



December 14, 2017

City of Ft. Lauderdale
Attn: Ryan Henderson
100 North Andrews Ave.
Fort Lauderdale, FL 33301-1016

Re: Letter of Intent to Purchase approximately 28.43 located at 4030 South State Road 7, Dania Beach, FL 33314 and further described below. (the "Property")

Dear Mr. Henderson:

This letter of intent outlines the basic terms under which Prologis, L.P. or its designated assignee ("Purchaser"), is prepared to provide consideration for the right to purchase the Property from the City of Ft. Lauderdale ("Seller") and to commence negotiations on a mutually acceptable Purchase Contract (the "Agreement") for the Property.

Prologis Inc. (NYSE: PLD), the parent of Prologis, L.P., is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of September 30, 2017, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 687 million square feet (64 million square meters) in 19 countries. Prologis leases modern distribution facilities to a diverse base of approximately 5,200 customers within 3,307 facilities across two major categories: business-to-business and retail/online fulfillment.

Furthermore, Prologis Inc. has an A-/A3 credit rating, \$1.9B in annual operating income, \$77B assets under management, and voted 100 most sustainable companies globally.

Locally, Prologis (or its affiliates), own 4.2M square feet of logistics space within 44 buildings currently occupied by over 140 customers.

1. Buyer: Prologis, Inc. and/or assigns
2. Seller: City of Ft. Lauderdale
3. Property: The land and improvements defined by the Broward County Property Appraiser as folios # 5041 25 16 0010 and 5041 25 16 0020 more commonly known as 4030 South State Road 7, Dania Beach, FL, 33314. Further Property reference is found on the Fort Lauderdale Sludge Plant Plat located in Book 121 on Page 34.
4. Use: Planned use is warehouse, distribution, logistics.
5. Purchase Price: The purchase price for the Property (the "Purchase Price") shall be Twelve Million Five Hundred Thousand and 00/100 dollars (\$12,500,000).
6. Closing: The closing of the purchase and sale of the Property shall take place Thirty (30) days following expiration of the Due Diligence Period.
 - a. At the closing, title to the Property will be conveyed by Seller to Purchaser in fee simple absolute, subject only to real estate taxes not yet due and payable, and such other exceptions to title as have been disclosed to and approved by Purchaser.

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- b. Seller shall pay all transfer taxes and stamp taxes.
- c. Purchase shall pay recording fees (other than the cost of recording any materials to cure any title matters, which Seller has elected, or is obligated, to cure under the Agreement).
- d. Other similar costs in connection with the transfer of the Property to Purchaser shall be paid in accordance with local practice in Broward County, Florida, or as agreed in the Agreement.
- e. Income and expenses shall be apportioned between Seller and Purchaser as of the closing, with the day of closing being a day of income and expense to Purchaser. Purchaser shall receive a credit for expenses applicable to Seller's period of ownership and not paid as of closing, including real estate taxes and assessments, whether or not then due and payable. Uncollected income shall not be prorated at closing. If the actual amounts of such items are not known at closing, such items shall be apportioned as of the closing based on estimates and re-prorated when the actual amounts are determined.

7. Purchase Contract (Agreement): The Agreement form shall be the Commercial Contract provided by Colliers International (file titled 12-5-17 Sludge Plant Contract.pdf) with the exceptions/exclusions/revisions stated in Exhibit A – Purchaser Contract Revisions attached hereto.

8. Earnest Money Deposit: Buyer shall within 72 hours of formal award deposit with escrow agent an earnest money deposit in an amount equal to 15% of the Purchase Price ("Deposit"). The Deposit, upon acceptance of the Inspection Period shall be nonrefundable unless Seller fails to fulfill Sellers obligations, but applicable to the Purchase Price if the transaction closes.

9. Due Diligence Period.

a. Purchaser will have a due diligence period of sixty days (60) (the "Due Diligence Period"), commencing on the mutual execution of the Agreement with all approvals from the City of Ft. Lauderdale Commission, to be satisfied in all respects with the Property, including the physical condition of the Property, likelihood of obtaining governmental approvals and entitlements, adequacy of utilities, and the Property's suitability for Purchaser's intended use thereof. If Purchaser is not satisfied with the Property in its sole discretion, it may elect, on or before the expiration of the Due Diligence Period, to terminate the Agreement.

b. From and after mutual execution of this letter and during the pendency of the Agreement, Purchaser or its agents or representatives shall have the right to inspect the Property and make tests thereon for the purpose of satisfying itself regarding the physical condition of the Property and its suitability for Purchaser's intended use thereof. Upon the completion of any such inspection or test, Purchaser shall restore the Property to substantially the same condition as existed prior to such inspection or test. Purchaser shall indemnify, hold harmless and defend Seller from any loss, cause of action or claim arising out of or resulting from Purchaser's actions under this subparagraph.

10. Brokers. It is understood and agreed that Colliers ("Broker") exclusively represents Seller and no other broker has been involved in the contemplated sale. The successful bidder / purchaser will be required to pay a brokerage commission of 4.0% of the purchase price which shall be added to the purchase price as a Buyer expense at the time of the closing.

11. Legal Effect.

a. Purchaser and Seller each acknowledge that a transaction of this type involves terms and conditions which have not yet been agreed upon and that this letter is in no way intended to be a complete or definitive statement of all the terms and conditions of the proposed transaction, but contemplates and is subject to the negotiation and execution of the Agreement. Any actions taken and expenses incurred prior to entering into an Agreement are taken at a party's own risk, and will not be deemed to evidence the existence of a contract, nor shall they give rise to any claim against the other,

including without limitation, any claim for reimbursement of such expenses. The parties each expressly assume the risk that during any negotiation they may incur fees and expenses, or that they may forego other business opportunities or transactions, as a result of the transaction contemplated herein. The fact that either party may incur such expenses, or forego such opportunities, shall not, under any circumstances, give rise to a claim against the other.

b. Prior to the execution of the Agreement, this letter of intent constitutes the entire understanding and agreement between the parties concerning the proposed transaction and the terms of this letter of intent may not be modified, revised, waived, or voided except by an express written instrument executed by both parties. Upon execution of the Agreement, this letter of intent shall terminate. If no Agreement is executed within 30 days, this Letter of Intent shall terminate.

12. 1031 Exchange. Purchaser may consummate the sale contemplated by the Agreement through a like-kind exchange (the "Exchange") pursuant to Section 1031 of the Internal Revenue Code. The Purchaser would effect the Exchange through a qualified intermediary and the Exchange shall not modify the parties' liabilities or obligations under the Agreement.

If the foregoing is acceptable, please evidence your acceptance by executing a copy of this letter and returning it to us by email or facsimile transmission or otherwise within 30 days of the date of this letter of intent. We look forward to working with you to successfully complete this transaction.

Prologis, L.P.

By: Prologis, Inc., its general partner



Name: Denver L. Glazier II
Its: Vice President, Investment Officer
Date: December 14, 2017

ACCEPTED AND AGREED TO THIS ____ DAY
OF _____, 2017

City of Ft. Lauderdale

By: _____
Name: _____
Its: _____
Date: _____

EXHIBIT A

- Section 2 – use the following for the Escrow Agent/Title: First American Title Insurance Company, Attn: Heather Kucala, 101 Mission Street, Suite 1600, San Francisco, California 94105, Telephone/Email: 415/837-2295 / hkucala@firstam.com
- Section 4(b) – Replace with the following: “The consummation of the transaction contemplated herein (“Closing”) shall be done through the mail, with both parties delivering to the Escrow Agent all closing deliverables on or before the Closing Date. Closing shall occur through an escrow with the Escrow Agent. Funds shall be deposited into and held by Escrow Agent in a closing escrow account with a bank satisfactory to **Buyer** and **Seller**.”
- Section 6 and Section 3.1 of the Addendum – we require a Special Warranty Deed instead of a Quitclaim Deed.
- Section 6(c) – change checked box to “such encroachments will constitute a title defect to be cured during the Curative Period.”
- Section 7(b) (2) – revise the clause to read “(2) **Buyer** will, at **Buyer’s** expense, release to **Seller** copies of all final third-party reports, studies and surveys generated as a result of the Inspections of the Property, without any representation as to the accuracy or thoroughness of such materials or **Seller’s** right to rely thereon.”
 - Add the following at the end of Section 7(b) – “If **Buyer** gives a termination notice on or before the end of the Due Diligence Period, this Contract shall terminate pursuant to this Section 7(b), the Deposit shall be refunded to **Buyer** immediately upon request, and all further rights and obligations of the parties under this Contract shall terminate except as otherwise set forth in this Contract.”
- Section 8 – change the checked box to “only with **Buyer’s** consent.”
- Section 13 – delete “other than failure to make the title marketable after diligent effort” and reinsert “specific performance”.
- Section 18 – add “without **Seller’s** consent” after “related entity.” Add the following at the end of the Section: “For the purposes of this Section 18, the term “related entity” means (a) an entity that directly or indirectly controls, is controlled by or is under common control with the **Buyer**, or (b) an entity at least a majority of whose economic interest is owned by **Buyer**; and the term “control” means the power to direct the management of such entity through voting rights, ownership or contractual obligations.”
- Section 1 of the Addendum – delete the reference to a reservation of an ingress and egress easement.
- Section 1.2 of the Addendum – delete in its entirety.
- Section 3.1 of the Addendum – delete “and shall be subject to ingress and egress easement in favor of the City and Broward County, Florida”
- Add the following at the end of Section 7 of the Addendum – “If **Buyer** gives a termination notice on or before the end of the Due Diligence Period, this Contract shall terminate pursuant to this Section 7 of the Addendum, the Deposit shall be refunded to **Buyer** immediately upon request, and all further rights and obligations of the parties under this Contract shall terminate except as otherwise set forth in this Contract.”
- Section 9 of the Addendum – delete reference to reservation of “easement rights”
- Section 13.1 – Add the following at the end of the section: “The representations and warranties set forth in this Section 13.1 are made as of the Effective Date and are remade as of the Closing Date and shall not be deemed to be merged into or waived by the instruments of Closing, but shall survive the Closing for a period of 1 year. **Buyer** shall have the right to bring an action thereon only if **Buyer** has given **Seller** written notice of the circumstances giving rise to the alleged breach within such 1-year period.”
- Section 13.2 of the Addendum – add the following at the beginning of the provision: “Subject only to obtaining certain internal approvals on or before the expiration of the Due Diligence Period,”
- Section 15 of the Addendum – Notice for Buyer:

Prologis (“**Buyer**”)

c/o Prologis, Inc.

Attn: Denver Glazier, Megan Robert, Leslie De Haas, Jake Ross and Laura P. Anderson

1800 Wazee Street, Suite 500

Denver, Colorado 80202

Telephone/Email (DG): 305/392-4275 / dglazier@prologis.com
Telephone/Email (MR): 303/567-5613 / mrobert@prologis.com
Telephone/Email (LDH): 303/567-5207 / ldehaas@prologis.com
Telephone/Email (JR): 303/567-5985 / jross@prologis.com
Telephone/Email (LPA): 303/567-5415 / lpanderson@prologis.com

- Section 23(m) – add the following: “The form of the Lease shall be negotiated in good faith by the parties during the Due Diligence Period.”
- Section 23(n) – Delete the second sentence and replace with the following: “Seller expressly waives: (i) all rights to enter upon or otherwise utilize the surface of the Property or any area below the surface of the Property at a depth of less than 500 feet; and (ii) any use that would adversely affect the structural integrity of any improvements now or hereafter located on the Property.”
- Add the following to the Addendum:

“Conditions to Buyer’s Obligations. In addition to all other conditions to Closing provided in the Contract, the Closing and **Buyer’s** obligation to purchase the Property are subject to the satisfaction of the following conditions or **Buyer’s** written waiver of such conditions on or before the Closing Date. **Buyer** may waive in writing any or all of such conditions in its sole and absolute discretion. Failure of any condition to close of **Buyer** shall entitle **Buyer** to an immediate refund of the Deposit.

Concurrently with the Closing the Title Company shall issue, or shall have committed in writing to issue, to **Buyer** an Owner’s Title Insurance Policy for the Property effective as of the Closing Date, subject only to the Permitted Exceptions and including such additional coverage (such as extended ALTA policy form and/or endorsements) as otherwise committed in writing by the Title Company within the Due Diligence Period.

Seller’s representations and warranties contained herein shall be true and correct in all material respects as of the date of this Contract and the Closing Date”