

NON-BINDING TERM SHEET

This term sheet ("**Term Sheet**") outlines the key terms which have been agreed in principle for the renewal term of that certain Long-Term License Agreement dated October 26, 2017 between the City of Miami Beach and Design Miami II, LLC (the "Existing Agreement").

This Term Sheet is not exhaustive, and the terms reflected herein shall not be legally binding on the parties.

For the avoidance of doubt, this Term Sheet is not an offer, and does not grant any right to either party. Defined terms used herein shall have the meanings given to them in the existing License Agreement dated October 26, 2017 between the City and Design Miami.

1.	Parties	Design Miami II, LLC , a Florida limited liability corporation whose address is 3841 NE 2 nd Avenue, Miami, Florida 33137 (" Design Miami " or " Licensee "); and The City of Miami Beach, Florida , a Florida municipal corporation whose principal address is 1700 Convention Center Drive, Miami Beach, FL 33139 (the " City "). Licensee and City are collectively referred to as the " Parties ".
2.	Design Miami Agreement	The term of the Existing Agreement runs from October 2018 through December 2023 with a Right of First Refusal and Renewal to hold the Annual Show. Licensee has the option to extend the term for an additional five Annual Shows commencing in 2024 and through 2028 (the "Renewal Term").
3.	Renewal Term	The Renewal Term shall commence upon the expiration of the Existing Agreement (on or around December 21, 2023) and shall continue in full force and effect until the conclusion of the 2028 Annual Show (on or around December 21, 2028) unless sooner terminated.
4.	The Events and the Event Concept	Licensee desires to use a portion of Pride Park (the "Premises") to produce and operate the annual furniture design show entitled "Design Miami" or such other title as the Parties shall mutually agree (the "Annual Show") which presents curated exhibitions of museum-quality furniture, lighting, and objets d'art. The Annual Show shall run for six (6) days (Tuesday through Sunday) and end at 7:00 pm each day, provided the duration of the event and the end time may be adjusted, subject to the City's prior written approval in its sole discretion. If the City agrees to a request by Design Miami to extend the Annual Show beyond a six (6) day period and such extension would

		<p>result in extending the license period, Licensee will pay the incremental cost associated with such extension to be calculated by multiplying (a) the per diem amount calculated by dividing the applicable License Fee into fifty (50) (the “Per Diem Rate”) times (b) the number of additional days agreed to by the City.</p> <p>The Annual Show will take place on the last week in November and/or the first week in December, based on the calendar year, to coincide with the annual Art Basel Miami Beach taking place in the Miami Beach Convention Center and Miami Beach Art Week event schedule.</p>
5.	Agreement Timetable	<p>The parties intend to enter into a detailed, binding agreement (“Full Form Agreement”) reflecting and expanding (where applicable) the terms outlined in this Term Sheet, as well as other terms contained in the Existing Agreement and such other additional terms as are customarily included in event staging and hosting agreements. The parties will collaborate, in good faith, with an expectation that the parties will execute the Full Form Agreement by no later than September 30, 2023.</p>
6.	License to Use Premises/Term	<p>In consideration for the annual compensation to City and other terms and conditions herein, the City agrees to license to Licensee the portion of Pride Park (the “Premises”), consisting of 100,000 square feet for the sole purpose of serving as the primary venue during the Renewal Term for the production and operation of five additional “Annual Shows,” between December 2024 and December 2028.</p> <p>The license period for each Annual Show shall extend for a maximum period of fifty (50) consecutive days (including load-in, event days, and load-out), and shall take place each year on or about the same dates (on or about October 30, through December 18 of each year), subject to adjustment of calendar dates on mutual agreement of the City and Licensee (“License Period”). If Licensee does not vacate the Premises by the expiration of the License Period without the City’s prior written consent, Licensee shall pay a “hold-over” fee equal to 200% of the per diem rate.</p>
7.	MBCC Hotel Construction	<p>The City shall have the right to temporarily suspend or modify mobilization and/or load-in and/or load-out of the Annual Show, if necessary, due to construction activity at the Miami Beach Convention Center Hotel that impacts the use of Convention Center Drive and/or surrounding thoroughfares (18 and 19 Streets), or weather conditions as determined by the Building Official and/or City Manager or designee.</p>

8.	License Fee	The base rental fee ("License Fee") for the use of the Premises for the 2024 Annual Show shall be calculated based on the updated 2023 Annual Show plus all applicable fees, including sales tax, subject to annual adjustment by the greater of (x) three percent (3%) or (y) Consumer Price Index (CPI) with a cap of six percent (6%) commencing with the 2024 Annual Show. For the avoidance of doubt, the License Fee for the 2023 Annual Show shall be calculated in accordance with the formula in the Existing License.
9.	Security Deposit	Licensee shall pay the City, no later than sixty (60) days prior to the first load-in date of each Annual Show, the sum of \$40,000, as security for the faithful performance by Licensee of the terms, conditions, and covenants of the Full Form Agreement. In the event of the Licensee's default of a term, condition, and/or covenant of this License, the City shall be entitled to retain such Security Deposit and apply it against any amounts owed by Licensee as a result of its default; Licensee shall be required to replenish the Security Deposit as necessary to maintain a \$40,000 balance.
10.	Utility Security Deposit	Licensee shall pay the City the sum of \$32,000 as a security deposit to cover the utility charges that may accrue during the term of the usage of the premises (the "Utility Security Deposit"). The Utility Security Deposit shall be paid in two, equal installments of \$16,000 with the first installment to be paid by or before the date that is thirty (30) days prior to the first load-in date of each Annual Show and the second installment to be paid by or before December 15 of the applicable Annual Show year.
11.	Food and Beverage/Concessions	Unless expressly waived in writing by the City, the Licensee shall comply with any exclusive product or sponsorship relationship applicable to the Premises including, but not limited to, the City's sponsorship agreements with PepsiCo and Red Bull, with respect to product exclusivity at the Premises (or any other exclusive food and/or beverage product sponsorship or similar relations that the City may enter prior to the expiration of the Renewal Term).
12.	Event Benefits	The City shall be recognized as a Show Partner level sponsor of each Annual Show and receive sponsorship recognition comparable to other Brand Partners and Show Partners, which at a minimum, includes logo recognition in the annual Design Miami catalogue(s), and event website (with a link to the City's website). In addition, the Licensee will provide a minimum of twenty (20) complimentary VIP passes for each Annual Show, and a minimum of twenty-five (25) complimentary day passes

		for each Annual Show. Licensee shall provide Miami Beach residents with the opportunity, at least fifteen (15) days in advance of each Annual Show, to purchase individual passes or tickets to the Annual Show at a discount of at least fifty percent (50%) off regularly advertised pass or ticket prices. The City shall provide the Licensee with media channels/formats to promote the offer including, but not limited to City social media channels and newsletter(s).
13.	Due Care in Use of Premises	Art in Public Places (“AiPP”): It is the responsibility of the Licensee to protect the public art and ensure proper care is observed by event staff and guests in collaboration with the Miami Beach Convention Center Staff and City. Proper care includes, but not limited to, securing the perimeter surrounding the AiPP works of art and the Veteran’s Memorial before load-in and load-out. The Licensee is responsible for covering all costs associated with the repair of public art resulting from damages occurred during the Annual Show, including load-in or load-out.
14.	Public Benefit	<p><u>Educational Initiative:</u></p> <ul style="list-style-type: none"> • Licensee to host a one-day presentation at Miami Beach Senior Highschool on architecture and design, or similar relevant topics germane to educating students on Design Miami/ Art Show operations. <p><u>Related to free admission to residents:</u></p> <ul style="list-style-type: none"> • Licensee to offer residents of the Palm View Historic District free access for two (2) people with (1) VIP pass to the Annual Show. • Palm View Historic District residents will be offered the ability to request Annual Show tours with the Licensee Exhibitions team. Upon request, up to five (5) seats shall be reserved for residents of the Palm View Historic District at Annual Show talks. <p><u>Related to Public Benefits:</u></p> <ul style="list-style-type: none"> • Licensee will offer, residents of the Palm View Historic District, a tour of the Craig Robins Collection in the Miami Design District, during pre-Annual Show periods.

		<ul style="list-style-type: none"> • Licensee will offer, residents of the Palm View Historic District, an architectural tour of the Miami Design District, during pre-Annual Show periods.
15.	Possible Extension of Term	<p>The term of the license agreement between Art Basel U.S. Corp. currently expires following the 2028 Art Basel Miami Beach Event. Based on the existing synergy between the Art Basel Event and the Annual Show, if Art Basel U.S. Corp. renews its license agreement to host the Art Basel Miami Beach Event at the Miami Beach Convention Center for additional years beyond 2028, the City shall negotiate in good faith with Licensee to extend the term for an additional renewal term not to exceed five (5) years on such terms as the parties shall agree.</p>