



March 1, 2023

Via Certified Mail - Return Receipt Requested

Mr. Philip Maroney, President
Root Riverfront Partners, LLC
Root Real Estate Corp.
275 Clyde Morris Blvd.
Ormond Beach, FL 32174

**RE: River to Sea TPO Lease Termination
2570 West International Speedway Blvd., Suite 100, Daytona Beach, FL 32114**

Dear Mr. Maroney,

Per the Notice of Lease Termination dated December 29, 2022, which was received via certified mail on January 2, 2023, the River to Sea Transportation Planning Organization (TPO) has vacated the premises in the Indigo Professional Center building located at 2750 West International Speedway Boulevard, Suite 100, Daytona Beach, FL 32114 on February 28, 2023. As stated in the Notice of Lease Termination, the Landlord, Root Riverfront Partners, LLC, determined that damage sustained to the building from tropical storm events over the past year could not be repaired within 120 days and accordingly was terminating the lease with the River to Sea TPO pursuant to Section 16.C of the lease agreement.

The TPO originally entered into a lease agreement with Root Riverfront Partners, LLC on March 27, 2006, and had been a tenant for the past 17 years, occupying two different spaces within the Indigo Professional Center building. The terminated lease between Root Riverfront Partners, LLC and the River to Sea TPO was not set to expire until April 1, 2028.

The early termination of the River to Sea TPO lease on February 28, 2023, did not occur without damage to the TPO. As you know, our organization has a unique space requirement to hold large board and committee meetings that could accommodate up to 50-60 people in attendance. The leased space within the Indigo Professional Center had been built out to accommodate these large meetings. Finding a similar size and functioning space that was already built out to meet our needs on such short notice was not realistic. Accordingly, the TPO will incur expenses to move twice in order to continue operating as we have over the past 17 years in the Indigo Professional Center. Additionally, in 2018 and 2020, the River to Sea TPO completed office renovations to improve the leased space with the expectation that the TPO would occupy the office space until 2028, per the lease agreement. With the early termination of the lease, the full value of those improvements was not realized.

Beverly Beach	DeBary	Flagler Beach	New Smyrna Beach	Palm Coast	South Daytona
Bunnell	DeLand	Flagler County	Oak Hill	Pierson	Volusia County
Daytona Beach	Deltona	Holly Hill	Orange City	Ponce Inlet	
Daytona Beach Shores	Edgewater	Lake Helen	Ormond Beach	Port Orange	

A Termination Agreement was submitted by Root Riverfront Partners, LLC via email to the TPO for consideration on December 9, 2022. The TPO reviewed the agreement and on December 20, 2022, returned a mark-up of the agreement, identifying areas we desired to negotiate with regards to financial assistance for relocation expenses and an extension of the termination date. It was indicated by Root Riverfront Partners, LLC that there was no flexibility in the termination date. On January 18, 2023, representatives with Root Riverfront Partners, LLC (Diane Larsen and Robert Campbell) indicated that financial assistance for expenses incurred with the TPO's relocation would be considered.

The TPO compiled an estimate of \$63,970 of anticipated expenses associated with relocating the organization's office twice and calculated the unrealized value of office improvements that were completed within the space at \$21,279.09. Accordingly, a financial assistance request of \$85,249.09 was submitted to Root Riverfront Partners, LLC for consideration. This initial estimate of expenses associated with the relocation was compiled from estimates and information provided by vendors and anticipated activities associated with the office relocations. Since the initial estimate was compiled, the TPO has incurred actual expenses associated with the first office move and is providing an updated estimate for relocation expenses of \$49,934.51. The unrealized value of office renovations remains unchanged. Accordingly, the TPO is adjusting the financial assistance request to \$71,213.60. Please refer to the enclosed update of estimated relocation expenses dated 3/1/2023.

In addition to the financial assistance for relocation, the TPO submitted a request for a rent abatement refund per Section 16.C of the lease agreement, which states that if the Landlord terminates the agreement pursuant to Section 16.C of the lease due to the inability to repair the building within 120 days, the rent shall be abated effective upon the date of the occurrence of damage. The requested rent abatement amount of \$45,144.60 included payments made by the TPO for the months of October 2022 – February 2023.

It is our understanding that Root Riverfront Partners, LLC has submitted the TPO's request for financial assistance and rent abatement to their insurance company to be included on their claim for damages. The TPO requests that we are kept informed of the progress of the insurance claim and are notified of all settlements reached with regards to the TPO's damages.

Should you have any questions or need any additional information from the TPO, please do not hesitate to reach out to me via email (cnicoulin@r2ctpo.org) or phone 386-226-0422.

Sincerely,

Colleen Nicoulin
Executive Director, River to Sea TPO

Enclosure

- c: River to Sea TPO Board Members
Paul Gougelman, TPO General Counsel (via email)
Robert Campbell, Root Company (via email)
Diane Larsen, Root Company (via email)

