

MIAMIBEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, FL 33139, www.miamibeachfl.gov
 FACILITIES AND FLEET MANAGEMENT DEPARTMENT
 Asset Management Division
 Tel: 305-673-7193

September 29, 2022

Aditaya Thakore
 773 17 Street
 Miami Beach, FL 33139

RE: Taste Bakery Café, 773 -17 Street, Miami Beach, FL

Dear Mr. Thakore:

I wish to take this opportunity to convey the interest of the City of Miami Beach (Landlord), in leasing the retail space referenced above at the 777 Building to Taste Bakery Café (Tenant).

This letter summarizes our recent discussions to lease the above property; it is not intended to be contractual in nature, and only expresses the basis upon which we wish to continue discussions. This letter is intended to outline initial terms for consideration only and in no manner intended to obligate any party contractually and no such obligation shall arise unless/until a mutually satisfactory lease agreement is fully executed by, and delivered to, all parties.

Subject to final approval of the Landlord and execution of a mutually agreed upon Lease, I believe the Landlord would be willing to continue discussions under the following terms and conditions:

- Landlord:** City of Miami Beach
- Tenant:** Entity name: TASTE BAKERY MB CITY HALL LLC
 DBA: Taste Bakery Café
- Premises:** Approximately 734 square feet of City-owned property, located at 1701 Meridian Avenue, Unit 2 (a/k/a 773 17th Street), Miami Beach, Florida
- Lease Term:** The term of this Lease shall be for a period of five (5) Years.
- Renewal Option:** One (1) renewal option for Four (4) years and 364 Days, at the City Manager's sole discretion.
- Commencement Date:** The Lease Commencement and Tender date will be the date Tenant and Landlord execute the new Lease Agreement.

Minimum Rent Schedule:

Initial Term		
Year(s)	Annual Rent/SF	Annual Rent
1	\$41.00	\$30,094.00
Rent to increase 3% per year during the Lease Term.		

<u>Sales Tax:</u>	Tenant shall pay the applicable sales tax currently equivalent to 6.5% in Miami Dade County.
<u>Prepaid Rent:</u>	N/A
<u>Security Deposit:</u>	The amount of <u>\$5,000.00</u> , which is currently being held by the City of Miami Beach from Tenant's current Lease Agreement shall be transferred to the new Lease.
<u>NNN:</u>	Tenant shall pay its pro rata share of Real Property Taxes, Property Insurance and Common Area Maintenance for the Project. Tenant's pro rata share shall be determined based upon the ratio of Tenant's floor area to the total floor area of all the retail space in Landlord's Parcel (to be further clarified in the Lease). Current estimate for NNN Costs are <u>\$12.85</u> per square foot. Operating expenses will be effective on the Rent Commencement Date.
<u>Concession Area:</u>	Tenant shall be required to execute a Concession Agreement co-terminus with the License Agreement, at no additional cost to Tenant, which are the same terms that exist under the existing Concession Agreement in connection with the use of the Concession Area.
<u>Utilities:</u>	Tenant shall pay for all utilities within the Premises.
<u>Delivery Conditions:</u>	Tenant shall accept the Premises in "As-Is" condition with no Landlord Work. Tenant shall be responsible for the costs of any building permits, licenses, impact fees and any other costs associated with Tenant's use.
<u>Tenant Improvement Allowance:</u>	N/A
<u>Tenant's Work:</u>	Tenant will refresh the location with some new furniture, decorations, update some cabinetry, and paint. Possible change of the layout of the space slightly, if necessary, to accommodate for increased sales, including a larger prep area for the kitchen. All work performed by Tenant for space improvements is at Tenant's cost and expense. Tenants work is subject to Landlord's review and approval of Tenants plan and specifications, which shall be drawn by a licensed architect if a building permit is required. All of Tenants works shall be performed by licensed contractors and in accordance with all applicable codes.
<u>Maintenance & Repair:</u>	Landlord shall be responsible for all repairs to the foundations and for all structural components of the Project. Tenant's obligation for repairs, replacements and maintenance shall include, but not be limited to, its equipment; fixtures; improvements; floor covering; the exterior and interior portions of all doors, door locks, security gates, and windows; plumbing and sewage facilities not Landlord's obligation; walls; ceilings; and all plate glass; all electrical systems and equipment; plumbing, mechanical equipment; heating, ventilating and air-conditioning

machinery. Additionally, Tenant shall maintain and keep in good repair, all heating and air-conditioning equipment. Tenant further agrees to regularly service said machinery and change the filters in the air-conditioning system in the Premises through a monthly filter and equipment service contract.

Assignment & Subletting:

Tenant shall not assign the lease or sublet the Premises without the prior written consent of Landlord, which consent may be withheld at the sole and absolute discretion of the Landlord.

Permitted Use:

The Demised Premises shall be used by Tenant solely for the purpose(s) of operating a cafe, with the primary objective being to provide the City of Miami Beach employees with healthy food choices at a price which is discounted by forty percent (40%) off the approved price schedule. Tenant shall cook, prepare, or cause to be prepared, for sale within the Demised Premises, such cooked, prepared, and/or prepackaged foods, and such non-alcoholic beverages. Any subsequent changes to the menu must be approved in writing by the City Manager or his/her designee.

Exclusive Use:

N/A

Additional Services:

Tenant shall provide:

- A forty percent (40%) discount on the purchase price of all food and beverages from any Taste Bakery Cafe location, within the City of Miami Beach (a "Separate Taste Bakery Location"), to City employees with an active and verified City of Miami Beach issued employee identification ("Employee ID"); whether the purchase was made onsite or ordered for delivery ("City Employee Discount"). Notwithstanding the foregoing, the Employee Discount shall not be applied to any delivery charges.
- Tenant will also provide a free coffee or tea with the purchase of any item.
- Tenant will include City employees as part of their Rewards program to be eligible for a ten \$10 dollar credit to be used exclusively on the employee's birthday week at any Taste Café location.
- The City may choose to impose additional requirements, such as a card reader, in order to ensure the integrity of the City Employee Discount. The term "City Employee Purchases" is understood to mean the sales price of any purchases to which a City Employee Discount is applied, inclusive of the City Employee Discount amount. It does not include the price of any other discounts Tenant may offer to City employees or customers in general.
- Tenant will provide healthy conscious food, fruits and quick snacks.
- Tenant will provide a takeaway menu and/or have QR codes and online menus available.

The City will reimburse Tenant a maximum of Two Hundred Thousand and 00/100 Dollars (\$200,000.00)* per contract year towards the City

Employee Discount at the following rates:

<u>Annual City Employee Purchases</u>		<u>Reimbursement</u>	<u>Reimbursement Rate</u>
<u>From</u>	<u>To</u>	<u>Maximum</u>	
\$0.00	\$422,400.00	\$168,960.00	40% of City Employee
Purchases			
\$422,400.01	\$629,333.33	\$31,040.00	20% of City Employee
Purchases			
Greater Than	\$629,333.33	\$ 0.00	0% of City Employee
Purchases			

*The Maximum reimbursement will be revisited at the Lease option term to determine cost of living increases.

Thereafter, Tenant will continue to provide the City Employee Discount regardless of any reimbursement amount. City reserves the right to notify Tenant, in advance of any purchases, of City's objection to provide the City Employee Discount to any particular City employee, thereafter authorizing Tenant to deny the City Employee Discount to said employee. City will not reimburse Tenant for: 1) any amounts discounted above 40% of the purchase price, 2) unauthorized employees as Tenant has been Notified by the City, or 3) persons without an active Employee ID. Along with any reimbursement request, Tenant shall provide a Daily Sales Summary Report in a digital spreadsheet format (such as Excel) which includes, Employee ID numbers, and categories for City Employee Discounted Sales, from each store location as well as the Gross Receipts from the Demised Premises. Tenant shall also provide Special Summary Reports for any period(s) upon request by the City. Any Summary Reports provided from any Taste Bakery location shall not be intermingled with any other location. Tenant may request a reimbursement, by providing an Invoice along with any documents and files which may reasonably be requested by the City Manager or his designee, no more than once a month. The City shall have thirty (30) days to pay the reimbursement.

**Hours of
Operation:**

Mon-Fri: 7AM-5PM

Weekends: 8AM-2PM

Tenant may consider opening in the evening until 9pm or 10pm, if there is enough demand from City Employees who work in the evening that want to eat at Taste.

**Percentage
Rent:**

N/A

**Sales
Reporting:**

Within fifteen (15) days after the end of each month, Tenant shall submit to Landlord a written statement showing the gross sales of all merchandise sold and/or services rendered in or from the Leased Premises for such month, and year, as applicable.

Operations:

Tenant agrees that on Rent Commencement Date, it will open and continuously operate the entire Premises to the public, fully fixtured, staffed and stocked.

**Tenant's
Signage:**

Per Shopping Center's Sign Criteria and approval of all necessary Governmental agencies.

**Tenant
Financials:**

This proposal is subject to Landlord's review and approval of Tenant's financial statements.

Guarantor(s):

Full personal guaranty shall be required by all owners and spouses.

The provisions of this letter are for discussion purposes only. This letter is not a contract or a promise to perform, and the parties acknowledge that they have not set forth the essential terms of an agreed-upon transaction. The parties hereto shall not be bound by the terms of this letter, and no liabilities or obligations shall arise pursuant hereto, and no party has the right to detrimentally rely on the statements set forth herein or on the verbal and written negotiation conducted herewith, it being intended that only a subsequent formal agreement, which specifically states its binding intent, if duly executed by both parties, will bind the parties on any matter described herein. Furthermore, prior to entering into a formal agreement, appropriate governmental regulatory, corporate and senior management approvals must first be obtained by all parties hereto, including but not limited to approvals of legal counsel.

Tenant agrees that during the negotiation of this transaction, Tenant will negotiate in good faith and will not engage in negotiations with other Landlord's for other Premises. Landlord will not give up its rights to negotiate with other prospects until a lease is executed.

Should this proposal be acceptable to Tenant, please execute where indicated below and return the fully executed copy to my attention. Please feel free to contact me if you have any questions or comments.

Sincerely,

Ozzie Dominguez, Division Director
Asset Management Division
1833 Bay Road
Miami Beach, FL 33139
AGREED AND ACCEPTED

**TENANT
PLEASE PROVIDE TENANT ENTITY**

BY:

Aditya Thakore

DATE:

Oct 1, 2022

