

PARKING GARAGE LEASE AND DEVELOPMENT AGREEMENT

OVERVIEW

(11/5/14)

- I. Project Specifications
 - a. Minimum 750 spaces (includes 150 for Hotel and 150 for Potter County)
 - b. Retail space on first floor = 24,000 to 32,000 square feet
- II. Parties
 - a. Land owner—City of Amarillo (Granted Prime Lease to LGC to develop the project)
 - b. Landlord – Amarillo Local Government Corp.
 - c. Tenant- Wallace Bajjali Development Partners, LP
 - d. Retail—subtenant of Tenant
- III. Term
 - a. Single term of 40 years
 - b. No renewals
 - c. Terminates if Tenant does not timely develop the retail: by third anniversary of garage opening, commence build out; by fifth anniversary have 25% under active lease; by sixth anniversary have 50% under active lease; and, by seventh anniversary have 80% leased.
- IV. Mortgage Security
 - a. The Tenant may mortgage its leasehold interest in the project
 - b. City's fee title in the land cannot be mortgaged or encumbered
- V. Basic Structure of Document
 - a. 1st Phase = construction document
 - b. 2nd Phase = lease of property
 - c. 3rd Phase = operating and maintenance agreement
- VI. Rent and Other Consideration
 - a. Tenant to pay LGC \$1.00/sf for Retail space as it builds-out
 - b. Rent adjusts each year by the increase in Consumer Price Index
 - c. Tenant to pay property taxes, if not tax exempt
 - d. Tenant to maintain and operate the retail space, and retain all retail rent revenue
 - e. LGC will maintain and operate the parking facility, and retain all parking revenue
- VII. Operating Standard

Retail space and Garage will be maintained consistent with reasonable and prudent operator of a comparable property
- VIII. Conditions to Commence Construction
 - a. Tenant obligations/LGC Approvals
 1. Approval of budget
 2. Approval of Project schematics, Site Plan, Elevations, etc.
 3. Approval of draw schedules, fees, etc.
 4. Approval of contracts for architect & general contractor (includes LGC step-in)
 - b. LGC obligations
 1. Obtain and keep the Prime Lease with City for the land
 2. Obtain and approve a signed contract for the Hotel project (NewCrest Image)
 3. Approve/Aid in obtaining economic incentive agreements:
 - (i) Center City funding for streetscape
 - (ii) TIRZ streetscape grant
 - (iii) TIRZ rebate of property tax paid
 - c. Financing

City is to have it financing in place to fund construction and assign proceeds to LGC. (The City anticipates issuing debt for the construction for the parking garage. The Potter County participation in the amount of \$1,089,124 will offset or reduce the debt issued.)

- IX. Default
 - a. Requires Tenant and subtenants to maintain retail space to operating standards
 - b. Allows step-in to leasehold by any mortgage holder interest, if Tenant defaults on that obligation
 - c. Various remedies for LGC, including termination, subject to prior notice to Tenant & opportunity to cure.

- X. Construction Schedule
 - a. Commence by 30th day after Conditions met & site is free from laydown use by Hotel project.
 - b. Substantial Completion: the earlier of 12 months after start or 30 days prior to Hotel opening
 - c. Mandatory Substantial Completion is 12 months after start or 10 days prior to Hotel opening
 - d. Final Completion is not later than 60 days after Substantial Completion
 - e. \$1,000 per day penalty if fails to meet the Substantial Completion deadline.

- XI. Transfers
 - a. Foreclosure of leasehold by lender is a permitted transfer (no Landlord approval required)
 - b. Transfer of Lease requires Landlord approval
 - c. Transfer of interests in WB or change in control of WB requires Landlord consent.

- XII. Miscellaneous provisions
 - a. Bonds-on construction phase
 - b. Insurance—construction phase and the operation/maintenance phase
 - c. Cancellation of relevant provisions of the Master Development Agreement; continuation of:
 - (i) MPEV provisions
 - (ii) Hotel provisions (until separate Hotel LDA is signed by Newcrest or affiliate)
 - (iii) Non-compete clause for Hotel (per Hotel LDA)