



**Non-Binding
Proposal to Lease and Operate (“Proposal”)**

Between

THE CITY OF ST. PETERSBURG, FLORIDA, a Municipal Organization (“MO”)

And

SH MARINAS, LLC, a Delaware limited liability company (“SH”)

EXECUTIVE SUMMARY

Over the past 3 years, Safe Harbor Marinas has amassed the largest portfolio of marina assets in North America. Backed by our majority shareholders and equity sponsors, American Infrastructure Funds and supported by others, we have acquired 80 marina assets. Our sponsors have tasked Safe Harbor with continued growth through acquisition, and we have substantial and immediately available capital to invest in the space.

SH currently operates the Harborage Marina there in St. Petersburg and has done so for many years. Harborage is a facility that is leased to the operator by MO on a long term basis whereby the operator is responsible for the operations of the facility as well as making certain capital investments into the facility during such lease term. This operating lease is the catalyst for our proposed agreement with MO outlined below. Given SH’s longstanding operating relationship with MO, SH is very familiar with the local community, boating and otherwise, and it is a community we are thrilled to be a part of. It is SH’s understanding that the marina currently operated by MO, known as St. Petersburg Municipal Marina (“SPM”), is in need of renovation and repair and that such renovation and repair would present a great expense to MO. We feel SH is uniquely positioned to help MO achieve such a renovation all while providing MO the premium first class facility they deserve and allowing MO to reallocate funding to other critical projects of near term importance.

In an effort to provide the highest level of service for the boaters and residents of MO as well as to continue to expand the growing Safe Harbor network with first class marinas, SH is interested in a partnership with MO. With this stated objective, SH is proposing to enter into an operating lease for SPM, with MO, for a total term of 30+ years, by way of both initial term and extension options. In consideration of such a lease, SH would commit to providing the necessary capital for the proposed renovation as contemplated herein and reasonably approved by MO. A plan such as this would free up MO funds to be appropriated to other high-priority projects, as well as provide MO with strong recurring rental payments and a premier marina facility within the Nation’s largest network of marinas and boaters.

In this arrangement, SH is able to put capital to work and gets the opportunity to further expand its growing network of marinas by adding a premier destination marina to our portfolio. Meanwhile, MO will get a fully renovated and expanded marina operated by the most experienced management team the industry has to offer, as well as a long-term partner that will operate the marina to its fullest with the highest level of customer service the industry can provide.

Certainly a proposal like this may garner more discussion and thought by MO and SH, but if the general proposed terms below would be of interest to MO, we would welcome the opportunity to discuss further and work thru any other details at MO’s convenience. Thank you for your consideration of our partnership proposal. We certainly share MO’s vision for what SPM could be, and we look forward to your feedback and remain hopeful that SH might form a longstanding

and fruitful partnership with the City of St. Petersburg. This Proposal seeks to describe the general business terms upon which MO and SH or its affiliate (together, the "Parties") would consider entering into certain contract(s) and/or definitive agreement(s), including the Lease referenced below (collectively, the "Agreements"), governing the relationship between the Parties with respect to SPM and the related real estate and equipment operated by MO. The purpose of the Lease shall be to ensure that the St. Petersburg community is provided with the highest quality recreational boating and water access via a marina that is operated professionally well into the future by the largest and most reputable marina company in North America.

GENERAL TERMS

1. Lease by SH of SPM from MO:

- a. SH, as tenant, will enter into a lease (the "Lease") with MO, as landlord, for an initial Lease term of 5 years.
- b. During the initial Lease term, MO and SH shall work in good faith to secure and document a new long term Lease and/or extension of the Lease. For clarity, SH is ultimately seeking 30+ year lease term, understanding, however, that leases of that length must be obtained through the proper municipal processes and/or referendum.
- c. The Lease and/or Agreements will provide SH with (i) necessary parking, signage and access rights on and/or across MO's other properties and (ii) the right to mortgage its leasehold estate and will provide for customary leasehold mortgage rights. The Parties acknowledge that the detail around these provisions shall be more specifically defined in the Lease and/or Agreements.
- d. SH shall have the right to set rates for the rental of wet slips so long as the annual rates are not increased by more than 3% over the prior year's wet slip rates. In years 3, 4 and 5 of the lease (including any extensions thereof), and provided that Renovation construction has commenced, SH shall have the right to set rates for the rental of wet slips so long as the annual rates in those lease years 3, 4 and 5 are not increased by more than 12% over the prior year's wet slip rates. For clarity, the wet slip rates may be increased beyond the respective thresholds reflected in this Paragraph 1(d) only with prior approval by MO.
- e. SH shall undertake to offer employment to the existing management and staff in place, specific to SPM, provided that the current SPM management and staff are legally able to be hired and employed by SH and further provided that any prudent employer would continue to employ the same.

2. Dock Renovation & Replacement:

- a. The Lease shall provide for the framework and timing, under which SH will commit to a phased approach to renovate and replace the docking infrastructure for the South Basin and Central Basin as shown and generally described for illustrative purposes in "Exhibit A" and attached hereto (the "Renovation"). SH shall bear responsibility for planning and financing the Renovation and MO shall have authority to approve such Renovation plans prior to installation, which approval shall not be unreasonably withheld, conditioned or delayed. SH will be responsible for any cost overruns exceeding the aggregate \$30 million.
- b. The design, approvals, permitting and entitlement process is anticipated to be complete within the first 12 months of the Lease. MO shall cooperate and commit to use

commercially reasonable efforts in assisting SH in obtaining the necessary permits and entitlements mentioned above, at SH's expense, in a timely manner.

- c. Renovation construction shall commence once the proper approvals and entitlements have been obtained by SH.

3. Rent Terms:

From commencement of the Lease and continuing for the entire term of the Lease including all renewals and extensions thereof, SH shall pay to MO an annual amount (the "Rent") equal to fifteen percent (15%) of annual Gross Revenues (defined below) collected by SH thru operation of SPM. For purposes of this Proposal and the Agreements, Gross Revenues shall be defined as the sum of all monies collected by SH thru operation of SPM, excepting however, that all fuel sales and retail sales shall not be included in the calculation of Gross Revenues for purposes of calculating the Rent.

4. Termination & Cancellation:

Following the 3rd anniversary of the Lease (including any extensions or renewals thereof) until such time as the Parties may execute a replacement long-term Lease, MO shall have the right conditioned upon 12 months advance written notice to SH and payment of the Termination Fee (described below), to terminate the Lease without cause subject to termination and cancellation provisions to be further defined in the Agreements (the "Early Termination Right"). If either (i) MO wishes to exercise the Early Termination Right or (ii) MO declines to grant SH's request to extend/renew the Lease at the end of the then-current term on the same terms as the original Lease and, as a result, the term of the Lease expires prior to the date on which SH has achieved a fifteen percent (15%) annual rate of return ("ROR") on its invested capital related to SPM, then, provided no uncured defaults by SH then exist under the Lease (beyond any applicable notice and/or cure periods), MO shall pay SH an amount necessary for SH to achieve a 15% ROR on its invested capital (the "Termination Fee"), provided that in no event shall the Termination Fee exceed \$38,000,000.00. The calculation of the Termination Fee shall be more fully described in the Agreements and will take into account the timing of SH's capital expenditures and expenses incurred in connection with the Renovation plan (including but not limited to capital expended for design, planning, permitting and construction expenses) and the timing of any distributable cash received from the SPM after payment of all current obligations of SPM (including a 5% management fee). The payment of the Termination Fee shall require the completion of both the Central Basin and the South Basin renovations. The Termination Fee shall not apply in the event the early termination is for cause, which language shall be more further defined in the Agreements. Failure of a Referendum to provide a long-term lease does not constitute a right of automatic termination. If a Referendum authorizing a long-term lease of at least 25 years passes, MO and SH will develop a new long-term lease under the same terms and conditions of the then existing lease agreement but without a Termination Fee.

5. Process:

Upon full execution of this non-binding Proposal, SH will cause the Agreements to be drafted for the review by the Parties.

Each of the Parties agrees that a transaction of the type contemplated by this Proposal involves additional material terms and conditions not set forth in this Proposal, and agree that neither Party will be legally bound by the terms of this Proposal or obligated to engage in any transaction with the other Party.

If this Proposal represents your understanding of the intended relationship between the Parties, please acknowledge by your signature below:

SH MARINAS, LLC

THE CITY OF ST. PETERSBURG

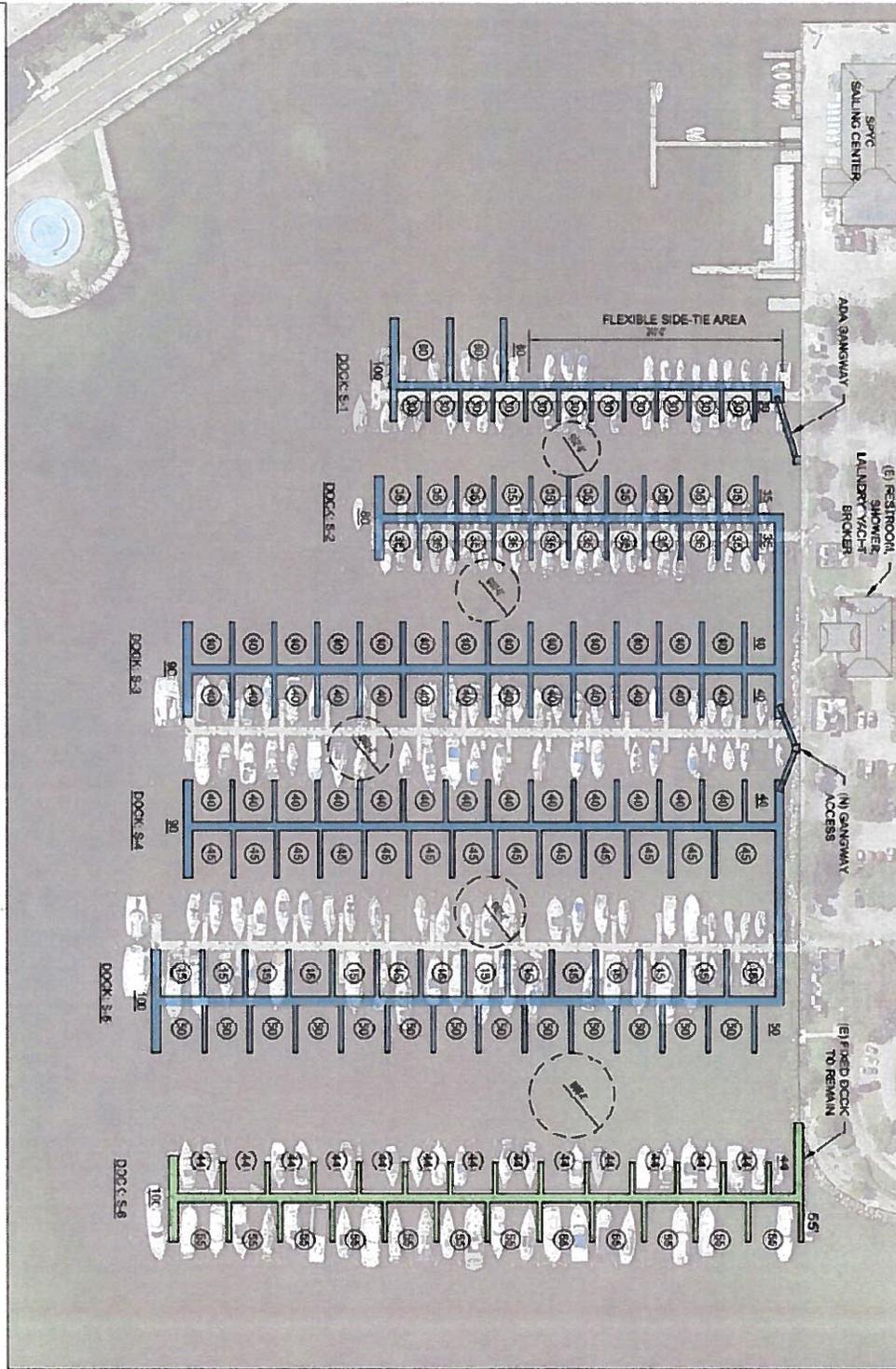


Jason Hogg
Sr. Vice President, Investments

Rick Kriseman
Mayor

EXHIBIT A

Marina Renovation (South Basin)



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THIS DOCUMENT CREATES NO LEGAL OBLIGATION FOR THE PARTIES HERETO

Marina Renovation (Redevelopment Plan)

Safe Harbor Marinas (SHM) has developed concept level marina layouts for both the South and Central Basins. The plans provided to the City are intended to form the basis of a conversation and not intended to be the final proposed concept. To this end, we believe these layouts to be fluid and subject to inputs from both SHM and the City.

South Basin:

Concept aims at removal of all fixed docks with the exception of the presently named 'Dock 5', which is found to be of newer construction and meets modern slip design parameters. All remaining fixed docks would be removed and replaced with floating docks in a similar shore perpendicular format with berths sized between 30' - 50'. Further, we have proposed to consolidate gangway access points to (2) locations serving Docks 2 through 6 and Dock 1 respectively, the latter being an ADA compliant gangway.

Central Basin:

Concept aims at removal of all individual berths and the repair and reuse of main access piers and amenity centers within the northern half of the basin. All existing covered and uncovered berths within the southern basin shall remain. We are of the understanding that reuse of existing infrastructure will ultimately be determined by floodplain management review which leaves this concept direction fluid.

In general terms, the Central Basin concept seeks to segregate specific user groups (transient, seasonal, commercial, and mega yacht) as means of improving operational efficiency. For instance, transient and commercial berths have been located directly adjacent to the seawall in closest proximity to 2nd Ave and the redeveloped Pier. Mega yacht berths have been sighted within the center portion of the basin to best utilize common turning radii.

Materials

We have discussed our consideration of materials specific to floating dock construction, which includes concrete and aluminum. SHM identifies that concrete floating docks have been accepted industry wide for their stability, feel, and look. Aluminum dock design has made strides in durability and aesthetic in recent years and we feel strongly that it is an option that we would strongly consider for this application as a direct alternative to concrete without any compromises. Further, it would be our perspective to integrate hardwood-decking (ipe) in the event an aluminum product was determined to be the most acceptable application for redevelopment. Anchor piles would be square reinforced concrete throughout.

New utility centers shall be included and specified according to vessel sizes. This will include a minimum of 100 amp service for all dedicated mega yacht berths, 50 amp service for all 45' and greater berths, and 30 amp service for smaller berths. Improved wifi shall be included in all areas of the facility. Improved video surveillance infrastructure shall be included in the redevelopment plan to enhance the safety of marina patrons.

Gangways shall be aluminum framed with integrated lighting. Further, we believe that security features will be paramount to improved offerings at the facility. To this end, gates with FOB access shall be sighted at each dock entry point. Specific to gate entry points, we seek to utilize tempered glass paneled enclosures as means of providing simple and streamlined design that does not limit visibility.

Permitting

We are of the understanding that permitting the proposed conditions shall conservatively take between 12 - 18 months. Our permit phase shall commence with the development of schematic level plans which include marina layouts, cross sections, and elevations. This initial phase is generally high level and sufficient for approvals at the local design review level, DEP, and Army Corps of Engineers. Feedback gained through the initial process would be folded into construction level plan development in which specific design parameters will be detailed. This second phase will be utilized to gain construction permits at the City level.

Construction Phasing

The absolute goal for a project of this magnitude will be to minimize disturbances to marina operation, as it will continue to operate during construction. We have discussed initiating the project within the central basin. To facilitate this, temporary docks would be installed within the South Basin and extend from the (2) westernmost T-Heads. This will allow for vessels to be removed from specific areas of the Central Basin, relocated while demo and installation commences, and then relocated back to the newly installed berths. This process would be repeated until the project is concluded in the South Basin.

We will need to consider and develop a plan for construction staging, whereas an area capable of receiving and staging materials shall be determined. Discussions on this front will need to occur in the very early stages of project development.