the transactions contemplated by this Contract including, but not limited to the delivery of the Assignment and Assumption to Assignee concurrently with the delivery of the Initial Assumption Payment to Assignor.

1.14 Closing Date. The date of the Closing, which shall be ten (10) days after the expiration of the Contingency Period.

1.15 Commercial Tenant Leases. Those certain contemplated subleases with Assignor, as landlord, and with the Commercial Tenants, as tenants. The Commercial Tenant Lease with CBI and Assignor shall include those terms set forth in Exhibit B attached to this Contract. The Commercial Tenant Lease with IWS and Assignor shall include those terms set forth in Exhibit C attached to this Contract.

1.16 Commercial Tenants. Singularly and collectively CBI and IWS.

1.17 Construction Contract. A construction contract between Assignee, as “Owner”, and ANF Group, Inc, as general contractor, which shall be entered into for the construction of the Improvements. The Construction Contract will provide for (i) all work to be performed for a guaranteed maximum price, (ii) a contractor’s overhead fee of two percent (2%), (iii) a profit fee of two and sixth/tenths percent (2.6%) of the cost of the work, (iv) general conditions based upon reasonable commercial standards, and (v) with the Assignee receiving the first Four Hundred Thousand Dollars (\$400,000.00) of savings (under the Guaranteed Maximum Price), and with any additional savings being shared “50/50” by Assignee and ANF Group, Inc.

1.18 Contingency Period. The period of time commencing upon the expiration of the Due Diligence Period (as same may be extended) and terminating upon the earlier of (a) the date that the Approval is obtained, or (b) one hundred twenty (120) days after the Assignment Approval Information is first submitted to the County in order to obtain the Approval. The parties shall cooperate in order to obtain the Approval as soon as reasonably possible.

1.19 Contract. This Contract for Assignment and Assumption of Ground Lease, as this Contract may be amended from time to time pursuant to a written agreement signed by Assignor and Assignee.

1.20 County. Broward County, Florida.

1.21 Deposit. The sum of One Hundred Thousand Dollars (\$100,000.00) to be held by Escrow Agent in an interest-bearing account, and to be disbursed by Escrow Agent in accordance with the terms of this Contract.

1.22 Development Services Agreement. A development services agreement, between Assignee and Avison Young, Florida, LLC in connection with the development of the Property. The Development Services Agreement shall provide that Avison Young Florida, LLC will receive a fixed fee equal to Seven Hundred Fifty Thousand Dollars (\$750,000) for performing the services under such agreement.

1.23 Due Diligence Period. The period of seventy-five (75) days commencing with the Effective Date; provided, however, that Assignee may extend the Due Diligence Period as provided in Section 4.3.2 hereof.

1.24 Effective Date. The date this Contract is executed and delivered by the last party to execute and deliver this Contract (excluding Escrow Agent).

1.25 Escrow Agent. Chicago Title Insurance Company, Chicago, Illinois, pursuant to the terms and conditions of this Contract as joined by the Escrow Agent.

1.26 Governmental Authority. Any federal, state, county, municipal or other governmental department, entity, authority, commission, board, bureau, court, agency or any instrumentality of any of them having jurisdiction over the Property.

1.27 Governmental Requirement. Any law, enactment, statute, code, ordinance, rule, regulation, judgment, decree, writ, injunction, franchise, permit, certificate, license, authorization, agreement, or other direction or requirement of any Governmental Authority now existing or hereafter enacted, adopted, promulgated, entered, or issued applicable to Assignor or the Property.

1.28 Improvements. All buildings, fixtures, structures and improvements to be constructed on the Land by Assignee.

1.29 Initial Assumption Payment. The sum of Two Million Four Hundred Thousand Dollars (\$2,400,000.00), which shall include the Deposit.

1.30 Intangible Property. Any intangible property now or hereafter owned by Assignor in connection with the Lease or the Land, including, but not limited to, all of Assignor's rights under the Commercial Tenant Leases, as applicable, all utility arrangements, Property Records and other agreements, relating to the ownership, operation, use, and occupancy thereof, including, but not limited to, all certificates of occupancy, warranties, guaranties, governmental permits, approvals, studies, reports, "as built" drawings, licenses, operating permits, and advertising materials, brochures and manuals.

1.31 IWS. International Warehouse Services, Inc.

1.32 IWS Lease. The Commercial Tenant Lease between IWS and Assignor.

1.33 Land. The real property located at containing approximately 16.657 acres of land, located at Port Everglades, Broward County, Florida; all as more particularly described in **Exhibit D** attached to this Contract.

1.34 Lease. The "Amended and Restated Lease Agreement between Broward County and Port Everglades International Logistics Center, LLC," relating to the Land.

1.35 Leasing Agreement. An agreement to be entered into between Assignor and Florida Transatlantic Holdings LLC with respect to the marketing and leasing of the Improvements.

1.36 New Survey. The survey to be obtained by Assignee pursuant to Section 6.1 below.

1.37 Permitted Exceptions. The title exceptions which are approved or deemed approved by Assignee in accordance with Section 5 hereof.

1.38 Property. Assignor's interest in the Land, Lease, Property Records, Commercial Tenant Leases, Leasing Agreement and Intangible Personal Property.

1.39 Property Records. Copies of all the following documents relating to the Property which are in the possession or control of Assignor: (i) all environmental reports or

studies, (ii) existing site plans and site plan approvals relating to the Property, along with all documents evidencing any conditions, limitations, requirements or obligations imposed pursuant to such site plans and site plan approvals; (iii) any documentation evidencing Assignor's right, title and interest in credits for impact fees, assessments and/or other charges by applicable governmental authorities in connection with the Property resulting from payment or contribution of land or other property made by Assignor or Assignor's predecessor(s), agreement or otherwise; (iv) the latest property tax bills and value renditions from all taxing authorities; (v) a full copy of all surveys for the Property, whether boundary and topographical or otherwise, and all existing plans, specifications, permits, approvals (and any applications for permits or approvals), maps, and plats relating to the Property; (vi) any subdivision reports; (vii) any soils and engineering reports; (ix) any written notices, reports, citations, orders, decisions, correspondence, or memoranda from any Governmental Authority (including but not limited to, copies of any zoning letters); (x) all agreements with or applications to any Governmental Authority with respect to any zoning modification, variance, exception, platting or other matter relating to the zoning, use, development, subdivision or platting of the Property; (xi) copies of all agreements, studies, reports, correspondence and other documents relating to the presence or absence of any endangered species or environmentally sensitive areas on the Property; (xii) any contracts or agreements relating to the Property or services being provided or to be provided to Assignor in connection with the Property, including, without limitation, any agreements with electric, cable, gas, telephone or other utility providers, (xiii) documents, reports, notices or other evidence of Assignor's development rights under applicable laws, codes, ordinances, statutes, rules or regulations, which Assignor has or may hereafter acquire in connection with the Property; (xiv) any documents, reports, notices or other evidence of any threatened or pending claim, proceeding, action, or suit regarding the Lease, or any portion thereof, or Assignor to the extent it relates to the Lease; and (xv) all other studies, reports, maps and documents related to the Lease or the Land, including without limitation, engineering reports, surveys, environmental reports, traffic circulation, operating methods, flood control and drainage plans, design renderings, shop drawings, feasibility studies, documents relating to any special use, conforming use or zoning variance and all correspondence with governmental agencies and their personnel concerning the same.

1.40 Reimbursement Costs. All hard and soft development costs set forth in Exhibit E attached to this Contract and such additional hard and soft development costs incurred after the date of this Agreement but before the Closing, provided such additional costs are approved by Assignee.

1.41 Second Assumption Payment. One Million Six Hundred Thousand Dollars (\$1,600,000.00).

1.42 Security Deposit. The funds deposited by the Commercial Tenants with Assignor as security for such tenant's obligations or otherwise under the Commercial Tenant Leases.

1.43 Title Commitment. A Florida ALTA title insurance commitment from the Title Company agreeing to issue the Title Policy to Assignee, together with true, complete

and legible copies of all easements, restrictions and other items referred to as exceptions or requirements in the Title Commitment.

1.44 Title Company. Chicago Title Insurance Company, Chicago, Illinois.

1.45 Title Policy. An ALTA Leasehold Estate title insurance policy in the amount determined by Assignee during the Due Diligence Period, insuring Assignee's leasehold estate, subject only to the Permitted Exceptions and with such endorsements, at Assignee's sole expense, approved for issuance in Florida as Assignee may request and to which the Title Company has committed to issue prior to the expiration of the Due Diligence Period.

2. Assignment and Assumption. At the Closing, Assignor agrees to assign all of Assignor's right, title and interest under the Lease and the Commercial Tenant Leases and Assignee agrees to accept such assignment on the terms set forth in this Contract. Assignee agrees to assume all of Assignor's obligations under the Lease and the Commercial Tenant Leases arising from and after the Closing. Assignor also agrees to assign all of Assignor's right, title and interest in the Land, Property Records, Leasing Agreement and Intangible Property to Assignor at Closing.

3. Assignment and Assumption Fee. The Assignment and Assumption Fee shall be Four Million Dollars (\$4,000,000.00) payable by Assignee as follows:

3.1 Deposit. No later than five (5) Business Days from the Effective Date, Assignee shall deliver to Escrow Agent the Deposit via wire transfer of U.S. Dollars.

3.2 Cash to Close. At the Closing the Assignee shall pay the Cash to Close and the Reimbursement Costs by wire transfer of U.S. Dollars.

3.3 Second Assumption Payment. Provided the Closing occurs, the payment of the Second Assumption Payment will be paid by Assignee to Assignor upon the earlier to occur of: (a) the issuance of a temporary certificate of occupancy for all of the Improvements, (b) thirty (30) days after Assignee advises Assignor that it has elects not to proceed with the construction of the Improvements, or (iii) in the event that Assignee's failure to obtain a temporary certificate of occupancy for all of the Improvements on or before the Commencement Date under the Lease. The provisions of this Section 3.3 shall survive the Closing.

4. Due Diligence Period; As-Is Purchase; Termination Rights.

4.1 Assignee's Inspection of the Property. Assignor and Assignee hereby acknowledge that as of the Effective Date, Assignee has not yet had the opportunity to complete its necessary due diligence and fully review and evaluate this transaction. Assignor shall, within five (5) days after the Effective Date, provide Assignee with copies of all Property Records, the Other Agreements, the Intangible Property and, to the extent in the possession of Assignor, financial information for each of the Commercial Tenants (including, but not limited to, annual financial statements audited by independent certified public accountants and any other financial information reasonably requested by Assignee). During the Due Diligence Period, and if

Assignee elects to go forward with the Closing, from the end of the Due Diligence Period until the Closing Date, Assignee and its representatives and agents shall, after first providing not less than two (2) Business Days' prior written notice to Assignor prior to each visit to the Property, have the right, to enter upon the Land and to make all inspections and investigations of the condition of the Property, to the extent not prohibited by the County, which it may deem necessary or advisable, including, but not limited to, soil borings, percolation tests, engineering and topographical studies, environmental assessments (including Phase II environmental testing and sampling) and investigations of zoning and the availability of utilities, and any other matters Assignee deems relevant concerning the economic and physical condition of the Property and the transaction, all of which inspections and investigations shall be undertaken at Assignee's cost and expense. Assignee may meet and discuss the transaction with CBI, and all Governmental Authorities only after notice to Assignor and only in the event that Assignor is permitted to attend all such meetings. After completing its inspection of the Property, Assignee shall repair and restore any physical damage or alteration to the Property caused by Assignee's activities thereon to substantially the same condition existing prior to Assignee's activities. Prior to entering onto the Property to perform any Inspections or investigations, Assignee, at its sole cost and expense, shall obtain and maintain in effect, and shall cause its agents, contractors, consultants, subcontractors and other authorized representatives to obtain and maintain in effect for the protection of Assignor and any tenants and subtenants: (i) workers compensation insurance and employer's liability insurance issued for the protection of all employees engaged in due diligence activities on the Property, and (ii) general liability insurance coverage with a minimum combined bodily injury and property damage of not less than \$1,000,000.00 per occurrence. Assignee shall deliver to Assignor Certificates of Insurance evidencing such workers compensation coverage and general liability insurance coverage before Assignee or any of Assignee's agents, contractors, consultants, subcontractors and other authorized representatives will be granted access to the Property. Assignor shall have the right to have a representative of Assignor present during the course of each such entry.

4.2 Indemnification. Assignee shall indemnify, protect and hold Assignor and its affiliates and their officers, directors, trustees and employees and the County harmless from and against any claims for any injury to or death of any person or any property damage to the extent caused during entry or inspection of the Property by Assignee and Assignee's agents, representatives, third party consultants and independent contractors. The foregoing indemnity shall not, however, be construed to include an indemnification of Assignor against (i) a pre-existing environmental or other condition that may be discovered on the Property in the course of such inspections or existing on the Property prior to such inspections or (ii) any claims arising from an act or omission of Assignor or its affiliates and their officers, directors, trustees and employees or the County. The foregoing indemnity shall survive the Closing, or, if the Closing does not occur, survive the termination of this Contract.

4.3 Rights to Terminate.

4.3.1 Assignee may elect to terminate this Contract, for any reason or no reason, including, but not limited to, Assignee's disapproval of either or both of the Commercial Tenant Leases for any reason or no reason, upon delivery to Assignor and Escrow Agent, on or prior to 5:00 p.m. Central Time of the final day of the Due Diligence Period, of a notice (the

“Termination Notice”) to the effect that it has elected to terminate the Contract. Upon such termination, Escrow Agent shall promptly return to Assignee the Deposit, together with all interest earned thereon, if any, and thereafter this Contract shall be terminated and except as otherwise specifically set forth in this Contract with respect to obligations that survive the termination of this Contract, neither Assignee nor Assignor shall have any further rights or obligations hereunder.

4.3.2 Assignee may extend the Due Diligence Period by an additional thirty (30) days in the event that the Commercial Tenant Lease with CBI has not yet been executed in a form acceptable to Assignee in its sole and absolute discretion, upon written notice to Assignor on or prior to 5:00 p.m. Central Time of the final day of the Due Diligence Period. The extension of the Due Diligence Period shall be solely for the purpose of allowing Assignor to attempt to enter into a Commercial Tenant Lease with CBI on terms and provisions acceptable to Assignee in its sole and absolute discretion. In the event of such an extension, Assignee may elect to terminate this Contract, in the event that the Commercial Tenant Lease with CBI has not yet been executed in a form acceptable to Assignee in its sole and absolute discretion, upon delivery of a Termination Notice to Assignor on or prior to 5:00 p.m. Central Time of the final day of the extended Due Diligence Period. In the event that such an extension takes place, subject to the other terms and provisions of this Contract, Assignee shall take title and close subject to all matters as in their respective states of condition as of the expiration of the Due Diligence Period prior to any extension. Notwithstanding the foregoing, upon agreement among Assignor, Assignee and CBI as to the form of the Commercial Tenant Lease, subject to Assignee’s right to disapprove of same for any reason or no reason, the Due Diligence Period as extended shall then terminate and the Assignee shall be deemed to have waived its right to terminate this Agreement during the Due Diligence Period.

4.3.3 Upon a timely delivery of a Termination Notice as provided under the terms of this Contract and receipt of a written request from Assignee, Escrow Agent shall promptly return to Assignee the Deposit, together with all interest earned thereon, if any, and thereafter this Contract shall be terminated and except as otherwise specifically set forth in this Contract with respect to obligations that survive the termination of this Contract, neither Assignee nor Assignor shall have any further rights or obligations hereunder.

4.4 Mutual Right to Terminate.

4.4.1 Either Assignee or Assignor may elect to terminate this Contract in the event that they do not approve the Construction Contract, the Development Services Agreement, the Leasing Agreement or the definition of “material adverse change” proposed by Assignee pursuant to Section 8.5 below, for any reason or no reason, upon delivery to the other party and Escrow Agent, on or prior to 5:00 p.m. Central Time on the thirtieth (30th) day after the Effective Date, of a notice to the effect that it has elected to terminate this Contract. Upon such termination, Escrow Agent shall promptly return to Assignee the Deposit, together with all interest earned thereon, if any, and thereafter this Contract shall be terminated and except as otherwise specifically set forth in this Contract with respect to obligations that survive the termination of this Contract, neither Assignee nor Assignor shall have any further rights or obligations hereunder.

4.4.2 If the Approval is not obtained prior to the expiration of the Contingency Period, at any time thereafter prior to the earlier of (i) such Approval being obtained or (ii) the Closing, either party may terminate this Contract upon written notice to the other party. Upon such a termination and receipt of a written request from Assignee, Escrow Agent shall promptly return to Assignee the Deposit, together with all interest earned thereon, if any, and thereafter this Contract shall be terminated and except as otherwise specifically set forth in this Contract with respect to obligations that survive the termination of this Contract, neither Assignee nor Assignor shall have any further rights or obligations hereunder.

4.5 As-Is; Where-is.

4.5.1 Except as is otherwise expressly provided in this Contract or any Closing Document signed by Assignor, Assignor hereby specifically disclaims any warranty (oral or written) concerning: (i) the nature and condition of the Property and the suitability thereof for any and all activities and uses that Assignee elects to conduct thereon; (ii) the manner, construction, condition and state of repair or lack of repair of any improvements thereon; (iii) the compliance of the Land and any improvements thereon or their operation with any laws, rules, ordinances or regulations of any government or other body; (iv) any matter concerning the Lease; and (v) any other matter whatsoever. EXCEPT AS IS OTHERWISE EXPRESSLY PROVIDED IN THIS CONTRACT OR IN ANY CLOSING DOCUMENT EXECUTED BY ASSIGNOR, THE ASSIGNMENT AND ASSUMPTION IS MADE ON A STRICTLY "AS IS" "WHERE IS" BASIS AS OF THE CLOSING DATE, AND ASSIGNOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO THE LEASE, OR ANY PROPERTY OR MATTERS RELATED TO THE LEASE.

4.5.2 EXCEPT AS IS OTHERWISE EXPRESSLY PROVIDED IN THIS CONTRACT OR IN ANY CLOSING DOCUMENT EXECUTED BY ASSIGNOR, ASSIGNEE SPECIFICALLY ACKNOWLEDGES THAT ASSIGNEE IS NOT RELYING UPON (AND ASSIGNOR HEREBY DISCLAIMS AND RENOUNCES) ANY REPRESENTATIONS OR WARRANTIES MADE BY OR ON BEHALF OF ASSIGNOR OF ANY KIND OR NATURE WHATSOEVER, EXCEPT FOR THOSE PARTICULAR REPRESENTATIONS AND WARRANTIES EXPRESSLY PROVIDED IN THIS CONTRACT OR IN ANY CLOSING DOCUMENT. ASSIGNEE REPRESENTS TO ASSIGNOR THAT ASSIGNEE HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE LEASE, THE LAND, ALL LAND-USE REGULATIONS AND APPROVALS, AND THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS ASSIGNEE DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OF, OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO, ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE LAND OR THE IMPROVEMENTS, AND WILL RELY SOLELY UPON SAME AND, NOT UPON ANY INFORMATION PROVIDED BY, OR ON BEHALF OF, ASSIGNOR, ITS AGENTS AND EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS AND WARRANTIES OF ASSIGNOR AS ARE EXPRESSLY SET FORTH IN THIS CONTRACT OR IN ANY CLOSING DOCUMENT.

4.5.3 ASSIGNEE ACKNOWLEDGES AND AGREES THAT THE WAIVERS, RELEASES AND OTHER PROVISIONS CONTAINED IN THIS SECTION 4.5 WERE A MATERIAL FACTOR IN ASSIGNOR'S ACCEPTANCE OF THE ASSUMPTION FEE AND THAT ASSIGNOR IS UNWILLING TO ASSIGN THE LEASE TO ASSIGNEE UNLESS ASSIGNOR IS RELEASED AS EXPRESSLY SET FORTH ABOVE. ASSIGNEE, WITH ASSIGNEE'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS SECTION 4.5, AND UNDERSTANDS THE SIGNIFICANCE AND EFFECTS THEREOF. THE TERMS AND CONDITIONS OF THIS SECTION 4.5 WILL EXPRESSLY SURVIVE THE CLOSING, WILL NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS, AND WILL BE INCORPORATED INTO THE ASSIGNMENT AND ASSUMPTION.

4.5.4 Notwithstanding the foregoing, however, Assignor represents and warrants that all work performed at the Property prior to Closing by or on behalf of Assignor by any party including, without limitation, Assignor and any contractor or consultant performing work on behalf of Assignor, has been performed in a good and workmanlike manner, free from defects arising out of faulty workmanship or materials, and, to the extent performed, will be substantially in accordance with the requirements of the all plans and specifications pertaining to the same and all applicable laws and ordinances.

5. Title.

5.1 Title. At the Closing, Assignor shall assign to Assignee the Lease, and the Commercial Tenant Leases, subject only to the Permitted Exceptions. The Commercial Tenant Leases, as applicable, taxes not yet due and payable for the current and subsequent years (subject to proration and adjustment pursuant to this Contract) and lien rights with respect to work approved by Assignee and which Assignee has agreed in writing to pay pursuant to the terms of this Agreement after Closing shall be Permitted Exceptions.

5.2 Evidence of Title. Within five (5) Days after the Effective Date, Assignee shall order the Title Commitment from the Title Company. Assignee shall deliver a copy of the Title Commitment to Assignor within two (2) Business Days after receipt by Assignee of the Title Commitment.

5.3 Assignee to Notify Assignor of Objections. Assignee shall have fifteen (15) Business Days from the receipt of the later of the New Survey (as hereinafter defined) and the Title Commitment, but no later than fifteen (15) days prior to the end of the Due Diligence Period, within which to examine same ("**Title Objection Period**"). If the Title Commitment or the New Survey reflects that title to the Property is subject to any exception or other matter which is objectionable to Assignee, including without limitation the Permitted Exceptions, during the Due Diligence Period ("**Title Objections**"), or if at any time after the expiration of the Title Objection Period and prior to Closing, Assignee receives notice of or otherwise discovers that title to the Property is subject to any matters which arose or were first created after the effective date of the initial Title Commitment (the "**Additional Exceptions**"), Assignee shall notify Assignor in writing of the Title Objections or objection to the Additional Exceptions (the "**Additional Title Objections**") (as applicable) to which Assignee objects prior to the later of:

the expiration of the Due Diligence Period or within ten (10) days after Assignee receives notice of such Additional Exceptions.

5.4 Assignor's Obligation to Cure Objections. After Assignee has notified Assignor of any Title Objections or Additional Title Objections (as applicable) to which Assignee objects, Assignor shall proceed as follows:

5.4.1 Mandatory Objections. If the Title Objections or Additional Title Objections are customary requirements set forth in Schedule B-1 of the Title Commitment relating to Assignor's existence, with respect to the and authority to convey the Property, or occupancy of the Property (other than the Commercial Tenant Leases) or are liens for liquidated amounts or mortgages, or monetary judgments, judgment liens, mechanics' liens and similar liens for labor, materials or supplies, and other such monetary liens, or taxes not consented to by Assignee (other than the Permitted Exceptions and taxes which are subject to proration and adjustment pursuant to this Contract), then Assignor shall be required to remove such Title Objections or Additional Title Objections (the "**Mandatory Objections**") from the Property on or before Closing by taking the actions necessary to have the Mandatory Objections deleted by the Title Company, or transferred to bond so that the Mandatory Objections are removed from the Title Commitment, as approved by Assignee and the Title Company. Assignor shall not be required to notify Assignee in writing of Assignor's willingness to cure Mandatory Objections but shall nevertheless be obligated to do so.

5.4.2 Optional Objections. With regard to all Title Objections and Additional Title Objections which are not Mandatory Objections (the "**Optional Objections**"), Assignor shall have the right, but not the obligation, on or before Closing, to take the actions necessary to have the Optional Objections deleted by the Title Company, or transferred to bond so that the Optional Objections are removed from the Title Commitment, as approved by Assignee and the Title Company. Assignor shall provide Assignee with written notice of its election that it will not cure the Optional Objections within ten (10) days after Assignor's receipt of Assignee's notice of any Optional Objections. In the event that Assignor fails to timely give said written notice, it shall be deemed that Assignor has elected to cure the Optional Objections. If Assignor elects not to cure all the Optional Objections or will not otherwise cure in a manner requested by or otherwise acceptable to Assignee, Assignee shall have the option, to be exercised within ten (10) days after Assignee's receipt of Assignor's election not to cure, to either (a) proceed to Closing and accept title in its existing condition without any adjustment to the Purchase Price, or (b) terminate the Contract by sending written notice of termination to Assignor and Escrow Agent, and upon receipt of a written request from Assignee, Escrow Agent shall promptly return to Assignee the Deposit, together with all interest earned thereon, if any, and thereafter this Contract shall be terminated and except as otherwise specifically set forth in this Contract with respect to obligations that survive the termination of this Contract, neither Assignee nor Assignor shall have any further rights or obligations hereunder. Any Title Objections or Additional Title Objections (whether Mandatory or Optional) to which Assignee does not timely object or which Assignee elects to waive as provided above shall be deemed Permitted Exceptions. Permitted Exceptions shall not be required to be removed from the Title Commitment.

5.5 Termination of Contract. Upon the termination of this Contract pursuant to Section 5, Escrow Agent shall promptly return the Deposit to Assignee, each party shall bear their own costs and Attorneys' Fees, and, thereafter, neither Assignee nor Assignor shall have any further rights or obligations hereunder except those obligations which expressly survive the termination of this Contract as otherwise specifically provided in this Contract.

6. Survey. Assignor has previously delivered to Assignee a survey dated February 27, 2017. Within five (5) Days after the Effective Date, Assignee shall order a new Survey ("**New Survey**") of the Land prepared by a land surveyor or engineer registered and licensed in the State of Florida, at Assignee's sole expense.

7. Assignor's Representations.

7.1 Representations and Warranties. Assignor hereby represents and warrants to Assignee as of the Effective Date and as of the Closing Date as follows:

7.1.1 Assignor's Existence. Assignor is a limited liability company, formed under the laws of the State of Florida, and Assignor has full power and authority to own and sell the Property and to comply with the terms of this Contract without the consent or joinder of any other person or entity.

7.1.2 Authority. The execution and delivery of this Contract by Assignor and the consummation by Assignor of the transaction contemplated by this Contract have been duly and validly authorized by all requisite corporate action. Except as set forth in this Contract, no order, permission, consent, approval, license, authorization, registration or validation of, or filing with, or exemption by, any governmental agency, commission, board of public authority is required to authorize, or is required in connection with, the execution, deliver and performance of this Contract by Assignor or by the taking by Assignor of any action contemplated by this Contract.

7.1.3 Binding Contract. This Contract is the legal, valid and binding agreement of Assignor enforceable in accordance with its terms.

7.1.4 No Legal Bar. The execution by Assignor of this Contract and the consummation by Assignor of the transaction hereby contemplated do not, and on the Closing Date will not (a) result in a breach of or default under any indenture, agreement, instrument or obligation to which Assignor is a party and which affects all or any portion of the Property, (b) result in the imposition of any lien, obligation or encumbrance upon the Property under any agreement or other instrument to which Assignor is a party or by which Assignor or the Property might be bound, or (c) constitute a violation of any Governmental Requirement.

7.1.5 Lease. (i) Neither Assignor nor, to the knowledge of Assignor, the landlord under the Lease is in default under the Lease, and to the knowledge of Assignor no circumstance exists which with notice or the passage of time or both, would give rise to such a default, (ii) Assignor has not prepaid any rent or other charges, except as expressly set forth in the Lease, and (iii) all brokerage commissions with respect to the Lease have been paid in full.

7.1.6 Commercial Tenant Leases. As of the Closing Date (i) neither Assignor nor, to the knowledge of Assignor, the Commercial Tenants are in default under the Commercial Tenant Leases, and to the knowledge of Assignor no circumstance exists which with notice or the passage of time or both, would give rise to such a default, (ii) the Commercial Tenants have not prepaid any rent or other charges, except as expressly set forth in the Commercial Tenant Leases. The only brokerage commissions that may become due and payable in the future are those described in the Leasing Agreement.

7.1.7 Litigation. There are no actions, suits, proceedings or investigations pending or, to the knowledge of Assignor, threatened against Assignor or the Property or Assignor's performance of its obligations under this Contract.

7.1.8 No Condemnation Pending or Threatened. There is no pending condemnation or similar proceeding affecting the Property or any portion thereof, nor has Assignor received notice that any such action is presently contemplated.

7.1.9 Other Leases. Except for the Lease and the Commercial Tenant Leases that may be executed in accordance with the terms of this Contract there are no other leases, subleases, licenses, occupancy agreements, use agreements, or similar agreements affecting or encumbering the Property that will survive the Closing. The Lease is in full force and effect and Assignor has received no notice of uncured defaults from the County.

7.1.10 Other Agreements. Except as set forth in **Exhibit F** attached to this Contract (collectively, the "**Other Agreements**"), Assignor has not entered into any contract or other agreement presently in effect (other than this Contract and the Lease) relating to the Land or the Property. At Closing, and except as provided in this Contract to the contrary, except for work or obligations approved in connection with the Reimbursement Costs and except for the Commercial Tenant Leases, there will be no additional leases, employment contracts, service contracts, maintenance contracts, equipment contracts, operating agreement or other agreements, which have not been approved by Assignee in writing, such approval to be in Assignee's sole and absolute discretion. Assignee shall review the Other Agreements during the Due Diligence Period and **Exhibit F** shall be updated at least five (5) Business Days prior to the end of the Due Diligence Period to include any additional agreements approved, in writing, by Assignee, which Assignee has agreed to assume at Closing, if any. Subject in all cases to Assignee's right to terminate this Contract prior to the expiration of the Due Diligence Period for any reason or no reason, Assignee shall assume all obligations of Assignor under the Other Agreements which Assignee has agreed to assume prior to the end of the Due Diligence Period, to the extent payable after the Closing.

7.1.11 Violation of Laws. Assignor has no knowledge of and has received no notices from any city, village, county or other Governmental Authority of violations with reference to the Property or any part thereof, including, without limitation, violations of zoning, building, conservation, environmental, fire or health codes that have not been heretofore corrected.

7.1.12 Default. Assignor is not in default in respect of any of its obligations or liabilities pertaining to the Property, nor to the knowledge of Assignor, is there any state of facts or circumstances which, after notice or lapse of time, or both, would constitute such a default.

7.1.13 Property Records. All of the Property Records, other than reports and other documents prepared by third parties, is materially complete, accurate and correct.

7.1.14 Flood Plain. Except as set forth on any survey provided to Assignee, Assignor has no knowledge that the Property or any portion thereof is located within a flood plain or "floodway".

7.1.15 Wetlands. Assignor has no knowledge that, the Property or any portion thereof constitutes a wetland pursuant to the applicable provisions of the Clean Water Act, 33 U.S.C. §1251 et seq., or the regulations thereto.

7.1.16 Recapture Agreements. To Assignor's knowledge, there are no obligations in connection with the Property or any so called "recapture agreement" involving refund for sewer extension, oversizing utility lines, lighting or like expense or charge for work or services done upon or relating to the Property which will bind Assignee or the Property from and after the Closing Date.

7.1.17 Environmental Representations and Warranties. Assignor has no knowledge that (i) the Property nor any part thereof is in breach of any Environmental Laws, and (ii) the Property is not free of any Hazardous Materials that would trigger response or remedial action under any Environmental Laws or any existing common law theory based on nuisance or strict liability. The term "**Hazardous Materials**" shall mean any substance, material, waste, gas or particulate matter which is regulated by any local Governmental Authority, the State of Florida, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of Illinois law, (ii) petroleum, (iii) asbestos, (iv) polychlorinated biphenyl, (v) radioactive material, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §1251 et seq., (33 U.S.C. §1317), (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. 9601). The term "**Environmental Laws**" shall mean all statutes specifically described in the foregoing sentence and all federal, state and local environmental, health and safety statutes, ordinances, codes, rules, regulations, orders and decrees regulating, relating to or imposing liability or standards concerning or in connection with Hazardous Materials.

7.1.18 Donations. Assignor has no knowledge of donations or payments to or for schools, parks, fire departments or any other public entity or facilities which are required to be made by an owner of the Property.

7.1.19 Municipal Liens. Assignor has no knowledge of any municipal non ad valorem liens or pending municipal liens which have been certified, confirmed or ratified as of the Effective Date or any other liens payable for work which has been substantially completed or any other pending liens relating to the Property.

References in this Contract to the knowledge of Assignor shall refer solely to the actual knowledge, without inquiry, and shall not include any form of constructive knowledge, of Eric Swanson, Fred Rogacki, Alberto Fernandez and Nelson Fernandez ("**Knowledge Parties**"). Assignor represents that the Knowledge Parties are the parties involved in the project on behalf of the Assignor who in the performance of their duties would have knowledge of the matters set forth herein. Assignor shall have no responsibility for the accuracy or inaccuracy of any information prepared or provided by, or obtained from any third party and Assignee shall conduct its own due diligence with respect to such matters. None of the foregoing individuals shall have any personal liability of any kind under this Contract.

The representations and warranties set forth in this Section 7 shall survive the Closing for a period of twelve (12) months.

8. Assignor's Affirmative Covenants.

8.1 Leases and Other Agreements Affecting the Property. No leases, subleases, service contracts, or any other agreements pertaining to the Property shall be entered into or amended by Assignor after the Effective Date without Assignee's prior written consent, which consent may be granted or denied in the sole discretion of Assignee.

8.2 Notice from Governmental Agencies. Assignor will advise Assignee promptly of any notices received by Assignor from any Governmental Agencies pertaining to the Property which are received by Assignor prior to Closing.

8.3 Tax Procedure. Assignor shall not withdraw, settle or otherwise compromise any protest or reduction proceeding affecting real estate taxes assessed against the Property for any fiscal period in which the Closing is to occur or any subsequent fiscal period without the prior written consent of Assignee in Assignee's sole discretion. Real estate tax refunds and credits received after the Closing which are attributable (a) to any fiscal period prior to the fiscal tax year during which the Closing occurs shall be paid to Assignor, and (b) to the fiscal tax year during which the Closing occurs shall be apportioned between Assignor and Assignee, after deducting the expenses of collection thereof, based upon the relative time periods each owns the Property, which obligation shall survive the Closing.

8.4 Documents of Record. Assignor shall not grant any easement or modify any covenant, condition or restriction affecting the Property, except as is required in connection with the development of the Property or as may be required by any Governmental Authority or utility provider and is approved, in writing, by Assignee, such approval not to be unreasonably withheld, delayed or denied.

8.5 Change In Conditions. Assignor, to the extent it has knowledge of same, shall promptly notify Assignee of any change in any condition with respect to the

Property, the material adverse change in the financial condition of any of the tenants under the Commercial Tenant Leases, as applicable, or of the occurrence of any event or circumstance that makes any representation or warranty of Assignor to Assignee under this Contract untrue or misleading. For purposes of this Section 8.5 and Section 10.7, "material adverse change" means the definition of same proposed by Assignee within twenty five (25) days after the Effective Date.

9. Condemnation.

9.1 If between the Effective Date and the Closing Date any condemnation or eminent domain proceedings are initiated which might result in the taking of any part of the Property, Assignor shall notify Assignee in writing of such proceedings (the "**Condemnation Notice**") and Assignee, at its sole option, may elect to:

(i) terminate this Contract, in which event the Deposit shall be returned to Assignee and, except as specifically provided in this Contract, neither party shall have any further rights or obligations to the other under this Contract; or

(ii) consummate the transaction contemplated by this Contract, in which event Assignor shall assign to Assignee at Closing all of Assignor's right, title and interest in and to any award pertaining to the Property made in connection with such condemnation or eminent domain proceedings.

9.2 Assignee shall have until the date (the "**Condemnation Election Date**") that is thirty (30) days after receipt of the Condemnation Notice to elect whether to terminate or proceed with this Contract. If Assignee fails to notify Assignor of its election on or before the Condemnation Election Date, then Assignee shall be deemed to have elected to terminate this Contract and upon such termination, Escrow Agent shall promptly return to Assignee the Deposit, together with all interest earned thereon, if any, and thereafter this Contract shall be terminated and except as otherwise specifically set forth in this Contract with respect to obligations that survive the termination of this Contract, neither Assignee nor Assignor shall have any further rights or obligations hereunder.

9.3 If the Closing Date is a date prior to the Condemnation Election Date, the Closing Date shall be extended to a date twenty (20) days after the Condemnation Election Date.

10. Conditions to Assignee's Obligation to Close. Assignee shall not be obligated to close under this Contract unless and until each of the following conditions are either fulfilled or waived, in writing, by Assignee:

10.1 Delivery of Documents. Assignor shall have delivered in escrow to the Escrow Agent all instruments and documents to be delivered pursuant to Schedule B-I of the Title Commitment and all documents required under this Contract. If Assignor does not timely deliver the foregoing instruments and documents, Assignee may, at Assignee's sole option, extend the Closing up to one (1) Business Day for each day Assignor has not delivered the foregoing instruments and documents to allow Assignor to deliver same.

10.2 Compliance. Assignor shall fully comply with its obligations under this Contract.

10.3 No Prior Termination. This Contract shall not have been previously terminated pursuant to any other provision hereof.

10.4 Status of Title. The status of title to the Property shall be as required by this Contract. The Title Company shall issue the Title Policy to Assignee covering the Property, subject only to Permitted Exceptions and containing a commitment to issue all title endorsements requested by Assignee.

10.5 Representations and Warranties. The truth of each representation and warranty in all material respects made in this Contract by Assignor at the time as of when the same is made and as of the Closing.

10.6 Property Condition. Except for the work being performed in connection with Reimbursement Costs, required under the Lease or as otherwise agreed to in writing by Assignee, there shall be no material adverse changes in the physical condition of the Property as of the Closing Date from the condition existing on the Effective Date.

10.7 Commercial Tenant Leases. In the event that one or more of the Commercial Tenant Leases have been entered into during the Due Diligence Period (i) such Commercial Tenant Leases shall be in full force and effect, free of all default by the Commercial Tenants and Assignor, and (ii) there will have been no material adverse change in the financial condition of any of the Commercial Tenants under such Commercial Tenant Leases.

10.8 Lease. The Lease shall be in full force and effect, free of all material default by the landlord and default by Assignor.

10.9 Assignor's Insolvency. There shall not have occurred at any time on or before Closing the making by Assignor, any Commercial Tenant, the general contractor under the Construction Contract or the development manager under the Development Services Agreement of any general assignment for the benefit of creditors, or the filing against it of a petition to have any such party adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy, or the appointment of a trustee or receiver to take possession of substantially all of the interest of any such party in the Property, or the attachment, execution or judicial seizure of substantially all the assets of any such party or the interests of any such party in the Property or any legal proceeding in which any such party is adjudicated as being, or stipulates to being, insolvent or unable to pay its debts as they come due.

10.10 Assignment and Assumption. Any changes to the Assignment and Assumption Agreement required by the County have been approved by Assignee, which approval shall not be unreasonably withheld, delayed or conditioned.

10.11 Approval. The Approval has been obtained.

11. Closing. Subject to all of the provisions of this Contract, Assignee and Assignor shall close this transaction on the Closing Date. The Closing shall take place as provided in Section 14 or as may otherwise be mutually agreed upon by Assignor and Assignee.

12. Assignor's Closing Documents.

12.1 Documents. At Closing, Assignor shall deliver the following documents ("**Assignor's Closing Documents**") to Assignee:

12.1.1 Assignment and Assumption. The Assignment and Assumption Agreement, which shall be duly executed and acknowledged by Assignor, along with an original or certified copy of the executed copy of the Lease.

12.1.2 Assignor's Affidavit. An affidavit from Assignor in the form of **Exhibit G** attached to this Contract, which shall be duly executed and acknowledged by Assignor along with all other documents required by the Title Company in order to issue the Title Policy.

12.1.3 Closing Statement. A closing statement setting forth the Purchase Price and all credits, adjustments and prorations between Assignee and Assignor, and the net Cash to Close due Assignor.

12.1.4 Authorizing Resolution. Certificates in form and content evidencing Assignor's existence, power, and authority to enter into and execute this Contract and to consummate the transaction herein contemplated in form required by the Title Company and as reasonably approved by Assignee.

12.1.5 FIRPTA. A duly executed affidavit of Assignor, in the form of **Exhibit H** attached to this Contract, certifying that Assignor is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code.

12.1.6 Assignment and Assumption of Commercial Tenant Leases. An Assignment and Assumption of the Commercial Tenant Leases duly executed by Assignor and Assignee in the Form of **Exhibit I** attached to this Contract, covering any Commercial Tenant Leases and all rents and income therefrom.

12.1.7 Assignment and Assumption of Contracts. An Assignment and Assumption of Contracts in the form of **Exhibit J** attached to this Contract with respect to all of the Other Agreements which Assignee has agreed to assume at Closing.

12.1.8 Assignment of Intangible Property. An Assignment of Intangible Property in the form of **Exhibit K** attached to this Contract with respect to all of the Intangible Property.

12.1.9 Notice to Commercial Tenants. A letter in form reasonably acceptable to Assignee, duly executed by Assignor, dated as of the Closing and addressed to the

Commercial Tenants under the Commercial Tenant Lease, informing such Commercial Tenant of the acquisition by Assignee of the Property.

12.1.10 Non-Foreign Certificate. A non-foreign certificate duly executed by Assignor.

12.1.11 Assignor's Certificate. A certificate from Assignor stating that the representations and warranties set forth in this Contract are true and correct in all material respects as of the Closing Date

12.1.12 Estoppel Certificates. An estoppel certificate from (i) the landlord under the Lease as contemplated by the last paragraph of Section 12.B. of the Lease dated within thirty (30) days of the date of the Closing and (ii) the Commercial Tenants dated within thirty (30) days of the date of the Closing in the form required by the Commercial Tenant Leases.

12.1.13 Construction Contract. The Construction Contract executed by ANF Group, Inc.

12.1.14 Development Services Agreement. The Development Services Agreement executed by Avison Young Florida, LLC.

12.1.15 Assignment of Leasing Agreement. An Assignment of Leasing Agreement in the form of Exhibit L attached to this Contract with respect to the Leasing Agreement.

12.1.16 Other Documents. Any such other documents reasonably requested to effectuate the Closing of this transaction.

13. Assignee's Closing Documents.

13.1 Documents. At Closing, Assignee shall deliver the following documents ("Assignee's Closing Documents") to Assignor:

13.1.1 Authorizing Resolutions. Certificates of such resolutions evidencing Assignee's existence, power, and authority to enter into and execute this Contract and to consummate the transaction herein contemplated to the extent that same are required by the Title Company.

13.1.2 Assignment and Assumption Agreement. The Assignment and Assumption Agreement.

13.1.3 Closing Statement. A closing statement setting forth the Purchase Price and all credits, adjustments and prorations of property taxes for the year of Closing, and rents due under the Commercial Tenant Lease for the month of Closing, and the net Cash to Close due Assignor.

13.1.4 Assignment and Assumption of Commercial Tenant Leases. Assignee's counterpart of the Assignment and Assumption of Commercial Tenant Leases.

13.1.5 Assignment and Assumption of Contracts. An Assignment and Assumption of Contracts in the form of Exhibit J attached to this Contract with respect to all of the Other Agreements which Assignee has agreed to assume at Closing.

13.1.6 Assignment of Intangible Property. An Assignment of Intangible Property in the form of Exhibit K attached to this Contract with respect to all of the Intangible Property.

13.1.7 Assignment of Leasing Agreement. An Assignment of Leasing Agreement in the form of Exhibit L attached to this Contract with respect to the Leasing Agreement.

13.1.8 Surety and Bond Release. Evidence that Assignee has delivered bonds or other surety to the County sufficient to cause the County to release the Payment Bond and Performance Bonds, each in the amount of \$100,000.00, provided by Assignor to the County as such terms are defined in Section 5.A. of the Lease.

13.1.9 Other Documents. Any such other documents reasonably requested by the Title Company to effectuate the Closing of this transaction.

14. Closing Procedure. The Closing shall proceed in the following manner:

14.1 Transfer of Funds. On the Closing Date, Assignee shall deposit the Cash to Close by wire transfer to a depository account designated by the Escrow Agent.

14.2 Delivery of Documents. Assignee shall deliver Assignee's Closing Documents to the Escrow Agent on or before the Closing Date, and Assignor shall deliver Assignor's Closing Documents to the Escrow Agent on or before the Closing Date.

14.3 Disbursement of Funds and Documents. Once all of the conditions to Closing have been satisfied or waived and the Escrow Agent or Title Company is in receipt of the Cash to Close and all of the documents and instruments required pursuant to Schedule B-1 of the Title Commitment, Title Company shall "mark-up" the Title Commitment in accordance with the terms and conditions of this Contract for approval by Assignee, the Escrow Agent shall disburse the Cash to Close and Assignee's Closing Documents to Assignor, and Assignor's Closing Documents to Assignee, and shall record the Assignment and Assumption Agreement in the Public Records of Broward County, Florida.

15. Prorations and Closing Costs.

15.1 Prorations. Assignor shall pay all real estate taxes payable with respect to the Land for any year prior to the year of Closing and all other real estate taxes then due and payable. The following items shall be prorated and adjusted between Assignor and Assignee as of the midnight preceding the Closing Date, except as otherwise specified:

15.1.1 Taxes. Real estate taxes for the year of Closing payable under the Lease or otherwise by Assignor shall be prorated on the following basis:

(i) If a tax bill for the year of Closing is available, then proration shall be based upon the current bill.

(ii) If the assessment for the year is available, but not the actual tax bill, then proration shall be based upon the assessment.

(iii) If neither the assessment for the year nor the tax bill is available, then proration shall be based upon the estimated amount payable by Assignor.

15.1.2 Pending and Certified Non Ad Valorem Liens. Municipal non ad valorem liens and pending municipal liens payable by Assignor under the which have been certified, confirmed or ratified as of the Closing and the amount of the estimate or assessment for an improvement which is substantially complete as of the Effective Date, but that has not yet resulted in a lien being imposed before Closing shall be paid by Assignor, provided that if any such non ad valorem assessment liens relate to special taxing districts for municipal services that are payable in installments, then Assignor shall only be responsible for the installment payable prior to Closing which shall be prorated in the same manner as taxes.

15.1.3 Security Deposit. Assignor shall transfer to Assignee at the Closing or Assignee shall receive a credit at Closing, the amount of the Security Deposit under the Commercial Tenant Leases (if applicable).

15.1.4 Other Prorations. Assignor and Assignee shall make such additional adjustments as are normally made in connection with a transactions of the type contemplated in this Contract.

15.2 Reproration of Taxes. At the Closing, the above-referenced items shall be prorated and adjusted as indicated. If subsequent to the Closing ad valorem taxes for the year of Closing are determined to be higher or lower than as prorated, a reproration and adjustment will be made at the request of Assignee or Assignor upon presentation of actual tax bills, and any payment required as a result of the reproration shall be made within thirty (30) days following written demand therefor. All other prorations and adjustments shall be final. This provision shall survive the Closing.

15.3 Assignor's Closing Costs. Assignor shall pay for the following items at the time of Closing: all documentary stamp tax, surtax on transfers and similar transfer taxes due

at the time of recording the Assignment and Assumption; the costs of recording of all title corrective instruments; and one-half of the closing fee to the Closing Agent.

15.4 Assignee's Closing Costs. Assignee shall pay for the following items prior to or at the time of Closing: the cost of recording of the Assignment and Assumption; any cost of the New Survey; all costs associated with Assignee's inspections of the Property; all title search expenses; premiums charged for issuance of the owner's Title Policy (and all endorsements) and any Loan Policy (and all endorsements); all costs or expenses associated with any loan obtained by Assignee; Assignee's Attorneys' Fees; and one-half of the closing fee to the Closing Agent.

16. Default.

16.1 Assignee's Remedies for Assignor's Default. In the event of a default on the part of Assignor and such default continues for seven (7) Business Days following written notice thereof from Assignee (provided that no notice shall be required for the failure to close on the Closing Date), then Assignee shall have the right to elect any of the following remedies hereunder: (a) Assignee may terminate the Contract and receive a return of the Deposit, Assignor shall reimburse Assignee for all reasonable out-pocket due diligence and other costs and expenses payable to unaffiliated third parties, including, but not limited to, property and development investigation and the negotiation of this Contract and the other documents described herein, and thereafter, except as otherwise specifically set forth in this Contract, neither Assignee nor Assignor shall have any further obligations under this Contract; or (b) Assignee may seek specific performance of the Contract. In the event that specific performance is unavailable to Assignee by virtue of the actions or omissions of Assignor, then, Assignee shall be entitled to any remedy available under applicable law. In no respect shall any party be liable for indirect, consequential or punitive damages.

16.2 Assignor's Remedies for Assignee's Default. In the event of a default on the part of Assignee such default continues for seven (7) Business Days following written notice thereof from Assignor (provided that no notice shall be required for the failure to close on the Closing Date), then the following shall apply: **IN THE EVENT THE TRANSACTION HEREIN PROVIDED SHALL NOT CLOSE FOR ANY REASON OTHER THAN THE ASSIGNEE'S RIGHT TO TERMINATE THIS CONTRACT, THE FAILURE OF SATISFACTION OF THE CONDITIONS BENEFITING ASSIGNEE UNDER THIS CONTRACT OR THE DEFAULT OF ASSIGNOR, THEN THIS CONTRACT SHALL AUTOMATICALLY TERMINATE AND THE DEPOSIT SHALL BE RELEASED BY ESCROW AGENT TO ASSIGNOR AS FULL COMPENSATION AND LIQUIDATED DAMAGES UNDER THIS CONTRACT FOR SUCH FAILURE TO CLOSE. IN CONNECTION WITH THE FOREGOING, THE PARTIES RECOGNIZE THAT ASSIGNOR WILL INCUR EXPENSE IN CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THIS CONTRACT AND THAT THE ASSIGNMENT AND ASSUMPTION OF THE LEASE WILL BE REMOVED FROM THE MARKET; FURTHER, THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN THE EXTENT OF DETRIMENT TO ASSIGNOR CAUSED BY THE BREACH BY ASSIGNEE UNDER THIS CONTRACT AND THE FAILURE OF THE**

CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS CONTRACT OR THE AMOUNT OF COMPENSATION ASSIGNOR SHOULD RECEIVE AS A RESULT OF ASSIGNEE'S BREACH OR DEFAULT. IN THE EVENT THE SALE OF THE PROPERTY SHALL NOT BE CONSUMMATED ON ACCOUNT OF ASSIGNEE'S DEFAULT, THEN THE TERMINATION OF THIS CONTRACT AND THE RETENTION OF THE DEPOSIT SHALL BE ASSIGNOR'S SOLE AND EXCLUSIVE REMEDY UNDER THIS CONTRACT BY REASON OF SUCH DEFAULT, SUBJECT TO THE PROVISIONS OF THIS CONTRACT (INCLUDING THIS SECTION 16.2) THAT EXPRESSLY SURVIVE A TERMINATION OF THIS CONTRACT. NOTHING SET FORTH IN THIS SECTION SHALL LIMIT ANY EXPRESS INDEMNIFICATION OBLIGATIONS SET FORTH IN THIS CONTRACT.

17. Brokerage Commission. Each party represents to the other that neither party has entered into any agreement, written or oral, with any person or entity as a result of which Assignor or Assignee will become obligated to pay a finder's fee or broker's commission as a result of execution of this Contract or consummation of the transactions provided for herein. It is agreed that if any claims for brokerage commissions or fees are ever made against Assignor or Assignee in connection with this transaction by any other persons, all such claims shall be handled and paid by the party whose actions or alleged commitments form the basis of such claim. It is further agreed that each party agrees to indemnify, defend and hold harmless the other from and against any and all such claims or demands with respect to any brokerage fees or agents' commissions or other compensation asserted by any person, firm, or corporation resulting from a breach of or inaccuracy in of the foregoing representation regarding the involvement of brokers in this transaction. The obligations of the parties under this Section 17 shall survive the Closing.

18. Notices. Any notice, request, demand, instruction or other communication to be given to either party hereunder, except where required to be delivered at the Closing, shall be in writing and shall either be (a) hand-delivered, (b) sent by Federal Express or a comparable overnight courier service (and deemed given one (1) Business Day after deposit), or (c) mailed by U.S. registered or certified mail, return receipt requested, postage prepaid (and deemed given upon delivery or attempted delivery), (d) shall be sent by telephone facsimile transmission or electronic mail (and deemed given on the date faxed or emailed), provided that an original copy of the transmission shall be delivered by hand-delivery, or sent by Federal Express or comparable overnight courier service, to Assignee, Assignor, Assignee's Attorney, Assignor's Attorney, and Escrow Agent, at their respective addresses set forth in this Contract. The addressees and addresses for the purpose of this paragraph may be changed by giving notice. Unless and until such written notice is received, the last addressee and address stated herein shall be deemed to continue in effect for all purposes hereunder.

19. Escrow Agent. The escrow of the Deposit shall be subject to the following provisions:

19.1 Duties and Authorization. The delivery to the Escrow Agent of the Deposit is for the accommodation of the parties. The duties of the Escrow Agent shall be

determined solely by the express provisions of this Contract. The parties authorize the Escrow Agent, without creating any obligation on the part of the Escrow Agent, in the event this Contract or the Deposit becomes involved in litigation, to deposit the Deposit with the clerk of the court in which the litigation is pending and thereupon the Escrow Agent shall be fully relieved and discharged of any further responsibility under this Contract. The undersigned also authorize the Escrow Agent, if it is threatened with litigation, to interplead all interested parties in any court of competent jurisdiction and to deposit the Deposit with the clerk of the court and thereupon the Escrow Agent shall be fully relieved and discharged of any further responsibility hereunder.

Notwithstanding any other term or provision hereof, in the event Escrow Agent receives a certification from Assignee prior to the expiration of the Due Diligence Period that Assignee has elected to terminate the Contract pursuant to Section 4.3 or Section 4.4 of this Contract, then Escrow Agent shall immediately return the Deposit to Assignee within one (1) Business Day thereafter.

19.2 Liability. The Escrow Agent shall not be liable for any mistake of fact or error of judgment or any acts or omissions of any kind unless caused by its willful misconduct or gross negligence. The Escrow Agent shall be entitled to rely on any instrument or signature believed by it to be genuine and may assume that any person purporting to give any writing, notice or instruction in connection with this Contract is duly authorized to do so by the party on whose behalf such writing, notice, or instruction is given, and that all signatures on any instruments delivered to Escrow Agent shall be deemed to be genuine.

19.3 Indemnification. The parties will, and hereby agree to, jointly and severally, indemnify the Escrow Agent for and hold it harmless against any loss, liability, or expense incurred without gross negligence or willful misconduct on the part of the Escrow Agent arising out of or in connection with the acceptance of, or the performance of its duties under, this Contract, as well as the costs and expenses, including Attorneys' Fees incurred by Escrow Agent in defending against any claim or liability arising under this Contract or in interpleading the Deposit. This provision shall survive the Closing or termination of this Contract.

19.4 Resignation. Escrow Agent may resign upon thirty (30) days' written notice to Assignee and Assignor. If a successor Escrow Agent is not appointed by the mutual agreement of Assignee and Assignor within forty-five days after the date of Escrow Agent's written notice of resignation, Escrow Agent may, after the expiration of said forty-five day period, either petition a court of competent jurisdiction to name a successor, or interplead the funds with a court of competent jurisdiction.

19.5 Limitations of Liability. Without limitation, Escrow Agent shall not be liable for any loss or damage resulting from the following:

19.5.1 The financial status or insolvency of any other party, or any misrepresentation made by any other party.

19.5.2 Any legal effect, insufficiency or undesirability of any instrument deposited with or delivered by or to Escrow Agent or exchanged by the parties hereunder, whether or not Escrow Agent prepared such instrument.

19.5.3 The default, error, action or omission of any other party to the Escrow Agreement or any actions taken by Escrow Agent in good faith, except for Escrow Agent's gross negligence or willful misconduct.

19.5.4 Any loss or impairment of the Funds that have been deposited in escrow while those Funds are in the course of collection or while those Funds are on deposit in a financial institution if such loss or impairment results from the failure, insolvency or suspension of a financial institution, or any loss or impairment of the Funds due to the invalidity of any draft, check, document or other negotiable instrument delivered to Escrow Agent.

19.5.5 The expiration of any time limit or other consequence of delay, unless a properly executed settlement instruction, accepted by Escrow Agent has instructed the Escrow Agent to comply with said time limit.

19.5.6 Escrow Agent's compliance with any legal process, subpoena, writ, order, judgment or decree of any court, whether issued with or without jurisdiction and whether or not subsequently vacated, modified, set aside or reversed.

The parties shall enter into Escrow Agent's standard form of Escrow Agreement.

20. Miscellaneous.

20.1 Counterparts. This Contract and any amendment hereof may be executed in any number of counterparts, any one and all of which shall constitute the agreement of the parties and each of which shall be deemed an original. Assignor and Assignee agree that a facsimile or electronic .pdf of this Contract executed by either party shall be deemed to be an executed original of this Contract by such party.

20.2 Section and Paragraph Headings. The section and paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this Contract.

20.3 Amendment. No modification or amendment of this Contract shall be of any force or effect unless in writing executed by both Assignor and Assignee.

20.4 Attorneys' Fees. If any party obtains a judgment against any other party by reason of breach of this Contract, the prevailing party shall be entitled to an award of Attorneys' Fees and costs to be included as part of the damages or relief granted in such judgment. This provision shall survive the Closing or earlier termination of this Contract.

20.5 Governing Law. This Contract shall be interpreted in accordance with the internal laws of the State of Florida, without regard to choice of law principles. To the maximum extent permitted by applicable law, any action to enforce, arising out of, or relating in

any way to, any of the provisions of this Contract may be exclusively brought and prosecuted in such court or courts located in the Broward County, State of Florida as is provided by law; and the parties consent to the jurisdiction of such court or courts located in Broward County, State of Florida and to service of process by registered mail, return receipt requested, or by any other manner provided by law.

20.6 Entire Contract. This Contract sets forth the entire agreement between Assignor and Assignee relating to the Property and all subject matter herein and supersedes all prior and contemporaneous negotiations, understandings and agreements, written or oral, between the parties.

20.7 Time of the Essence. Time is of the essence in the performance of all obligations by Assignee and Assignor under this Contract.

20.8 Computation of Time. Any reference herein to time periods of less than six (6) days shall exclude Saturdays, Sundays and legal holidays in the computation thereof. Any time period provided for in this Contract which ends on a Saturday, Sunday or legal holiday shall extend to 5:00 p.m. on the next full Business Day.

20.9 Successors and Assigns. This Contract shall inure to the benefit of and be binding upon the permitted successors and assigns of the parties hereto. This Contract shall not be assignable by Assignee without the prior written consent of Assignor, which may be refused by Assignor, in Assignor's sole discretion.

20.10 Construction of Contract. All of the parties to this Contract have participated freely in the negotiation and preparation hereof; accordingly, this Contract shall not be more strictly construed against any one of the parties hereto.

20.11 Gender. As used in this Contract, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular as the context may require.

20.12 No Recording or Notice of Pendency. The parties agree that neither this Contract nor any memorandum or notice hereof shall be recorded prior to the Closing, and Assignee agrees not to file any Lis Pendens against the Property except in connection with the filing of a Complaint in a court of competent jurisdiction, in which Assignee is asserting any remedies it is entitled to exercise under this Contract. The provisions of this Section shall survive the termination of this Contract and the Closing and delivery of the Deed.

20.13 Further Assurances. The parties each agree to do such other and further acts and things, and to execute and deliver such instruments and documents (not creating any obligations additional to those otherwise imposed by this Contract) as either may reasonably request from time to time, whether at or after the Closing, in furtherance of the purposes of this Contract. The provisions of this Section 20.13 shall survive the Closing.

20.14 Closing Documents/Deliverables. To the extent any of the Closing Documents are not attached to this Contract, Assignee and Assignor shall negotiate in good faith with respect to the form and content of such Closing Documents prior to Closing.

20.15 Confidentiality. Assignor and Assignee agree not to issue any press releases or otherwise disclose any terms of this Contract to any third parties (other than as required by law) except that Assignor and Assignee may disclose the terms of this Contract to their respective attorneys, members, agents, consultants and other third parties to the extent necessary to permit such third parties to assist Assignor or Assignee in performing their respective obligations hereunder, including Assignee's consultants engaged to conduct due diligence and third parties necessary or desirable to be contacted in connection with Assignee's due diligence, and Assignee's prospective lenders and investors, if any. All such third parties shall be advised of the confidential nature of this Contract and instructed not to disclose information to others. Notwithstanding the foregoing, Assignee and its attorneys, members, agents and consultants may contact governmental authorities in connection with their due diligence and inform such Governmental Authority that Assignee may be purchasing the Property. This provision shall expressly survive the termination of this Contract.

20.16 Marketing. Assignor acknowledges and agrees that Assignee will incur substantial expenses in performing its underwriting, studies, inspections and investigation concerning the Property and that in consideration thereof, Assignor hereby agrees that it will not solicit, consider, entertain or accept any formal or informal, direct or indirect, written or oral, offers to purchase, sell, assign, lease, develop, transfer or acquire any right, title or interest in or to the Property, or any part thereof, or any interest therein, and Assignor shall discontinue and will not enter into discussions with any and all third parties relating to the Property.

20.17 Electronic Signatures. Handwritten signatures to this Contract transmitted by telecopy or electronic transmission (for example, through the use of a Portable Document Format or "PDF" file) shall be valid and effective to bind the parties so signing. It is expressly agreed that each party to this Contract shall be bound by its own telecopied or electronically transmitted handwritten signature and shall accept the telecopy or electronically transmitted handwritten signature of the other party to this Contract. The parties hereto agree that the use of telecopied or electronic signatures for the execution of this Contract shall be legal and binding and shall have the same full force and effect as if originally signed.

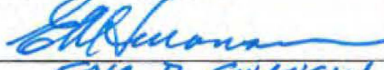
20.18 Exhibits; Attachments and Schedules. Each exhibit, attachment or schedule referred to as being attached to this Contract, is hereby incorporated by reference into this Contract.

SIGNATURES OF THE PARTIES APPEAR ON THE NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Contract as of the dates indicated below.

ASSIGNOR:

**PORT EVERGLADES INTERNATIONAL
LOGISTICS CENTER, LLC**

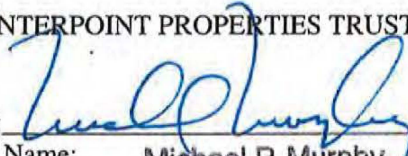
By: 
Name: ERIC D. SWANSON
Title: MANAGER

Dated: November 14, 2018

ASSIGNEE:

CENTERPOINT PORT EVERGLADES, LLC

By: CENTERPOINT PROPERTIES TRUST

By: 
Name: Michael P. Murphy
Title: Chief Development Officer

By: 
Name: Michael Tortorici
Title: Senior Vice President, Treasurer

Dated: November 14, 2018

ESCROW AGENT:

CHICAGO TITLE INSURANCE COMPANY
The Escrow Agent acknowledges the receipt of the
Deposit.

By: _____
_____, _____

Dated: _____, 2018

SIGNATURE PAGE CONTINUED

EXHIBITS:

- Exhibit A – Assignment and Assumption Agreement
- Exhibit B – Certain CBI Sublease Terms
- Exhibit C – Certain IWS Sublease Terms
- Exhibit D – The Land
- Exhibit E – Reimbursement Costs
- Exhibit F – Other Agreements
- Exhibit G – Assignor’s Affidavit
- Exhibit H – Assignor’s FIRPTA Affidavit
- Exhibit I – Assignment and Assumption of Commercial Tenant Leases
- Exhibit J – Assignment and Assumption of Contracts
- Exhibit K – Assignment of Intangible Property
- Exhibit L – Assignment of Leasing Agreement

EXHIBITS PAGE

EXHIBIT "A"

ASSIGNMENT AND ASSUMPTION AGREEMENT

PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC ("Assignor"), in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby assigns, transfers, sets over and conveys to **CENTERPOINT PORT EVERGLADES, LLC** ("Assignee"), all of Assignor's right, title and interest in and to that certain Amended and Restated Lease Agreement ("Lease") between Broward County and Port Everglades International Logistics Center, LLC relating to the property legally described on Exhibit A attached hereto.

Assignor represents and warrants to Assignee that Assignor is the sole owner of all of the Landlord's right, title and interest in and to the Leases.

Assignee hereby assumes all of the obligations of the Lessee under the Lease to the extent arising after the date of this Assignment.

This Assignment shall be binding upon and inure to benefit of Assignor, Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Assignment of Leases this ____ day of _____, 20__, which Assignment is effective this date.

ASSIGNOR:

By: _____
Name: _____
Title: _____

ASSIGNEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "A"
LEGAL DESCRIPTION

A-2

EXHIBIT "B"
CERTAIN CBI SUBLEASE TERMS

EXHIBIT "C"
CERTAIN IWS LEASE TERMS

EXHIBIT "D"

THE LAND

EXHIBIT "E"
REIMBURSEMENT COSTS

EXHIBIT "F"
OTHER AGREEMENTS

EXHIBIT "G"
ASSIGNOR'S AFFIDAVIT

State of _____
County of _____

Before me, the undersigned authority, personally appeared _____ (whether one or more, hereinafter referred to as "Affiant"), who, being duly sworn according to law, deposes and says:

1. **OWNERSHIP AND DESCRIPTION OF TRANSACTION.** Affiant is the _____ of _____ ("Seller"), which is the owner of the land described on Exhibit "A" attached hereto (the "Property"). This affidavit is made in connection with a sale of the Property to _____ ("Purchaser").
2. **AUTHORITY TO EXECUTE DOCUMENTS.** Affiant has authority to execute the deed conveying the Property.
3. **LIENS, MORTGAGES & ENCUMBRANCES.** The Property is not subject to any mortgages, liens, restrictions, easements or other matters, except those shown on Commitment No. _____ and property taxes for the tax year _____.
4. **UNDISPUTED POSSESSION, OWNERSHIP & ACCESS.** Other than tenants under unrecorded leases shown on the rent roll attached hereto as Exhibit "B", Seller has exclusive, undisputed possession and ownership of the Property and no one has challenged or tried to prevent ingress and egress to the Property. The tenants under unrecorded leases have leasehold interests only. Without limitation of the foregoing, the tenants have no right of first refusal or option or contract to purchase the Property.
5. **NO VIOLATIONS OR BOUNDARY DISPUTES.** There is no present violation of covenants, conditions or restrictions and no dispute with any adjoining property owner as to the location of any property line.
6. **TAXES.** There are no taxes, liens or assessments which are due or about to become due or which have attached or could attach to the Property, except: TAXES FOR THE YEAR _____ AND SUBSEQUENT YEARS.
7. **MUNICIPAL OR COUNTY BILLS & ASSESSMENTS.** There are no unpaid bills, liens or assessments for mowing, water, sanitary sewers, paving or other public utilities or improvements made by any government agency or department. No notice has been received regarding future or pending assessments for improvements by any government agency or department.
8. **ASSOCIATION DUES/ASSESSMENTS.** Seller is obligated to pay property owners' assessments and/or dues to (Check as applicable):

- _____ No property owners' association.
- _____ Only one property owners' association whose name and contact information is _____.
- _____ More than one property owners' association whose names and contact information are _____
_____.

If the Property is subject to a property owners' association, all dues, assessments, fines or other fees are paid in full or shown on the settlement statement for this closing.

- 9. **NO PENDING MATTERS OR COURT PROCEEDINGS.** There are no matters pending against Seller that could give rise to a lien that would attach to the Property prior to recordation of the proposed deed to Purchaser. There are no actions or proceedings now pending in any court affecting title to the Property or to which Seller is a party including, but not limited to, proceedings in bankruptcy, receivership or insolvency.
- 10. **CONSTRUCTION LIENS.** There have been no improvements, repairs, additions or alterations performed upon the Property within the past 90 days which have not been paid in full.
- 11. **NONFOREIGN STATUS.** Seller is not a foreign person, foreign corporation, foreign trust, foreign partnership or a disregarded entity (as those terms are defined in the Internal Revenue Code under Income Tax Regulations).
- 12. **TAX IDENTIFICATION NUMBER & ADDRESS.** Seller's tax identification number and address are as follows:

Tax ID No.: _____

Address: _____

- 13. **AGREEMENT NOT TO CONVEY OR ENCUMBER.** Seller has not executed, and will not execute, any deed, agreement, mortgage, easement or other instrument of any nature affecting title to the Property, except as required by the Title Commitment.
- 14. **GENERAL UNDERSTANDING.** Under penalties of perjury, Affiant declares that he/she has read the foregoing document and that the facts stated in it are true.

Future Address and Phone Number of Affiant:

Printed name: _____

Sworn to and subscribed before me this ___day of _____, 20___, by
_____ who () is/are personally known to me or () produced the following
identification: _____.

Notary Public

(Notary Seal)

EXHIBIT "H"

ASSIGNOR'S FIRPTA AFFIDAVIT

Escrow File No.: _____

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by _____, the undersigned hereby certifies the following on behalf of _____:

1. _____ is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. The U.S. employer identification number of _____ is _____; and

3. The office address of _____ is _____.

_____ understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of _____.

Dated: _____

_____, a _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "I"

ASSIGNMENT AND ASSUMPTION OF COMMERCIAL TENANT LEASES

PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC ("**Assignor**"), in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby assigns, transfers, sets over and conveys to **CENTERPOINT PORT EVERGLADES, LLC** ("**Assignee**"), all of Assignor's right, title and interest in and to those leases and guarantees thereof set forth on **Exhibit "A"** attached hereto and made a part hereof (collectively, "**Commercial Tenant Leases**"), together with any security deposits tendered to Assignor under the Commercial Tenant Leases, relating to the property legally described on **Exhibit A** attached hereto and the improvements to be constructed thereon.

Assignor represents and warrants to Assignee that:

- (a) Assignor is the sole owner of all of the Landlord's right, title and interest in and to the Commercial Tenant Leases;
- (b) Assignor is not in default under the Commercial Tenant Leases; and
- (b) No part of the Commercial Tenant Leases or the rents reserved in the Commercial Tenant Leases has been previously assigned and no part of such rents, for any period subsequent to the date hereof, has been collected in advance of the due date thereof.

Assignee hereby assumes all of the obligations of the Assignor under the Commercial Tenant Leases to the extent arising after the date of this Assignment.

This Assignment shall be binding upon and inure to benefit of Assignor, Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Assignment of Leases and Contracts this ____ day of _____, 20__, which Assignment is effective this date.

ASSIGNOR:

By: _____

Name: _____

Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT "A"
LIST OF COMMERCIAL TENANT LEASES

EXHIBIT "J"

ASSIGNMENT AND ASSUMPTION OF CONTRACTS

PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC ("Assignor"), in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS in hand paid and other good and valuable consideration, the receipt of which is hereby acknowledged, hereby assigns, transfers, sets over and conveys to **CENTERPOINT PORT EVERGLADES, LLC** ("Assignee"), all of Assignor's right, title and interest in and to those contracts listed on **Exhibit "A"** attached hereto and made a part hereof (collectively, "Contracts"), all relating to the property legally described on **Exhibit A** attached hereto.

Assignor represents and warrants to Assignee that (i) Assignor is the sole owner all of the owner's right, title and interest in and to the Contracts and has not previously assigned same, and (ii) Assignor is not in default under the Contracts.

Assignee hereby assumes all of the obligations of the Assignor under the Contracts to the extent arising after the date of this Assignment.

This Assignment shall be binding upon and inure to benefit of Assignor, Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Assignment of Contracts this ____ day of _____, 20____, which Assignment is effective this date.

ASSIGNOR:

By: _____
Name: _____
Title: _____

ASSIGNEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT "A"
LIST OF CONTRACTS

EXHIBIT "K"

ASSIGNMENT OF INTANGIBLE PROPERTY

FOR VALUE RECEIVED, PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC ("Assignor"), hereby conveys, assigns, transfers, and sets over unto **CENTERPOINT PORT EVERGLADES, LLC ("Assignee")** all the right, title and interest of Assignor in and to any and all intangible property ("**Intangible Property**") now or hereafter owned by Assignor in connection with the Lease or the Land, including all of Assignor's rights under the Commercial Tenant Leases, as applicable, all utility arrangements, and other agreements, relating to the ownership, operation, use, and occupancy thereof, including all certificates of occupancy, warranties, guaranties, governmental permits, approvals, studies, reports, "as built" drawings, licenses, operating permits, and advertising materials, brochures and manuals. All defined terms utilized herein without definition shall have the meaning ascribed to such terms in that certain Contract for Assignment and Assumption of Ground Lease dated _____, _____ by and between Assignor and Assignee.

Assignor represents and warrants to Assignee that Assignor is the sole owner all of the owner's right, title and interest in and to the Intangible Property and has not previously assigned same.

This Assignment shall be binding upon and shall inure to the benefit of Assignor, Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Assignment of Intangible Property on this _____ day of _____, 20____, which instrument is effective this date.

ASSIGNOR:

By: _____

Name: _____

Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT "L"

ASSIGNMENT OF LEASING AGREEMENT

FOR VALUE RECEIVED, PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC ("Assignor"), hereby conveys, assigns, transfers, and sets over unto CENTERPOINT PORT EVERGLADES, LLC ("Assignee") all the right, title and interest of Assignor in and to the Leasing Agreement between Assignor and Florida Transatlantic Holdings LLC with respect to the marketing and leasing of the Improvements. All defined terms utilized herein without definition shall have the meaning ascribed to such terms in that certain Contract for Assignment and Assumption of Ground Lease dated _____, _____ by and between Assignor and Assignee.

Assignor represents and warrants to Assignee that (i) Assignor is the sole owner all of the owner's right, title and interest in and to the Leasing Agreement and has not previously assigned same, and (ii) Assignor is not in default under the Leasing Agreements.

This Assignment shall be binding upon and shall inure to the benefit of Assignor, Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Assignment of Intangible Property on this ____ day of _____, 20__, which instrument is effective this date.

ASSIGNOR:

By: _____
Name: _____
Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

CenterPoint Properties Trust
Consolidated Financial Statements
For the years ended June 30, 2018 and 2017

CENTERPOINT PROPERTIES TRUST
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Report of Independent Auditors

To the Management of CenterPoint Properties Trust:

We have audited the accompanying consolidated financial statements of CenterPoint Properties Trust and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of June 30, 2018 and 2017, and the related consolidated statements of operations, comprehensive income, changes in member's equity and cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CenterPoint Properties Trust and its subsidiaries as of June 30, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

September 19, 2018

(Dollars in thousands)

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
ASSETS		
Assets:		
Investment in real estate:		
Land (Joliet Land JV VIE - \$54,075 and \$0, respectively)	\$ 1,551,618	\$ 1,376,283
Buildings	2,197,925	1,998,041
Building improvements	271,230	262,520
Furniture, fixtures and equipment	6,903	7,308
Construction in progress (Joliet Land JV VIE - \$13,884 and \$0, respectively)	105,487	162,472
	<u>4,133,163</u>	<u>3,806,624</u>
Less accumulated depreciation	(370,946)	(332,030)
Real estate held for sale, net of depreciation and amortization	13,679	10,882
Net investment in real estate	<u>3,775,896</u>	<u>3,485,476</u>
Cash and cash equivalents (Joliet Land JV VIE - \$211 and \$0, respectively)	4,158	5,056
Restricted cash (Elwood TIF VIE - \$3,777 and \$3,298, respectively)	11,878	10,405
Tenant accounts receivable, net	61,473	52,704
Investments in and advances to affiliates	72,517	73,283
Prepaid expenses and other assets	73,559	73,082
Intangible assets, net	147,475	151,949
Deferred expenses, net	44,121	42,530
Total assets	<u>\$ 4,191,077</u>	<u>\$ 3,894,485</u>
LIABILITIES AND MEMBER'S EQUITY		
Liabilities:		
Mortgage notes payable and other debt, net (Elwood TIF VIE - \$31,870 and \$36,655, respectively)	\$ 104,603	\$ 119,272
Senior unsecured debt, net	947,147	697,837
Tax-exempt debt, net	452,748	451,889
Unsecured line of credit, net	33,034	45,366
Accounts payable (Joliet Land JV VIE - \$695 and \$0, respectively)	31,464	47,555
Accrued expenses (Elwood TIF VIE - \$53 and \$61, respectively) (Joliet Land JV VIE - \$118 and \$0, respectively)	225,062	132,905
UP Project deposits, net of costs	-	1,223
CRRRC Project deposits, net of costs	-	34,218
Rents received in advance and security deposits	21,135	22,442
Total liabilities	<u>1,815,193</u>	<u>1,552,707</u>
Member's equity:	2,326,667	2,341,354
Accumulated other comprehensive income	8,056	424
Non-controlling interest	41,161	-
Total Member's equity	<u>2,375,884</u>	<u>2,341,778</u>
Total liabilities and Member's equity	<u>\$ 4,191,077</u>	<u>\$ 3,894,485</u>

The accompanying notes are an integral part of these consolidated financial statements.

CENTERPOINT PROPERTIES TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands)

	Year ended June 30, 2018	Year ended June 30, 2017
Revenues:		
Minimum rents	\$ 266,883	\$ 233,923
Straight-line rents	6,795	10,460
Expense reimbursements	71,659	60,602
Real estate fee income	9,044	10,517
Build-to-suit for sale revenue	86,899	-
UP Project sale revenue, net of deposits	1,313	1,396
Bannister Project revenue	401	1,836
Total revenue	442,994	318,734
Expenses:		
Real estate taxes	63,810	57,042
Property operating and leasing	56,176	54,550
General and administrative	20,329	14,890
Depreciation and amortization	121,531	94,938
Build-to-suit for sale construction costs	72,374	-
UP Project sale construction costs	1,073	2,862
Bannister Project construction costs	177	1,644
Impairment of assets	6,372	42,153
Total expenses	341,842	268,079
Other income (expense):		
Interest income	2,949	3,609
Interest expense	(41,431)	(33,621)
Realized loss on derivative instruments	(197)	(851)
Amortization of deferred financing costs	(1,966)	(1,823)
Total other income (expense)	(40,645)	(32,686)
Income before equity in affiliate and gains on sale of real estate		
	60,507	17,969
Equity in net income/(loss) of affiliates	(563)	35,072
Net gain on sales of real estate	12,623	8,157
Net income	72,567	61,198
Less: Net Income (loss) attributable to non-controlling interest	(17)	-
Net income attributable to Solstice Holdings, LLC member	\$ 72,584	\$ 61,198

The accompanying notes are an integral part of these consolidated financial statements.

CENTERPOINT PROPERTIES TRUST
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)

	<u>Year ended</u> <u>June 30, 2018</u>	<u>Year ended</u> <u>June 30, 2017</u>
Net income	\$ 72,567	\$ 61,198
Other comprehensive income:		
Mark-to-market of interest rate swaps	<u>7,632</u>	<u>6,016</u>
Comprehensive income	<u>\$ 80,199</u>	<u>\$ 67,214</u>

The accompanying notes are an integral part of these consolidated financial statements.

	Solstice Holdings, LLC	Non-controlling Interest - Joliet Land JV	Accumulated Other Comprehensive Income	Total Member's Equity
As of June 30, 2016	\$ 2,144,471	\$ -	\$ (5,592)	\$ 2,138,879
Contributions	299,925	-	-	299,925
Distributions	(163,011)	-	-	(163,011)
Redemption of management equity	(1,229)	-	-	(1,229)
Other comprehensive income	-	-	6,016	6,016
Net income	<u>61,198</u>	<u>-</u>	<u>-</u>	<u>61,198</u>
As of June 30, 2017	2,341,354	-	424	2,341,778
Contributions	111,729	-	-	111,729
Distributions	(199,000)	-	-	(199,000)
Joliet Land JV	-	41,178	-	41,178
Other comprehensive income	-	-	7,632	7,632
Net income (loss)	<u>72,584</u>	<u>(17)</u>	<u>-</u>	<u>72,567</u>
As of June 30, 2018	<u>\$ 2,326,667</u>	<u>\$ 41,161</u>	<u>\$ 8,056</u>	<u>\$ 2,375,884</u>

The accompanying notes are an integral part of these consolidated financial statements.

CENTERPOINT PROPERTIES TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year ended June 30, 2018	Year ended June 30, 2017
Cash flows from operating activities:		
Net income	\$ 72,567	\$ 61,198
Adjustments to reconcile net income to net cash provided by operating activities:		
Impairment of assets	6,372	42,153
Bad debts	(29)	8,680
Depreciation	85,303	62,851
Amortization of deferred financing costs	1,966	1,823
Intangible and other amortization	38,250	34,357
Amortization of debt premium	(1,264)	(1,500)
Straight-line rents	(6,795)	(10,460)
Above (below) market amortization, net	(3,143)	(3,545)
Compensation expense on unvested units	19,972	10,098
Equity in net income of affiliates	563	(35,072)
Distributions received from affiliates	-	32,499
Deferred development fee income	-	(8,643)
Gain on disposal of real estate	(12,623)	(8,157)
Net changes in:		
UP Project sale activity, net of deposits	(1,313)	(1,396)
Bannister Project activity, net	(193)	1,974
CRRC Project deposits, net of costs	(27,418)	40,974
Tenant accounts receivable	(4,649)	(4,257)
Prepaid expenses and other assets	(9,883)	1,177
Rents received in advance and security deposits	(366)	2,113
Accounts payable and accrued expenses	13,093	(19,737)
Net cash provided by operating activities	<u>170,410</u>	<u>207,130</u>
Cash flows from investing activities:		
Change in restricted cash and cash equivalents	(1,473)	1,052
Acquisition of real estate	(313,626)	(366,720)
Additions to construction in progress	(153,962)	(160,873)
Improvements and additions to properties	(57,306)	(56,191)
Proceeds from sale of real estate	182,959	90,664
Change in deposits on acquisitions	2,578	(3,338)
Repayment of mortgage and other notes receivable	4,434	4,017
Investment in and advances to affiliates	(369)	(1,002)
Distributions to affiliates	571	7,393
Additions to deferred lease costs	(11,829)	(16,243)
Net cash used in investing activities	<u>(348,023)</u>	<u>(501,241)</u>
Cash flows from financing activities:		
Solstice Holdings, LLC equity contributions	111,729	299,925
Proceeds from issuance of tax exempt bonds	-	130,000
Proceeds from issuance of private placement bonds	250,000	125,000
Proceeds from line of credit	549,500	517,300
Repayments of line of credit	(562,500)	(581,000)
Payment of financing costs	(1,000)	(4,083)
Repayments of mortgage and other notes payable	(13,192)	(16,150)
Repayment of tax exempt debt	-	(13,446)
Redemption of management equity	-	(1,229)
Distributions to Solstice Holdings, LLC	(199,000)	(163,011)
Contributions from noncontrolling interest	41,178	-
Net cash provided by financing activities	<u>176,715</u>	<u>293,306</u>
Net change in cash and cash equivalents	(898)	(805)
Cash and cash equivalents, beginning of period	5,056	5,861
Cash and cash equivalents, end of period	<u>\$ 4,158</u>	<u>\$ 5,056</u>

The accompanying notes are an integral part of these consolidated financial statements.

1. Organization

CenterPoint Properties Trust (“CenterPoint” or the “Company”), a Maryland trust, and its wholly owned subsidiaries, develop, own and operate warehouse, intermodal and other industrial properties in the metropolitan Chicago area and near ports and rail hubs in several states.

Solstice Holdings LLC (“Solstice”), a Delaware limited liability company, was formed on November 17, 2005 for the purpose of acquiring CenterPoint. As of June 30, 2018, and 2017, CenterPoint is the sole investment of Solstice. Solstice completed the acquisition and took CenterPoint private on March 8, 2006 (the “Acquisition”). Prior to the Acquisition, CenterPoint was a public real estate investment trust listed on the New York Stock Exchange. As of June 30, 2018, Solstice is owned 100% by CalEast Solstice, LLC (“CalEast”).

Since the inception of Solstice, the majority owner of CalEast has been the California Public Employees’ Retirement System (“CalPERS”). CalPERS invests in CalEast through a wholly owned subsidiary, CalEast Global Logistics, LLC (“CalEast Global”). As of December 1, 2010, CalPERS engaged GIP Manager (CalEast) LLC (“GIP Manager”), an affiliate of GI Partners, a Menlo Park, California based private equity firm, to manage and invest CalPERS’ industrial and logistics related real estate portfolio, which includes their investment in CalEast, Solstice and CenterPoint. Concurrently with the engagement of the new manager, CalPERS sold an interest of less than 1% of CalEast to GIP Co-Investor (CalEast) LLC (“GIP Co-Investor”), an affiliate of GI Partners. GIP Manager provides advisory and investment management services to CalEast Solstice in return for a fee as described in its advisory agreement.

Effective December 31, 2015, GIP Co-Investor (CalEast) LLC (“GIP Co-Investor”) sold its interest in CalEast Solstice to CalPERS. Therefore, as of December 31, 2015, the sole member of CalEast Solstice is CalPERS. Effective January 1, 2016, CalPERS entered into a new agreement (the “Oversight Agreement”) with GIP Manager, in which GIP Manager agreed to provide certain services, as set forth in the Oversight Agreement, to CalEast Solstice on behalf of CalPERS. The term of the Oversight Agreement commenced on January 1, 2016 and will end on December 31, 2020, unless terminated early or extended in accordance with the provisions of the Oversight Agreement.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The Company’s accompanying consolidated financial statements including the consolidated balance sheets as of June 30, 2018 and 2017 and results of operations, comprehensive income, changes in member’s equity and cash flows for the years ended June 30, 2018 and 2017, have been prepared in accordance with US GAAP. The consolidated financial statements include those of the Company and its consolidated subsidiaries and have been presented on a historical cost basis and include a step-up in value of certain net assets on March 8, 2006. All intercompany accounts and transactions have been eliminated in consolidation.

Lease Revenue

Minimum rents are recognized based on the contractual rents stated in lease agreements. Straight-line rental revenue is recorded as the difference between the average minimum rent over the term of the lease agreement compared to the contractual rents. The net balance of unbilled straight-line rent receivable is included in tenant accounts receivable, net on the consolidated balance sheets and was \$46,535 and \$43,305 at June 30, 2018 and 2017, respectively. Lease termination fee income is recognized on a straight-line basis over the tenant’s remaining usage of the space.

Recoveries from tenants for taxes, insurance and other property operating expenses are recognized in the period the applicable costs are incurred, based on the reimbursement rules stated in lease agreements.

The Company provides an allowance for doubtful accounts against the portion of tenant accounts receivable estimated to be uncollectible. Specifically, the Company allows for identified troubled tenant receivables and also provides an additional reserve based on a percentage of other long outstanding items, reflecting historical trends. Tenant accounts receivable on the consolidated balance sheets is shown net of an allowance for doubtful accounts of \$8,861 and \$9,152 at June 30, 2018 and 2017, respectively.

Indefinite-Lived Intangibles

Acquired intangible assets with indefinite-lives are not amortized but are tested for impairment annually and also when an event occurs, or circumstances change such that impairment may exist. Intangible assets with indefinite lives are assessed for impairment by comparing their respective fair values to their carrying amounts. If the carrying amount is in excess of fair value, an impairment loss is recognized for the excess. Upon the Acquisition, the Company recorded a trademark value, which is an indefinite-lived intangible asset.

Real Estate Fee Income

Real estate fee income includes revenues recognized for certain development services provided by the Company, property management services, assignment fees, and other real estate related transactions.

Development fees earned by the Company acting as a contractor are accounted for in accordance with guidance related to construction contracts. In certain instances where the Company earns development fees and it does not guarantee any cost of construction, the Company is not liable for any cost overruns. In these cases, the fee is recognized as efforts are expended over the term of the development period. In other instances where the Company guarantees the cost of construction, the Company's fee is the difference between the actual cost of the development and the amount of the contract with the customer. The percentage of fee recognized is calculated using the ratio of total costs incurred as a percentage of total estimated costs for the project.

Finite-Lived Intangibles

Finite-lived, acquired intangible assets are amortized on a straight-line basis over their estimated useful lives. Lease and customer value intangible assets are amortized over their contractual and estimated lives, respectively. Other finite-lived intangibles include the Elwood TIF as described in Note 4 and acquisition related intangibles as described in Note 5.

In accordance with guidance related to impairment evaluation, we evaluate the potential impairment of finite-lived acquired intangible assets at least annually and also when an event occurs, or circumstances change such that it is reasonably possible that impairment may exist. If the carrying value is no longer recoverable based upon the undiscounted future cash flows of the asset, the amount of the impairment is the difference between the carrying amount and the fair value of the asset.

Union Pacific Project

In December 2008, CenterPoint sold 781 acres (unaudited) of land to the Union Pacific Railroad, subject to completion of infrastructure improvements ("UP Project"). Early in the year ended June 30, 2010, upon closing on the Army easement, completing all pipeline agreements and receiving a waiver of the UP's unwind rights, the Company began recognizing the UP Project sale on a percentage of

completion basis. As of June 30, 2018, and 2017, the Company was 98% and 97% complete with the infrastructure improvements, based on costs incurred, respectively. As prescribed by the percentage of completion method, the Company revisits and updates its estimate of future costs when determining its percentage complete. In the future, the Company will continue to record sales proceeds and costs as the UP Project progresses. As of June 30, 2018, and 2017, the Company reflected a liability for the proceeds received in excess of costs incurred for the land and infrastructure sale in UP Project deposits, net of costs on the consolidated balance sheets.

Bannister Project

In September 2014, CenterPoint entered into a contract with the National Nuclear Security Administration ("NNSA") for preparation of all required demolition and remediation planning and documentation to support transfer of ownership to an eligible entity of approximately 300 acres (unaudited) of land in Kansas City, Missouri (the "Site"), which currently has approximately 5.5 million square feet (unaudited) of buildings. The Site was formerly a components manufacturing site for the NNSA. The Company was hired for \$21,633 and has estimated the cost required to complete the project to be \$18,894. This phase of the project was completed in October, 2017. As required by the guidance, the Company is recording the project on a percentage of completion basis. As of June 30, 2018, and 2017, the Company recorded the costs, net of reimbursements, in prepaid expenses and other assets on the consolidated balance sheets.

Discontinued Operations

In April 2014, the Financial Accounting Standards Board ("FASB") issued guidance on the presentation of discontinued operations. Under the new guidance, only disposals representing a strategic shift in operations will be presented as discontinued operations, while significant continuing involvement with such dispositions will no longer preclude discontinued operations classification.

Deferred Expenses

Deferred expenses consist of leasing commissions and other deferred items. Leasing commissions are amortized on a straight-line basis over the terms of the respective lease agreements.

Costs incurred in the pursuit of development projects are capitalized and included in prepaid expenses when incurred if they are directly identifiable with a specific project that the Company is actively seeking to develop. If the Company ceases pursuit of a development project or it fails to meet the Company's investment criteria, the Company will write off the related capitalized pre-development costs as deal costs. As of June 30, 2018, and 2017, the Company held \$5,265 and \$10,092, of pre-development costs, respectively, in its prepaid expenses and other asset account on the consolidated balance sheets. For the twelve months ended June 30, 2018 and 2017, the Company expensed \$1,026 and \$440 for deal costs related to ceased developments, which is included in property operating and leasing on the Company's consolidated statements of operations.

Deferred Financing Costs

Debt issuance costs related to a recognized debt liability are presented as a direct reduction of the carrying amount of the debt liabilities, consistent with debt discounts, rather than in deferred expenses on the Company's consolidated balance sheets. For the year ending June 30, 2018 and 2017, net deferred financing costs of \$7,298 (net of accumulated amortization of \$11,788) and \$8,198 (net of accumulated amortization of \$9,822) are included as a reduction to debt liabilities on the Company's consolidated balance sheets. Amortization of deferred financing costs was \$1,966 and \$1,823 for the year ending June 30, 2018 and 2017, respectively. Amortization of deferred financing costs are included in interest expense on the Company's consolidated statements of operations.

Financing costs are amortized on a straight-line basis over the terms of the respective loan agreements, which approximates the effective interest method. When debt arrangements are amended or terminated early, the related existing financing costs and additional costs paid to the financial institution are amortized over the term of the amended loan agreement or upon termination, as the case may be.

Property Acquisitions

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business" ("ASU 2017-01"). ASU 2017-01 clarifies the framework for determining whether an integrated set of assets and activities meets the definition of a business. The revised framework narrows the definition of a business, which is expected to have an impact on real estate acquisitions. Most acquisitions of real estate assets are no longer expected to meet the definition of a business and should be accounted for as asset acquisitions. For early adopting entities, ASU 2017-01 was effective for all reporting periods issued after the issuance of the ASU. CenterPoint adopted ASU 2017-01 on October 1, 2016. No real estate acquisition after that date met the definition of a business and the Company does not anticipate future acquisitions will meet this definition. Therefore, the direct transaction and closing costs associated with the purchase of operating real estate properties after October 1, 2016 have been capitalized as part of the initial investment in the assets acquired.

For the years ended June 30, 2018 and 2017, the Company expensed acquisition costs of \$16 and \$921, respectively, which is included in property operating and leasing in the consolidated statement of operations.

The Company allocates the purchase price of its operating property acquisitions based on the relative fair value of the assets acquired consisting of land, building and improvements, and identified intangible assets and liabilities generally consisting of above and below market leases, in-place lease value, the leasing costs for the in-place lease as if they had been incurred by the Company and, to the value of the customer relationship, where applicable. For property acquisitions where the in-place lease is short term in nature and the tenant has given no indication otherwise, the Company typically has underwritten the original purchase as if the tenant was vacating upon expiration.

In estimating the fair value of the tangible and intangible assets acquired, the Company considers information obtained about each property as a result of its due diligence and marketing and leasing activities, and utilizes various valuation methods such as estimated cash flow projections applying appropriate discount and capitalization rates, using estimates of replacement costs net of depreciation, and available market information. The fair value of the tangible assets of an acquired property considers the value of the property as if it were vacant.

Values for above and below market leases, in-place lease values and, where applicable, customer relationship values are based on management's evaluation of the specific characteristics of each tenant's lease and the Company's overall relationship with the respective tenant. Factors to be considered by management in its analysis of in-place lease values include an estimate of carrying costs during hypothetical expected lease-up periods, depending on local market conditions. In estimating costs to execute similar leases, management considers leasing commissions, legal and other related expenses. Characteristics considered by management in valuing customer relationships, where applicable, include the nature and extent of the Company's existing business relationships with the customer, growth prospects for developing new business with the customer, and the customer's credit quality and expectations of lease renewals. The value of in-place leases are amortized over the remaining initial terms of the respective leases and the value of customer relationships, where applicable are amortized over the anticipated life of the relationships. Both are included in depreciation and amortization on the consolidated statements of operations. Acquired above market leases and acquired below market leases are included in prepaid expenses and other assets and accrued expenses, respectively, on the consolidated balance sheets. The value of above and below market leases are amortized over the

remaining term of the respective lease as an increase or decrease to rental revenue on the consolidated statements of operations.

Depreciation

Depreciation expense is computed using the straight-line method based upon the useful life of each asset. The following table summarizes the most common estimated useful lives:

	<u>Years</u>
Building and related improvements	39
Land related improvements	15
Furniture, fixtures and equipment	4 to 15

Construction allowances for tenant improvements are capitalized and amortized over the shorter of the useful life of the improvement or the term of each specific lease. Expenditures for improvements that add to the life of the real estate or its components are capitalized and depreciated based on their useful life. Repairs and maintenance costs are expensed as incurred.

When assets are sold or retired, their cost, related accumulated depreciation and related intangible assets are removed from the accounts. The resulting gains or losses from dispositions of properties are reflected in the Company's consolidated statements of operations.

Impairments

The Company reviews the carrying value of its investments in real estate for impairment. The Company will recognize an impairment loss on real estate assets under the following circumstances:

- When an asset is designated as held for sale and the fair value of the asset less the cost of disposal is less than the asset's carrying value, or
- When market conditions or some triggering event suggests that the carrying amount of an asset held for use might not be recoverable and the estimated undiscounted cash flows of the asset are insufficient to recover the carrying value of the asset.

Market conditions are assessed utilizing both management's experience and external data. The Company analyzes potential absorption, market values and market rental rates for each property on a periodic basis and as conditions change. In cases of impairment, the asset will be reduced to its fair value based on the property's estimated discounted future cash flows and other external data, such as third-party appraisals. The amount of the reduction is recorded as impairment of assets on the Company's consolidated statements of operations.

Construction in Progress

Construction in progress consists of properties currently under development. Land acquisition costs and direct and indirect construction costs (including specifically identifiable costs of the Company's development department) are included in construction in progress until the property is completed. During the construction period, property taxes and other operating costs associated with the property under construction are capitalized as development costs. In addition, interest is capitalized monthly based on the construction balance multiplied by the Company's weighted average effective interest rate on debt outstanding during the month. Interest and other operating costs incurred for such items after the property is substantially complete and ready for its intended use are charged to expense as incurred. At the time the project is placed in service, it is reclassified into land, building and other assets, and the project is depreciated accordingly.

For industrial park and multi-phased developments, costs are assigned to individual components of the project when those costs benefit certain sites rather than the whole project. Where specific identification is impractical, or costs incurred benefit the project as a whole, capitalized costs are allocated as follows:

- Site improvement and construction costs are allocated to individual units in the phase on the basis of relative sales value of each unit.
- When allocation based on relative sales value is impracticable, capitalized costs are allocated based on acreage.

In the event a parcel within a park development is sold prior to completion of the park, the cost of the sold parcel will reflect a pro rata allocation of future common costs.

Real Estate Held for Sale

The Company classifies properties as real estate held for sale when a property is under contract for sale, or is otherwise designated for sale by management, as of the end of the period. These assets are stated at the lower of cost net of accumulated depreciation or fair value less cost to dispose, and depreciation expense ceases.

Cash and Cash Equivalents

For purposes of the consolidated financial statements, the Company considers all investments purchased with original maturities of three months or less to be cash equivalents. Cash balances with a financial institution may have been in excess of federally insurable limits. The Company has not experienced any losses in such accounts to date. The Company attempts to mitigate this risk by monitoring the credit worthiness of the financial institution.

Restricted Cash

Restricted cash represents escrows for reserve funds, real estate taxes, capital improvements, and certain security deposits. The funds in this account are invested in short term investments and valued at cost, which approximates market value.

Investment in and Advances to Affiliates

The equity method is applied to investments in affiliates when the Company does not have a majority interest or have control over the investee company but does have significant influence over the operating and financial policies. The equity method of accounting is also applied to investees when the Company has a majority ownership but does not have a majority vote or controlling interest. In all cases, the Company evaluates the investment or joint venture, using guidance dealing with the consolidation of subsidiaries. When the Company has determined that the joint venture arrangement is not a variable interest entity and it does not control the joint venture, or that the joint venture is a variable interest entity and the Company is not the primary beneficiary, then the Company applies the equity method of accounting. When the Company accounts for its investments in affiliates using the equity method, the cost of investment in the investee company is adjusted for the Company's share of equity in net income or loss from the date of inception and reduced by distributions received.

We recognize our share of profit and losses in our unconsolidated affiliates, based on changes in the net assets of the venture we would receive under a hypothetical liquidation at book value in accordance with the distribution provisions of the underlying venture agreements.

To the extent that an unconsolidated investment in affiliate's cost basis is different than the basis reflected at the affiliate level, the basis difference is amortized over the life of the related assets and liabilities included in the affiliate's share of equity in income (loss) of the affiliates.

On a continuous basis, we assess whether there are any indicators that the value of our investments in affiliates may be impaired. An investment is impaired if our estimate of the fair value of the investment is less than the carrying value of the investment, and such decline in fair value is deemed to be other-than-temporary.

Variable Interest Entities

In February 2015, the FASB issued ASU No. 2015-02, "Consolidation (Topic 810): Amendments to the Consolidation Analysis" ("ASU 2015-02"). ASU 2015-02 became effective for the Company at the beginning of the current fiscal year and applies to the consolidation assessment of all entities. The Company has re-evaluated the consolidation conclusions under the new guidance and determined there are no changes.

Under the variable interest model, the Company consolidates a variable interest entity when it has a variable interest (or combination thereof) that provides the Company with a controlling financial interest. In determining if the Company has a controlling financial interest, management assesses the characteristics of the Company's variable interest (including involvement of related parties) in the variable interest entity, as well as the involvement of other variable interest holders. The Company has a controlling financial interest in a variable interest entity if it concludes that it has both (1) the power to direct the activities of the variable interest entity that most significantly impact the entity's economic performance and (2) the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the variable interest entity. If these conditions are met, the Company is the primary beneficiary of the variable interest entity and thus consolidates the entity in its Consolidated Financial Statements. In considering whether the Company has the power to direct the activities that most significantly impact the entity's economic performance, the Company also considers its involvement in significant formation or entity design decisions. As of June 30, 2018 and 2017, the Joliet Land JV (Note 3) and TIF Trust (Note 4) are both VIEs that are consolidated by the Company.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Significant estimates and factors impacting the Company's financial statements include:

- Estimates of real estate taxes paid in arrears.
- Estimates of cash flows used in assessing investments for impairment.
- Estimates of costs utilized in determining percentage of completion related to third party development projects.
- For property acquisitions, estimates of the fair value of the components of the property for recording purchase price allocations.
- The Company's ability to forecast future real estate tax receipts related to the Elwood TIF discussed hereafter.
- Estimates of accounts receivable reserves.
- For long term incentive programs, estimates of fair value of the real estate investments and the enterprise.
- Estimates of allocations and determination of the amount of basis to be relieved upon sale of certain land parcels on either a relative sales value method or a cost per square foot method.

- Estimates of potential liabilities arising out of matters currently in litigation.
- Estimates of fair values and potential credit valuation adjustments involved in determining the fair values of derivative instruments.
- Estimates of fair value of indefinite-lived intangible assets.

Income Taxes

The Company is a pass-through entity and each Member is responsible for their respective share of taxable income or loss.

The Company is organized and treated as a partnership for federal and state income tax purposes. The results of operations of the Company are included in the income tax returns of the partners and, consequently, no provision for income taxes has been recorded at the Company level. In certain instances, the Company may be subject to certain state and local taxes which are not material to the financial statements. The Company's tax returns are subject to examination. As of June 30, 2018, and 2017 the Company is not aware of any such examinations.

The Company follows guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in financial statements. The guidance requires the evaluation of tax positions taken in the course of preparing the Company's tax returns to determine whether tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. As of June 30, 2018, and 2017 the Company is not aware of any uncertain tax positions.

Derivative Instruments

The Company adheres to guidance on derivatives and hedging, which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. The Company records all derivatives in prepaid expenses and other assets and accrued expenses on the consolidated balance sheets at fair value. The Company's objective in using derivatives is to add stability to variable rate indebtedness.

Guidance relating to financial instruments requires disclosures about the fair value of financial instruments whether or not such instruments are recognizable in the consolidated balance sheets. The Company's other financial instruments include short-term investments, tenant accounts receivable, derivatives, accounts payable and other accrued expenses and mortgage loans payable.

Fair Value Measures

The guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 – Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable"

requires significant judgment. Observable data is considered to be market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Company's perceived risk of that investment. A summary of the valuation hierarchy utilized as of June 30, 2018 and 2017, in measuring the Company's assets and liabilities carried at fair value is as follows:

	As of June 30, 2018	Level 1	Level 2	Level 3
Fair Value Measurements on a Recurring Basis:				
Interest rate swaps	\$ 8,056	\$ -	\$ 8,056	\$ -
Fair Value Measurements on a Non-Recurring Basis:				
Real estate held and used (See Note 15)	13,800	-	-	13,800
		<u>\$ -</u>	<u>\$ 8,056</u>	<u>\$ 13,800</u>
	As of June 30, 2017	Level 1	Level 2	Level 3
Fair Value Measurements on a Recurring Basis:				
Interest rate swaps	\$ 424	\$ -	\$ 424	\$ -
Fair Value Measurements on a Non-Recurring Basis:				
Real estate held and used (See Note 15)	2,425	-	-	2,425
Developable land held and used (See Note 15)	10,000	-	-	10,000
		<u>\$ -</u>	<u>\$ 424</u>	<u>\$ 12,425</u>

The valuation of the interest rate swap agreements is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each instrument. This analysis reflects the contractual terms of the interest rate swap agreements, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. To comply with the guidance, the Company determined that any credit valuation adjustments to appropriately reflect our own non-performance risk were immaterial. In adjusting the fair value of the interest rate swap agreements for the effect of non-performance risk, the Company has considered the impact of netting and any applicable credit enhancements. Refer to Note 12 for further details on the results of the Company's derivative activity.

Although the Company has determined that the majority of the inputs used to value the instruments fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with the instruments utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company. However, at June 30, 2018 and 2017, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of the positions of the interest rate swap agreements and has determined that the credit valuation adjustments are not significant to the overall valuation of the interest rate swap agreements. As a result, the Company has determined that the interest rate swap valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Long-term Compensation

In March 2012, the Board of Managers of the Company obtained consent from the members for the CenterPoint Employees' 2011 Long-Term Incentive Plan and a Second Amended and Restated

Limited Liability Company Agreement. In March 2017, the Board of Managers authorized the 2016 Long-Term Incentive Plan Collectively, the plans are referred to as the LTIP Plans in this Report. The Company accounts for the LTIP Plans under the liability method of accounting in accordance with guidance for compensation. The Company records the fair value of the unvested member's units by recognizing stock-based compensation expense over the vesting term and recording a liability for the accumulated vested units recorded in accrued expenses on the consolidated balance sheets.

Risks and Uncertainties

In the normal course of business, the Company encounters economic risk, including interest rate risk, credit risk, and market risk. Interest rate risk represents the difference between the market interest rate and the fixed contractual rate. Credit risk is the risk of default on the Company's real estate investments that result from an underlying tenant's inability or unwillingness to make contractually required payments. Market risk reflects changes in the valuation of real estate investments held by the Company.

3. Joliet Land JV

In June 2018, the Company entered into a joint venture with PR Intermodal Investor, LLC ("Prudential"), a subsidiary of Prudential Global Investment Management (PGIM). The Company transferred approximately 421 (unaudited) acres of land located in Joliet and Elwood, Illinois and received a 50% ownership in the venture as well as \$41.2 million, forming Joliet Intermodal Holdings, LLC ("Joliet Land JV"). The Joliet Land JV was established to develop eight buildings over eight years, totaling approximately 6,161,000 square feet (unaudited) within the CenterPoint Intermodal Centers in Joliet and Elwood, Illinois.

The Company will manage the development of the buildings, including guaranteeing the construction costs. The Company will earn a 4% fee during the development periods as well as a 4% property management fee (2%, net, on each fee after CenterPoint's contribution).

Additionally, the Company has determined the Joliet Land JV to be a VIE due to the fact it is thinly capitalized at inception. Based on the Company's role in the development, as well as several decision-making rights included in the venture agreements, management believes the Company has the power over those activities that most significantly impact the economics of the entity and also meets the risks/benefits criterion. As such, the Company has determined it to be the primary beneficiary and will consolidate the Joliet Land JV operations within the Company's financial statements.

Prudential's non-controlling interest in the Joliet Land JV is shown in the Company's consolidated statements of changes in members' equity and in the Company's consolidated balance sheets.

4. Elwood TIF Accounting

Real estate tax increment financing ("TIF") arrangements involve government municipalities providing private real estate developers with incentives to renovate or redevelop blighted areas while expanding a municipality's tax base. TIFs can take many forms. The Company entered into a development agreement, which included a TIF with the village of Elwood, Illinois in 2002, (the "Elwood TIF") prior to the Acquisition in 2006. Under the terms of the agreement, the Company agreed to develop an intermodal industrial park on approximately 2,200 acres (unaudited) of land (the "TIF District") previously used as a U.S. Army facility. In accordance with the agreements, the Company made qualifying investments in infrastructure and buildings and was allowed to receive TIF Developer Notes receivable from the village with a face amount of approximately \$88,000, bearing 10% tax exempt interest to be serviced by real estate taxes from future developments on the site through the year 2023.

In 2004, the Company contributed the TIF Developer Notes to a newly formed trust called CIC Program Trust (the "TIF Trust" or the "Trust") in order to facilitate the securitization of the notes. The

members of the TIF Trust were CenterPoint as administrator and Bank of New York as trustee. The Trust then created two tranches of Certificates, Senior and Junior, with different rights based on expected cash flows to be generated by the Trust. The Senior Certificates were sold for \$48,000 in January, 2004, and were entitled to all first dollar receipts of real estate taxes servicing the TIF Developer Notes. The Senior Certificates are subject to back-end weighted principle amortization through 2023 and paid tax exempt interest of 8% for the first five years, with interest being reset annually thereafter through an auction process. In December, 2016, CenterPoint administered an amendment to the auction process, whereby one investor chose to purchase all of the remaining Senior Certificates and fixed the interest rate to 4.0% for the remainder of their term.

The Junior Certificates continue to be retained by CenterPoint and represent the Company's interest in excess real estate taxes collected by the TIF Trust above what is required to service the Senior Certificates. The Trust makes payments on the Junior Certificates at least annually. The Company has no liability to fund any cash shortfalls of the Trust to the Senior Certificate holders.

Consolidation of the TIF Trust

At the time of the Acquisition, the Company applied consolidation guidance to the TIF Trust, a VIE. The Company determined that it is the primary beneficiary of the Trust since the Acquisition based on the Company's consideration of the following factors:

- Subsequent to formation, no entity has any power to influence the economic performance of the TIF Trust.
- The only relevant power exercised was in the design of the TIF Trust, which the Company controlled.
- The Company has continuing involvement with the TIF Trust in the form of its residual interest in the Junior Certificates and also as Administrator.

The activities of the TIF Trust include the receipt of real estate tax revenues servicing the TIF Developer Notes initially contributed by the Company, payment of interest and principal to the \$48,000 Senior Certificate holders and distributing any residual cash to the Company.

The accounting model is based on a real estate tax abatement model. TIF proceeds received on owned sites in the TIF District offset real estate tax expense and TIF proceeds received on non-owned sites represent principle and interest service on the notes receivable which are recorded upon sale of a specific site within the TIF District to a third party. In applying this accounting model, the Company evaluated the source of real estate taxes flowing through the TIF Trust as of the Acquisition date. As of the Acquisition, real estate taxes on owned sites, expected to be returned to the Company via the Junior Certificates are considered future real estate tax abatement receivable, and the present value of this real estate tax abatement represents an amortizing intangible asset as of the Acquisition in 2006.

To the extent real estate taxes flowing through the TIF Trust are being paid by third parties, because the Company had sold land or buildings within the TIF District, the present value of this stream of cash flows is recorded as a note receivable as of the Acquisition. In addition, when the Company sold buildings or land within the Elwood TIF District subsequent to the Acquisition, the Company has allocated a portion of the TIF Intangible to the basis of the sold property and created a note receivable based on the present value of estimated real estate taxes expected to be paid by third parties as of the date of sale through 2023.

Other results of the real estate tax abatement accounting model include:

- The recognition of interest income on notes receivable based on effective interest rate guidance,

- Cash receipts on the Junior Certificates in excess of interest and principal on notes receivable are recorded as a reduction to real estate tax expense, and
- Amortization of the TIF Intangible is recorded as additional real estate tax expense

5. Property Acquisitions and Dispositions

For the years ended June 30, 2018 and 2017, the Company's acquisition activity is summarized as follows:

	Year Ended June 30,	
	2018	2017
	(Dollars in thousands)	
Number of operating properties acquired	13	10
Number of developable land parcels acquired	2	-
Allocation of aggregate purchase price of operating properties and land parcels acquired:		
Land for development	\$ 15,205	\$ -
Land under development	15,611	-
Operating property land, building and tenant improvements	328,154	334,006
Lease intangibles	26,933	35,115
Mortgages assumed	-	-
Above market leases	265	5,146
(Below) market leases	(71,065)	(6,104)
	<u>\$ 315,103</u>	<u>\$ 368,163</u>

The properties were funded with proceeds from properties sold, borrowings under the Company's unsecured line of credit and equity contributions from Solstice Holdings, LLC. The acquisitions have been accounted for utilizing the purchase method of accounting, and accordingly, the results of operations of the acquired properties are included in the consolidated statements of operations from the dates of acquisition.

For the year ended June 30, 2018, the Company disposed of 32 operating properties and three non-operating land parcels for aggregate sales proceeds of \$182,959. The Company also disposed of one build-to-suit during the year ended June 30, 2018, for aggregate sales proceeds of \$83,570. For the year ended June 30, 2017, the Company disposed of 13 operating properties and five non-operating land parcels for aggregate sales proceeds of \$90,664.

For the UP Project, the Company also recognized sales proceeds of \$1,313 and \$1,396 as well as related construction costs of \$1,073 and \$2,862 for the years ended June 30, 2018 and 2017 respectively, based on the percentage of budgeted UP Project costs incurred, under the percentage of completion method.

For the Bannister Project, the Company recognized fee income of \$401 and \$1,836 as well as related construction costs of \$177 and \$1,644 for the years ended June 30, 2018 and 2017, based on the percentage of budgeted Bannister Project costs incurred, under the percentage of completion method.

CRRC Project

In the year ended June 30, 2016, the Company entered into a build-to-suit for sale agreement with the Chinese Rail Road Company for a 381,000 square foot (unaudited) facility on land owned by the Company in Chicago, IL (collectively, the "CRRC Project"). The facility was completed in June, 2018. The agreement required the Chinese Rail Road Company to deposit funds with the Company at set points during the construction period. Inception to date, the Chinese Rail Road Company has deposited \$83,570 with the Company. As of June 30, 2018 and 2017, the Company incurred related construction costs of \$51,385 and \$10,860, respectively, and was included in CRRC Project deposits, net of costs on the Company's consolidated balance sheets. As of June 30, 2018, the project was complete, and the sale was closed. The subsequent gain on the sale was recorded on a gross basis in build-to-suit for sale revenue and build-to-suit for sale construction costs on the Company's consolidated statements of operation.

6. Construction in Progress

As of June 30, 2018 and 2017, the Company had 13 and 11 operating properties under construction totaling \$91,441 and \$116,871 respectively, which are included in construction in progress on the consolidated balance sheets. Additionally, the Company had one intermodal and industrial park under development, totaling \$14,046 and \$34,741, as of June 30, 2018 and 2017, respectively, and is also included in construction in progress.

As of both June 30, 2018 and 2017, the Company had eight intermodal and industrial parks and several land sites that were no longer under development. The sites were either ready for site specific development or the initial phases of infrastructure development were completed. They totaled \$352,543 and \$402,174 for the periods reported, which are included in land on the consolidated balance sheets. As of June 30, 2018, these intermodal parks and land sites totaled approximately 2,122 net acres (unaudited).

7. Notes Receivable, Included in Prepaid Expenses and Other Assets

The Company had \$37,371 and \$41,355 in unsecured notes receivable as of June 30, 2018 and 2017, classified in prepaid expenses and other assets on the consolidated balance sheets. As of June 30, 2018 and 2017, \$6,019 and \$5,829, respectively, of the balance relates to a note receivable from the Village of Elwood, bearing interest at 2.99% as of June 30, 2018 and June 30, 2017, maturing on December 1, 2025. Additionally, as of June 30, 2018 and 2017, \$31,352 and \$35,219, respectively, of the balance relates to the Elwood TIF notes receivable, described in Note 4. Finally, as of June 30, 2018 and 2017, \$0 and \$307, respectively, of the balance relates to additional sales proceeds recognized as part of a land disposition from the year ended June 30, 2015.

8. Investment in and Advances to Affiliates

The Company has applied guidance to its equity investees and the Company believes that the NNSA Venture, CenterPoint Venture II, LLC ("UBS Venture"), the Chicago Manufacturing Campus, LLC ("CMC"), the Autobahn JV, and the CenterPoint National JV ("National Venture") are not variable interest entities because each member has substantive rights whereby each member needs to approve major decisions.

The Company believes the Rochelle Development Joint Venture, LLC ("Rochelle JV") is a variable interest entity, but has determined that the Company is not the primary beneficiary because the Company does not have the power over the decisions that most significantly impact the economics of the this entity.

CenterPoint records its share of income from equity in affiliates from these ventures based on the hypothetical liquidation at book value method; whereby earnings are recorded as the change in projected member proceeds based on hypothetical liquidation at book value.

NNSA Venture

In May 2013, CenterPoint and its partner Delpres Genpar Investors (“DGI”) delivered the final buildings for a complex leased to the National Nuclear Science Administration (“NNSA”) in Kansas City, Missouri, which had construction costs of approximately \$717,571. The venture is owned 50% by CenterPoint and 50% by DGI, and it was formed in order to construct the NNSA complex, own the real estate and act as the asset manager over the term of the NNSA lease.

In March 2017, the partnership between CenterPoint and DGI (“NNSA Venture”) completed the sale of the complex to investors. The investors purchased the property, assumed the debt outstanding and provided proceeds of \$77,701 to the NNSA Venture. As part of the sale agreement, the NNSA Venture indemnified the buyer for certain out of pocket costs up to a maximum of \$10,250. As of June 30, 2018, the balance of the indemnification liability was \$10,202. The net proceeds after sales costs were distributed to the partners in accordance with the agreements, reserving only \$1,686 in cash on hand. CenterPoint received \$38,073 in proceeds. The NNSA Venture’s commitment to fund capital would have to come from further contributions from the partners.

As of June 30, 2018, the NNSA Venture continues to exist to provide asset management services to the NNSA for asset management fees.

For the years ended June 30, 2018 and 2017, the Company recorded a loss of (\$37), and income of \$32,012, respectively, which are reflected in equity in net income of affiliate on the consolidated statements of operations.

As of June 30, 2018, and 2017, the Company’s investment in the NNSA was (\$3,520) and (\$3,483), respectively, and is included in investments in and advances to affiliates on the consolidated balance sheets.

UBS Venture

In September 2007, CenterPoint and a subsidiary of UBS, Inc., Illinois Wisconsin Realty Investors, LLC (“UBS”), formed and commenced operations of the UBS Venture. The UBS Venture is owned 80% by UBS and 20% by the Company and was formed in order to invest in stabilized industrial properties and land development opportunities and sell those investments. At June 30, 2018 and 2017, CenterPoint maintains a 20% interest in the UBS Venture.

As of June 30, 2018, and 2017, the Company’s investment in the UBS Venture was \$62,898 and \$63,781, respectively, which includes the deferred gains resulting from the sale of properties from the Company into the UBS Venture from its retained interest, and is included in investments in and advances to affiliates on the consolidated balance sheets. For the years ended June 30, 2018 and 2017, the Company recorded a loss of (\$883) and income of \$2,571, respectively, which are reflected in equity in net income of affiliate on the consolidated statements of operations.

Autobahn JV

In June 2013, the Company formed a joint venture with UBS Realty Member, a subsidiary of UBS Realty Investors, LLC, to develop an approximately 500,000 square foot (unaudited) building on a 32 acre (unaudited) property site within CenterPoint’s CIC – Joliet intermodal park, called Autobahn Industrial JV, LLC (“Autobahn JV”). The Autobahn JV is owned 80% by UBS and 20% by the Company as of June 30, 2018 and 2017.

As of June 30, 2018, and 2017, the Company's investment in the Autobahn JV was \$4,745 and \$4,881, respectively, and is included in investments in and advances to affiliates on the consolidated balance sheets. For the years ended June 30, 2018 and 2017, the Company recorded income of \$207 and \$242, respectively, which are reflected in equity in net income of affiliate on the consolidated statements of operations.

Rochelle JV

In December 2004, CenterPoint entered into a joint venture agreement with UBS Real Estate to develop CenterPoint Intermodal Center – Rochelle ("CIC - Rochelle"), a 274 acre (unaudited) industrial park located less than one mile from the Union Pacific Railroad's 1,230 acre (unaudited) intermodal facility in Rochelle, Illinois. At June 30, 2018 and 2017, CenterPoint maintains a 20% interest in the Rochelle JV.

In June 2013, the Rochelle JV sold 249 acres (unaudited) of CIC – Rochelle as the first stage of divesting and wrapping up the Rochelle JV. As of June 30, 2018, the Rochelle JV had remaining acreage of 25 (unaudited).

As of June 30, 2018 and 2017, the Company's investment in Rochelle JV was \$99 and \$102, respectively, and is included in investments in and advances to affiliates on the consolidated balance sheets. For the years ended June 30, 2018 and 2017, the Company recorded a loss of (\$12) and income of \$2, respectively, which are reflected in equity in net income of affiliate on the consolidated statements of operations.

Chicago Manufacturing Campus II JV

In January 2002, CenterPoint entered into a joint venture agreement with Ford Motor Land Development Corporation to develop a supplier manufacturing campus located on Chicago's southeast side. As of June 30, 2018 and 2017, the CMC II JV is owned 51% by the Company and 49% by the Ford Motor Land Development Corporation.

As of June 30, 2018 and 2017, the Company's investment in the CMC II JV was \$1,174 and \$1,064 and is included in investments in and advances to affiliates on the consolidated balance sheets. For the years ended June 30, 2018 and 2017, the Company recorded income of \$109 and \$154, respectively, which are reflected in equity in net income of affiliate on the consolidated statements of operations.

National Venture

In May 2015, the Company formed a joint venture with Georgia Missouri Realty JV Member, a subsidiary of UBS Realty investors, LLC, to develop an approximately 450,600 square foot (unaudited) building on a 38 acre (unaudited) property site in Kansas City, MO and an approximately 315,800 square foot (unaudited) building on a 26 acre (unaudited) site in Garden City, GA. The company contributed the land to the National Venture in exchange for cash and its equity in the venture. As of June 30, 2018 and 2017, the National Venture was owned 80% by UBS and 20% by the Company.

As of June 30, 2018 and 2017, the Company's investment in the National Venture was \$7,121 and \$6,937, respectively, and is included in investments in and advances to affiliates on the consolidated balance sheets. For the years ended June 30, 2018 and 2017, the Company recorded income of \$53 and \$91, respectively, which are reflected in equity in net income of affiliate on the consolidated statement of operations.

9. Intangible Assets

The Company's intangible assets consist of the following:

	Year Ended June 30,	
	2018	2017
Amortizing intangibles:		
Lease and relationship intangibles, net of accumulated amortization of \$79,620 and \$72,434	\$ 80,687	\$ 82,690
TIF receivable in Elwood, Illinois, net of accumulated amortization of \$22,983 and \$21,835	7,288	9,759
	<u>87,975</u>	<u>92,449</u>
Non-amortizing intangibles:		
Trademark value	59,500	59,500
	<u>\$ 147,475</u>	<u>\$ 151,949</u>
Acquired above market leases	\$ 12,409	\$ 14,200
Acquired below market leases	(85,618)	(19,648)
	<u>\$ (73,209)</u>	<u>\$ (5,448)</u>

Fully amortized intangible assets of \$20,856 and \$8,545 were written off in the years ended June 30, 2018 and 2017, respectively. In connection with property dispositions, the Company also wrote off unamortized intangible assets of \$352 and \$77 in the years ended June 30, 2018 and 2017, respectively.

The Company will recognize amortization expense related to intangible assets over the next five years and thereafter as follows:

	Year Ended June 30,
2019	\$ 26,224
2020	16,267
2021	10,974
2022	8,379
2023	7,174
Thereafter	18,957
Total	<u>\$ 87,975</u>

The Company will amortize above and below market leases in minimum rents on the Company's statement of operations over the next five years and thereafter as follows:

	Acquired Above- market Leases	Acquired Below- market Leases
2019	\$ 1,948	\$ (7,119)
2020	1,363	(6,257)
2021	1,123	(3,868)
2022	962	(3,599)
2023	962	(3,073)
Thereafter	6,051	(61,702)
Total	<u>\$ 12,409</u>	<u>\$ (85,618)</u>

10. Deferred Expenses

The Company's deferred expenses consisted of deferred leasing costs of \$44,121 (net of accumulated amortization of \$21,249) and \$42,530 (net of accumulated amortization of \$18,608), as of June 30, 2018 and 2017, respectively.

Fully amortized deferred expenses of \$3,771 and \$1,886 were written off in the years ended June 30, 2018 and 2017, respectively. In connection with property dispositions, the Company also wrote off unamortized deferred leasing and other costs of \$2,596 and \$1,026 in the years ended June 30, 2018 and 2017, respectively.

CENTERPOINT PROPERTIES TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED
(Dollars in thousands)

11. Long Term Debt

The Company's long-term debt consists of the following:

Property Pledged as Collateral	Carrying Amount of Notes at June 30,		Interest	Periodic	Estimated	Final
	2018	2017	Rate	Payment	Balloon	Maturity
				Terms	Payment	Date
					at Maturity	
Mortgage Notes Payable and Other Debt:						
1810 5th Ave., River Grove, IL (a)	\$ -	\$ 250	6.50%	13(b)	-	03/15/19
Elwood TIF VIE debt (c)	31,870	36,655	4.00%	(c)	-	06/15/23
8440 Tabler Rd., Morris, IL (d)	5,419	7,090	8.55%	(d)	-	02/01/30
Pool of 14 Houston properties (e)	27,373	28,310	5.40%	204(b)	25,162	09/10/20
5510 Grace & 972 Goodrich, Commerce, CA (f)	26,155	31,470	5.86%	173(b)	24,725	02/05/21
3702 C Street, Auburn, WA (g)	8,911	9,146	5.50%	86(b)	7,840	09/01/22
	<u>99,728</u>	<u>112,921</u>				
Senior Unsecured Debt:						
Private Placement - 2013 Series A	120,000	120,000	3.02%	(h)	120,000	06/12/20
Private Placement - 2013 Series B	130,000	130,000	3.60%	(h)	130,000	06/12/23
Private Placement - 2015 Series C	50,000	50,000	3.49%	(i)	50,000	05/27/22
Private Placement - 2015 Series D	150,000	150,000	3.79%	(j)	150,000	07/30/25
Private Placement - 2016 Series E	125,000	125,000	3.59%	(k)	125,000	06/07/24
Private Placement - 2016 Series F	125,000	125,000	3.75%	(l)	125,000	08/25/26
Private Placement - 2018 Series G (m)	250,000	-	4.14%	(m)	250,000	04/04/28
	<u>950,000</u>	<u>700,000</u>				
Tax Exempt Debt:						
2010 Amended Joliet Term Loan (n)	150,000	150,000	(n)	(n)	150,000	01/28/21
2012 Amended Joliet Term Loan (n)	75,000	75,000	(n)	(n)	75,000	01/28/21
2016 Joliet Term Loan (o)	100,000	100,000	(o)	(o)	100,000	01/28/20
2017 Joliet Term Loan (p)	130,000	130,000	(p)	(p)	130,000	03/23/22
	<u>455,000</u>	<u>455,000</u>				
Unsecured Line of Credit:						
Revolving unsecured line of credit (q)	35,000	48,000	(q)	(q)	-	05/25/21
Total principal on long term debt	1,539,728	1,315,921				
Financing costs on long term debt, net	(7,298)	(8,198)				
Premiums on long term debt	5,102	6,641				
Total long term debt	<u>\$ 1,537,532</u>	<u>\$ 1,314,364</u>				

- (a) In September, 2017, the Company sold this property and paid off the mortgage early.
- (b) Amount represents the monthly payment of principal and interest.
- (c) This debt is fully non-recourse to the Company and relates to the debt issued by the Elwood TIF Trust, described in Note 4 above. Prior to December, 2016, the TIF Trust debt bore interest at a rate that reset every December by auction in accordance with the Trust agreements. As mentioned previously in this report, in December, 2016 the Company helped to arrange for one investor to purchase the TIF Trust debt and they agreed to a fixed interest rate for the remainder of the term. The interest rate as of June 30, 2018 and 2017 was 4.00%. Principal and interest are paid semi-annually at June 15 and December 15. The debt is fully amortizing by maturity.
- (d) In conjunction with the acquisition of an operating property in Morris, IL in January, 2015, the Company assumed taxable development revenue bonds, secured by the property. Interest is due semi-annually at an interest rate of 8.55% until December 31, 2020, at which the interest rate increases to 8.85% for the remaining term of the loan. Principal is paid annually on February 1.
- (e) In conjunction with the acquisition of 14 operating properties in Houston, TX in March, 2015, the Company assumed a mortgage note payable, secured by the properties.
- (f) In conjunction with the acquisition of two operating properties in Commerce, CA in May, 2015, the company assumed a mortgage note payable, secured by the properties. In July 2017, one of the operating properties was sold, resulting in a partial pay down on the mortgage note payable.
- (g) In conjunction with the acquisition of one property in Auburn, WA in February 2016, the company assumed a mortgage note payable, secured by the property.
- (h) Both 2013 private placement series require semi-annual payments of interest only on June 12 and December 12.
- (i) The 2015 Series C private placement requires semi-annual payments of interest only on November 27 and May 27.
- (j) The 2015 Series D private placement requires semi-annual payments of interest only on January 30 and July 30.
- (k) The 2016 Series E private placement requires semi-annual payments of interest only on December 7 and June 7.
- (l) The 2016 Series F private placement requires semi-annual payments of interest only on February 25 and August 25.
- (m) On April 4, 2018, the Company issued private placement debt of \$250,000 at a fixed interest rate of 4.14%, maturing on April 4, 2028. The series requires semi-annual payments of interest only on April 4 and October 4. In conjunction with the issuance, the Company incurred financing fees of \$1,000, which are included in senior unsecured debt, net on the consolidated balance sheets and are being amortized over the remaining term of the loan.
- (n) In January, 2016, the Company re-issued the 2010 Amended Joliet Term Loan and 2012 Amended Joliet Term Loan. Both mature in January 2021, with no option to extend. The 2010 Amended Joliet Term Loan accrues interest monthly at 70% of (LIBOR plus 1.35%) (2.84% as of June 30, 2018). The 2012 Amended Term Joliet Loan accrues interest monthly at 75% of (LIBOR plus 1.35%) (3.04% as of June 30, 2018).

- (o) In January 2016, the Company issued the \$100,000 2016 Joliet Term Loan. The 2016 Joliet Term Loan matures in January 2021, with no option to extend. The 2016 Joliet Term Loan accrues interest monthly at 75% of (LIBOR plus 1.35%) (3.04% as of June 30, 2018).
- (p) In March 2017, the Company issued the \$130,000 2017 Joliet Term Loan. The 2017 Joliet Term Loan matures in March 2022, with no option to extend. The 2017 Joliet Term Loan accrues interest monthly at 75% of (LIBOR plus 1.35%) (3.04% as of June 30, 2018).
- (q) In May 2017, the Company amended and renewed the \$350,000 line of credit with JP Morgan, Bank of America and Wells Fargo as co-leaders, which was scheduled to mature January 2018. The new line of credit bears interest at 1.15% over LIBOR or 0.15% over the Prime Rate, as applicable, and was extended to May 2021. At June 30, 2018 and 2017 the interest rate payable was 3.28% and 2.40%, respectively. The line of credit requires payments of interest only when LIBOR contracts mature and monthly on borrowings under Prime Rate contracts. At June 30, 2018 and 2017, the Company had \$315,000 and \$302,000 available under the line of credit, respectively.

As of June 30, 2018, mortgage notes, other debt, senior unsecured debt, tax exempt debt, term loan and unsecured line of credit amortize and mature as follows:

	Year Ended
	June 30,
2019	\$ 8,322
2020	229,280
2021	318,259
2022	188,902
2023	142,957
Thereafter	652,008
Total	<u>\$ 1,539,728</u>

Land, buildings and equipment with an aggregate net book value of approximately \$174,052 and \$181,115 at June 30, 2018 and 2017, respectively, have been pledged as collateral for the above mortgage debt.

12. Derivative Instruments and Hedging Activity

In October, 2012, the Company entered into two interest rate swap agreements in order to hedge the variable interest payments due under the amended 2010 Joliet Term Loan and 2012 Joliet Term Loan. The first agreement is with SunTrust Bank for \$150,000 ("2010 Term Loan Hedge"), under which the Company pays monthly a fixed rate of 0.585% and receives a variable rate equal to 70% of 1-month LIBOR, resetting on the first of each month. The second agreement is with Bank of America NA for \$75,000 ("2012 Term Loan Hedge"), under which the Company pays monthly a fixed rate of 0.61% and receives a variable rate equal to 75% of 1-month LIBOR. Both agreements were effective from October 5, 2012 until September 28, 2017, with settlement payments due monthly.

In January, 2016, the Company entered into two interest rate swap agreements in order to hedge the variable interest payments due under the 2010 Amended Joliet Term Loan and 2012 Amended Joliet Term Loan. The first agreement is with SunTrust Bank for \$150,000 ("2010 Amended Term Loan Hedge"), under which the Company pays monthly a fixed rate of 1.162% and receives a variable rate equal to 70% of 1-month LIBOR, resetting on the first of each month. The second agreement is with Bank of America NA for \$75,000 ("2012 Amended Term Loan Hedge"), under which the Company pays monthly a fixed rate of 1.233% and receives a variable rate equal to 75% of 1-month LIBOR. Both agreements are

effective from September 28, 2017 until January 28, 2021, with settlement payments due monthly beginning November 1, 2017.

In January, 2016, the Company also entered into an interest rate swap agreement in order to hedge the variable interest payments due under the 2016 Joliet Term Loan. The agreement is with Bank of America NA for \$100,000 ("2016 Term Loan Hedge"), under which the company pays monthly a fixed rate of 0.904% and receives a variable rate equal to 75% of 1-month LIBOR, resetting on the first of each month. The agreement is effective January 28, 2016 until January 28, 2020, with settlement payments due monthly beginning March 1, 2016.

In March, 2017, the Company entered into an interest rate swap agreement in order to hedge the variable interest payments due under the 2017 Joliet Term Loan. The agreement is with each of the participating banks proportionate share of the underlying 2017 Joliet Term Loan for a total of \$130,000 ("2017 Term Loan Hedge"), under which the company pays monthly a fixed rate of 1.520% and receives a variable rate equal to 75% of 1-month LIBOR, resetting on the first of each month. The agreement is effective March 23, 2017 until March 23, 2022, with settlement payments due monthly beginning April 24, 2017.

The Company has elected to apply hedge accounting treatment to all of the above mentioned interest rate swap agreements. All are deemed to be 100% effective, which the Company assesses on a quarterly basis, and therefore, the Company records the change in market value from period to period as a charge to comprehensive income. The periodic settlements are recorded as realized loss on derivatives on the Company's consolidated statements of operations.

For the years ended June 30, 2018 and 2017, the Company's derivative instrument and hedging activity is summarized as follows:

	Market Value at June 30, (a)		Unrealized Gain (Loss) for the Year Ended June 30, (b)		Periodic Settlements for the Year Ended June 30, (c)	
	2018	2017	2018	2017	2018	2017
	<i>asset / (liability)</i>				<i>received / (paid)</i>	
2017 Term Loan Hedge	\$ 2,369	\$ (946)	\$ 3,315	\$ (946)	\$ (513)	\$ (275)
2016 Term Loan Hedge	1,596	725	871	2,132	228	(379)
2010 Amended Term Loan Hedge	2,651	281	2,370	2,909	(52)	-
2012 Amended Term Loan Hedge	1,440	175	1,265	1,540	(21)	-
2010 Term Loan Hedge	-	120	(120)	247	103	(137)
2012 Term Loan Hedge	-	69	(69)	134	58	(60)
Total	<u>\$ 8,056</u>	<u>\$ 424</u>	<u>\$ 7,632</u>	<u>\$ 6,016</u>	<u>\$ (197)</u>	<u>\$ (851)</u>

- (a) The market value of the term loan hedges are included in prepaid expenses and other assets (if asset) or accrued expenses (if liability) on the Company's consolidated balance sheets.
- (b) Unrealized gain (loss) on term loan hedges are recorded as mark-to-market of interest rates swaps on the Company's consolidated statements of comprehensive income.
- (c) Periodic settlements received (paid) are included in realized gain (loss) on derivative instruments on the Company's consolidated statements of operations.

13. Member's Equity

Solstice Equity Interest

Solstice owns 100% of the membership interest in CenterPoint, as a holding company for its sole investor, CalEast as of June 30, 2018. Solstice has no other operations or funding sources. Prior to November 2016, certain members of CenterPoint management held less than 1% of the shares of Solstice. Accounting for the units held by management in the Solstice entity, as more fully described below, was reflected in the CenterPoint financial statements due to the fact that Solstice is the sole member of CenterPoint and any future activity or payment under the plans will be transacted through the CenterPoint entity.

Class A Units

Upon the Acquisition, Class A Units were issued by Solstice to its members. Vested Class A Units (the "Vested Units") were issued by Solstice to its members in exchange for cash, which was used to purchase CenterPoint and pay related transaction costs.

During the year ended June 30, 2017, members of CenterPoint management redeemed the remaining 43,345 shares of Class A Units totaling \$1,229. As of June 30, 2017 all Class A Units attributed to CenterPoint management were fully vested and redeemed in accordance with the plan.

In the years ended June 30, 2018 and 2017, CalEast contributed \$111,729 and \$299,925 to the Company in exchange for 3,459,748 and 9,814,234 Class A Units, respectively. The proceeds were used to repay debt and fund acquisitions and developments throughout the year.

As of June 30, 2018, CalEast had 130,232,519 Class A Units outstanding.

Liquidity on the Class A Units held by management was only offered through gradual cash out options based on an election period after years five, seven and ten. If an employee does not terminate employment, the Class A Units held by management may be redeemed 50% after five years, 75% after seven years and 100% after 10 years from March 8, 2006. All Class A Units held by management were entitled to cash distributions, whether or not they are vested.

Long-Term Incentive Plan

In March, 2012, the Board of Managers of Solstice Holdings, LLC obtained consent from the members of the Company for the CenterPoint Employees' 2011 Long-Term Incentive Plan ("2012 LTIP Plan") and a Second Amended and Restated Limited Liability Company Agreement. The 2012 LTIP Plan is a five year program designed to provide long term "profits interest" incentives to management, and it superseded certain previous plans. In accordance with the Second Amended and Restated Limited Liability Company Agreement and the 2012 LTIP Plan, the board of managers authorized the issuance of three classes of units; Class B Units, Class C Units, and Class D Units. The various Classes of units do not carry the voting and ownership rights of vested Class A Units and do not become Class A Units upon vesting.

Starting in March, 2012, and following the end of the fiscal years 2012-2015, the Company shall issue a number of Class B Units up to an amount equal to the quotient of \$13,750 and the fair market value of the Class A Units as of June 30 of the immediately preceding fiscal year. Up to \$2,500 of this annual award is subject to time-based vesting only. The remaining annual award, up to \$11,250, is subject to both time-based vesting requirements and certain performance-based requirements related to total return for the Class A Unit holders. The performance requirements could result in vesting between zero and 100% of the original award based on the total return performance targets. The time vesting for

all the Class B awards accrue at 25% per year over a four year period starting on the second June 30 after the award.

Along with the execution of the 2012 LTIP Plan, the Company issued 1,500,000 Class C Units and 500,000 Class D Units to management. These awards also vest over five years at 25% per year, starting June 30, 2013. After vesting and upon redemption, owners of the Class C Units will receive the difference between the value of a Class A Unit from the most recent June 30 valuation and the original value upon issuance, adjusted for distributions, as described in the LTIP Plan, for each unit. Also, after vesting and upon redemption, the Class D Units will receive the difference between the value of a Class A Unit from the most recent June 30 valuation and the original value upon issuance, adjusted for distributions, as described in the LTIP Plan, for each unit.

The Company accounts for the expected payout value of all of these awards in accordance with guidance for compensation; recognizing expense over the vesting term and recording a liability for the accumulated vested units in accrued expenses on the consolidated balance sheets. These awards qualify for liability method of accounting due to their limited transferability, the employee's inability to maintain their equity interest after termination and because the awards will be settled in cash from the Company and not on the open market.

The shares issued for the 2012 LTIP Plan will remain outstanding through 2020 at which time all remaining shares will be redeemed in accordance with the agreements.

In June, 2017, the Board of Managers of Solstice Holdings, LLC authorized the issuance of the CenterPoint Employees' 2017 Long-Term Incentive Plan ("2017 LTIP Plan"). Similar to the 2012 LTIP Plan, the 2017 LTIP Plan is a five year program designed to provide long term "profits interest" incentives to management.

Starting in June, 2017, for the fiscal years ended June 30, 2017-2021, the Company shall issue a number of Class B Units up to an amount equal to the quotient of \$13,750 and the fair market value of the Class A Units as of June 30 of the immediately preceding fiscal year. Up to \$2,500 of this annual award is subject to time-based vesting only. The remaining annual award, up to \$11,250, is subject to both time-based vesting requirements and certain performance-based requirements related to total return for the Class A Unit holder and Company performance compared to industry indices. The performance requirements could result in vesting between zero and 100% of the original award based on the total return performance targets. The time vesting for all the Class B awards accrue at 25% per year over a four year period starting on the second June 30 after the award.

Liquidity on the Class B, C and D units held by management is offered through a gradual cash out based on certain time vesting requirements as more fully described in the 2012 and 2017 LTIP Plans. During the years ended June 30, 2018 and 2017, members of the Company's management redeemed \$774 and \$22,636, respectively, of vested Class B, C, and D units in accordance with the plan.

As of June 30, 2018 and 2017, the Company has a liability of \$69,540 and \$49,662, respectively, due to the accrued value of these long term compensation awards, which is included in accrued expense on the Company's consolidated balance sheets.

14. 401K Savings Plan

CenterPoint Properties Trust Savings and Retirement Plan (the "401K Plan") was established to cover eligible employees of the Company. Under the 401K Plan eligible employees may elect to enter into an agreement with the Company to defer a percentage of their compensation up to the annual limit set by the Internal Revenue Service. Employees may elect to participate at the beginning of each quarter subsequent to achieving 30 days of service. Company matching contributions are made after completion of one year of service. The Company may make a matching contribution equal to a discretionary

percentage of the Participants' salary reductions. The Company contributed 50 percent of the first 8 percent per pay period for the twelve month periods ended June 30, 2018 and 2017. Participants direct the investment of all contributions into various options offered by the 401K Plan. The Company incurred expense of approximately \$446 and \$428 for the years ended June 30, 2018 and 2017, respectively.

15. Impairment of Assets and Assets Held for Sale

As of June 30, 2018, the Company classified one operating property as held for sale, which is under close negotiations for pending sale. Net income (loss) (property revenues less real estate taxes, property operating and leasing expenses, property specific interest expense, depreciation and amortization) ("Income (Loss) from Operations") related to these operating properties held for sale was \$538 and \$1,505 for the years ended June 30, 2018 and 2017, respectively. Assets classified as held for sale are required to be measured at the lower of their carrying amounts or fair value less cost to sell. Therefore, the Company has recorded an impairment charge of \$6,372, which is shown in impairment of assets on the Company's statement of operations.

As of June 30, 2017, the Company classified five operating properties, one land parcel, and a build to suit for sale, as held for sale, which are under contract for sale or under close negotiations for pending sale. Income (Loss) from Operations related to these operating properties held for sale was \$(500) for the year ended June 30, 2017. For the year ended June 30, 2017, the Company recorded an impairment charge of \$1,039, which is shown in impairment of assets on the Company's statement of operations.

Also, during the year ended June 30, 2017, the Company re-evaluated its expected holding period for a 236-acre (unaudited) parcel of land located in Elwood, IL. The Company planned to sell the collective sites as is or prepare them for sale to the railroad, but did not expect to develop the sites for potential tenants. Under this plan, the Company estimated that its expected cash flows were less than the net book value of the parcel. Therefore, the Company has recorded an impairment charge of \$41,114 in the year ended June 30, 2017, which is also shown in impairment of assets on the Company's statement of operations.

The following table presents quantitative information about the Level 3 fair value measurements used in evaluating the impairments described above:

	Fair Value at June 30, 2018	Valuation Technique	Unobservable Inputs	Input / Range
One operating property located in West Chicago, IL	13,800	3rd Party Pricing	(a)	N/A
	Fair Value at June 30, 2017	Valuation Technique	Unobservable Inputs	Input / Range
236 acre land parcel located in Elwood, IL	\$ 10,000	Market Value	(b)	N/A
One operating property located in Albuquerque, NM	1,250	3rd Party Pricing	(c)	N/A
One operating property located in Little Rock, AR	1,175	3rd Party Pricing	(c)	N/A

(a) The operating property in West Chicago, IL, is under contract and expected to close by October 15, 2018. The fair value recorded is based on the net proceeds on sale.

- (b) The impairment of this 236 acre (unaudited) developable site in Elwood, IL was based on estimated future cash flows from selling the site, supported by recent market comparable properties provided by the Company's brokers assigned to the property and the Company's appraisal as of June 30, 2017.
- (c) These two operating properties were under contract as of June 30, 2017. The fair value recorded is based on the net proceeds on sale.

16. Future Rental Revenues

Under existing non-cancelable operating lease agreements as of June 30, 2018, tenants of the warehouse and other industrial properties are committed to pay in aggregate the following minimum rentals:

	Year Ended June 30,
2019	\$ 263,718
2020	235,003
2021	200,313
2022	175,166
2023	150,282
Thereafter	735,724
Total	<u>\$ 1,760,206</u>

17. Supplemental Information to Statements of Cash Flows

	Year Ended June 30, 2018	Year Ended June 30, 2017
Supplemental disclosure of cash flow information:		
Fixed asset additions included in accrued expenses	\$ 3,339	\$ 2,972
CIP additions included in accrued expenses	25,716	42,349
Interest paid, net of interest capitalized	39,480	31,916
Interest capitalized	5,201	4,090

In conjunction with the property acquisitions, the Company assumed the following assets and liabilities:

Purchase of real estate	\$ (315,103)	\$ (368,163)
Net other liabilities assumed	1,477	1,443
Acquisition of real estate	<u>\$ (313,626)</u>	<u>\$ (366,720)</u>

In conjunction with the property dispositions, the Company disposed of the following assets and liabilities:

	Year Ended June 30, 2018	Year Ended June 30, 2017
Disposal of real estate	\$ 173,358	\$ 81,322
Net other assets assumed by buyers	9,601	9,342
Disposition of real estate	<u>\$ 182,959</u>	<u>\$ 90,664</u>

For the years ended June 30, 2018 and 2017, the Company's UP Project activity consisted of project costs of \$1,073 and \$2,862, respectively. No proceeds were received in the years ending June 30, 2018 and 2017.

For the years ended June 30, 2018 and 2017, the Company's Bannister Project activity consisted of proceeds received of \$3,260 and \$3,617, offset by project costs of \$177 and \$1,644, respectively.

For the years ended June 30, 2018 and 2017, the Company's CRRC Project activity consisted of proceeds received of \$38,492 and \$45,078, offset by project costs of \$51,385 and \$4,104, respectively. In June 2018, the project was completed and the sale was closed.

For the year ended June 30, 2018, an approximately 600,000 square foot (unaudited) portion of an approximately 1,500,000 square foot (unaudited) building in Northlake, IL, was demolished in order to improve the functionality of the building for the remaining tenant and to add extra land to an adjacent buildable land site. The portion of the building demolished had a real estate value of \$17,868 and an accumulated depreciation value of \$4,690. The net book value of \$13,178 was depreciated through the end of the demolition project.

18. Related Party Transactions

In addition to the Company's 20% ownership interest in the UBS Venture, the Company is managing the portfolio for fees. Fees earned for the year ended June 30, 2018 and 2017, amounted to \$2,279 and \$1,166, respectively. At June 30, 2018 and 2017, the Company had \$97 and \$90, respectively, receivable for these fees included in prepaid expenses and other assets on the Company's consolidated balance sheets.

In addition to the Company's 20% ownership in the CenterPoint National Venture, the Company is the development manager of the project and earns development fees during the development period. For the years ended June 30, 2018 and 2017, the company earned zero and \$212 in development fees, net of deferral, respectively.

Also, subsequent to the sale of the NNSA complex in March 2017, the NNSA Venture continues to provide asset management services to the NNSA. Fees earned for the year ended June 30, 2018 and 2017 amounted to \$84 and \$28, respectively.

Finally, the Company is the development and property manager of the Joliet Land JV. The terms of the development fee and property management fee are disclosed in Note 3. No fees were earned for the year ended June 30, 2018.

19. Commitments and Contingencies

The Company has entered into several contracts for the acquisition of properties. Each acquisition is subject to satisfactory completion of due diligence and, in the case of developments, completion and occupancy of the project.

At June 30, 2018, the Company has 8 properties subject to purchase options, as follows:

- The following properties are leased to the same tenant and are subject to purchase options at fair value, determined within twenty days of the option being exercisable:
 - 8951 Yosemite Street, Henderson, Colorado
 - 4665 South Park Boulevard, Ellenwood, Georgia
 - 6600 CSX Way, Charlotte, North Carolina
 - 3301 Knight Drive, Nashville, Tennessee

The purchase options are exercisable at any time during the lease, which run through December 31, 2025.

- The property located at 1401 S. Jefferson, Chicago, Illinois, is subject to a purchase option, exercisable any time during the term of the lease ending January 9, 2020. Lessor shall have 20 days to accept or reject Lessee's offer.
- The land lease investment located at 60 McClellan Street, Newark, New Jersey, is subject to a purchase option on the demised property at fair value, exercisable on or before September 30, 2084.
- A container yard located at 26353 South Baseline Road, Elwood, Illinois, is subject to a purchase option for \$16.09 per square foot, exercisable on or after October 1, 2012 through the end of the term on June 30, 2031. The purchase price of the property will increase 2% annually, beginning May 1, 2016.
- The property located at 603 Discovery Drive, West Chicago, Illinois, is subject to a purchase option for \$20,500, exercisable on or after August 28, 2014 and on or before June 27, 2020. The purchase price of the property will increase by \$1,550 every two years within the exercisable period.

For all of these above option agreements, the option price exceeds the Company's current net book value for the property.

At June 30, 2018 and 2017, the Company is the guarantor for letters of credit and surety bonds amounting to \$59,668 and \$48,246, respectively, in the aggregate.

Other than specifically mentioned above, in the normal course of business, the Company is involved in legal actions relating to the ownership and operations of its properties. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a materially adverse effect on the consolidated financial position, results of operations, or liquidity of the Company.

20. Subsequent Events

The Company has performed an evaluation of subsequent events through September 19, 2018, which is the date the financial statements were available for issuance and has determined there to be no other material matters to disclose.

Port Everglades International Logistics Center, LLC
Calculation of Exit Fee
Section 11.B.2 of Amended & Restated Lease Agreement March 20, 2018
15-Feb-19

\$	2,400,000	Initial Assumption Payment	
\$	<u>1,600,000</u>	Second Assumption Payment	
\$	4,000,000	Total Purchase Price ("Assumption Payment")	
		Cost Invested by Members	
	\$ 165,788	Misc. costs not reimbursed (see attached)	
	\$ 630,000	DDG, LLC PreDevelopment Fee (36 mo's @ \$17.5K/mo)	
	\$ 200,000	ANF PreConstruction Services (1% of \$20mm)	
	\$ -		
\$	(995,788)		
		Sales Commissions (not to exceed 5%)	
	\$ 600,000	Fee to FL TransAtlantic Holdings, LLC	
\$	(600,000)		
		Closing Costs (customary and reasonable costs, survey, title, other fees)	
	\$ 15,000	Est'd legal costs to close transaction - confirm @ closing	
\$	<u>(15,000)</u>		
\$	2,389,212	NET PROFIT	
\$	207,861	EXIT FEE	8.70%
\$	<u><u>2,181,350</u></u>	PE-ILC Net after Exit Fee	

PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC
2/15/2019

General Ledger

Date	Payee	Amount	Account Code	Description
8/31/2016	LOGIX PRO IT, Inc.	200.00	01408	Accounting set up
2/28/2017	service charge	10.00	01502	Service charge
3/14/2017	Delux Check Printing	18.55	01502	Delux Check Printing
3/20/2017	Greenspoon Marder, P.A.	2,600.00	01601	Legal - transaction
3/31/2017	service charge	10.00	01502	Service charge
5/31/2017	service charge	10.00	01502	Service charge
6/1/2017	Wire transfer charge	15.00	01502	Wire transfer charge
6/5/2017	Greenspoon Marder, P.A.	9,229.00	01601	Legal - transaction
7/3/2017	FL Dept State	538.75	01502	PE-ILC renewal of LLC
7/20/2017	Swanson	410.26	01409	Development Meeting
1/29/2018	Swanson	217.68	01409	Development Meetings
2/28/2018	service charge	10.00	01502	Service charge
3/21/2018	The Wolff Law Firm	3,919.50	01601	Legal - transaction
3/21/2018	Greenspoon Marder, P.A.	174.00	01601	Legal - transaction
3/30/2018	The Avidan Group	115,000.00	01410	Exit Fee for Avidan Group
3/31/2018	service charge	10.00	01502	Service charge
4/30/2018	Melamed & Karp, P.A.	1,500.00	01408	Prep of Tax Return PE-ILC
6/25/2018	Diversified Development	791.61	01409	Development Meeting
8/17/2018	Dirk Sichel Media	250.00	01409	Aerial photography - cancel
9/30/2018	service charge	10.00	01502	
10/31/2018	service charge	10.00	01502	
11/13/2018	Acevedo-Belf Law	17,601.50	01601	Legal - transaction AA Agmt
12/31/2018	Acevedo-Belf Law	4,819.00	01601	Legal - transaction AA Agmt
2/15/2019	Acevedo-Belf Law	8,433.25	01601	Legal - transaction AA Agmt
General Ledger Totals		165,788.10		

Account Ledger Total

Account		PE-ILC	
Code	Account	Account Total	Category Total
01100	DESIGN		\$ -
01200	SITE COSTS		\$ -
01300	CONSTRUCTION COSTS		\$ -
01400	GENERAL SOFT COSTS		\$ 118,369.55
01401	Government Relations	\$ -	
01408	Accounting cost	\$ 1,700.00	
01409	Marketing	\$ 1,669.55	
01410	PreDevelopment Costs	\$ 115,000.00	
01500	FINANCE COSTS		\$ 642.30
01502	Bank charges	\$ 642.30	
01600	LEGAL COSTS		\$ 46,776.25
01601	Transaction legal	\$ 46,776.25	
General Ledger Totals			\$ 165,788.10

**Assignment and Assumption of PreDevelopment Agreement for
Port Everglades International Logistics Center**

This Contract for Assignment and Assumption of PreDevelopment Agreement (the "Assignment Contract") is made and entered into as of the Effective Date as indicated by the last date in the signatory blocks below by and between Treadwell Franklin Infrastructure Capital, Inc. ("TFIC" or the "Assignor"), a Delaware corporation and Diversified Development Group, LLC ("DDG" or the "Assignee") a Florida Limited Liability Corporation.

Whereas:

TFIC has previously entered into a PreDevelopment Agreement (the "Agreement") to provide predevelopment services to Port Everglades International Logistics Center, LLC ("PEILC") for the development, design, construction, operations and maintenance of the improvements of the Port Everglades International Logistics Center (the "Project").

Mr. Eric D. Swanson was previously a member partner within the organization of TFIC and has since transferred all his membership interests in TFIC effective August 1, 2017. Remaining members of TFIC reside within the northeastern USA.

Mr. Eric D. Swanson is the sole member and authorized representative in DDG. DDG specializes in providing professional real estate services to clients and Mr. Swanson resides in South Florida.


TFIC does hereby agree to irrevocably and unconditionally assigns to DDG all its rights, liabilities, obligations and interest in the PreDevelopment Agreement (the "Agreement"). DDG will perform all Fee Development Services outlined within the Agreement on behalf of TFIC, and DDG will receive 100% of the PreDevelopment Fee and associated Monthly Accrual as outlined within the Agreement.

The assignment of the Agreement to DDG does not impact the ownership interest that TFIC has within PEILC and the associated leasehold interest in the Project.

In Witness Whereof, the parties have executed this Assignment Contract as of the latest date indicated below.

ASSIGNOR:

**TREADWELL FRANKLIN INFRASTRUCTURE
CAPITAL, INC. ("TFIC")**


By: 

Stephen R. Jones
Partner

Date: 11 December 2017

ASSIGNEE:

**DIVERSIFIED DEVELOPMENT GROUP, LLC
("DDG")**

By: 

Eric D. Swanson
Managing Member

Date: 10-13-17

COMMISSION AGREEMENT

(Transactional Broker)

THIS AGREEMENT is made this 2nd day of February, 2017 by and between Port Everglades International Logistics Center, LLC / PE-ILC (hereinafter called "Owner") and Florida Transatlantic Holdings, LLC (hereinafter called "Agent").

WITNESSETH

In consideration of the terms, conditions and covenants hereinafter set forth, the parties hereto mutually agree as follows:

1. Agreement to show the Property. Owner hereby permits Agent, as a Transaction Broker on a non exclusive basis, to show and present for sale the Leasehold Interest in real property and improvements commonly referred to as the "Port Everglades Logistics Center" and "FTZ Relocation Parcel" consisting of 16.657 acres, more or less, located between McIntosh Road and the ITCF Access Road, south of Port Everglades Building No. 30, as further described in Exhibit "A" attached hereto (the "Property"). Agent shall be a Transaction Broker for the Property.

2. Agent's License. Agent represents that Agent is a licensed real estate broker in the State of Florida and that such license is in good standing with the Florida Real Estate Commission.

3. Review of Project; Plans. In order to facilitate an efficient sale of the Property, the Owner agrees to provide Agent a complete set of Property Records, including but not limited to, copies of the Property's current title policy, survey, Condominium Documents if applicable, as-built building plans and specifications, environmental reports, and appropriate financial information and projections. Owner authorizes Agent to distribute the Property Records to prospective Buyers, as long as the prospective Buyers execute a confidentiality agreement or similar document, approved by the Owner, agreeing not to disclose the Property Records to third parties.

4. Commission.

(a) Agent shall notify Owner in writing of all buyers sent to the Owner as leads to purchase the Property. If the Property is sold to a buyer presented to Owner by the Agent, Owner agrees to pay Agent a sales commission equal to two percent (2.0%) of the Gross Sales Price for the Property. The commission shall be earned in full at the Property's closing. If a buyer first introduced to Owner by Agent for the Property later executes a purchase agreement with Owner at another property, Agent shall be due a full commission pursuant to the terms of this Agreement. Furthermore, the Owner shall not direct prospective buyer leads developed or provided by Agent to another property not represented by Agent, or represent such prospective buyer in a third party manner.

(d) In the event of termination of this Agreement, Owner shall remain obligated to pay Agent a full commission as to any buying prospect who was introduced to the Property by Agent,

and who executes a purchase agreement with Owner within one calendar year of the effective date of termination. Agent agrees to submit a list of any such buying prospects to Owner within 14 days following the effective date of termination of this Agreement.

5. Non-Circumvent. The Owner acknowledges that the sale of property to a party introduced to Owner by Agent or said parties' agents, employees, officers, directors, stockholders, partners, principals, parent companies, subsidiaries, personal representatives, heirs, consultants, attorneys, accountants, successors and/or assigns (a "Protected Party") is a business opportunity to Agent. Therefore, the Owner agrees not to circumvent, avoid, or bypass, directly or indirectly Agent for the purpose of avoiding payment of the Commission by entering into any agreement for the sale of the Property from a Protected Party that does not include the payment of the Commission. In the event Owner circumvents Agent in breach of this paragraph, Agent shall be entitled to a Commission in the amount of two percent (2.0%) of the gross purchase price for the Protected Party's Property transaction, with said two percent (2.0%) Commission being agreed upon as liquidated damages for the failure of Owner to perform the duties, liabilities and obligations imposed upon it by this Agreement. Owner acknowledges that this liquidated damages provision is acceptable because of the difficulty, inconvenience and uncertainty of ascertaining actual damages.

6. Term of Agreement: Termination.

(a) This Agreement shall remain in effect beginning on February 1, 2017 and ending on July 31, 2019 unless otherwise canceled or terminated pursuant to the terms hereof.

(b) This Agreement may be terminated for any reason whatsoever as of the last day of any month hereof by Owner upon at least thirty (30) days prior written notice to Agent. No cancellation by Owner shall be permissible within the first one hundred twenty (120) days of this Agreement unless a liquidated damage fee of \$100,000.00 is paid to Agent by Owner as reimbursement for Agent's substantial commencement costs.

(c) Agent may terminate this Agreement at any time by giving Owner thirty (30) days prior written notice.

(d) Either party shall have the right to immediately terminate for cause at any time during the term of this Agreement.

7. Transfer of Owner's Interest. In the event of a sale, transfer or other conveyance or disposition of the Owner's interest in the property, Owner or its successors or assigns shall continue to be responsible to pay Agent the commissions due pursuant to this agreement and all outstanding commissions shall be due and payable to Agent by Owner prior to closing. In addition, Owner shall obtain from the grantee of Owner's interest and deliver to Agent, a written agreement pursuant to which the grantee shall assume the Owner's commission obligations under this schedule.

8. Accurate Information. Owner agrees and understands that Agent and prospective buyers may or will rely on information supplied by Agent and Owner represents and warrants that all

information supplied to Agent by Owner is true and correct, constitutes full disclosure of all material facts and conditions concerning the Property, and Owner further agrees and understands that any statements or representations made by Agent to prospective tenants or others are and will be based solely upon the information supplied by Owner and information of public record and Owner specifically agrees to indemnify and hold harmless the Agent and others who are or may be misled by any incorrect information supplied by Owner.

9. Attorney's Fees. In the event of any litigation between the parties to this Agreement, attorney's fees and costs shall be awarded to the prevailing party, including attorney's fees and costs on appeal. Choice of Law for any disputes shall be Florida law and venue for any litigation arising out of, or in anyway connected to this Agreement shall be in Miami-Dade County.

Notwithstanding anything in this Agreement to the contrary, Agent may elect to submit any disputes, controversies, or claims between the parties hereto (or their heirs, successors, and assigns) arising out of this Agreement or the relationship created hereunder to arbitration pursuant to the applicable provisions of Florida law. Agent may elect to submit any dispute, controversy, or claim to arbitration either before or within twenty (20) days after any litigation is filed by Owner and Agent has been served with such litigation. The decision reached through such arbitration shall be binding and conclusive upon the parties hereto. In no event shall Agent be liable for punitive or exemplary damages. Service of Process upon Owner may be accomplished by certified mail, return receipt requested, with the date of service being three (3) business days from the date of posting.

10. Notices. All notices given or required by this Agreement shall be sent by United States Certified or Registered Mail or by receipted Federal Express delivery or other receipted overnight private carrier, addressed in the case of Owner to Port Everglades International Logistics Center, LLC (ATTN: Fred Rogacki, President) located at 3400 McIntosh Road, Building A, Ft Lauderdale, Florida 33316, and in the case of Agent to: Florida Transatlantic Holdings, LLC (ATTN: John Dohm, President), located at 6600 Cowpen Road, Suite 205, Miami Lakes, Florida 33014. Proof of the deposit of any such mail so addressed and with postage prepaid in the United States Mail shall constitute a conclusive presumption of its receipt by the addressee as of three days following its date of deposit in the mails or as of the next day if delivered by receipted overnight private carrier.

11. Right To Impose A Lien. The Florida Commercial Real Estate Leasing Commission Lien Act provides that when a broker has earned a commission by performing licensed services under a brokerage agreement with you, the broker may claim a lien against your interest in the property for the broker's commission. The broker's lien rights under the act cannot be waived before the commission is earned. In the event it shall be necessary to enforce collection of the payment of the commission or to enforce any provision of this agreement, all costs of collection, whether collected by suit or otherwise, including but not limited to any trial and appellate proceedings, including all attorney's fees, will be reimbursed to Broker. Broker is granted lien rights to secure payment, including the right to secure same against the property subject to this agreement pre-closing and broker may claim a lien against the owner's net sales proceeds upon sale. Exclusive jurisdiction of any dispute under this agreement or related to its negotiation or any transaction contemplated hereunder, shall be in the State Courts of Miami-Dade County, Florida. However, any lien actions



may be brought in the County where the subject property is located.

12. Indemnity By Owner. To the full extent permitted by law, Owner shall defend, hold harmless and indemnify Agent from any and all losses, claims, damages, or expenses, including attorneys' fee's and costs arising from any claim brought against Agent while carrying out its obligations under this Agreement or acting in accordance with the directions of Owner.

13. No Property Management. Owner understands that this Agreement is applicable to the sale of the Property and does not include any services or responsibilities on the part of Agent relevant to property management and/or operations of the Property.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties' hereto and there respective successors and assigns.

15. Entire Agreement. This writing constitutes the entire Agreement between the parties and it may not be modified, supplemented, or amended except by the instrument in writing executed by the parties.

Agreement agreed and executed as dated.

Date: 2/2/17

Owner:

Port Everglades International Logistics Center, LLC

By: 

Name: ERIC D. SWANSON

Title: MANAGING MEMBER

Agent:

Florida Transatlantic Holdings, LLC.

By: 

Name: John W. Dohm

Title: President / Broker / Managing Member

AGREEMENT FOR PRECONSTRUCTION SERVICES

THIS AGREEMENT is made and entered into this 8th day of June 2016, by and between, PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC. (hereinafter, "Owner"), whose principal office is located at 3400 McIntosh Road Bldg. A Fort Lauderdale, FL 33316, and ANF GROUP, INC., (hereinafter "ANF" or "Contractor"), whose principal office is located at 2700 Davie Road, Davie, FL 33314, the above jointly referred to as, "the Parties," for the performance of preconstruction services as described herein, and the Parties agree as follows:

WHEREAS, the Contractor intends to submit a Lump Sum Proposal to Owner for Preconstruction Services (described below) to be performed on a project generally described as the following: Construction of a 281,355 sf Warehouse and Offices called International Logistics Center, located in Hollywood, FL., including the associated site development.

WHEREAS, the Parties have not committed to an Agreement for the construction of the Project, yet, Owner wishes to move forward with certain preconstruction activities.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and other good and valuable consideration, as more fully described below, receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

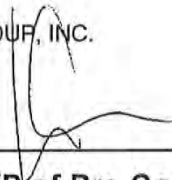
1. Contractor agrees to perform certain preconstruction services ("Preconstruction Services") in connection with the Project, including, but not necessarily limited to:
 - a) Attend Project design, planning, development, and review sessions as detailed in Exhibit B
 - b) Provide Detailed Cost Estimates
 - c) Provide Construction Schedules
 - d) Assist in the Value Engineering and Permitting
2. The Contractor shall not be required to provide professional services that would constitute the practice of architecture or engineering. Contractor performs its services in its' capacity as a Contractor, and not as a design professional.
3. Contractor shall proceed with the performance of the services hereunder in a prompt and diligent manner, and agrees to advise the Owner about any critical information, requirements or related detail that is provided to Contractor that affects, directly or indirectly, the development, scheduling or cost of the Project.
4. As full consideration for the performance of those services referenced herein, Owner agrees to pay Contractor all direct and out-of-pocket costs and fees incurred by Contractor reasonably associated with such work, per the attached EXHIBIT A. Contractor shall be paid as follows:
 - a.) Contractor shall submit an invoice to Owner, indicating the services performed and the charges therefore, which shall be, in the case of personnel, as set forth on Exhibit A hereto attached and made a part hereof.

- b.) Within twenty (20) calendar days after receipt of an invoice, Owner shall pay Contractor the full amount of the invoice. However, if Owner objects to all or any portion of any invoice, Owner shall notify Contractor within ten (10) calendar days from receipt of invoice of its objections; and both Parties shall immediately make every effort to settle the disputed portion of an invoice prior to the date that payment is due. In the event the settlement of a disputed portion of an invoice is not reached by the date that payment is due, then Owner shall not withhold the portion of the invoice that is not in dispute.
5. All reports, drawings, data sheets, recommendations, photographs, renderings, computer printouts, design criteria, calculations and material of a similar nature relating to the Project shall at all times be and remain the property of Owner. Contractor will comply with all reasonable requests of Owner so that Owner may protect and preserve all property interests of such materials and/or as herein conveyed. This paragraph shall survive any expiration or termination of this Agreement.
 6. This Agreement may be terminated by either party, without cause, upon 10 days advance written notice, at which time an accounting shall be provided to Owner, together with all documents and matters itemized in Article 5 above, and after payment by Owner to Contractor for services performed to date, less previous payments, if any, this Agreement shall be deemed cancelled. The terms of paragraphs 4, 5, 11 and 16 shall survive the termination of this Agreement.
 7. This Agreement shall have a maximum duration of four (4) months from the date of execution, and may only be extended by written consent of both Parties. Unless expressly stated therein, an extension shall not exceed 30 days.
 8. In the event of non-payment by Owner of any amount due ANF in accordance with the terms and conditions thereof, ANF reserves the right to suspend further work pursuant to this Agreement until all such payments are brought current.
 9. This Agreement represents the entire Agreement between the Parties hereto with respect to the matters covered herein. No other Agreements, representations, warranties or statements, whether oral or written, shall be binding on either party.
 10. This Agreement shall be effective and immediately binding upon execution by all parties hereto.
 11. This Agreement shall be construed, governed and enforced in accordance with the laws of the State of Florida. The federal and state courts located in Broward County, Florida shall be the sole and exclusive venue over any disputes arising under or related to the terms of this Agreement.
 12. Paragraph headings used in this Agreement are for reference only and shall not be used or relied upon in the interpretation of this Agreement.
 13. Any waiver or failure to enforce the terms of this Agreement by the Contractor shall not operate or be construed to operate as a waiver of any subsequent breach of such terms or any other terms of this Agreement.

- 14. The terms of this Agreement may be modified only by a written amendment signed by the Parties.
- 15. Until further notice, the Owner's representative for this Agreement shall be Eric Swanson. The Contractor shall report directly to Eric Swanson, Owner's representative.
- 16. All documents, materials, and/or any other matter provided to or discovered by Contractor relating in any manner to the Project (all such information to be "Confidential Information") are highly sensitive to the future success of the Project and, as such, shall remain confidential at all times. The Contractor may use such Confidential Information solely for the Contractor's performance of providing its services hereunder. Except as may be required by applicable law or by order of any court having direct jurisdiction over the Project or the Owner, the Contractor may not disclose any Confidential Information to any party outside of the scope of this Agreement. The obligations of this paragraph shall survive any expiration or termination of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives on the day and year above written.

ANF GROUP, INC.

By:  Luis Senra
Title: VP of Pre-Construction
Date: June 8th, 2016

PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC


By:  Eric D. Swanson - Managing Member
Date: 6-8-16

EXHIBIT A

PRE-CONSTRUCTION SERVICES FEES

1.0 COMPENSATION FOR PRECONSTRUCTION SERVICES BY HOURLY RATES

For any Services provided by the Contractor, the Contractor shall be compensated by multiplying the hourly rates set forth below by the actual number of hours devoted to the performance of Preconstruction Services by the following personnel:

PRECONSTRUCTION SERVICES PROJECT TEAM

Project Executive:	\$225/Hr
Vice President of Preconstruction:	\$175/Hr
Chief Estimator:	\$150/Hr
Estimator:	\$100/Hr
Estimating Coordinator:	\$65/Hr

This Preconstruction Fee shall not exceed \$200,000.00, unless expressly authorized, in writing, by PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER, LLC.

EXHIBIT B

SCOPE OF PRECONSTRUCTION SERVICES

A. Project Review

Throughout the preconstruction phase of the Project:

1. The Contractor shall attend all relevant design, planning, development, and review meetings as appropriate or as requested by Owner.
2. The Contractor shall provide the Owner a detailed estimate of each portion of the Project.

B. Estimates

The Budget Estimates described below apply to each portion of the Project.

1. Conceptual/Schematic Estimate: The Contractor shall prepare and submit to the Owner an estimate based on an Architect's schematic design and the Owner's written narrative and/or program. This estimate is to be prepared using historical data of similar construction projects and will be submitted with a complete price breakdown and detailed listing of qualifications and assumptions.
2. Design Development Estimate: The Contractor shall prepare and submit to the Owner a (DD) budget estimate based on the then-current design developmet drawings and specifications for the Project. This estimate will be prepared by performing a detailed review of the most current drawings and specifications. This estimate will be submitted with a complete price breakdown and detailed listing of qualifications and assumptions.
3. 50% Construction Documents Estimate: The Contractor shall prepare and submit to the Owner a detailed (CD) estimate based on the then-current construction drawings and specifications for the Project. This estimate will be prepared by performing a detailed review of the most current drawings and specifications. This estimate will be submitted with a complete price breakdown and detailed listing of qualifications and assumptions.

C. Additional Services

The Contractor shall:

1. Work with the Owner's designers, site planners, architects, civil engineers, landscape engineers, etc. to provide input, materials suggestions, and coordination services so that all parties can complete their work in a timely and professional manner.
2. Conduct constructibility reviews and assist the design team and Owner with value engineering information for all phases of the Project.
3. Assist in the preparation and development of a proper bid package/platform to allow for a professional development and construction bid process.
4. Prepare critical path schedules for all phases of the Project.



June 10, 2016

Port Everglades International Logistics Center, LLC
3400 McIntosh Road
Building A
Ft. Lauderdale, FL 33335

**RE: LETTER AGREEMENT ("Agreement") – PROPOSED DEVELOPMENT OF
PORT EVERGLADES INTERNATIONAL LOGISTICS CENTER**

Dear Fred:

Treadwell Franklin Infrastructure Capital ("**TFIC**"), a Delaware corporation with its principal place of business at 50 Pine Street, Suite 7, New York, NY 10005, has a significant interest in working with Port Everglades International Logistics Center, LLC ("**PEILC**"). PEILC, with the help and assistance from TFIC (the "**Parties**"), intend to develop the Project as described and in accordance with the general terms outlined below. The development, design, construction, operation and maintenance of the Improvements shall be referred to in this Agreement as the "**Project**".

1. Project:

The "**Project**" is defined as a new and modern International Logistics Center located at Port Everglades to replace the existing on-port FTZ facility and is intended to include (subject to changes incurred through the development process):

Site Area:	16.65 acres
Warehouse (sf):	250,477
Primary Office (3 story office sf):	34,992
Secondary Office (sf):	5,550
FTZ Office (sf):	<u>2,500</u>
Total Office (sf):	<u>42,588</u>
Total Building Area (sf):	293,065

2. Fee Development Services:

TFIC shall provide fee-based development services related to the development of the Project, and commensurate with goals and objectives desired by PEILC. Those services may include:

- a) Design analysis
- b) Overall management of the development team, including other third-party consultants, general contractor and subcontractors engaged in connection with the development of the Project
- c) Development of the financial model and provision of advice and opinions regarding the assumptions underlying such financial model and functional sufficiency thereof
- d) Development of presentation and analytical material for third-party lenders and/or potential bond holders
- e) Pursuit of financing commitments and negotiating terms and conditions thereof with third-party lenders and potential bond holders
- f) Management of marketing aspects of the Project, specifically leasing to potential tenants of Project



(TFIC-PEILC Agreement, cont'd.)

- g) Facilitation of entitlement and permit acquisition
 - h) Coordination and liaison services with governmental agencies related to the entitlement of, and interaction with the Project
- 3. PreDevelopment Fee:** TFIC proposes that a fee equivalent to Seventeen Thousand Five Hundred Dollars (\$17,500) per month, referred to as the "**PreDevelopment Fee**" shall be payable to TFIC during the initial term of this Agreement.
- The PreDevelopment Fee shall be paid from February 2016 until such time as equity for the Project is determined and closed. Once appropriate equity is in place, a true Development Fee for the construction of the Project shall be negotiated.
- a. Monthly Accrual:** TFIC shall receive Seventeen Thousand Five Hundred Dollars (\$17,500) payable the first of every month during the development of the Project.
- The PreDevelopment Fee may be accrued should PEILC decide to withhold payment until the appropriate equity investor is found to fund the Project and/or appropriate debt financing is placed and closed upon by the equity provider.
- 4. Expenses:** Reasonable and approved expenses by TFIC directly related to the Project and the Fee Development Services as described above shall be reimbursed by PEILC on a regular basis. Expense reports shall be submitted on a monthly basis with appropriate receipts and/or proof of payment and paid within fifteen (15) days of submittal to PEILC.
- 5. Initial Term:** The Initial Term of the PreDevelopment Agreement will be for a period beginning in February of 2016 terminating when appropriate equity and debt financing is placed.
- 6. Financial Model:** PEILC acknowledges that all intellectual property rights whatsoever and howsoever arising by virtue of any Financial Models provided by TFIC through the development of the Project are, and shall remain, the exclusive property of TFIC.
- No warranty is given by TFIC as to the adequacy, accuracy or completeness of information used as inputs in the Financial Model or the adequacy or suitability of such information for any purpose to which it may be applied by any party other than PEILC. PEILC expressly waives any claim against TFIC arising from their use or reliance on such Financial Model to the extent that such claim arises directly or indirectly from modifications made to the Financial Model by any person or party other than TFIC. Further, PEILC acknowledges that TFIC is not an accounting firm nor is TFIC providing any accounting or tax advice to PEILC.
- 7. Brokerage Commission:** PEILC and TFIC represent and warrant to each other that no person or entity is entitled to a brokerage commission fee, finder's fee or other compensation as a result of introducing the parties hereto or arranging for the Parties to enter into this Agreement.
- 8. Indemnification:** If a Party breaches any covenant or agreement contained in this Agreement, then such breaching Party shall indemnify and hold harmless the other Party for all losses, costs, expenses (including reasonable attorney fees and disbursements) suffered by the non-breaching Party as a result of such breach; provided, however, that in no event shall any Party be liable to, or required to provide indemnity

(TFIC-PEILC Agreement, cont'd.)

to and hold harmless the other Party for any indirect, punitive, incidental, special, exemplary or consequential damages. In addition, a Party may seek, and obtain, injunctive relief to enforce performance of the other Party's binding agreements hereunder.

- 9. Confidentiality:** This Agreement, the terms hereof and the transactions contemplated hereby, and any information provided by either Party or its authorized representatives or agents to the other Party or its authorized representatives or agents (collectively, the "**Confidential Information**") shall be kept in strict confidence by the receiving Party; provided, however, that a Party may disclose Confidential Information (i) with the prior written consent of the other Party; (ii) to its lenders, directors, officers, accountants, attorneys, advisors, employees, partners and potential partners, architects, planners, consultants and other representatives that are involved in connection with the consummation of the contemplated transaction (collectively, the "**Confidential Parties**") provided that any such Confidential Parties are informed of and required to comply with the provisions of this Section 12 (Confidentiality); and (iii) as may be required by court order, legal process or by other applicable law. The provisions of this Section 12 (Confidentiality) shall survive for a period of one (1) year after termination of this Agreement.
- Notwithstanding the foregoing paragraph, TFIC shall not be prohibited from disclosing or advertising, for the purpose of marketing and business development, its role and participation in the Project and this Agreement, provided the terms of the Agreement and commercial details of the Project shall remain confidential.
- 10. Governing Law:** The Parties agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida and that venue for any litigation of any disputes arising out of this Agreement shall be in the courts having jurisdiction in Broward County, Florida.
- 11. Counterparts:** This Agreement may be executed in any number of counterparts, each of which, when annexed to counterparts bearing the signatures of all of the other Parties, shall be deemed and treated as a fully executed, original copy hereof. Any executed counterpart hereof transmitted by facsimile or electronic mail shall be considered an original counterpart for all purposes hereof.
- 12. Entire Agreement:** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter and transactions described herein and any and all oral agreements, prior writings, and other evidence of accord or agreement among the Parties shall be deemed merged into and superseded by this Agreement.

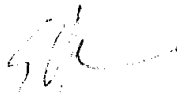
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(TFIC-PEILC Agreement, cont'd.)

If the foregoing terms and conditions are acceptable to PEILC, kindly acknowledge your acceptance by executing and returning a signed copy of this Agreement.

Very truly yours,
Treadwell Franklin Infrastructure Capital
A Delaware Corporation

Accepted and Agreed,
Port Everglades International Logistics Center, LLC
A Florida LLC

By:  _____
Stephen R. Jones
Partner

By: _____
Fred Rogacki
Manager

Date: June 10, 2016

Date: _____


(TFIC-PEILC Agreement, cont'd.)

If the foregoing terms and conditions are acceptable to PEILC, kindly acknowledge your acceptance by executing and returning a signed copy of this Agreement.

Very truly yours,
Treadwell Franklin Infrastructure Capital
A Delaware Corporation

Accepted and Agreed,
Port Everglades International Logistics Center, LLC
A Florida LLC

By: _____
Stephen R. Jones
Partner

By: 
Fred Rogacki
Manager

Date: June 19, 2016

Date: 6/11/16