

Summary of County Options in the New Smith's Ground Lease

If at least 35,000 sq ft of the Subsequent Development is not completed by 9/24/17 then at the County's sole option either:
(note - this milestone has not been met)

- A Shall notify Lessee of a time period of at least an additional 24 month under which the Lessee must construct at least 35,000 sq ft - "Extended Subsequent Development Phase Period",
or
- B Shall make a written request to Lessee that Lessee has 60 days to submit to the County amended plans for completion of the Undeveloped Portion of the minimum required 35,000 sq ft.

During the 60 day period, Lessee, in its sole option, shall submit amended plans and propose a date for completion - "Amended Plan for Completion"

Note: - there is no timeline defined for the County to initiate A or B

Then,
IF

1. Lessee does not complete as specified in A,
or
2. Lessee does not timely submit the Amended Plan for Completion in B,
or
3. The County in its sole option rejects the Amended Plan for Completion,

the County has the right to develop, at its sole cost and expense, the Undeveloped Portion "County Development Option".
This option expires on 9/24/24. (12th anniversary of the effective date)

Terms of County Development Option

Once County commences development, Lessee stops paying rent on that portion of the site.

County can collect rents from that portion of development to recover costs plus a 10% return.
After that, development reverts back to Lessee, and Lessee resumes paying rent on that portion.

Lessee shall manage any developed property for a fee of 4% of the associated new rents.