LEASE AGREEMENT

THIS LEASE AGREEMENT, made this day of	_, 2022 ("Lease" or
"Lease Agreement"), by and between the CITY OF MIAMI BEACH, a	a Florida municipal
corporation, (hereinafter referred to as "City" or "Landlord"), and TASTE BA	KERY CAFE, LLC,
a Florida Limited Liability Company, (hereinafter referred to as "Tenant").	

1. <u>Demised Premises.</u>

the City owns the 1701 Meridian Building Condominium (the "Condominium"), comprised of ground floor retail spaces (Units 1-4), each having their own physical address, and a four story office building (Units 5-8), with each floor representing one unit), having a physical address of 1701 Meridian Avenue (the "Building"). Unit 4 of the Condominium has 1,269 square feet of space located on the ground floor, and as more specifically delineated in Exhibit 1a, attached hereto and incorporated herein by reference.

The City, in consideration of the rentals hereinafter reserved to be paid and of the covenants, conditions and agreements to be kept and performed by the Tenant, hereby leases, lets and demises to the Tenant, and Tenant hereby leases and hires from the City, that certain ground floor retail space (the "Demised Premises"), located in Unit 4 of the Condominium, having approximately 734 square feet (inclusive of one (1) bathroom), as depicted in Exhibit 1, attached hereto and incorporated herein by reference, and as more fully described as follows:

The easterly 734 square feet of Unit 4, of 1701 Meridian Building Condominium, a Condominium, according to the Declaration thereof, as recorded in Official Records Book 25724, at Page 1183, of the Public Records of Miamí-Dade County, Florida a/k/a 773 17th Street. Exhibit 1.1

- 1.1. The City and Tenant are parties to a concession agreement dated______, 2022 (the "Concession Agreement"), relating to a concession area depicted in Exhibit 1.1, for 507 square feet of outdoor space adjacent to and east of the Demised Premises (the "Concession Area").
- 1.2. The Concession Area and Demised Premises are more specifically delineated in Exhibit 1 ("Layout"), attached hereto and incorporated herein.

2. <u>Term.</u>

2.1. Tenant shall be entitled to have and to hold the Demised Premises for an initial term of five (5) years, commencing on the 1st day of March 2023 (the "Commencement Date"), and ending on the 28th day of February 2028. For purposes of this Lease Agreement, and including, without limitation, Subsection

2.2 herein, a "Contract Year" shall be defined as that certain period commencing on the 1^{st} day of <u>January</u>, and ending on the 31^{st} day of <u>December</u>.

2.2. Provided Tenant is in good standing and free from default(s) under Section 18 hereof, and upon written notice from Tenant, which notice shall be submitted to the City Manager no earlier than one hundred eighty (180) days, but in any case no later than one hundred twenty (120) days prior to the expiration of the initial term (or prior to the expiration of the first renewal term, as the case may be), this Lease may be extended, at the City Manager's sole and reasonable discretion, for one (1), four (4) year and 364 days renewal term. Any extension, if approved, shall be memorialized in writing and signed by the parties hereto (with the City hereby designating the City Manager as the individual authorized to execute such extensions on its behalf).

In the event that the City Manager determines, in his/her sole and reasonable discretion, not to extend this Lease Agreement (upon expiration of the initial term), the City Manager shall notify Tenant of same in writing, which notice shall be provided to Tenant within thirty (30) business days of the City Manager's receipt of Tenant's written notice.

- 2.3. Notwithstanding anything in this subsection, or any other term or condition in this Lease Agreement, the City reserves the right, through its City Manager, to terminate this Lease Agreement, without cause and without liability to the City, upon providing Tenant with one hundred eighty (180) days prior written notice.
- 2.4. Tenant may take possession of the Demised Premises and Concession Area prior to the Commencement Date upon execution of the Lease Agreement by all parties hereto and by providing written Notice to Landlord of Tenant's intent to occupy the Demised Premises. Any additional time provided to Tenant shall be added to the initial Contract Year and as such, any and all amounts of Rent, Additional Rent, Reimbursements, due to, or proffered by the Landlord, shall be prorated accordingly for the additional days.

3. Rent.

3.1. Base Rent:

Tenant's payment of Rent, as defined in this Section 3, shall commence on <u>March 1, 2023</u> (the "Rent Commencement Date") and, thereafter, on each first day of subsequent months.

The Base Rent for the Demised Premises shall be for Thirty Thousand and Ninety-four Dollars (\$30,094.00) per year, payable in monthly installments of Two Thousand, Five Hundred and Seven 83/100 (\$2,507.83), with annual three percent (3%) escalations on the anniversary date of the rent commencement date and throughout the entire term of the Lease.

3.2. Additional Rent:

In addition to the Base Rent, as set forth in Section 3.1, Tenant shall also pay the following Additional Rent as provided below:

3.2.1. <u>Operating Expenses. Property Taxes; Insurance; and Common Area Maintenance (CAM):</u>

Tenant shall remit together with regular monthly payments of Minimum Rent, its proportionate share of estimated Operating Expenses for the Premises as additional rent, as determined by Landlord, in its sole discretion and judgment, including Property Taxes, Insurance, and CAM, and as more particularly described hereinafter.

Tenant's Proportionate Share means a fraction, the numerator of which is the square footage of the Demised Premise occupied by the Tenant, and the denominator of which is the total Rentable Area of the Building or Unit, as applicable. Landlord may also implement and choose a more appropriate method to calculate Tenant's Proportionate Share for different Operating Expenses, such as, but not limited to, Proportionate Share of replacement value for insurance, Proportionate Share of Rentable Area for Cam, Proportionate Share of Unit for property taxes, individual or submetering for utilities, individual assessments if Tenant is solely responsible, or any other method which the Landlord, in its sole discretion and judgment, may reasonably deem more appropriate in assessing Tenant's share of Operating Expenses.

Tenant agrees and understands that the costs incurred for Operating Expenses may increase or decrease from time to as Operating expenses are increased to the Landlord and, as such, Tenant's Proportionate Share of Operating Expenses shall increase or decrease accordingly from time to time.

3.2.1.1. Common Area Maintenance("CAM"):

During the first Contract Year, the Operating Expenses for the Demised Premises shall be Two Thousand, Nine Hundred and Thirty-six and 04/100 Dollars (\$2,936.04) per year, payable in monthly installments of Two Hundred Forty-four and 67/100 Dollars (\$244.67), for its proportionate share of CAM which is defined as follows:

"Common Area Maintenance" shall mean the following costs and expenses incurred in operating, repairing, and maintaining the Common Facilities (as hereinafter defined) and shall include, without limitation, water service to the Building, sewer service to the Building, trash removal from the Building, costs incurred for gardening and landscaping, repairing and maintaining elevator(s), painting, janitorial services (except for areas within the Demised Premises), lighting, cleaning, striping, policing, removing garbage

and other refuse and trash, removing ice and snow, repairing and maintaining sprinkler systems, water pipes, air-conditioning systems, temperature control systems, and security systems, fire alarm repair and maintenance and other equipment in the common areas and the exterior and structural portions of the Building, paving and repairing, patching and maintaining the parking areas and walkways, and cleaning adjacent areas, management fees and the City's employment expenses to employees furnishing and rendering any services to the common areas, together with an additional administration charge equal to fifteen percent (15%) of all other expenses included in the annual common area expenses, provided by the City for the common or joint use and/or benefit of the occupants of the Building, their employees, agents, servants, customers and other invitees.

"Common Facilities" shall mean all Building areas, spaces, equipment, as well as certain services, available for use by or for the benefit of Tenant and/or its employees, agents, servants, volunteers, customers, guests and/or invitees.

Tenant agrees and understands that the costs incurred for Operating Expenses may increase or decrease and, as such, Tenant's pro-rata share of Operating Expenses shall increase or decrease accordingly.

3.2.1.2. Property Taxes:

The Property Tax Payment shall be payable by Tenant, in accordance with Section 11 herein. The estimated Property Tax Payment for the first Contract Year shall be based upon the 2016 Property Tax Payment, in the total sum of Four Thousand Nine Hundred Sixty-Four and 88/100 Dollars (\$4,964.88), payable in monthly installments of Four Hundred Thirteen and 74/100 Dollars (\$413.74). Notwithstanding the preceding, Tenant shall be responsible for paying any difference in the amount between the estimated Property Tax Payment and the actual property taxes.

Tenant shall pay, as Additional Rent pursuant to this Subsection, for such Property Tax Year an amount ("Property Tax Payment") equal to Tenant's pro-rata share of Property Taxes (if any) for such Property Tax Year; said pro-rata share is currently determined by the City based upon the ratio of the Demised Premises to the tax lot. If a Property Tax Year ends after the expiration or termination of the term of this Agreement, the Property Tax Payment therefore shall be prorated to correspond to that portion of such Property Tax Year occurring within the term of this Agreement. The Property Tax Payment shall be payable by Tenant immediately upon receipt of notice from the City. A copy of the tax bill(s) or other evidence of

such taxes issued by the taxing authorities, together with the City's computation of the Property Tax Payment, will be made available to Tenant once received from the taxing authorities, if requested by Tenant. Tenant shall pay any difference in the amount between the estimated property taxes and the actual property taxes to the City immediately, upon receipt of request for said payment from the City.

For the purposes of this Section and other provisions of this Agreement:

The term "Property Taxes" shall mean (i) real estate taxes, assessments, and special assessments of any kind which may be imposed upon the Demised Premises, and (ii) any expenses incurred by the City in obtaining a reduction of any such taxes or assessments.

The term "Property Tax Year" shall mean the period of twelve (12) calendar months, beginning on January 1st of each year.

3.2.1.3. Insurance:

The Additional Rent shall also include Tenant's Proportionate Share of the insurance costs for the Building, as determined by the Landlord, in its sole discretion and judgment, to be sufficient to insure and/or self-insure the Facility for hazard, flood, windstorm, and liability insurance for the following calendar year. Tenant acknowledges that Landlord may choose to self-insure for any or all of Landlord's Insurance coverage's, including without limitation liability insurance. Tenant's Initial Insurance cost shall be One Thousand Five Hundred Thirty-three and 95/100 Dollars (\$1,533.95), payable in monthly installments of One Hundred Twenty-seven and 83/100 Dollars (\$127.83). The Insurance cost may be adjusted from time to time, in the City's sole discretion.

This insurance coverage is in addition to the insurance required pursuant to Section 10, which shall be obtained at Tenant's sole expense and responsibility.

3.3. Additional Services:

In consideration for the reduced rent for the Demised Premises and Concession Area, Tenant shall provide a 40% discount on all purchases from any Taste Bakery eatery location within the City of Miami Beach, by City employees with an active and verified City of Miami Beach issued employee ID ("Employee ID"); whether the purchase was made onsite or ordered for delivery ("City Employee Discount"). 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 Purchase" is understood to mean the sales price of

any purchases applied a City Employee Discount, inclusive of the City Employee Discount amount. It does not include the price of any other discounts Tenant may proffer to City employees or customers in general.

City will reimburse Tenant a maximum of <u>Two Hundred Thousand and 00/100 Dollars</u> (\$200,000.00) per Contract Year for a portion of the City Employee Discount at the following rates;

Annual City Employee Purchases		Reimbursement Maximum		Reimbursement Rate	
	From	То	·		
\$	-	\$ 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
Gre	eater Than	\$ 629,333.34	\$		0% of City Employee Purchases

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 any amounts discounted above 40% of the purchase price, unauthorized employees as Tenant has been Notified by City, and 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's 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 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.

3.4. Sales Reporting:

On or before the fifteenth (15th) day of each calendar month during the Lease Term, Tenant shall prepare and provide to landlord a copy of Tenant's Sales and Use Tax Return (Form DR-15CS or DR-15EZ) filed with the Florida Department of Revenue Reporting Gross Sales made from the Premises during the preceding calendar month. In addition, within sixty (60) days after the expiration date of each calendar year and within sixty (60) days after the termination of this Lease if this Lease should not terminate at the end of a calendar year, Tenant shall prepare and provide to landlord a payable Statement of Gross Sales made from the premises during the preceding calendar year, (or partial calendar year), certified to be correct by Tenant's Chief Financial Officer. Tenant shall furnish a similar statement for its licenses, concessionaires and subtenants, if any.

The term "Gross Receipts" is understood to mean all income collected or

accrued, derived by Tenant under the privileges granted by this Lease Agreement, excluding amounts of any Federal, State, or City sales tax, or other tax, governmental imposition, assessment, charge or expense of any kind, collected by Tenant from customers and required by law to be remitted to the taxing or other governmental authority.

3.4.1. Maintenance and Examination of Records.

Tenant shall maintain current, accurate, and complete financial records on an accrual basis of accounting related to its operations pursuant to this Lease Agreement. Systems and procedures used to maintain these records shall include a system of internal controls and all accounting records shall be maintained in accordance with generally accepted accounting principles and shall be open to inspection and audit, but not photocopying, by the City Manager or his designee upon reasonable prior request and during normal business hours. Such records and accounts shall include a breakdown of Gross Receipts, expenses, and profit and loss statements, and such records shall be maintained as would be required by an independent CPA in order to audit a statement of annual Gross Receipts and profit and loss statement pursuant to generally accepted accounting principles.

3.4.2. <u>Inspection and Audit for Demised Premises</u>.

Tenant shall maintain its financial records pertaining to its operations for a period of three (3) years after the conclusion of any contract year and such records shall be open and available to the City Manager or his designee, as deemed necessary by them. Tenant shall maintain all such records at its principal office, currently located at 773 17th Street, Miami Beach, Florida 33139, or, if moved to another location, all such records shall be relocated, at Tenant's expense, to a location in Miami Beach, within ten (10) days' written notice from the City.

The City Manager or his designee shall be entitled to audit Tenant's records pertaining to its operations as often as the City deems reasonably necessary throughout the Term of this Lease Agreement, and three (3) times within the three (3) year period following termination of this Lease Agreement, (regardless of whether such termination results from the natural expiration of the term or for any other reason). The City shall be responsible for paying all costs associated with such audits, unless the audit(s) reveals a deficiency of five (5%) percent or more in Tenant's statement of Gross Receipts for any year or years audited, in which case Tenant shall pay to the City, within thirty (30) days of the audit being deemed final (as specified below), the cost of the audit and a sum equal to the amount of the deficiency revealed by the audit, plus interest. The audit shall not be deemed final until Tenant has received the audit and has had a reasonable opportunity to review the audit and discuss the audit with the City. These audits are in addition to periodic audits by the City of Resort Tax collections and payments, which are performed separately.

Nothing contained within this Section shall preclude the City's audit rights for Resort Tax collection purposes.

- 3.4.2.1. Tenant shall submit at the end of each contract year, an annual statement of Gross Receipts, in a form consistent with generally accepted accounting principles. Additionally, such statement shall be accompanied by a report from an independent CPA firm which shall perform certain agreed upon procedures, as described in the attached Exhibit 6.
- 3.4.2.2. It is Tenant's intent to stay informed of comments and suggestions by the City regarding Tenant's performance under this Lease Agreement. Within thirty (30) days after the end of each contract year, Tenant and the City Manager or his designee may meet to review Tenant's performance under this Lease Agreement for the previous contract year. At the meeting, Tenant and City may discuss quality, operational, maintenance and any other issues regarding Tenant's performance under this Lease Agreement.

3.5. Sales Taxes.

Concurrent with the payment of the Base Rent and Additional Rent as provided herein, Tenant shall also pay any and all sums for all applicable tax(es), including without limitation, sales and use taxes and Property Taxes, imposed, levied or assessed against the Demised Premises, or any other charge or payment required by any governmental authority having jurisdiction there over, even though the taxing statute or ordinance may purport to impose such tax against the City.

3.6. Enforcement.

Tenant agrees to pay the Base Rent, Additional Rent, and any other amounts as may be due and payable by Tenant under this Agreement, at the time and in the manner provided herein, and should said rents and/or other additional amounts due herein provided, at any time remain due and unpaid for a period of fifteen (15) days after the same shall become due, the City may exercise any or all options available to it hereunder, which options may be exercised concurrently or separately, or the City may pursue any other remedies enforced by law.

3.7 <u>Inspector General Audit Rights</u>

- (A) Pursuant to Section 2-256 of the Code of the City of Miami Beach, the City has established the Office of the Inspector General which may, on a random basis, perform reviews, audits, inspections and investigations on all City contracts, throughout the duration of said contracts. This random audit is separate and distinct from any other audit performed by or on behalf of the City.
- (B) The Office of the Inspector General is authorized to investigate City affairs and empowered to review past, present and proposed City programs, accounts,

records, contracts and transactions. In addition, the Inspector General has the power to subpoena witnesses, administer oaths, require the production of witnesses and monitor City projects and programs. Monitoring of an existing City project or program may include a report concerning whether the project is on time, within budget and in conformance with the contract documents and applicable law. The Inspector General shall have the power to audit, investigate, monitor, oversee, inspect and review operations, activities, performance and procurement process including but not limited to project design, bid specifications, (bid/proposal) submittals, activities of the Tenant, its officers, agents and employees, lobbyists, City staff and elected officials to ensure compliance with the contract documents and to detect fraud and corruption. Pursuant to Section 2-378 of the City Code, the City is allocating a percentage of its overall annual contract expenditures to fund the activities and operations of the Office of Inspector General.

- (C) Upon ten (10) days written notice to the Tenant, the Tenant shall make all requested records and documents available to the Inspector General for inspection and copying. The Inspector General is empowered to retain the services of independent private sector auditors to audit, investigate, monitor, oversee, inspect and review operations activities, performance and procurement process including but not limited to project design, bid specifications, (bid/proposal) submittals, activities of the Tenant its officers, agents and employees, lobbyists, City staff and elected officials to ensure compliance with the contract documents and to detect fraud and corruption.
- (D) The Inspector General shall have the right to inspect and copy all documents and records in the Tenant's possession, custody or control which in the Inspector General's sole judgment, pertain to performance of the contract, including, but not limited to original estimate files, change order estimate files, worksheets, proposals and agreements from and with successful subcontractors and suppliers, all project-related correspondence, memoranda, instructions, financial documents, construction documents, (bid/proposal) and contract documents, back-change documents, all documents and records which involve cash, trade or volume discounts, insurance proceeds, rebates, or dividends received, payroll and personnel records and supporting documentation for the aforesaid documents and records.
- (E) The Tenant shall make available at its office at all reasonable times the records, materials, and other evidence regarding the acquisition (bid_preparation) and performance of this Agreement, for examination, audit, or reproduction, until three (3) years after final payment under this Agreement or for any longer period required by statute or by other clauses of this Agreement. In addition:
- i. If this Agreement is completely or partially terminated, the Tenant shall make available records relating to the work terminated until three (3) years after any resulting final termination settlement; and

- ii. The Tenant shall make available records relating to appeals or to litigation or the settlement of claims arising under or relating to this Agreement until such appeals, litigation, or claims are finally resolved.
- (F) The provisions in this section shall apply to the Tenant, its officers, agents, employees, subcontractors and suppliers. The Tenant shall incorporate the provisions in this section in all subcontracts and all other agreements executed by the Tenant in connection with the performance of this Agreement.
- (G)Nothing in this section shall impair any independent right to the City to conduct audits or investigative activities. The provisions of this section are neither intended nor shall they be construed to impose any liability on the City by the Tenant or third parties.

4. <u>Location for Payments.</u>

All rents or other payments due hereunder shall be paid to the City at the following address:

City of Miami Beach Finance Department 1700 Convention Center Drive, 3rd Floor Miami Beach, Florida 33139

or at such other address as the City may, from time to time, designate in writing.

5. Parking.

Tenant may request, at Tenant's cost, from the City's Parking Department, the use of no more than Four (4) parking spaces, if available, within the Municipal Parking Garage at the prevailing rates, plus applicable sales and use tax per space. Rates for said spaces are subject to change.

6. Security Deposit.

Upon execution of this Agreement, the amount withheld from Tenant's current lease shall Transfer to this Agreement as a Security Deposit, in the amount of Five Thousand and 00/100 Dollars (\$5,000.00). Said Security Deposit shall serve to secure Tenant's performance in accordance with the provisions of this Agreement. In the event Tenant fails to perform in accordance with said provisions, the City may retain said Security Deposit, as well as pursue any and all other legal remedies provided herein, or as may be provided by applicable law.

6.1 The parties agree and acknowledge that the foregoing condition is intended to be a condition subsequent to the City's approval of this Agreement. Accordingly, in the event that Tenant does not satisfy the aforestated, then the City Manager or his designee may immediately, without further demand or notice, terminate this Agreement without being prejudiced as to any remedies which may be available

to him for breach of contract.

7. Use and Possession of Demised Premises.

7.1 Use of Demised Premises:

The Demised Premises shall be used by the Tenant solely for the purpose(s) of providing building plan and permit processing services (i.e. certificates of completion, certificates of occupancy, violation remediation, plan review, processing and expediting services, inspection management, special and 40 year inspections, fire and building compliance, permit administration, occupancy load calculations, special event permitting, and recording services).

Tenant's uses and/or services provided in conjunction with the Demised Premises may require Tenant to interact, from time to time, with City of Miami Beach officials and employees, acting in their regulatory capacity. Notwithstanding the preceding, Tenant hereby represents and warrants to the City that it shall in no way, whether express or implied, give the impression that Tenant is in any way acting as an agent and/or representative of the City of Miami Beach, nor that, by virtue of this Agreement, Tenant derives any special benefit and/or consideration from the City (acting in its regulatory capacity) with regard to Tenant's provision of plan and permit processing services to third parties. Any violation of this Subsection 7.1 by Tenant shall be deemed as an automatic default under this Agreement and, notwithstanding any other provision set forth herein, shall entitle the City to automatically terminate this Agreement, without further notice to Tenant, and without liability to the City.

8. Demised Premises Use:

Demised Premises shall be used by Tenant solely for the purpose(s) of operating a café. 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 as those set forth in "Exhibit 7.1" (Menu), attached hereto and incorporated herein.

Tenant agrees that prices charged for sales of food and beverage service, and will be consistent with the price schedule herein submitted by the Tenant and approved by the City, and incorporated herein as *Exhibit 7.1* to this Agreement. All subsequent price approvals and changes must be approved in writing by the City Manager or his/her designee. Prices shall be reasonably consistent with those charged for similar items and services in the general vicinity. The City Manager shall have the final right of approval for all such prices and changes, but said right shall not be arbitrarily or unreasonably exercised. The Tenant agrees to refrain from the sale of any item identified as prohibited by the City and to sell only those items approved by the City.

8.1 The Demised Premises shall be open for operation a minimum of five (5) days a week, with minimum hours of operation being as follows:

Hours of Operation: Monday - Friday: 7:00 AM to 5:00 PM

Saturday and Sunday: 8:00AM to 2:00PM

Nothing herein contained shall be construed to authorize hours contrary to the laws governing such operations. Any change in the minimum days and/or hours of operation shall require the prior written consent of the City Manager.

8.2 It is understood and agreed that the Demised Premises shall be used by the Tenant during the Term of this Agreement only for the purpose(s)/use(s) set forth in Section 7 hereof, and for no other purpose(s) and/or use(s) whatsoever. Tenant will not make or permit any use of the Demised Premises that, directly or indirectly, is forbidden by law, ordinance or government regulation, or that may be dangerous to life, limb or property. Tenant may not commit (nor permit) waste on the Demised Premises; nor permit the use of the Demised Premises for any illegal purposes; nor commit a nuisance on the Demised Premises. In the event that the Tenant uses the Demised Premises (or otherwise allows the Demised Premises to be used) for any purpose(s) not expressly permitted herein, or permits and/or allows any prohibited use(s) as provided herein, then the City may declare this Agreement in default pursuant to Section 18 or, without notice to Tenant, restrain such improper use by injunction or other legal action.

9. <u>Improvements.</u>

9.1 Tenant accepts the Demised Premises in their present "AS IS" condition and may construct or cause to be constructed, such interior and exterior improvements and maintenance to the Demised Premises, as reasonably necessary for it to carry on its permitted use(s), as set forth in Section 7; provided, however, that any plans for such improvements shall be first submitted to the City Manager for his/her prior written consent, which consent, if granted at all, shall be at the City Manager's sole and absolute discretion. Additionally, any and all approved improvements shall be made at Tenant's sole expense and responsibility. All permanent (fixed) improvements to the Demised Premises shall remain the property of the City upon termination and/or expiration of this Agreement. Upon termination and/or expiration of this Agreement, all personal property and nonpermanent trade fixtures may be removed by the Tenant from the Demised Premises, provided that they can be (and are) removed without damage to the Demised Premises. Tenant will permit no liens to attach to the Demised Premises arising from, connected with, or related to the design and construction of any improvements. Moreover, such construction shall be accomplished through the use of licensed, reputable contractors who are acceptable to the City. Any and all permits and or licenses required for the installation of improvements shall be the sole cost and responsibility of Tenant.

Tenant will refresh the location with some new furniture, decorations, update some cabinetry, and paint. Possibly 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

sole cost and expense. Tenant's work is subject to Landlord's review and approval of Tenant's plan and specifications, which shall be drawn by a licensed architect if a building permit is required. All of Tenant's works shall be performed by licensed contractors and in accordance with all applicable codes.

- 9.2 Notwithstanding Subsection 8.1, upon termination and/or expiration of this Agreement, and at City's sole option and discretion, any or all alterations or additions made by Tenant to or in the Demised Premises shall, upon written demand by the City Manager, be promptly removed by Tenant, at its expense and responsibility, and Tenant further hereby agrees, in such event, to restore the Demised Premises to their original condition prior to the Commencement Date of this Agreement.
- 9.3 The above requirements for submission of plans and the use of specific contractors shall not apply to improvements (which term, for purposes of this Subsection 8.3 only, shall also include improvements as necessary for Tenant's maintenance and repair of the Demised Premises) which do not exceed Five Hundred (\$500.00) Dollars, provided that the work is not structural, and provided that it is permitted by applicable law.

9.4 <u>Tenant Improvements.</u>

Tenant agrees to make certain improvements (the "Tenant Improvements") to the Demised Premises (valued by the parties at approximately Seven Thousand and 00/100 Dollars (\$7,000), as contained in "Exhibit 8.4" (Tenant Improvements), attached hereto and incorporated herein. The Tenant Improvements shall be made in accordance with the following timeline:

- Tenant shall obtain a building permit no later than sixty (60) days from the Commencement Date of this Agreement;
- Tenant shall commence making the Tenant Improvements no later than thirty (30) days from the date the building permit is issued (the "Building Permit Date"); and
- Tenant Improvements shall be completed, and Tenant shall obtain final approval by the City's Building Department for said Tenant Improvements, no later than one hundred eighty (180) days from the Building Permit Date.

Failure to comply with the timeline and complete the Tenant Improvements within the time period specified shall constitute an event of default hereunder. The times for performance related to the permitting and construction of the Tenant Improvements, as set forth in this Section 8.4, may be extended for good cause shown, upon request, in writing, to the City Manager, which extension by the City Manager (if approved) shall also be in writing and shall not be unreasonably withheld.

9.4.1 Tenant shall provide the City with proof that the contractor engaged for the construction of the Tenant Improvements has obtained the requisite insurance coverage, as set forth on the attached "Exhibit 8.4.1" (Contractor's Insurance Requirements), listing Tenant and the City as an additional insured thereunder.

10. City's Right of Entry.

- 10.1 The City Manager, and/or his/her authorized representatives, shall have the right to enter upon the Demised Premises at all reasonable times for the purpose of inspecting same; preventing waste; making such repairs as the City may consider necessary; and for the purpose of preventing fire, theft or vandalism. The City agrees that, whenever reasonably possible, it shall use reasonable efforts to provide notice (whether written or verbal), unless the need to enter the Demised Premises is an emergency, as deemed by the City Manager, in his/her sole discretion, which if not immediately addressed could cause property damage, loss of life or limb, or other injury to persons. Nothing herein shall imply any duty on the part of the City to do any work that under any provisions of this Agreement the Tenant may be required to perform, and the performance thereof by the City shall not constitute a waiver of the Tenant's default.
- 10.2 If the Tenant shall not be personally present to open and permit entry into the Demised Premises at any time, for any reason, and any entry thereon shall be necessary or permissible, the City Manager, and/or his/her authorized representatives, may enter the Demised Premises by master key, or may forcibly enter the Demised Premises without rendering the City or such agents liable therefore.
- 10.3 Tenant shall furnish the City with duplicate keys to all locks including exterior and interior doors prior to (but no later than by) the Commencement Date of this Agreement. Tenant shall not change the locks to the Demised Premises without the prior written consent of the City Manager, and in the event such consent is given, Tenant shall furnish the City with duplicate keys to said locks in advance of their installation.

11. Tenant's Insurance Requirements.

- 11.1. Tenant shall maintain throughout the Term, at its sole cost and expense, the following insurance requirements:
 - 11.1.1 Worker's Compensation Insurance for all employees of the vendor as required by Florida Statute 440, and Employer Liability Insurance for bodily injury or disease. Should the Tenant be exempt from this Statute, the Tenant and each employee shall hold the City harmless from any injury incurred during performance of the Agreement. The exempt Tenant shall also submit (i) a written statement detailing the number of

- employees and that they are not required to carry Workers' Compensation insurance and do not anticipate hiring any additional employees during the term of this Agreement or (ii) a copy of a Certificate of Exemption.
- 11.1.2 Commercial General Liability Insurance on an occurrence basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence, and \$2,000,000 general aggregate.
- 11.1.3 All-Risk property and casualty insurance, written at a minimum of eighty (80%) percent of replacement cost value and with replacement cost endorsement, covering all leasehold improvements installed in the Demised Premises by or on behalf of Tenant and including without limitation all of Tenant's personal property in the Demised Premises (including, without limitation, inventory, trade fixtures, floor coverings, furniture, and other property removable by Tenant under the provisions of this Agreement).
- 11.1.4 Business interruption insurance, sufficient to insure Tenant for no less than one (1) full year of loss of business, with the Landlord named thereon as loss payee to the extent permitted by applicable law.
- **11.2 Additional Insured** City of Miami Beach must be included by endorsement as an additional insured with respect to all liability policies (except Professional Liability and Workers' Compensation) arising out of work or operations performed on behalf of the Tenant including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired or borrowed in the form of an endorsement to the Tenant's insurance.
- **11.3 Notice of Cancellation** Each insurance policy required above shall provide that coverage shall not be cancelled, except with notice to the City of Miami Beach c/o EXIGIS Insurance Compliance Services.
- **11.4 Waiver of Subrogation** Tenant agrees to obtain any endorsement that may be necessary to affect the waiver of subrogation on the coverages required. However, this provision applies regardless of whether the City has received a waiver of subrogation endorsement from the insurer.
- **11.5** Acceptability of Insurers Insurance must be placed with insurers with a current A.M. Best rating of A:VII or higher. If not rated, exceptions may be made for members of the Florida Insurance Funds (i.e. FWCIGA, FAJUA). Carriers may also be considered if they are licensed and authorized to do insurance business in the State of Florida.
- **11.6 Verification of Coverage** Contractor shall furnish the City with original certificates and amendatory endorsements, or copies of the applicable insurance language, effecting coverage required by this contract. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

CERTIFICATE HOLDER MUST READ:

c/o EXIGIS Insurance Compliance Services
P.O. Box 4668 – ECM #35050
New York, NY 10163-4668

Kindly submit all certificates of insurance, endorsements, exemption letters to our servicing agent, EXIGIS, at:

Certificates-miamibeach@riskworks.com

- **11.7 Special Risks or Circumstances -** The City of Miami Beach reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- 11.8 Compliance with the foregoing requirements shall not relieve the vendor of his liability and obligation under this section or under any other section of this agreement.
- 12. Intentionally Omitted
- 13. <u>Assignment and Subletting.</u>

Tenant shall not have the right to assign or sublet the Demised Premises, in whole or in part, without the prior written consent of the City Manager, which consent, if granted at all shall be at the City Manager's sole and absolute discretion. Such written consent is not a matter of right and the City is not obligated to give such consent. If granted as provided herein, the making of any assignment or sublease will not release Tenant from any of its obligations under this Agreement.

- 14. Operation, Maintenance and Repair.
 - 14.1 Tenant shall be solely responsible for the operation, maintenance and repair of the Demised Premises. Tenant shall, at its sole expense and responsibility, maintain the Demised Premises, and all fixtures and appurtenances therein, and shall make all repairs thereto, as and when needed, to preserve them in good working order and condition. Tenant shall be responsible for all interior walls and the interior and exterior of all windows and doors, as well as immediate replacement of any and all plate glass or other glass in the Demised Premises which may become broken, using glass of the same or better quality.
 - 14.1.1 The City shall be responsible for the maintenance of the roof, the exterior of the Building, the structural electrical and plumbing (other than plumbing surrounding any sink(s) and/or toilet(s), including such sink(s) and toilet(s) fixture(s), within the Demised Premises), the common areas and the chilled water supply system. The City shall maintain and/or repair those items that it is responsible for, so as to keep same in proper working condition.

- 14.1.2 If the City provides a separate air-conditioning unit for the Demised Premises, Tenant agrees and understands that Tenant shall be solely responsible for the maintenance, repair and replacement of the heating/ventilation/air-conditioning (HVAC) equipment servicing the Demised Premises, at Tenant's sole expense.
- 14.1.3 Tenant further agrees and understands that, if the City provides a separate HVAC unit for the Demised Premises, the City, at its sole discretion, may require that Tenant obtain, at any time during the Term of this Agreement, and continuously maintain in good standing, at Tenant's expense, throughout the Term of this Agreement, a maintenance and repair contract, approved by the City, with a service company previously approved in writing by the City, providing for the preventative maintenance and repair of all HVAC equipment servicing the Demised Premises. In the event that the City notifies Tenant that it will require Tenant to contract for said maintenance and repair services, Tenant shall provide to the City, in writing, within ten (10) business days, the name(s) and telephone number(s) of service company(ies) for the City's review and approval. Tenant shall provide a copy of a current, enforceable and fully executed maintenance and repair contract, no later than ten (10) business days after receipt of the City's approval of the service company, as proof of Tenant's compliance with this provision.
- 14.2 All damage or injury of any kind to the Demised Premises, and including without limitation its fixtures, glass, appurtenances, and equipment (if any), or to the building fixtures, glass, appurtenances, and equipment, if any, except damage caused by the gross negligence and/or willful misconduct of the City, shall be the sole obligation of Tenant, and shall be repaired, restored or replaced promptly by Tenant, at its sole expense and to the satisfaction of the City.
- 14.3 All of the aforesaid repairs, restorations and replacements shall be in quality and class equal to or better than the original work or installations and shall be done in good and workmanlike manner.
- 14.4 If Tenant fails to make such repairs or restorations or replacements, the same may be made by the City, at the expense of Tenant, and all sums spent and expenses incurred by the City shall be collectable by the City and shall be paid by Tenant within three (3) days after submittal of a bill or statement therefore.
- 14.5 It shall be Tenant's sole obligation and responsibility to insure that any renovations, repairs and/or improvements made by Tenant to the Demised Premises comply with all applicable building codes and life safety codes of governmental authorities having jurisdiction.
- 14.6 <u>Tenant Responsibilities for Utilities (not included within Operating Expenses).</u>
 Tenant is solely responsible for, and shall promptly pay when due all charges for electricity, gas, cable, telephone, internet, janitorial garage service, pest control

and any other utility service provided to the Demised Premises, including, without limitation, all hook-up fees and impact fees, **NOT** included as an Operating Expense (pursuant to Subsection 3.2.1).

In addition to other rights and remedies hereinafter reserved to the City, upon the failure of Tenant to pay for such utility services (as contemplated in this Subsection 13.6) when due, the City may elect, at its sole discretion, to pay same, whereby Tenant agrees to promptly reimburse the City upon demand.

In no event, however, shall the City be liable, whether to Tenant or to third parties, for an interruption or failure in the supply of any utilities or services to the Demised Premises.

14.7 TENANT HEREBY ACKNOWLEDGES AND AGREES THAT THE DEMISED PREMISES ARE BEING LEASED IN THEIR PRESENT "AS IS" CONDITION.

15. Governmental Regulations.

Tenant covenants and agrees to fulfill and comply with all statutes, ordinances, rules, orders, regulations, and requirements of any and all governmental bodies, including but not limited to Federal, State, Miami-Dade County, and City governments, and any and all of their departments and bureaus applicable to the Demised Premises, and shall also comply with and fulfill all rules, orders, and regulations for the prevention of fire, all at Tenant's own expense and responsibility. Tenant shall pay all cost, expenses, claims, fines, penalties, and damages that may be imposed because of the failure of Tenant to comply with this Section, and shall indemnify and hold harmless the City from all liability arising from each non-compliance.

16. Liens.

Tenant will not permit any mechanics, laborers, or materialman's liens to stand against the Demised Premises or improvements for any labor or materials to Tenant or claimed to have been furnished to Tenant's agents, contractors, or sub-tenants, in connection with work of any character performed or claimed to have performed on said Premises, or improvements by or at the direction or sufferance of the Tenant; provided however, Tenant shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Tenant shall give the City reasonable security as may be demanded by the City to insure payment thereof and prevent sale, foreclosure, or forfeiture of the Premises or improvements by reasons of such non-payment. Such security need not exceed one and one half (1½) times the amount of such lien or such claim of lien. Such security shall be posted by Tenant within ten (10) days of written notice from the City, or Tenant may "bond off" the lien according to statutory procedures. Tenant will immediately pay any judgment rendered with all proper costs and charges and shall have such lien released or judgment satisfied at Tenant's own expense.

17. Intentionally Omitted.

18. Condemnation.

- 18.1 If at any time during the Term of this Agreement (including any renewal term hereunder) all or any part or portion of the Demised Premises is taken, appropriated, or condemned by reason of Eminent Domain proceedings, then this Agreement shall be terminated as of the date of such taking, and shall thereafter be completely null and void, and neither of the parties hereto shall thereafter have any rights against the other by reason of this Agreement or anything contained therein, except that any rent prepaid beyond the date of such taking shall be prorated to such date, and Tenant shall pay any and all rents, additional rents, utility charges, and/or other costs for which it is liable under the terms of this Agreement, up to the date of such taking.
- 18.2 Except as hereunder provided, Tenant shall not be entitled to participate in the proceeds of any award made to the City in any such Eminent Domain proceeding, excepting, however, Tenant shall have the right to claim and recover from the condemning authority, but not from the City, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any and all damage to Tenant's business by reasons of the condemnation and for or on account of any cost or loss which Tenant might incur in removing Tenant's furniture and fixtures.

19. Default.

19.1 Default by Tenant:

At the City's option, any of the following shall constitute an Event of Default under this Agreement:

- 19.1.1 The Base Rent, Additional Rent, or any other amounts as may be due and payable by Tenant under this Agreement, or any installment thereof, is not paid promptly when and where due, and Tenant shall not have cured such failure within five (5) days after receipt of written notice from the City specifying such default;
- 19.1.2 The Demised Premises shall be deserted, abandoned, or vacated;
- 19.1.3 Tenant shall fail to comply with any material term, provision, condition or covenant contained herein other than the payment of rent and shall not cure such failure within thirty (30) days after the receipt of written notice from the City specifying any such default; or such longer period of time acceptable to the City, at its sole discretion;
- 19.1.4 Receipt of notice of violation from any governmental authority having jurisdiction dealing with a law, code, regulation, ordinance or the like, which remains uncured for a period of thirty (30) days from its issuance, or such longer period of time as may be acceptable and approved in writing by the City Manager, at his sole discretion;
- 19.1.5 Any petition is filed by or against Tenant under any section or chapter of

the Bankruptcy Act, as amended, which remains pending for more than sixty (60) days, or any other proceedings now or hereafter authorized by the laws of the United States or of any state for the purpose of discharging or extending the time for payment of debts;

- 19.1.6 Tenant shall become insolvent;
- 19.1.7 Tenant shall make an assignment for benefit of creditors;
- 19.1.8 A receiver is appointed for Tenant by any court and shall not be dissolved within thirty (30) days thereafter; or
- 19.1.9 The leasehold interest is levied on under execution; or
- 19.1.10 A default under the Concession Agreement (as such agreement is referenced in Subsection 1.1 of this Agreement).

20. Rights on Default.

20.1 Rights on Default:

- 20.1.1 In the event of any default by Tenant as provided herein, City shall have the option to do any of the following, in addition to and not in limitation of, any other remedy permitted by law or by this Agreement;
- 20.1.2 Terminate this Agreement, in which event Tenant shall immediately surrender the Demised Premises to the City, but if Tenant shall fail to do so the City may, without further notice, and without prejudice to any other remedy the City may have for possession or arrearages in rent or damages for breach of contract, enter upon the Demised Premises and expel or remove Tenant and its effects in accordance with law, without being liable for prosecution or any claim for damages therefore, and Tenant agrees to indemnify and hold harmless the City for all loss and damage which the City may suffer by reasons of such Agreement termination, whether through inability to re-let the Demised Premises, or otherwise.
- 20.1.3 Declare the entire amount of the Base Rent and Additional Rent which would become due and payable during the remainder of the term of this Agreement to be due and payable immediately, in which event Tenant agrees to pay the same at once, together with all rents therefore due, at the address of the City, as provided in the Notices section of this Agreement; provided, however, that such payment shall not constitute a penalty, forfeiture, or liquidated damage, but shall merely constitute payment in advance of the rents for the remainder of said term and such payment shall be considered, construed and taken to be a debt provable in bankruptcy or receivership.

- 20.1.4 Enter the Demised Premises as the agent of Tenant, by force if necessary, without being liable to prosecution or any claim for damages therefore; remove Tenant's property there from; and re-let the Demised Premises, or portions thereof, for such terms and upon such conditions which the City deems, in its sole discretion, desirable, and to receive the rents therefore, and Tenant shall pay the City any deficiency that may arise by reason of such re-letting, on demand at any time and from time to time at the office of the City; and for the purpose of re-letting, the City may (i) make any repairs, changes, alterations or additions in or to said Demised Premises that may be necessary or convenient; (ii) pay all costs and expenses therefore from rents resulting from re-letting; and (iii) Tenant shall pay the City any deficiency as aforesaid.
- 20.1.5 Take possession of any personal property owned by Tenant on said Demised Premises and sell the same at public or private sale, and apply same to the payment of rent due, holding Tenant liable for the deficiency, if any.
- 20.1.6 It is expressly agreed and understood by and between the parties hereto that any installments of rent accruing under the provisions of this Agreement which shall not be paid when due shall be subject to a late charge of Fifty and 00/100 (\$50.00), plus interest at the rate of eighteen (18%) percent per annum, or the maximum amount allowable under Florida law, whichever is lesser, from the due date of payment until such time as payment is actually received by the City. Any failure on the City's behalf to enforce this Section shall not constitute a waiver of this provision with respect to future accruals of past due rent.
- 20.1.7 If Tenant shall default in making any payment of monies to any person or for any purpose as may be required hereunder, the City may pay such expense but the City shall not be obligated to do so. Tenant, upon the City's paying such expense, shall be obligated to forthwith reimburse the City for the amount thereof. All sums of money payable by Tenant to the City hereunder shall be deemed as rent for use of the Demised Premises and collectable by the City from Tenant as rent, and shall be due from Tenant to the City on the first day of the month following the payment of the expense by the City.
- 20.1.8 The rights of the City under this Agreement shall be cumulative but not restrictive to those given by law and failure on the part of the City to exercise promptly any rights given hereunder shall not operate to waive or to forfeit any of the said rights.

20.1 Default by City:

The failure of the City to perform any of the covenants, conditions and agreements of this Agreement which are to be performed by the City and the

continuance of such failure for a period of thirty (30) days after notice thereof in writing from Tenant to the City (which notice shall specify the respects in which Tenant contends that the City failed to perform any such covenant, conditions and agreements) shall constitute a default by the City, unless such default is one which cannot be cured within thirty (30) days because of circumstances beyond the City's control, and the City within such thirty (30) day period shall have commenced and thereafter shall continue diligently to prosecute all actions necessary to cure such defaults.

However, in the event the City fails to perform within the initial thirty (30) day period provided above, and such failure to perform prevents Tenant from operating its business in a customary manner and causes an undue hardship

for Tenant, then such failure to perform (regardless of circumstances beyond its control) as indicated above, shall constitute a default by the City.

20.2 Tenant's Rights on Default.

If an event of the City's default shall occur, Tenant, shall have the right to terminate this Agreement (and all of its obligations hereunder by giving notice of such election to the City, whereupon this Agreement shall terminate as of the date of such notice).

21 <u>LAWS</u>.

21.1 Compliance.

Concessionaire shall comply with all applicable City, County, State, and Federal ordinances, statutes, rules and regulations (including but not limited to all applicable environmental City, County, State, and Federal ordinances, statutes, rules and regulations, as same may be amended from time to time.

21.2 No Discrimination.

Concessionaire hereby agrees hereby agrees to comply with City of Miami Beach Human Rights Ordinance, as codified in Chapter 62 of the City Code, as may be amended from time to time, prohibiting discrimination in employment, including independent contractors, housing, public accommodations, public services, and in connection with its membership or policies because of actual or perceived race, color, national origin, religion, sex, intersexuality, sexual orientation, gender identity, familial and marital status, age, ancestry, height, weight, hair texture and/or hair style, domestic partner status, labor organization membership, familial situation, political affiliation, or disability

22 Indemnity Against Costs and Charges.

22.1 Tenant shall be liable to the City for all costs and charges, expenses, reasonable attorney's fees, and damages which may be incurred or sustained by the City, by reason of Tenant's breach of any of the provisions of this Agreement. Any sums due the City under the provisions of this item shall constitute a lien against the

interest of the Tenant and the Demised Premises and all of Tenant's property situated thereon to the same extent and on the same conditions as delinquent rent would constitute a lien on said premises and property.

22.2 If Tenant shall at any time be in default hereunder, and if the City shall deem it necessary to engage an attorney to enforce the City's rights and Tenant's obligations hereunder, Tenant will reimburse the City for the reasonable expenses incurred thereby, including, but not limited to, court costs and reasonable attorney's fees, whether suit be brought or not and if suit be brought, then Tenant shall be liable for expenses incurred at both the trial and appellate levels.

23 <u>Indemnification Against Claims.</u>

- 23.1 Tenant shall indemnify and save the City harmless from and against any and all claims or causes of action (whether groundless or otherwise) by or on behalf of any person, firm, or corporation, for personal injury or property damage occurring upon the Demised Premises or upon any other land or other facility or appurtenance used in connection with the Demised Premises, occasioned in whole or in part by any of the following:
 - 23.1.1 An act or omission on the part of Tenant, or any employee, agent, contractor, invitee, guest, assignee, sub-tenant or subcontractor of Tenant;
 - 23.1.2 Any misuse, neglect, or unlawful use of the Demised Premises by Tenant, or any employee, agent, contractor, invitee, guest, assignee, sub-tenant or subcontractor of Tenant;
 - 23.1.3 Any breach, violation, or non-performance of any undertaking of Tenant under this Agreement;
 - 23.1.4 Anything growing out of the use or occupancy of the Demised Premises by Tenant or anyone holding or claiming to hold through or under this Agreement.
- 23.2 Tenant agrees to pay all damages to the Demised Premises and/or other facilities used in connection therewith, caused by Tenant or any employee, agent, contractor, guest, or invitee of Tenant.

24 Signs and Advertising.

Without the prior written consent of the City Manager, which consent, if given at all, shall be at the City Manager's sole and absolute discretion, Tenant shall not permit the painting and display of any signs, plaques, lettering or advertising material of any kind on or near the Demised Premises. All additional signage shall comply with signage standards established by the City and comply with all applicable building codes, and any other municipal, County, State and Federal laws.

25 Effect of Conveyance.

The term "City" and/or "Landlord" as used in the Agreement means only the owner for the time being of the land and building containing the Demised Premises, so that in the event of any sale of said land and building, or in the event of a lease of said building, the City shall be and hereby is entirely freed and relieved of all covenants and obligations of the City hereunder, and it shall be deemed and construed without further agreement between the parties, or between the parties and the purchaser at such sale, or the lease of this building, that the purchaser or Tenant has assumed and agreed to carry out all covenants and obligations of the City hereunder.

26 <u>Damage to the Demised Premises.</u>

- 26.1 If the Demised Premises shall be damaged by the elements or other casualty not due to Tenant's negligence, or by fire, but are not thereby rendered untenantable, as determined by the City Manager, in his sole discretion, in whole or in part, and such damage is covered by the City's insurance, if any, (hereinafter referred to as "such occurrence"), the City, shall, as soon as possible after such occurrence, utilize the insurance proceeds to cause such damage to be repaired and the Rent (Base Rent and Additional Rent) shall not be abated. If by reason of such occurrence, the Demised Premises shall be rendered untenantable, as determined by the City Manager, in his sole discretion, only in part, the City shall as soon as possible utilize the insurance proceeds to cause the damage to be repaired, and the Rent meanwhile shall be abated proportionately as to the portion of the Demised Premises rendered untenantable; provided however, that the City shall promptly obtain a good faith estimate of the time required to render the Demised Premises tenantable and if such time exceeds sixty (60) days, either party shall have the option of canceling this Agreement.
- 26.2 If the Demised Premises shall be rendered wholly untenantable by reason of such occurrence, the City shall have the option, but not the obligation, in its sole discretion, to utilize the insurance proceeds to cause such damage to be repaired and the Rent meanwhile shall be abated. However, the City shall have the right, to be exercised by notice in writing delivered to Tenant within sixty (60) days from and after said occurrence, to elect not to reconstruct the destroyed Demised Premises, and in such event, this Agreement and the tenancy hereby created shall cease as of the date of said occurrence, the Rent to be adjusted as of such date. If the Demised Premises shall be rendered wholly untenantable, Tenant shall have the right, to be exercised by notice in writing, delivered to the City within thirty (30) days from and after said occurrence, to elect to terminate this Agreement, the Rent to be adjusted accordingly.

Notwithstanding any clause contained in this Section 25, if the damage is not covered by the City's insurance, then the City shall have no obligation to repair the damage, but the City shall advise Tenant in writing within thirty (30) days of the occurrence giving rise to the damage and of its decision not to repair, and the Tenant may, at any time thereafter, elect to terminate this Agreement, and the Rent shall be adjusted accordingly.

27 Quiet Enjoyment.

Tenant shall enjoy quiet enjoyment of the Demised Premises and shall not be evicted or disturbed in possession of the Demised Premises so long as Tenant complies with the terms of this Agreement.

28 Waiver.

- 28.1 It is mutually covenanted and agreed by and between the parties hereto that the failure of the City to insist upon the strict performance of any of the conditions, covenants, terms or provisions of this Agreement, or to exercise any option herein conferred, will not be considered or construed as a waiver or relinquishment for the future of any such conditions, covenants, terms, provisions or options but the same shall continue and remain in full force and effect.
- 28.2 A waiver of any term expressed herein shall not be implied by any neglect of the City to declare a forfeiture on account of the violation of such term if such violation by continued or repeated subsequently and any express waiver shall not affect any term other than the one specified in such waiver and that one only for the time and in the manner specifically stated.
- 28.3 The receipt of any sum paid by Tenant to the City after breach of any condition, covenant, term or provision herein contained shall not be deemed a waiver of such breach, but shall be taken, considered and construed as payment for use and occupation, and not as Rent, unless such breach be expressly waived in writing by the City.

29 Notices.

The addresses for all notices required under this Agreement shall be as follows, or at such other address as either party shall be in writing, notify the other:

LANDLORD:

City Manager
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

With copy to:

Asset Manager
Facilities and Fleet Management Department
City of Miami Beach
1700 Convention Center Drive
Miami Beach, Florida 33139

TENANT: Rohit Thakore

TASTE BAKERY CAFE, LLC

773 17th Street Miami Beach, Florida 33139

All notices shall be hand delivered, emailed, and a receipt requested, or by certified mail with Return receipt requested, and shall be effective upon receipt.

30 Entire and Binding Agreement.

This Agreement contains all of the agreements between the parties hereto, and it may not be modified in any manner other than by agreement in writing signed by all the parties hereto or their successors in interest. The terms, covenants and conditions contained herein shall inure to the benefit of and be binding upon the City and Tenant and their respective successors and assigns, except as may be otherwise expressly provided in this Agreement.

31 Provisions Severable.

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

32 Captions.

The captions contained herein are for the convenience and reference only and shall not be deemed a part of this Agreement or construed as in any manner limiting or amplifying the terms and provisions of this Agreement to which they relate.

33 Number and Gender.

Whenever used herein, the singular number shall include the plural and the plural shall include the singular, and the use of one gender shall include all genders.

34 Limitation of Liability.

The City desires to enter into this Agreement only if in so doing the City can place a limit on the City's liability for any cause of action for money damages due to an alleged breach by the City of this Agreement, so that its liability for any such breach never exceeds the sum of Ten Thousand (\$10,000.00) Dollars. Tenant hereby expresses its willingness to enter into this Agreement with Tenant's recovery from the City for any damage action for breach of contract to be limited to a maximum amount of \$10,000.00. Accordingly, and notwithstanding any other term or condition of this Agreement, Tenant hereby agrees that the City shall not be liable to Tenant for damage in an amount in excess of \$10,000.00 for any action or claim for breach of contract arising out of the performance or non-performance of any obligations imposed upon the City by this Agreement. Nothing contained in this Section or elsewhere in this Agreement is in any way intended to be a waiver of the limitation placed upon the City's liability as set forth in Florida Statutes, Section 768.28.

35 Surrender of the Demised Premises.

Tenant shall, on or before the last day of the Term herein demised, or the sooner termination thereof, peaceably and quietly leave, surrender and yield upon to the City the Demised Premises, together with any and all equipment, fixtures, furnishings, appliances or other personal property, if any, located at or on the Demised Premises and used by Tenant in the maintenance, management or operation of the Demised Premises, excluding any trade fixtures or personal property, if any, which can be removed without material injury to the Demised Premises, free of all liens, claims and encumbrances and rights of others or broom-clean, together with all structural changes, alterations, additions, and improvements which may have been made upon the Demised Premises, in good order, condition and repair, reasonable wear and tear excepted, subject, however, to the subsequent provisions of this Section. Any property which pursuant to the provisions of this Section is removable by Tenant on or at the Demised Premises upon the termination of this Agreement and is not so removed may, at the option of the City, be deemed abandoned by Tenant, and either may be retained by the City as its property or may be removed and disposed of at the sole cost of the Tenant in such manner as the City may see fit. If the Demised Premises and personal property, if any, be not surrendered at the end of the Term as provided in this Section, Tenant shall make good the City all damages which the City shall suffer by reason thereof, and shall indemnify and hold harmless the City against all claims made by any succeeding tenant or purchaser, so far as such delay is occasioned by the failure of Tenant to surrender the Demised Premises as and when herein required.

36 <u>Time is of the Essence.</u>

Time is of the essence in every particular and particularly where the obligation to pay money is involved.

37 Venue:

This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the State of Florida. This Agreement shall be enforceable in Miami-Dade County, Florida, and if legal action is necessary by either party with respect to the enforcement of any and all the terms or conditions herein, exclusive venue for the enforcement of same shall lie in Miami-Dade County, Florida.

CITY AND TENANT HEREBY KNOWINGLY AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING THAT THE CITY AND TENANT MAY HEREIN AFTER INSTITUTE AGAINST EACH OTHER WITH RESPECT TO ANY MATTER ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding Radon and Radon testing may be obtained from your County Public Health Unit.

39 No Dangerous Materials.

Tenant agrees not to use or permit in the Demised Premises the storage and/or use of

gasoline, fuel oils, diesel, illuminating oils, oil lamps, combustible powered electricity producing generators, turpentine, benzene, naphtha, propane, natural gas, or other similar substances, combustible materials, or explosives of any kind, or any substance or thing prohibited in the standard policies of fire insurance companies in the State of Florida. Any such substances or materials found within the Demised Premises shall be immediately removed.

Tenant shall indemnify and hold the City harmless from any loss, damage, cost, or expense of the City, including, without limitation, reasonable attorney's fees, incurred as a result of, arising from, or connected with the placement by Tenant of any "hazardous substance" or "petroleum products" on, in or upon the Demised Premises as those terms are defined by applicable Federal and State Statute, or any environmental rules and environmental regulations promulgated thereunder. The provisions of this Section 38 shall survive the termination or earlier expiration of this Agreement.

40 <u>PROHIBITIONS REGARDING SALE OR USE OF EXPANDED POLYSTYRENE FOOD SERVICE ARTICLES OR PLASTIC STRAWS.</u>

Pursuant to Section 82-7 of the City Code, as may be amended from time to time, effective August 2, 2014, the City has prohibited the use of expanded polystyrene food service articles by City Contractors, in connection with any City contract, lease, concession agreement or Special event permit. Additionally, pursuant to Section 82-385 of the City Code, as may be amended from time to time, no polystyrene food service articles will be allowed in the right-of-way, and no polystyrene food service articles can be provided to sidewalk café patrons.

"Expanded polystyrene" is a petroleum byproduct commonly known as Styrofoam. Expanded polystyrene is more particularly defined as blown polystyrene and expanded and extruded foams that are thermoplastic petrochemical materials utilizing a styrene monomer and processed by any number of techniques including, but not limited to, fusion of polymer spheres (expandable bead foam), injection molding, foam molding, and extrusion-blown molding (extruded foam polystyrene).

"Expanded polystyrene food service articles" means plates, bowls, cups, containers, lids, trays, coolers, ice chests, and all similar articles that consist of expanded polystyrene.

Tenant agrees not to sell, use, provide food in, or offer the use of expanded polystyrene food service articles at the Demised Premises or in connection with this Lease. Tenant shall ensure that all vendors operating in the Demised Premises abide by the restrictions contained in this Section 39. A violation of this section shall be deemed a default under the terms of this Lease. This subsection shall not apply to expanded polystyrene food service articles used for prepackaged food that have been filled and sealed prior to receipt by the Tenant or its vendors.

Additionally, Tenant agrees to comply (and ensure compliance by its vendors) with Section 46-92 (c) of the City Code, which states that it is unlawful for any person to carry **any** expanded polystyrene product onto any beach or into any park within the City or for

any business to provide plastic straws with the service or delivery of any beverage to patrons on the beach.

41. NON-ALCOHOLIC PRODUCT EXCLUSIVITY.

The City reserves the right to execute exclusive product agreements and/or sponsorship agreements with third parties from time to time. Concessionaire agrees to be subject to the terms and conditions of those agreements, even if executed after the date of this Agreement. The City is in the process of negotiating exclusive pouring rights agreements with Pepsi, as the exclusive non-alcoholic beverage supplier (excluding energy drinks), and Red Bull for the energy drink category. Upon execution, Concessionaire will be notified and provided with the purchasing agent for the exclusive non-alcoholic beverage supplier. Upon receipt of written notification from the City, which could be pursuant to an e-mail, Concessionaire will not be permitted to purchase, sample or sell competitive products. Additionally, Concessionaire will be required to remove any equipment with the logo or name of any competitor of these sponsors.

42. INSPECTOR GENERAL AUDIT RIGHTS

- a) Pursuant to Section 2-256 of the Code of the City of Miami Beach, the City has established the Office of the Inspector General which may, on a random basis, perform reviews, audits, inspections and investigations on all City contracts, throughout the duration of said contracts. This random audit is separate and distinct from any other audit performed by or on behalf of the City.
- b) The Office of the Inspector General is authorized to investigate City affairs and empowered to review past, present and proposed City programs, accounts, records, contracts and transactions. In addition, the Inspector General has the power to subpoena witnesses, administer oaths, require the production of witnesses and monitor City projects and programs. Monitoring of an existing City project or program may include a report concerning whether the project is on time, within budget and in conformance with the contract documents and applicable law. The Inspector General shall have the power to audit, investigate, monitor, oversee, inspect and review operations, activities, performance and procurement process including but not limited to project design, bid specifications, (bid/proposal) submittals, activities of the Tenant, its officers, agents and employees, lobbyists, City staff and elected officials to ensure compliance with the contract documents and to detect fraud and corruption. Pursuant to Section 2-378 of the City Code, the City is allocating a percentage of its overall annual contract expenditures to fund the activities and operations of the Office of Inspector General.
- c) Upon ten (10) days written notice to the Tenant, the Tenant shall make all requested records and documents available to the Inspector General for inspection and copying. The Inspector General is empowered to retain the services of independent private sector auditors to audit, investigate, monitor, oversee, inspect and review operations activities, performance and procurement process including but not limited to project design, bid specifications, (bid/proposal) submittals, activities of the Tenant its officers, agents and employees, lobbyists, City staff and elected officials to ensure compliance with the contract documents and to detect fraud and corruption.
- d) The Inspector General shall have the right to inspect and copy all documents and records in the Tenant's possession, custody or control which in the Inspector General's sole judgment, pertain to performance of the contract, including, but not limited to original

estimate files, change order estimate files, worksheets, proposals and agreements from and with successful subcontractors and suppliers, all project-related correspondence, memoranda, instructions, financial documents, construction documents, (bid/proposal) and contract documents, back-change documents, all documents and records which involve cash, trade or volume discounts, insurance proceeds, rebates, or dividends received, payroll and personnel records and supporting documentation for the aforesaid documents and records.

- e) The Tenant shall make available at its office at all reasonable times the records, materials, and other evidence regarding the acquisition (bid_preparation) and performance of this Agreement, for examination, audit, or reproduction, until three (3) years after final payment under this Agreement or for any longer period required by statute or by other clauses of this Agreement. In addition:
 - i. If this Agreement is completely or partially terminated, the Tenant shall make available records relating to the work terminated until three (3) years after any resulting final termination settlement; and
 - ii. The Tenant shall make available records relating to appeals or to litigation or the settlement of claims arising under or relating to this Agreement until such appeals, litigation, or claims are finally resolved.
- f) The provisions in this section shall apply to the Tenant, its officers, agents, employees, subcontractors and suppliers. The Tenant shall incorporate the provisions in this section in all subcontracts and all other agreements executed by the Tenant in connection with the performance of this Agreement.
- g) Nothing in this section shall impair any independent right to the City to conduct audits or investigative activities. The provisions of this section are neither intended nor shall they be construed to impose any liability on the City by the Tenant or third parties.

43. TENANT'S COMPLIANCE WITH FLORIDA'S PUBLIC RECORDS LAW.

Tenant shall comply with Florida Public Records law under Chapter 119, Florida Statutes, as may be amended from time to time.

- (A) The term "public records" shall have the meaning set forth in Section 119.011(12), which means all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business of the City.
- (B) Pursuant to Section 119.0701 of the Florida Statutes, if the Tenant meets the definition of "Contractor" as defined in Section 119.0701(1)(a), the Tenant shall:

Keep and maintain public records required by the City to perform the service;

Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law;

Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed, except as authorized by law, for the duration of the contract term and following completion of the Agreement if the Tenant does not transfer the records to the City;

Upon completion of the Agreement, transfer, at no cost to the City, all public records in possession of the Tenant or keep and maintain public records required by the City to perform the service. If the Tenant transfers all public records to the City upon completion of the Agreement, the Tenant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Tenant keeps and maintains public records upon completion of the Agreement, the Tenant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

(C) Request for Records; Noncompliance.

A request to inspect or copy public records relating to the City's contract for services must be made directly to the City. If the City does not possess the requested records, the City shall immediately notify the Tenant of the request, and the Tenant must provide the records to the City or allow the records to be inspected or copied within a reasonable time.

Tenant's failure to comply with the City's request for records shall constitute a breach of this Agreement, and the City, at its sole discretion, may: 3 unilaterally terminate the Agreement; (2) avail itself of the remedies set forth under the Agreement; and/or (3) avail itself of any available remedies at law or in equity.

A Tenant who fails to provide the public records to the City within a reasonable time may be subject to penalties under s. 119.10.

(D) Civil Action.

If a civil action is filed against a Tenant to compel production of public records relating to the City's contract for services, the court shall assess and award against the Tenant the reasonable costs of enforcement, including reasonable attorneys' fees, if:

- i. The court determines that the Tenant unlawfully refused to comply with the public records request within a reasonable time; and
- ii. At least 8 business days before filing the action, the plaintiff provided written notice of the public records request, including a statement that the Tenant has not complied with the request, to the City and to the Tenant.

A notice complies with subparagraph (1)(b) if it is sent to the City's custodian of public records and to the Tenant at the Tenant's address listed on its contract with the City or to the Tenant's registered agent. Such notices must be sent by common carrier delivery service or by registered, Global Express Guaranteed, or certified mail, with postage or shipping paid by the sender and with evidence of delivery, which may be in an electronic format.

A Tenant who complies with a public records request within 8 business days after the notice is sent is not liable for the reasonable costs of enforcement.

(E) If the tenant has questions regarding the application of Chapter 119, Florida Statutes, to the Tenant's duty to provide public records relating to this Agreement, contact the custodian of public records at:

CITY OF MIAMI BEACH
ATTENTION: RAFAEL E. GRANADO, CITY CLERK
1700 CONVENTION CENTER DRIVE
MIAMI BEACH, FLORIDA 33139
E-MAIL: RAFAELGRANADO@MIAMIBEACHFL.GOV

PHONE: 305-673-7411

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IN WITNESS WHEREOF, the parties hereto have caused their names to be signed and their seals to be affixed, all as of the day and year first above written, indicating their agreement.

<u>FOR</u>	CITY:	CITY OF MIAMI BEACH, FLORIDA
ATTI	EST:	
Ву:	Rafael E. Granado, City Clerk	Alina T. Hudak, City Manager
	Raidel L. Granado, City Clerk	Allila 1. Hudak, Oity Manager
	Date	
FOR	TENANT:	TASTE BAKERY CAFE, LLC
ATTI	EST:	
Ву:		
	Witness	Owner Manager
		Rohit Thakore
	Print Name	Print Name
	Date	
	Witness	
	Print Name	
	Date	

EXHIBIT 1Demised Premises and Concession Area Layout

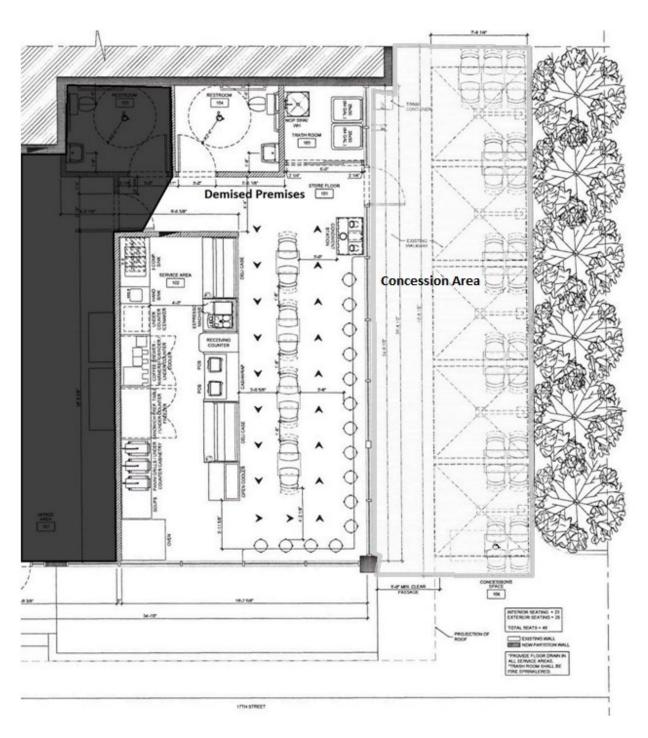


EXHIBIT 1a

UNIT 4

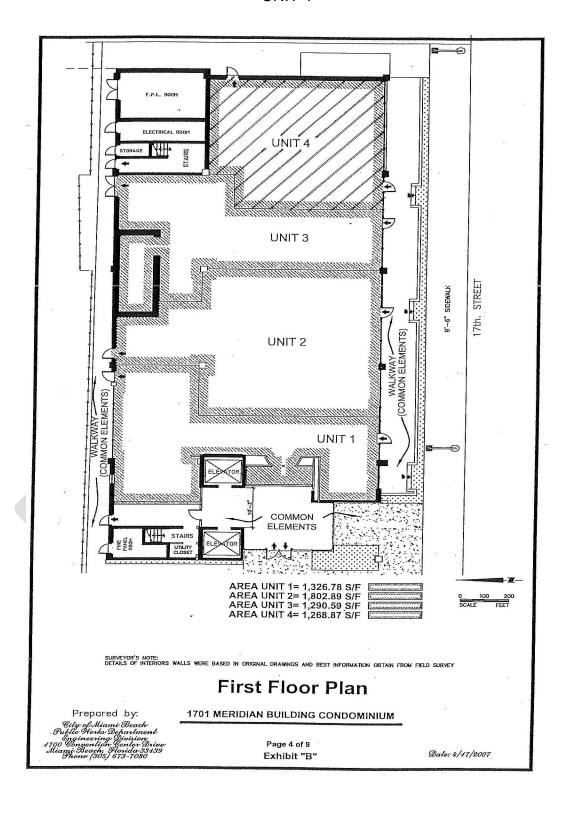


Exhibit 3.1

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AGREED-UPON PROCEDURES

(A) System Utilized by Tenant:

The tenant shall utilize a Point of Sales (POS) system that has the capability of tracking transactions by revenue centers. This system shall be capable of providing separate detail for each revenue center, as well as a combined report for the unit in its entirety.

For this lease agreement, it is understood that the POS system can or will:

- 1. Generate various revenue centers, such as Restaurant, Bar, Catering, Merchandising, etc. as applicable;
- 2. Each revenue center can report sales by time period (e.g., breakfast, lunch and dinner) and type of sales (e.g., food, beer wine, liquor, other beverage, coffee/tea), tax calculations, discounts, voids, guest counts, transaction counts, tips and payments (cash, Visa, MC, Amex, etc.);
 - Revenue Center shall also report sales by store location as well as reporting City Employee Purchases
- 3. All daily transactions entered in the POS system will be archived in the system, providing the capability to audit transactions.
 - City Employee Purchase Transactions shall also record the City Employee ID number.

Furthermore, the tenant's accounting team will treat each revenue center with any different rent requirements as its own unit by preparing separate journals to capture gross sales, discounts and payments for each (where applicable).

(B) <u>Agreed-upon procedures will include the following:</u>

On an annual basis, the tenant shall prepare and deliver to the City, within the time specified in the agreement, a report prepared by a Certified Public Accountant applying these agreed-upon procedures that reflects their findings of their review of the tenant's operations. Such review, and report thereof, shall include the following:

- ANALYSIS OF OPERATION: Inquire of management and obtain and review documentation on the nature of the tenant's business and the factors that affect sales. Inquire about and document any major changes made during the period.
 - a. Review procedures for recording sales within the Demised Premises.
 - b. Obtain the operating policies and procedures from the tenant.
 - c. Interview key tenant representatives to determine procedures used.
 - d. Observe the utilization and effectiveness of the procedures through periodic site visits to the designated location.
- 2. ANNUAL STATEMENT OF GROSS RECEIPTS: Obtain the Annual Statement of Gross Receipts schedule for the year ended, prepared in conformity with the agreement. Recalculate lease fees for the period based on sales per the schedule and the terms of the agreement.
- 3. TIMELINESS OF LEASE PAYMENTS: Verify that the payments were remitted timely in adherence to the due dates designated by the City pursuant to the lease agreement.

Exhibit 3.1

(Pg2 of 2)

AGREED-UPON PROCEDURES

4. TEST OF SALES BY REVENUE CENTER, TIME PERIOD AND TYPE OF SALES: Perform an analytical test of sales by obtaining a schedule summarizing sales by revenue center, time period, and type of sales. Obtain or prepare a reconciliation of total sales recorded in the general ledger for the period to the Annual Statement of Gross Receipts schedule provided to the City of Miami Beach.

Perform the following procedures:

- e. Test the analysis by selecting each revenue center and related sub-categories, and compare the amounts shown with those recorded in the sales schedule. Document the items selected for testing. Agree the sales schedule balances to the general ledger.
- f. Review the analysis, and identify any unusual trends or variations within the period or the prior period.
- g. Obtain sound business reasons for large variations that are unusual in amount or nature Included in the analysis.
- 6. TEST OF SALES COMPLETENESS: Perform a test of sales completeness by applying the following procedures:
 - a. Using sales documentation or daily POS reports, select 1 (one) day per month throughout the year, including weekdays and weekends. Document the items selected for testing. Trace a sample of guest checks (sales documentation including cash sales and credit card sales) to the daily POS recaps. Note the proper handling of any credit memos, etc.
 - b. Agree the summary information on the daily POS recap to proper recording in the general ledger, as appropriate.
 - c. Agree a sample of deposits per the daily POS recap to the bank statements.
 - d. Foot and cross foot a selected number of monthly reports of gross receipts submitted to the City and other linked documents to verify their accuracy.
 - **e.** Compare total sales for selected months to sales tax returns filed with the applicable taxing jurisdictions.
- 7. VERIFICATION OF TENANT AREA OPERATIONS: Verify the status of operations within the designated area.
 - a. Conduct site visits to determine the level of operations.
 - b. Review provided documents to determine the period of activity.
 - c. Discuss and document any variances with the tenant for explanation.

(C) <u>City Right to Review</u>

Notwithstanding the foregoing, the City shall retain the right to engage in all or similar reviews delineated above. Tenant agrees that the City, or their designee, shall be provided all necessary documentation to perform the tests, verifications and reviews described above.

Exhibit 7.1 Menu



Exhibit 8.4

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"TENANT'S REQUIRED IMPROVEMENTS"

