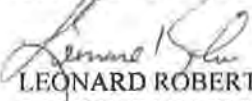


CITY OF CORAL GABLES

- MEMORANDUM -

TO: CRAIG LEEN
CITY ATTORNEY

DATE: AUGUST 19, 2014

FROM: 
LEONARD ROBERTS

ECONOMIC SUSTAINABILITY ASST' DIRECTOR

SUBJECT:
FRITZ & FRANZ RENEWAL LEASE

At the JuNE 10, 2014 Commission meeting, Resolution No. 2014-103 was approved authorizing entering into a renewal lease with Satchmo Blues Bar and Grill, Inc. d/b/a Fritz and Franz for use of the property located on the first floor of Garage 6 whose address is 60 Merrick Way, Coral Gables, FL.

Attached is the lease renewal, certificate of insurance and the executed Resolution. If acceptable, please process this for signature.

Thanks

LR



City of Coral Gables
CITY COMMISSION MEETING
June 10, 2014

ITEM TITLE:

A Resolution authorizing entering into a renewal lease with Satchmo Blues Bar and Grill, Inc. d/b/a Fritz and Franz, with regard to City owned property at 60 Merrick Way, Coral Gables, Florida for a period of ten (10) years.

DEPARTMENT HEAD RECOMMENDATION:

Approval

BRIEF HISTORY:

Satchmo Blues Bar and Grill, Inc d/b/a Fritz & Franz Bierhaus, has been in possession of the property pursuant to a prior lease agreement dated June 24, 1997. In 2006, the tenant exercised its renewal option, which expires on October 23, 2017. In order to settle an outstanding balance, to conform to the City's standard lease format, and to clarify terms the tenant would like to enter into a renewal lease.

The proposed renewal terms are as follows:

Premises: 60 Merrick Way, Coral Gables, FL 33134 that consists of 3,618 SF of ground floor retail space and 123 SF of storage located in the City's Parking Garage #6.

Use: Restaurant and Bar

Term: 10 years term from June 1, 2014 – May 31, 2024.

Renewal Term: Provided the City chooses to renew the lease, the Tenant will have 2 – 5 year renewal terms at Market Rate, which in no event will be less than 105% of the rate of the last lease year in the initial term or first renewal term, as applicable.

Security Deposit: There continues to be \$12,662.30 security deposit held, and an additional security deposit of \$3,618.70 will be collected so that the total security deposit will equal two months' of base rent [\$16,281.00].

Rent: Base Rent is increased from \$22.14 per square foot (psf) to the following:

LEASE YEAR	BASE RENT PER MONTH	BASE RENT PER SQUARE FOOT
6/1/14-5/31/15	\$8,140.50	\$27.00
6/1/15-5/31/16	\$8,384.72	\$27.81

6/1/16-5/31/17	\$8,634.96	\$28.64
6/1/17-5/31/18	\$8,894.24	\$29.50
6/1/18-5/31/19	\$9,162.59	\$30.39
6/1/19-5/31/20	\$9,436.95	\$31.30
6/1/20-5/31/21	\$9,720.36	\$32.24
6/1/20-5/31/22	\$10,012.82	\$33.21
6/1/21-5/31/23	\$10,314.32	\$34.21
6/1/22-5/31/24	\$10,624.86	\$35.24

Percentage Rent: Per the original lease term, the Tenant was obligated to pay percentage rent but has requested that the Landlord increase Base Rent and eliminate Percentage Rent, which will also be easier for the City administratively.

Operating Expenses: Tenant will pay its share of insurance and common area operating expenses for the building.

Real Estate Taxes/BID Assessment: Tenant continues to pay the taxes and assessments for the Premises and will pay the BID assessment.

Past Due Amounts: Due to disputes and unclear accounting, Tenant has not paid CAM or percentage rent since 2007. Landlord calculates the past due amount to be \$173,864.52. It is agreed to resolve this dispute, and in consideration of the proposed lease that the Tenant shall pay approximately 40% or \$69,545.81 in 48 monthly installments of \$1,448.87, and that in the event that Tenant fails to make any of these payments, or any other payments under the lease, that they will owe the full amount of \$173,864.52 minus any amounts already paid (which is similar to past due reconciliations for other City tenants).

The Tenant has also agreed to pay 100% of all past due CAM and percentage rent [\$19,519.03] from October 1, 2013 to May 31, 2014 on or before November 30, 2014.

The Property Advisory Board recommended approval of the renewal Lease terms at their May 21, 2014 meeting.

ADVISORY BOARD/COMMITTEE RECOMMENDATION(S):

Date.	Board/Committee	Comments
5/21/14	Property Advisory Board	Recommends approval

APPROVED BY:

Department Director <i>[Signature]</i>	City Attorney <i>[Signature]</i>	City Manager <i>[Signature]</i>
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ATTACHMENT(S):

1. Proposed Resolution with Proposed Renewal Lease
2. Excerpt minutes of the Property Advisory Board meeting of May 21, 2014.

Attest: *[Signature]*
Walter J. Foeman
City Clerk

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2014-103

RESOLUTION AUTHORIZING ENTERING INTO A RENEWAL LEASE WITH SATCHMO BLUES BAR AND GRILL, INC. D/B/A FRITZ AND FRANZ, WITH REGARD TO CITY OWNED PROPERTY AT 60 MERRICK WAY, CORAL GABLES, FLORIDA FOR A PERIOD OF TEN (10) YEARS.

WHEREAS, on June 24th, 1997, the City has entered into a lease with Jumpin Java, Inc., for City owned property at 60 Merrick Way, Coral Gables, Florida, for retail use; and

WHEREAS, on May 3rd, 1999, the parties executed a First Amendment to the lease whereby Jumpin Java, Inc., assigned its interest in the lease to Satchmo Blues Bar and Grill, Inc d/b/a Fritz & Franz Bierhaus; and

WHEREAS, the Tenant desires to renew its lease for 3,618 square feet of floor space at 60 Merrick Way for an additional ten (10) year term on the following terms and conditions: Base Rent shall increase to \$27.00 per square foot, escalating by three percent (3%) a year, in the event the City agrees, Tenant shall have the ability to renew for two-five year renewal periods at market rent; Tenant shall contribute to common area operating costs and insurance for the building by paying its proportionate share of such expenses; and Tenant shall pay real estate taxes and assessments for the premises; Tenant shall pay past due amounts for percentage rent and operating expenses in the amount of \$69,545.18 in 48 monthly installments, and shall pay all past due percentage rent and operating expenses from October 1, 2013 to May 31, 2014 on or before November 30, 2014; and

WHEREAS, on May 21, 2014, the Property Advisory Board reviewed the renewal terms and recommended that the City enter into a renewal Lease on the terms set forth in the above whereas clause;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

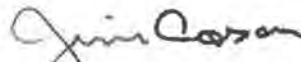
SECTION 1. That the foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon the adoption hereof.

SECTION 2. The City Commission does hereby authorize the City Manager to executed the Lease Renewal with the Tenant with such modifications to the form attached hereto as Exhibit "A" as may be approved by the City Manager and City Attorney that are necessary to implement the intent of this resolution.

SECTION 3. That this Resolution shall become effective immediately upon the date of its passage and adoption herein.


PASSED AND ADOPTED THIS TENTH DAY OF JUNE, A.D., 2014.
(Moved: Kerdyk/ Seconded: Quesada)
(Yeas: Lago, Quesada, Keon, Kerdyk, Cason)
(Unanimous: 5-0 Vote)
(Agenda Item: C-1)

APPROVED:



JIM CASON
MAYOR

ATTEST:



WALTER J. FOEMAN
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY



CRAIG E. LEEN
CITY ATTORNEY

RETAIL LEASE

between

CITY OF CORAL GABLES

and

SATCHMO BLUES BAR AND GRILL, INC.
d/b/a Fritz & Franz Bierhaus

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RETAIL LEASE AGREEMENT

THIS RETAIL LEASE AGREEMENT (the "Lease") is made and entered into as of this ___ day of _____, 2014, (the "Effective Date"), by and between the City of Coral Gables, a municipal corporation of the State of Florida, (the "Landlord"), whose address for purposes hereof is 405 Biltmore Way, Coral Gables, Florida 33134, and Satchmo Blues Bar and Grill, Inc., a Florida corporation d/b/a Fritz & Franz Bierhaus, (the "Tenant"), whose address for purposes hereof is 60 Merrick Way, Coral Gables, FL 33134.

WITNESSETH:

In consideration of the payments of rents and other charges provided for in this Lease, the covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby covenant and agree as follows:

I. **PREMISES:** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, upon the terms and conditions hereinafter set forth, those certain premises (the "Premises") deemed to consist of 3,618 gross square feet of floor space (the "Rentable Area") located at 60 Merrick Way, Coral Gables, Florida 33134, along with an approximately 123 square foot storage area as shown on Exhibit "A".

Although not a part of the Premises, the Tenant shall have the right to the use of the terrace area indicated on the cross-hatched section of Exhibit "A" (the "Terrace Area"), provided that at all times Tenant will maintain proper insurance coverage to cover the use of the Terrace Area when being used by Tenant or its patrons, Tenant is responsible for any damages caused to the Terrace Area while being used or as a result of use by the Tenant or its patrons, and further provided that the Terrace Area is used solely for the placement of outdoor seating for Tenant's patrons. Tenant shall be responsible for the maintenance and repair of the Terrace Area. Tenant acknowledges that there exists in the City of Coral Gables an ordinance or ordinances regarding the placing of tables and chairs outdoors and that as with all governmental ordinances, it shall be required to comply with same. In addition:

- a. The tables and chairs are not placed in a manner which would in any way obstruct the flow of pedestrian traffic on the sidewalk;
- b. Tenant shall keep the area clean and free of dirt, rubbish or spilled food (if Tenant fails to keep the area clean as outlined herein, Tenant agrees to pay Landlord the cost of Landlord cleaning the area plus a 25% service charge);
- c. Tenant shall indemnify and hold Landlord and its managing agent harmless from and against any and all claims for injury or damage resulting from the tables and chairs or any dirt, rubbish or spilled food,

which indemnity shall survive expiration or earlier termination of this Lease.

This Lease does not grant any right to light or air over or about the Premises.

II. TERM: The Lease shall be for a term (the "Term" or "Lease Term") commencing the "Effective Date", also the "Rent Commencement Date", and the Term shall expire on May 31, 2024 (the "Termination Date") unless terminated or extended as provided in the Lease.

It is acknowledged that Tenant has been in possession of the Premises pursuant to a prior lease dated June 24, 1997, as amended and assigned (the "Prior Lease"), and that such Prior Lease is terminated upon the commencement of the Term herein; provided, however, Tenant shall be responsible for all rent and other obligations through the termination date of the Prior Lease, including, but not limited to the obligation to pay Percentage Rent and assessments thereunder. All provisions of this Lease shall be in full force and effect upon the Effective Date.

III. CONDITION OF PREMISES "AS IS": Tenant acknowledges and agrees that it has previously inspected the Premises and conducted its own due diligence with regard to the conditions of the Premises and is accepting the Premises in "as is" condition. Landlord makes no representations as to the "Permitted Use" (as hereinafter defined) or suitability of the Premises for the Permitted Use. Tenant further acknowledges and agrees that the taking of possession of the Premises by Tenant shall be conclusive evidence against Tenant that the Premises were in satisfactory condition when possession was taken. Tenant further acknowledges and agrees that continued possession of the Premises by Tenant shall be conclusive evidence against Tenant that the Premises were in satisfactory condition.

IV. RENT:

A. Base Rent: Throughout the Term of the Lease, commencing on the Rent Commencement Date, Tenant agrees to pay Landlord Base Rent as follows:

LEASE YEAR	BASE RENT PER MONTH	BASE RENT PER SQUARE FOOT
6/1/14-5/31/15	\$8,140.50	\$27.00
6/1/15-5/31/16	\$8,384.72	\$27.81
6/1/16-5/31/17	\$8,634.96	\$28.64
6/1/17-5/31/18	\$8,894.24	\$29.50
6/1/18-5/31/19	\$9,162.59	\$30.39
6/1/19-5/31/20	\$9,436.95	\$31.30
6/1/20-5/31/21	\$9,720.36	\$32.24
6/1/20-5/31/22	\$10,012.82	\$33.21
6/1/21-5/31/23	\$10,314.32	\$34.21
6/1/22-5/31/24	\$10,624.86	\$35.24

each payment to be made without any offset or deduction whatsoever, in lawful money of the United States of America, at Landlord's address above specified, attn. Finance Department – Collection Division, or elsewhere as designated from time to time by Landlord's written notice to Tenant.

The Base Rent, as set forth above, plus sales tax and any and all applicable tax, is payable in advance on the first day of each month during the Term, the first such installment being due on the Rent Commencement Date (and subsequent installments on the first day of each month thereafter throughout the Term). Notwithstanding the foregoing, if the Rent Commencement Date commences on any day of a month other than the first day, Tenant shall pay Landlord "Rent" (as hereinafter defined) for such commencement month upon the Rent Commencement Date on a pro rata basis (such proration to be based on the actual number of days in the month that the Rent Commencement Date begins). Rent for any partial month of occupancy at the end of the Term will be prorated based on the actual number of days in such partial month. The term "Rent" as used in this Lease shall mean Base Rent plus sales tax, any and all applicable tax, and all other charges and costs due by Tenant to Landlord under this Lease. The term "Lease Year" as used in this Lease shall mean a twelve (12) consecutive month period. Each Lease Year shall commence on October 1st and end on September 30th of each year up until the Termination Date, unless sooner terminated as provided herein. As set forth above, the yearly increases to the Base Rent shall occur on October 1st of each year throughout the Term of the Lease. Except as expressly set forth herein, Tenant shall not pay more than one month's rent in advance.

B. Payments

Any payments due to Landlord other than Base Rent shall be paid within thirty (30) days of the date billed to Tenant.

Without waiving other available rights and remedies, Tenant shall be required to pay Landlord the lesser of eighteen percent (18%) interest per annum or the maximum percentage permitted by law on any Rent due that remains unpaid for ten (10) days after its due date, along with Rent equal to two hundred and fifty dollars (\$250) to reimburse Landlord for its additional administrative costs. Said interest will be computed from the due date. Tenant shall pay as Rent an administrative fee of One Hundred Dollars (\$100) for any returned check, and Landlord may require Tenant to provide a certified or cashier's check if more than one (1) of Tenant's checks are returned for insufficient funds. Landlord shall have the right to apply any payments made by Tenant first to any deficiency in the payment of the interest and administrative charges hereunder. If Tenant pays Rent late four (4) times in any twelve (12) month period, in addition to Landlord's other remedies, Landlord may cancel this Lease.

C. Additional Payments of Past Rent Due.

It is acknowledged that the parties have reconciled Tenant's account and found that the Tenant owes one hundred seventy-three thousand eight hundred sixty-four and 52/100 dollars (\$173,864.52) plus the applicable sales taxes as of September 30, 2013. This amount is calculated as follows:

- a. \$6,970.64 in past Base Rent;
- b. \$140,783.75 in Percentage Rent due;
- c. (\$17,626.03) credit in Real Estate taxes overpayment;
- d. \$903.79 in previous judgments; and
- e. \$42,832.38 in Common Area Maintenance (CAM) due.

Landlord agrees to abate a portion of such payment, along with interest thereon, provide that Tenant meets the following payment schedule and provided Tenant does not default in payment of current Percentage Rent.

Tenant shall pay Sixty-nine Thousand Five Hundred Forty-Five and 81/100 Dollars (\$69,545.81) in forty-eight (48) equal monthly installments of One Thousand Four Hundred Forty-Eight and 87/100 Dollars (\$1,448.87) (hereinafter "Back Rent"), with the balance of the \$173,864.52 being abated as provided herein (the "Abatement"). Payment of Back Rent shall be made along with Base Rent payments; provided, however, Tenant may pay more than the monthly Back Rent set forth above in order to pay off the Back Rent amount more quickly.

In addition, the parties acknowledge that the Tenant owes percentage rent, common area operating cost and insurance from October 1, 2013 to the full execution date of this Agreement. As of May 16, 2014, the estimated amount due is Nineteen Thousand Five Hundred Nineteen and 03/100 Dollars (\$19,519.03), excluding sales tax (the "Recent Percentage Rent Due"); however, Tenant has not provided sales reports for the months of April and May. Once Tenant provides such sales reports, the Recent Percentage Rent Due will be adjusted. The Recent Percentage Rent Due may be paid in six (6) equal installments, which shall be made along with Base Rent payments; provided, however, Tenant may pay more than the monthly Recent Percentage Rent Due set forth above in order to pay off the Recent Percentage Rent Due amount more quickly.

Failure to meet these aforementioned payment schedules and/or make current Rent payments after applicable notice and cure periods shall be a default under this Lease and the entire amount of the one hundred seventy-three thousand eight hundred sixty-four and 52/100 dollars (\$173,864.52) plus the Recent Percentage Rent Due minus payments for the payments already made, plus accrued interest at the maximum rate allowable under then applicable law from the original due date of the payment shall become immediately due. In the event that Tenant has met these payment schedules and made current Rent payments for forty-eight (48) months, the Abatement shall be waived in its totality.

V. SECURITY DEPOSIT:

It is acknowledged that Landlord is holding, and shall continue to hold a security deposit in the amount of Twelve Thousand Six Hundred Sixty-two and 30/100 Dollars (\$12,662.30) (the "Original Security Deposit"). In addition, with the execution of this Lease, Tenant shall deposit with Landlord an additional security deposit in the amount of Three Thousand Six Hundred Eighteen and 70/100 dollars (\$3,618.70) representing (the "Additional Security Deposit"). The Original Security Deposit and the Additional Security Deposit in the amount of Sixteen Thousand Two Hundred Eighty-One and 00/100 Dollars (\$16,281.00) shall be the "Security Deposit" to be held by Landlord as security for Tenant's performance under this Lease, and not as an advance payment of Rent or a measure of Landlord's damages for default. Unless otherwise required by law, Tenant shall not be entitled to interest on such Security Deposit and Landlord may commingle such Security Deposit with any other funds of Landlord. Upon Tenant's default, Landlord, without prejudice to any other remedy, may apply any applicable portion of the Security Deposit to: (a) an arrearage of Rent, and/or (b) any other expense incurred by Landlord or any employee, agent, representative, trustee, officer or director of Landlord due to such default. Tenant shall pay to Landlord, on demand, the amount so applied pursuant to the immediately preceding sentence hereof in order to restore the Security Deposit to its original amount. If Tenant is not in default, then, within a reasonable time following termination of this Lease and satisfactory return of the Premises by Tenant to Landlord in accordance with this Lease, Landlord will return any remaining balance of the Security Deposit to Tenant. Tenant shall be responsible for any damage in excess of the Security Deposit. If Landlord transfers Landlord's interests in the Premises, then Landlord may assign the Security Deposit to the transferee and Landlord thereafter shall have no further liability for the return of the Security Deposit.

VI. RENEWAL OPTION:

Landlord shall have the right not more than twelve (12) months or less than six (6) months prior to the end of the initial Lease Term or First Renewal Period, as applicable, to notify the Tenant in writing that the Landlord will not renew the Lease. If the Landlord fails to so notify Tenant during this time period, then Tenant shall have the right to renew as set forth below.

Provided Landlord has elected to allow Tenant to renew and Tenant has not been in default during the Term of this Lease and is not in default under the terms of this Lease at the time of exercise or commencement of this option, Tenant shall have the option, exercisable at least six (6) months prior to the expiration of the initial Lease Term, to renew this Lease for two additional periods of five (5) years each beginning on the 1st day following the last day of the initial Lease Term and ending on the last day of the fifth anniversary thereof (the "Renewal Period"), upon the same terms and conditions herein except: the total Base Rent payable during the Renewal Period shall be equal to Market Rate, which is defined as the Rent that Landlord should reasonably

be able to obtain for the Premises effective the first day of the Renewal Period, which in no event shall be less than one hundred five percent (105%) of the Base Rent in effect for the last Lease Year of the initial Lease Term. Said Market Rate shall be based on the prevailing market rate for a comparable use and other relevant factors including but not limited to size, location, and condition. Tenant's failure to notify Landlord timely of its exercise of the Renewal Period shall be considered a forfeiture by Tenant of this option to renew.

Landlord shall provide Tenant with its determination of Market Rate after Tenant's notification that Tenant will renew. Pending determination of Market Rate, Tenant shall pay Base Rent for the beginning of the Renewal Period in the amount of one hundred and five percent (105%) of the Base Rent in effect for the last Lease Year of the initial Term. If Tenant objects to Landlord's determination of Market Rent, Tenant shall send written objection to Landlord within ten (10) days of receipt of Landlord's determination. Failure to object within such ten (10) day period shall be deemed acceptance of Landlord's determination. If Tenant objects to Landlord's determination of Market Rate, each party shall appoint within fifteen (15) days of Landlord's receipt of Tenant's objection, a real estate appraiser. Should either party fail to appoint an appraiser within this time period, the other party's appraiser's opinion shall be binding. The two (2) appraisers shall appoint a third within ten (10) days of their appointments. All appraisers shall have been active during the last five (5) years doing appraisals of retail properties in the area where the Premises is located. Within thirty (30) days of the third appraiser's appointment, the appraisers shall reach a determination of Market Rent by a decision of the majority of the appraisers, which amount shall not be more than Landlord's determination or less than the greater of one hundred and fifteen percent (115%) of the Rent of the last Lease Year of the initial Term and Tenant's determination. All costs of the appraisers shall be at Tenant's cost.

VII. TENANT TRADE NAME:

Unless Landlord consents otherwise in writing in its discretion, Tenant shall conduct business in the Premises only in the name of Fritz & Franz Bierhaus (the "Tenant Trade Name").

VIII. USE:

The Tenant will use and occupy the Premises for the following use or purpose and for no other use or purpose: operation of a restaurant and bar, which may sell alcohol in accordance with all applicable statutes, laws, regulations, ordinances, codes ("Laws"), and which may offer live music entertainment and festivals within the Premises. This use defines the use that is permitted on site and is hereinafter considered the "Permitted Use".

As long as this Lease shall remain in effect, neither Tenant, nor Tenant's parent corporation, nor any of Tenant's subsidiaries or affiliated corporations or entities shall, within three (3) miles (the "Radius Restriction"), either directly or indirectly own, operate

or be financially interested in, either itself or with others, a business like, or similar to, the business permitted to be conducted under this Lease, excepting however, such of Tenant's stores as may be in operation on the date of the Lease. Landlord shall be entitled to all rights and law and equity, including injunction, to enforce the Radius Restriction.

Tenant shall be required to operate and be open for business to the public year round, seven (7) days a week (excluding Thanksgiving and Christmas), and shall be open, at a minimum, between the hours of 11:30 A.M. and 11 P.M., and Tenant may operate until 2 a.m. in accordance with Laws. In the event that the Tenant uses the Premises for purposes not expressly permitted herein, the Landlord may, in addition to all other remedies available to it, terminate this Lease or restrain said improper use by injunction. Without the prior written consent of the Landlord, which may not be unreasonably withheld, the Premises shall never be closed for business more than two (2) weeks continuously and thirty (30) days (in the aggregate) in any Lease Year except for planned renovations or situations that would be considered "Force Majeure".

Tenant shall not commit any nuisance; nor permit the emission of any objectionable noise or odor, nor burn any trash or refuse within the Premises; nor bring on, deposit or allow to be brought on or deposited on the Premises any hazardous or noxious materials or substances, as the same may be defined by federal, state or local laws, codes, ordinances, rules, or regulations; nor make any use of the Premises or any part thereof or equipment therein which is improper, offensive, a nuisance or contrary to law.

Tenant agrees to strictly enforce all laws in the operation of the Premises.

IX. QUIET ENJOYMENT:

Upon payment by Tenant of the Rents herein provided, and upon the observance and performance of all terms and provisions, on Tenant's part to be observed and performed, Tenant shall, subject to all of the terms and provisions of this Lease, peaceably and quietly hold and enjoy the Premises for the Term hereby demised.

X. INSURANCE:

Without limiting the Tenant's indemnification of the Landlord, and during the Term of this Lease, Tenant shall provide and maintain at its own expense the below described programs of insurance.

Such programs and evidence of insurance shall be satisfactory to the Landlord and shall be primary to and not contributing with any other insurance or self-insurance program maintained by the Landlord. All certificates of insurance or other forms evidencing coverage to the Landlord must be acceptable to the Landlord. The certificate holder should read and all coverage shall be evidenced to:

City of Coral Gables, Insurance Compliance

P.O. Box 12010-CE
Hermet, CA 92546-8010

Such certificates or other document evidencing all insurance coverage shall be delivered prior to taking possession of the leased space under this Lease, and at a minimum evidence of Commercial General Liability Insurance shall be provided prior to the Landlord executing this Lease. All insurance coverage evidenced to the Landlord shall specifically identify this Lease, and shall contain the express condition that the Landlord is to be given written notice, by receipted delivery, at least thirty (30) days in advance of any cancellation, non-renewal or material change of any insurance policy.

A. The Tenant shall maintain during the Term of this agreement, except as noted, the following insurance:

1. Commercial General Liability insurance with broad form endorsement or equivalent, products liability, contractual liability, personal and advertising injury, severability of interests with cross liability provision, and personal injury and property damage liability with limits no less than \$1,000,000 per occurrence for bodily injury and property damage, and \$2,000,000 in the aggregate, with a deductible not to exceed Five Thousand Dollars (\$5,000.00). Said policy or policies shall name the Landlord as an additional insured on a primary and non-contributory basis and shall reflect the hold harmless provisions contained herein. If Tenant is a restaurant/bar and/or other business that sells, manufactures or serves alcohol of any kind, Liquor Liability, with a limit of \$1,000,000 per occurrence shall be required in addition to the coverage outlined above.
2. Worker's Compensation Insurance for all employees of Tenant including statutory limits for employer's liability insurance contained in Florida Statutes Section 440.
3. Automobile Liability insurance covering all owned or leased (long term) vehicles of Tenant with a Combined Single Limit of no less than one million dollars per occurrence.
4. Property insurance covering all of Tenant's betterments, improvements, inventory, fixtures, equipment, including any and all business personal property, on a replacement cost basis using as a minimum standard the equivalent terms and conditions included in the most recent edition of an unendorsed ISO (Insurance Services Office, Inc.) "Cause of Loss-Special Form." In addition, business interruption coverage in an amount sufficient to reimburse Tenant for a minimum of one year's income for direct or indirect loss on an actual loss sustained basis shall be provided. In any event, Tenant waives any claim it may have against the Landlord and any insurer of the Landlord for any type of property insurance loss, whether owned by Tenant or owned by others in the care, custody or control of Tenant, and for any claim for

business interruption. Failure to maintain adequate insurance coverage shall not relieve Tenant of its obligations as set forth in this Lease, including, but not limited to, Tenant's obligation to rebuild and reopen as set forth in this Lease. Landlord may require Tenant to provide an appraisal to determine or substantiate that an appropriate amount of insurance coverage has been purchased. The deductible for any type of property insurance or inland marine insurance shall not exceed five thousand dollars (\$5,000) for all other perils and five percent (5%) for windstorm/hail coverage. In the event Tenant is the sole occupant of the building, Tenant is required to insure the building on a 100% replacement cost basis and to be responsible for all deductibles. Should the structure be historic in nature, Tenant is required to insure the building on a 100% historic reproduction cost basis and a Historic Reproduction Cost Endorsement must be added to the policy. Every attempt shall be made by Tenant to secure an insurance policy that does not contain a co-insurance provision, with the preferred coverage being provided on an "Agreed Value" basis. Should the Landlord be required to secure property insurance on behalf of Tenant, Tenant shall be responsible for the cost therefore plus all deductibles associated with this location and shall be billed said amounts as additional Rent.

5. Comprehensive Boiler and Machinery and/or Equipment Breakdown Insurance, including electrical apparatus, with a deductible not to exceed five thousand dollars (\$5,000). The limit of insurance shall be the same limit of insurance evidenced to Landlord on the property insurance policy and shall include coverage for business interruption in an amount sufficient to reimburse Tenant for a minimum of one year's income on an actual loss sustained basis for direct or indirect loss, including overhead power lines.
6. Commercial Glass Policy covering breakage and/or sudden chemical damage to commercial glass on a first dollar basis, including supplemental coverage and allowances for glass frame damage, board-up costs, security and obstruction removal.
7. Other (or increased amounts of) insurance which Landlord shall from time to time deem advisable or appropriate. Such new or additional insurance to be effective as of the sooner of ninety (90) days after notice thereof or the next annual renewal of any policy being increased (as applicable).

All applicable policies shall name the Landlord as an additional insured on a primary and non-contributory basis, and all applicable policies shall name the Landlord as a loss payee.

All insurance policies evidenced to the Landlord shall contain a waiver of subrogation endorsement in favor of the Landlord.

All insurance policies evidenced to the Landlord shall contain provisions and/or be endorsed so that the Landlord will receive written notice, by receipted delivery, at least thirty (30) days in advance of any cancellation, non-renewal or material change of any insurance policy that has been evidenced to the Landlord. The Landlord will accept the State of Florida statutory notice provisions (including 10 day notice for cancellation due to non-payment of premium) provided such notice is provided to the Landlord in the same manner it is provided to the first named insured, the Tenant. **The standard cancellation language on a certificate of insurance does not meet this requirement.**

All of the above insurance policies evidenced to the Landlord shall be placed insurance companies with an A.M. Best or equivalent rating of "A-", "VI" or better, qualified to do business under laws of the State of Florida.

Said policies shall contain a "severability of interest or "cross liability" clause without obligation for premium payment of the Landlord. The Landlord reserves the right to request a copy of the required policies directly from their insurance representative for review at any time.

Tenant shall provide evidence of all insurance required under this Article X to Landlord, along with applicable copies of all applicable endorsements prior to occupying the Premises, and at a minimum, evidence of Commercial General Liability Insurance coverage shall be provided prior to execution of this Lease by Landlord, provided that Tenant's failure to provide such evidence to Landlord shall not extend the Rent Commencement Date.

Failure on the part of the Tenant to obtain and maintain all required insurance coverage is a material breach upon which the Landlord may, in its sole discretion, terminate this Lease with ten days written notice or obtain such insurance on behalf of Tenant and charge the cost therefor to Tenant, along with a twenty percent (20%) administration fee as additional Rent. Tenant agrees to pay as Rent any increase in Landlord's insurance premiums, resulting from Tenant's activities, whether or not Landlord has consented to such activity.

If Landlord's insurance premiums for any separate insurance carried by Landlord exceed the standard premium rates for similar property because the nature of Tenant's operation results in extra hazardous exposure, then Tenant shall reimburse Landlord, immediately upon receipt of appropriate invoices from Landlord, for such increase in premiums. It is understood and agreed between the parties hereto that any such increase in premiums shall be considered as rent due and shall be included in any lien for Rent.

B. Tenant's contractors and subcontractors shall provide evidence of insurance, and Tenant shall include or cause to be included in each contract for work to be performed at the Premises on behalf of Tenant the following insurance requirements:

1. Installation, floater or builder risk-completed value fire and extended coverage form covering damage to the construction and improvements to be made by Tenant in amounts at least equal to the estimated complete cost of the construction and improvements with one hundred percent (100%) coinsurance protection. Landlord and Tenant shall be named as an additional insured and loss payee.
2. Commercial General Liability insurance with broad form endorsement or equivalent, product liability, contractual liability, personal and advertising injury, severability of interests with cross liability provision, and personal injury and property damage liability with limits no less than \$1,000,000 per occurrence for bodily injury and property damage, and \$2,000,000 in the aggregate, and with a deductible not to exceed Five Thousand Dollars (\$5,000.00). Said policy or policies shall name the Tenant and Landlord as an additional insured on a primary and non-contributory basis and shall reflect the hold harmless provisions contained herein.
3. Worker's Compensation Insurance for all employees of Contractor including statutory limits for employer's liability insurance contained in Florida Statutes Section 440.
4. Automobile Liability insurance covering all owned, non-owned and hired vehicles with a Combined Single Limit of no less than one million per occurrence. If vehicles are not owned or leased (long term) by the Contractor, then only hired and non-owned coverage applies.

Evidence of insurance of all contractors and subcontractors working under this Lease shall be maintained and kept for a period of time no less than the applicable statute of limitations and/or statute of repose for any claim that could be brought against Tenant and/or Landlord and/or for any claim that could be made against the contractor as a result of the work performed. These records must be made available to the Landlord upon request. Evidence of insurance shall include a Certificate of Insurance and copies of all applicable endorsements evidencing the required coverage. The Certificate of Insurance alone does not evidence insurance adequately. This includes, but is not limited to, endorsements evidencing additional insured status on a primary and non-contributory basis, waivers of subrogation, and endorsements amending the standard cancellation clause. The obligations set forth in this paragraph shall survive expiration or earlier termination of this Lease.

Tenant and its contractors and/or subcontractors shall comply with Florida Statutes Section 255.05, as applicable.

In the event that Tenant is not the sole occupant of the building in which the Premises are located, Tenant shall pay its proportionate share of Landlord's cost to insure (i) the building structure (but not Tenant's improvements, furniture, fixtures, inventory or personal property, which remain Tenant's obligation to insure) for all risk coverage including windstorm, (ii) Commercial General Liability Insurance covering the common areas and shared facilities of the property, and (iii) any deductible required to be paid with regard to Landlord's policies. Tenant's proportionate share shall be

determined by multiplying a fraction, the numerator of which is Tenant's leasable floor area and the denominator of which is the total leasable area of the building, by the allocated cost of insurance for the property of which the Premises is a part. Tenant shall pay its proportionate share of insurance annually within thirty (30) days of receipt of an invoice therefor.

XI. GOVERNMENTAL AND OTHER REQUIREMENTS:

Tenant shall faithfully observe in the use of the Premises all municipal and county ordinances, resolutions and codes and all state and federal statutes, rules and regulations now in force or which may hereafter be in force.

XII. RELATIONSHIP OF PARTIES:

Nothing herein contained to the contrary shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Landlord and Tenant, it being expressly understood and agreed that neither the computation of Rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relations between Landlord and Tenant other than the relationship of landlord and tenant. Notwithstanding the fact that the City of Coral Gables (the "City") is the landlord under this Lease and that there exists a landlord/tenant relationship between Landlord and Tenant, Tenant acknowledges that this Lease does not grant Tenant any rights or create any exceptions to its obligation to comply with and meet the requirements of all the City's ordinances, resolutions and codes, and that the landlord/tenant relationship shall have no effect upon the jurisdiction and governing rights of the City over the Premises and Tenant shall be required to fulfill and comply with all applicable laws, rules and regulations, ordinances and resolutions of the City as though no such landlord/tenant relationship existed, including, without limitation, all requirements of the City's Building and Zoning Department or other pertinent City agencies.

XIII. OPERATION, UTILITIES, MAINTENANCE AND REPAIR EXPENSES:

Tenant shall be solely responsible for the installation, operation and maintenance expenses of the Premises, including, without limitation, the cost of all HVAC, heating, electricity, water, sewer, garbage, gas and waste removal, other utility expenses, janitorial service, pest control and insurance. Tenant, at its sole cost and expense, during the entire Lease Term, shall be responsible for the repair, maintenance and replacement of the interior of the Premises, including, without limitation, all walls, plumbing, electricity, fixtures and all other appliances and equipment of every kind and nature and any mechanical systems servicing the Premises. Upon demand by the Landlord, the Tenant shall cause to be corrected all such defects which are discovered within the warranty period or periods as set forth above, failing which the Landlord shall make such repairs and/or replacements of defective work and/or materials and the

Tenant shall be liable to the Landlord for all costs arising therefrom. The Tenant also warrants that it shall be solely responsible for the repair of any damages to said improvements and/or alterations caused by Tenant, its employees, representatives and/or agents.

Tenant shall pay its share of common area operating costs for Landlord's operation of the common areas in monthly installments in such amounts as are reasonably estimated from time to time during the Term by Landlord, each such installment being due on the first day of each calendar month. "Operating costs for the common areas" shall mean all Landlord's costs to operate the Building for the common benefit of the tenants, including trash removal, maintenance and repair, cleaning, landscaping, insurance on the entire building, running and maintaining the cooling tower, utilities, alarm and fire sprinkler systems, plumbing, security (if any), roof repair and ceiling tile replacement, and other similar services. "Operating costs for common areas" shall not include structural changes, roof replacement, or cooling tower replacement. At any time during a Lease Year, Landlord may re-estimate Tenant's share of common area operating costs and thereafter adjust Tenant's monthly installments payable during the Lease Year to reflect more accurately Tenant's share of common area operating costs. Within one hundred and twenty (120) days after Landlord's receipt of tax bills for each tax year, or such reasonable (in Landlord's determination) time thereafter, Landlord will notify Tenant of the amount of operating costs for the Lease Year in question and the amount of Tenant's share thereof. Any overpayment or deficiency in Tenant's payment of common area operating costs for each year shall be paid promptly. Tenant's share shall be determined by multiplying the cost of common area maintenance costs for the Building by a fraction, the numerator of which shall be the square footage of the Premises, and the denominator of which shall be the total square footage of the building of which the Premises is a part, which is currently 1.92% with regard to all of the common area maintenance cost except for the chiller. Tenant's current proportionate share for the chiller expenses is 23.9% (the chiller serves only leased tenant spaces, not the garage portion of the building).

Notwithstanding the foregoing, to the extent not necessitated by the acts or omissions of Tenant, its agents, employees or contractors, Landlord agrees to make any and all repairs and replacements allowed by law and reasonably required to the exterior walls, roof, the foundation and structural portions of the Premises (excluding, however, all doors, door frames, storefronts, windows and glass). Landlord shall have thirty (30) days after receipt of written notice from Tenant to perform such repairs of the items described in the foregoing sentence, or such additional time as may be reasonably required for the nature of the repair.

Tenant, at Tenant's own expense, will keep and maintain the Premises continuously in a neat and attractive manner, in good repair and in tenantable condition during the Term.

Tenant shall either install and maintain hurricane glass and framing or storm and security shutters for all exterior windows and glass doors of the Premises. If Tenant has

storm shutters, Tenant shall install them on all exterior windows and glass doors of the Premises within twenty-four (24) hours of the estimated arrival of any named storm or following Tenant's receipt of Landlord's request. Tenant shall indemnify and hold Landlord harmless with respect to all loss or damage that may occur to the Premises or personal property contained therein, arising out of or resulting from Tenant's failure to comply with the provisions of this paragraph. Tenant's indemnification obligation in this Section shall survive termination or earlier expiration of this Lease.

Except only furniture and trade fixtures which shall be readily removable without injury to the Premises, all additions, fixtures, carpets, and improvements shall be and remain a part of the Premises at the expiration of this Lease. Attached hereto and made a part hereof as **Exhibit B** is the list of Tenant's furniture and trade fixtures that Tenant may remove at the expiration of this Lease.

Tenant will not make any alterations, renovations, improvements or other installations in, on or to any part of the Premises (including, without limitation, any alterations of the storefront, signs, structural alterations, or any cutting or drilling into any part of the Premises or any securing of any fixture, apparatus, or equipment of any kind to any part of the Premises) unless and until Tenant shall have caused plans and specifications therefor to have been prepared, at Tenant's expense, by an architect or other duly qualified person and shall have obtained Landlord's approval (not to be unreasonably withheld or delayed) thereof. If such approval is granted, Tenant shall cause the work described in such plans and specifications to be performed, at its expense, promptly, efficiently, competently and in a good and workmanlike manner by duly qualified and licensed persons or entities, using first grade materials, without disruption to the operations of neighboring occupants. All such work shall comply with all applicable codes, rules, regulations and ordinances. Notwithstanding the foregoing, Tenant shall have the right to make interior repairs or replacements which do not require any structural alteration or impose any greater load on any structural portion of the Premises, and are in accordance with Tenant's originally approved plans. Tenant agrees, at its sole cost and expense; maintain the interior and exterior of the Premises in accordance with approved plans and specifications, with quality materials and equipment in a fresh and upgraded condition. Plans and specifications for all improvements, including the type of materials to be used by Tenant in the Premises, must be set forth in detail and submitted to Landlord for approval prior to the commencement of any remodeling.

Landlord reserves the right at any time and from time to time to make or permit changes to the building in which the Premises is located provided any changes or additions by Landlord to Landlord's Property shall be performed in such a manner so as not to unreasonably interfere with Tenant's use of the Premises and shall not change in a material, adverse way the access to the Premises.

XIV. TAXES AND ASSESSMENTS.

A. Taxes and Assessments: Tenant shall be responsible for and shall pay before delinquency all other municipal, county or state taxes and assessments, without limitation, assessed during the Term of this Lease against any occupancy interest or personal property of any kind, owned by or placed in, upon or about the Premises by the Tenant. Tenant shall be solely responsible for its portion of the real property taxes that are subject to ad valorem taxation. Tenant shall be responsible to pay all amounts due hereunder to Landlord within thirty (30) days after receipt of an invoice therefor. The Tenant shall have the right to contest, at its sole expense, from time to time, any taxes or tax assessments levied against the Premises by legal proceedings; provided, however, that such protest is made in accordance with applicable law and that all such taxes or assessments are paid as and when due pursuant to such legal proceedings and further provided that the Landlord is held harmless by the Tenant in connection with such tax contest. Tenant shall coordinate with any other occupants or tenants that may be part of the same tax folio. In the event that Tenant fails to make the appropriate payment for real estate taxes when due, Tenant shall be responsible for any penalties imposed on the Landlord as a result of Tenant's delinquency in the payment of said taxes.

B. Business Improvement District and Other Assessments: Tenant and Landlord both acknowledge that the Premises may be subject to certain assessments, including without limitation, Business Improvement District (BID) assessments. Tenant agrees to be solely responsible for its proportionate share of BID assessments based on the square footage of the Premises. Tenant shall be responsible to pay all amounts due hereunder to Landlord within thirty (30) days after receipt of an invoice therefor. In the event that Tenant fails to make the appropriate payment for assessments when due, Tenant shall be responsible for any penalties imposed on the Landlord as a result of Tenant's delinquency in the payment of said assessments.

XV. MECHANIC'S LIENS:

Tenant shall keep the Premises and all parts thereof at all times free of mechanic's liens and any other lien for labor, services, supplies, equipment or material purchased or procured, directly or indirectly, by or for Tenant. Tenant further agrees that Tenant will promptly pay and satisfy all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify Landlord against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit in discharging the Premises or any part thereof from any liens, judgments, or encumbrances caused or suffered by Tenant. In the event any such lien shall be made or filed, Tenant shall bond against or discharge the same within thirty (30) days after the same has been made or filed. It is understood and agreed between the parties hereto that the expenses, costs and charges above referred to shall be considered as Rent due and shall be included in any lien for Rent.

The Tenant herein shall not have any authority to create any liens for labor or material on the Landlord's interest in the Premises and all persons contracting with the Tenant for the construction or removal of any facilities or other improvements on or about the Leased Premises, and all materialmen, contractors, mechanics, and laborers are hereby charged with notice that they must look only to the Tenant and to the Tenant's interests in the Premises to secure the payment of any bill for work done or material furnished at the request or instruction of Tenant. The provisions of this Article XV shall survive expiration or earlier termination of this Lease.

XVI. LOSS; DAMAGE:

Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, gas, electricity, water, rain or leaks or from the pipes, appliances or plumbing works or from the roof, street or sub-surface or from any other place or by dampness, humidity or by any other cause or nature whatsoever, unless due to the gross negligence or intentional misconduct of Landlord, its agents, or employees; nor shall Landlord or its agents be liable for any such damage caused by other tenants or persons or caused by construction of any private, public or quasi-public work; nor shall Landlord be liable for any latent defect in the Premises. Tenant shall give immediate notice to Landlord in case of fire or accidents in the Premises or of defects therein or in any fixtures or equipment. Landlord shall not be responsible or liable for the theft, loss or damage to person or property in, on or about the Premises.

XVII. ESTOPPEL STATEMENT:

Tenant agrees that from time to time, upon not less than ten (10) days' prior request by Landlord, Tenant will deliver to Landlord a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the Lease as modified is in full force and effect and stating the modifications); (b) the dates to which the rent and other charges have been paid; (c) that Landlord is not in default under any provisions of this Lease, or, if in default, the nature thereof in detail; and (d) other matters reasonably requested by Landlord. Failure to provide such estoppel statement as required shall be a material default of this Lease.

XVIII. SUBORDINATION OF LEASE; ATTORNMENT; NON-DISTURBANCE:

This Lease is subject and subordinate to any and all mortgages now or hereafter encumbering the Premises, and to any renewals, extensions and/or modifications thereof, and in the event Landlord's interest in the Premises is transferred by reason of foreclosure or other proceeding for enforcement of any such mortgage, Tenant agrees to attorn to and recognize the rights of the transferee of Landlord's interest in the Premises as if such transferee were the Landlord under this Lease. This provision shall be self-operative without the execution of any further instruments. Notwithstanding the foregoing, however, Tenant hereby agrees to execute any reasonable instrument(s)

which Landlord may deem desirable to further evidence such attornment the subordination of this Lease to any and all such mortgages, with Tenant having the ability to reasonably negotiate such document provided the terms required herein are included. At the option of the holder of any such mortgage, upon written notice to Tenant, Tenant will simultaneously give to such holder a copy of any and all notices to Landlord and such holder shall have the right (but not the obligation) to cure or remedy any default of Landlord during the period that is permitted to Landlord hereunder plus an additional thirty (30) days, and Tenant will accept such curative or remedial action (if any) taken by Landlord's mortgagee with the same effect as if such action had been taken by Landlord. Tenant further agrees to execute any reasonable modification(s) of this Lease requested by any mortgagee.

Upon the written request of Tenant Landlord shall use its reasonable efforts to obtain a non-disturbance agreement from any current lender in favor of Tenant. Any fee charged by such lender in connection with obtaining any such non-disturbance agreement shall be borne solely by Tenant. Landlord agrees, however, to notify Tenant in the event there is a fee connected therewith, in which event Tenant has the option to proceed or cancel its request for such non-disturbance agreement.

So long as Tenant is not in default hereunder, Tenant and Landlord agree that Tenant's covenant to subordinate this Lease to any future lender shall be conditioned on such lender's agreement to recognize Tenant's rights and obligations under this Lease upon an attornment to such lender by Tenant.

XIX. ASSIGNMENT:

Without the prior written consent of Landlord, in Landlord's sole discretion, Tenant shall not, directly or indirectly, assign, transfer, mortgage, pledge or otherwise encumber or dispose of this Lease or sublet the Premises or any part thereof or permit the Premises to be occupied by other persons. This prohibition includes, without limitation, any transfer which would otherwise occur by operation of law, merger, consolidation, reorganization, transfer or other change of Tenant's corporate, partnership or proprietary structure or ownership. Landlord may require any assignment or sublet be on the terms and conditions of Landlord's current lease form and that any assignee increase the Base Rent to the market rate. In the case of a subletting, Landlord's consent may be predicated, among other things, upon Landlord becoming entitled to collect and retain all rentals payable under the sublease. If this Lease be assigned, or if the Premises or any part thereof be sublet or occupied by anybody other than Tenant, the Landlord may collect or accept Rent from the assignee, subtenant, or occupant and apply the net amount collected or accepted to the Rent herein reserved, but no such collection or acceptance shall be deemed a waiver of this covenant or the acceptance of the assignee, subtenant, or occupant as Tenant, nor shall it be construed as or implied to be, a release of the Tenant from the further observance and performance by the Tenant of the terms, provisions, covenants and conditions herein contained. Consent by Landlord to any transfer shall not constitute a waiver of the requirement for such consent to any subsequent transfer. Notwithstanding the

foregoing, sale of stock over a nationally recognized security exchange shall not be deemed an impermissible transfer for the purposes of this Lease.

Change in the ownership (legal or equitable) of and/or power to vote or control 50% or more of the stock, membership or other capital or ownership interest of Tenant, whether such change in ownership is by sale, assignment, or operation of law shall be deemed an assignment of the Lease. Notwithstanding the foregoing, the Tenant shall be permitted to assign its interest in the Lease in the following limited instances: (i) by gift to a family member or (ii) inheritance.

XX. INDEMNITY; HOLD HARMLESS OF LANDLORD:

In consideration of the Premises being leased to Tenant for the above Rent, Tenant agrees that Tenant, at all times, will indemnify and hold harmless Landlord from all claims, demands, fines, suits, actions, proceedings, order, decrees and judgments of any kind or nature by, or in favor of, anyone whomsoever, and against and from any and all costs, damages and expenses, losses, liabilities, including, without limitations, attorney's fees and court costs (and at trial and all other levels) resulting from, or in connection with, loss of life, bodily or personal injury or property damage arising, directly or indirectly, out of, or from, or on account of, any accident or other occurrence in, upon, at or from the Premises, or occasioned in whole or in part through the use and occupancy of the Premises or any improvements therein or appurtenances thereto, or by any act or omission of Tenant, or its employees, agents, contractors, invitees, guests or patrons, in, upon, at or from the Premises or its appurtenances. Landlord shall not be liable to Tenant for any damages, losses or injuries to the employees, agents, contractors, invitees, guests or patrons of Tenant or property of Tenant which may be caused by the acts, neglect, omissions or faults of any persons or entities, except when such injury, loss or damage results from the gross negligence or intentional misconduct of Landlord, its agents or employees. All personal property placed or moved into the Premises shall be at the risk of Tenant or the owner thereof, and Landlord shall not be liable to Tenant for any damage to said personal property. Tenant agrees to waive any rights of subrogation against Landlord for any injury or damage to persons or property.

In case Landlord shall be made a party to any litigation commenced against Tenant, then Tenant shall protect, defend and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation and any appeal thereof.

The indemnification and hold harmless provision shall include, but not be limited to, all of the following:

- a. Damages awarded to any person or party.
- b. Attorney's fees and costs incurred in defending such claims. The City of Coral Gables may use the attorney or law firm of its choice in which event Tenant will pay such firm the fees it charges the City, provided such fees

are reasonable in light of the prevailing market rate for similar legal services. Such fees shall be deemed reasonable if they are no greater than the fees that Landlord pays other counsel for representation in similar cases. If the City Attorney's Office provides the defense, Tenant will reimburse the City at the prevailing market rate for similar legal services.

- c. Attorney's fees and cost of any party that a court orders the City of Coral Gables to pay.
- d. Lost time that results from the City of Coral Gables or its officials or employees responding to discovery or testifying by deposition or in court. In this regard, for any time the City of Coral Gables spends in responding to document requests or public records requests relating to such claims whether from Tenant or any other party, Tenant will reimburse Landlord \$50.00 for each employee work hour spent reviewing or responding to such requests. For any time spent testifying in court or in depositions, or preparing for such testimony, Tenant will reimburse Landlord on a per hour basis as follows:

- For the Mayor or City Commissioner: \$300.00 per hour
- For the City Manager: \$250.00 per hour
- For an Asst City Manager or Department Director: \$250.00 per hour
- For an Asst Department Director: \$100.00 per hour
- For City Attorney or Deputy City Attorney: Prevailing market rates
- For other employees: \$ 50.00 per hour

In addition, Tenant recognizes that Landlord will expect that its City Attorney's Office will monitor such claims; review pleadings, orders, memorandums and motions; oversee such discovery; and independently or jointly prepare such witnesses and attend such depositions for which Tenant will reimburse Landlord at prevailing market rates. For any documents so produced Tenant shall reimburse Landlord \$.15 per single sided page and \$.20 per double sided page.

- e. The expenses incurred by Landlord in complying with any administrative or court order that may arise from such claims.
- f. Miscellaneous expenses relating to such claims including expenses of hotels and transportation in trips relating to such claims; and
- g. Any other direct or indirect expense that Landlord would not have occurred but for a claim that arises out of this use agreement.

XXI. CASUALTY:

If any improvements on the Premises shall be destroyed or damaged in whole or in part during the Lease Term as a result of fire or other casualty not covered under the hazard insurance maintained by Landlord, or as a result of the gross negligence or willful misconduct of Tenant or any person occupying the Premises under Tenant, then Landlord shall have the option of not rebuilding the Premises and canceling the terms of this Lease. In the event that Landlord does not elect to terminate the Lease, then Landlord shall repair, rebuild, restore, or reconstruct the structure of the Premises, but only to the extent of the insurance proceeds available therefor. Tenant shall at its own expense promptly repair, restore, or reconstruct the Premises, including, without limitation all interior walls, ceilings, and flooring. Tenant shall have the right to use for such purposes the proceeds of any hazard insurance policy(ies) maintained by Tenant for the Premises, however, Tenant shall be responsible for any amounts not covered by Tenant's insurance coverage. If Tenant fails, within thirty (30) days following written notice from Landlord, to commence such repair, restoration or reconstruction or fails thereafter diligently to prosecute the same to completion, then upon written notice to Tenant, Landlord shall have the right (but not the obligation) to assume full and exclusive control of Tenant's insurance proceeds and cause such repair, restoration or reconstruction to be done; provided, however that Tenant shall have such additional reasonable time as is necessary in order to coordinate its reconstruction efforts with any reconstruction being or to be done by Landlord. Tenant hereby expressly authorizes Landlord to enter the Premises for such purposes and Tenant agrees that such entry by Landlord shall have no other legal consequences. If the damage or destruction resulted from the gross negligence or willful misconduct of Tenant or any person occupying the Premises under Tenant, then all costs and expenses incurred in accomplishing repairs, restoration or reconstruction in excess of the insurance proceeds available therefor (if any) shall be paid by Tenant, and if Landlord shall advance any sums for such excess costs and expenses, then Tenant shall repay and reimburse Landlord therefor promptly upon demand and said sums shall be considered as additional Rent due and shall be included in any lien for Rent. Rent shall not abate as a result of any casualty, it being understood and agreed that the Tenant, at its discretion, cost and expense, shall procure sufficient business interruption insurance. Nevertheless, to the extent that any of the above-described property damage is covered by valid, collectible insurance, the Landlord hereby waives any subrogation rights against the Tenant, and the Tenant likewise agrees to waive any subrogation rights against the Landlord. In no event shall Landlord be liable for interruption to Tenant's business or for damage to or replacement or repair of Tenant's personal property, trade fixtures, inventory.

XXII. CONDEMNATION:

In the event that the Premises or any material part thereof is taken for any public or quasi-public use by condemnation or by right of eminent domain, or purchase in avoidance or settlement of a condemnation or eminent domain proceeding, Landlord and Tenant agree that this Lease shall be cancelled, and Rent shall abate as of the date of taking. Any and all condemnation awards shall be the property of the Landlord;

provided, however, that Tenant shall be entitled to pursue a specific award to the extent of the value of its business, its fixtures and improvements.

XXIII. DEFAULT:

Tenant shall be in default if any one or more of the following events (herein sometimes called "Events of Default") shall happen:

- A. if Tenant fails to pay Rent under the Lease at the time and in the manner required by the Lease after 10 days written notice;
- B. if default shall be made by Tenant in the performance of, or compliance with, any of the covenants, agreements, or terms or conditions contained in this Lease or default be made by Tenant in compliance or non-compliance with any and all municipal or county ordinances, resolutions or codes and all state and federal statutes, rules and regulations now in force or which may hereafter be in force, and such default shall continue for a period of twenty (20) days after written notice thereof from Landlord to Tenant; provided, however, that if Tenant is unable to cure such default within such twenty (20) day period and such default results solely from the failure to obtain a building permit after diligent effort and such need for a building permit is not the result of any actions of Tenant, then, and in that event, Tenant shall have such additional reasonable time as is necessary;
- C. if Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, wage earner's plan, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other debtor's relief statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any substantial part of Tenant's properties or of the Premises; or
- D. if within ninety (90) days after commencement of any proceeding against Tenant seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other debtor's relief statute or law, such proceeding shall not have been dismissed, or stayed on appeal, or if, within ninety (90) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, receiver or liquidator of Tenant or of all or any substantial part of Tenant's properties or of the Premises, such appointment shall not have been vacated or stayed on appeal or otherwise, or if, within ninety (90) days after the expiration of any such stay such appointment shall not have been vacated; or

- E. if the Premises shall be seized under any levy, execution, attachment or other process of court and the same shall not be promptly vacated or stayed on appeal or otherwise, or if the Tenant's interest in the Premises is sold by judicial sale and the sale is not promptly vacated or stayed on appeal or otherwise; or
- F. if Tenant:
1. should vacate, abandon, or desert the Premises, or
 2. ceases the continual operation of Tenant's business therein for fifteen (15) continuous days and forty-five (45) days (in the aggregate) in any one year during the Lease Term, unless prevented from operating said business as a result of the occurrence of Force Majeure, or
 3. violate any terms or conditions of this Lease Agreement more than four (4) times in any twelve (12) month period during the term of the Lease stated herein.

In the Event of a Default, Landlord may, at its option:

1. terminate this Lease and retake possession;
2. terminate this Lease and immediately recover from Tenant (i) all amounts past due and owing hereunder as of the Event of Default date, (ii) the costs of repossession of the Premises and reletting the same (including reasonable attorney's fees and costs related thereto), and, in addition thereto, (iii) as liquidated damages the amounts set forth below in lieu of all damages following the Event of Default date (it being agreed that it would be impractical or extremely difficult to fix actual damages, that the following amounts constitute a good faith reasonable estimate of the damages which might be suffered by the Landlord upon the occurrence of Tenant's Event of Default, and that such amounts are intended not as a penalty, but as a full and final agreed upon liquidated damages). The liquidated damages amounts shall an amount equivalent to four (4) years of Base Rent and any operational, real estate taxes, or insurance costs payable by Tenant to Landlord;
3. take possession of the space without terminating the Lease to relet the Premises for the balance of the Term, or part thereof, for the account of Tenant, provided Tenant shall not be entitled to any surplus of rent obtained thereby;

4. for an Event of Default of any non-monetary term of the Lease, Landlord may cure the default and charge Tenant as Rent the cost to cure such default along with a fifteen percent (15%) administrative fee;
5. remove all of Tenant's personal property, including, but not limited to Tenant's furniture, fixture and equipment, goods and chattels from the Premises if not removed within two (2) days of a termination by reason of Tenant's default, such items thereby being deemed abandoned, and dispose of the same in any manner, or store the same in a public warehouse or elsewhere for the account of and at the expense and risk of Tenant, or sell such items at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper without notice or demand upon Tenant, and otherwise enforce Landlord's lien on such items by distress, foreclosure or otherwise; and/or
6. pursue any other right or remedy available at law or equity;

In addition to the foregoing, in the event Tenant defaults four or more times during the Term of this Lease, Landlord, at its option, may terminate this Lease.

All rights and remedies granted in this Lease to Landlord or available at law or equity shall be cumulative and not mutually exclusive. In no event shall Landlord be liable for indirect, consequential, or punitive damages or for damages based on lost profits. Upon an Event of Default, Landlord shall be permitted to place a leasing sign on the Premises.

Tenant agrees that, in exchange for the promises made in this Lease and other good and valuable consideration received from Landlord, in the event Tenant files a voluntary petition in bankruptcy or is the subject of an involuntary bankruptcy at any time during the Term or any extensions hereof, Landlord shall not be subject to the provisions of 11 U.S.C. §362, and shall automatically and immediately be entitled to relief from the stay imposed thereby without necessity of further action or court approval. Nothing contained in this Lease shall limit or prejudice the right of Landlord to prove for and obtain, in proceedings for the termination of this Lease by reason of bankruptcy or insolvency, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above. The failure or refusal of Landlord to relet the Premises or any part or parts thereof shall not release or affect Tenant's liability for damages in a bankruptcy claim by Landlord.

XXIV. LESSOR'S CONTROL OF LAWSUITS:

The parties agree that in any lawsuit brought in its name or defended in its name, Landlord must retain all final control and authority of the lawsuit. Therefore, in any lawsuit envisioned in this agreement in which Landlord is a party, Landlord retains full control of the lawsuit, including full authority to determine what legal actions or positions may be asserted to the courts in the name of Landlord and the full authority to settle or compromise any claim on behalf of Landlord. Tenant agrees that its responsibilities under this Agreement continue in full force and effect regardless of any decision of Landlord in this regard.

XXV. LIEN FOR PAYMENT OF RENT:

Tenant hereby pledges and assigns to Landlord, in addition to Landlord's statutory lien for Rent pursuant to Florida Statutes Chapter 83, as security for the payment of any and all Rent to other sums or amounts provided for herein, all of the permanent improvements, furniture, fixtures, personal property, equipment, goods and chattels of Tenant which shall or may be brought, put on, or regularly kept at the Premises, and Tenant agrees that said lien may be enforced by distress, foreclosure or otherwise, at the election of the Landlord. Tenant agrees hereby to execute and deliver upon request a standard Uniform Commercial Code Financing Statement, which Tenant acknowledges is in a form sufficient to perfect the lien in favor of Landlord created by this paragraph. Tenant agrees for itself and its assignees or sub-lessees that it shall execute such further documentation as may be required by Landlord in connection with the perfection or continuation of this lien. During the Term, Tenant shall not remove any property from the Premises, other than in Tenant's ordinary course of business, without Landlord's written consent. Removal of Tenant's property without Landlord's consent shall be an Event of Default under this Lease, and Landlord shall be entitled to enforce its rights by injunction in addition to any other remedy available under this Lease and applicable law.

XXVI. NO WAIVER:

Failure of Landlord to declare any default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default, but Landlord shall have the right to declare any such default at any time and take such action as might be lawful or authorized hereunder, in law and/or in equity.

No waiver of any term, provision, condition or covenant of this Lease by Landlord nor the failure of Landlord to insist upon strict performance of one or more covenants or conditions of this Lease shall be deemed to imply or constitute a further waiver by Landlord of any other term, provision, condition or covenant of this Lease, and no acceptance of Rent or other payment shall be deemed a waiver of any default hereunder, nor shall such acceptance operate as a waiver of any provisions of the Lease or any of Landlord's rights, remedies, privileges or options.

XXVII. RIGHT OF ENTRY:

Landlord, or any of its agents, shall have the right to enter the Premises during all reasonable hours and after twenty-four (24) hours notice to Tenant (except in the event of an emergency, to be determined in Landlord's sole discretion, in which event no notice shall be required) to examine the same or to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort, or preservation thereof or to otherwise exhibit the Premises to third parties, including, without limitation, mortgagees, insurance examiners and building inspectors. Said right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions which do not conform to this Lease. Landlord and Tenant agree that to the extent there is any restriction on Landlord's right of entry to the Premises apply solely to Landlord in its capacity as a landlord and do not apply to Landlord in its capacity as a municipality with jurisdiction over the Premises and the property where it is located.

XXVIII. HAZARDOUS MATERIALS:

With the exception of minor amounts of Hazardous Materials customarily and lawfully used in conjunction with the Permitted Use, Tenant, its employees, contractors, agents, and any party acting on behalf of Tenant, shall not store, use, treat, generate, or dispose of Hazardous Materials at the Premises or other property owned by Landlord. "Hazardous Material(s)" means any substance that, by itself or in combination with other materials, is either (i) generally regarded injurious to public health, safety, or the environment; or (ii) now or in the future regulated by any federal, state, or local governmental authority as potentially injurious to public health, safety, or the environment. Tenant, its employees, contractors, agents, and any party acting on behalf of Tenant shall comply, and shall keep the Premises in compliance, with all laws and regulations relating to Hazardous Materials ("Environmental Laws"); and in addition Tenant shall:

- (i) Promptly provide Landlord with copies of any document, correspondence, report or communication, written or oral, relating to Hazardous Materials at or affecting the Premises (x) to or from any regulatory body, or (y) stating a basis for any potential liability or responsibility of Tenant, Landlord, or the Premises; including all such documents, correspondence, reports or communications prepared by or on behalf of Tenant. In addition to the above, at Landlord's request, Tenant shall provide copies of any and all records and communications whatsoever relating to Hazardous Materials at or affecting the Premises.
- (ii) Immediately notify Landlord in the event of a suspected or confirmed release of a Hazardous Material or violation of Environmental Laws at or affecting the Premises or other property

owned by Landlord and caused by or related to the operations of Tenant, its employees, contractors, agents, or any party acting on behalf of Tenant and, at Landlord's sole option, either promptly remediate or correct such release or violation to Landlord's satisfaction or reimburse Landlord's cost of remediation (including reasonable attorneys' and consultants' fees); and compensate Landlord and/or third parties for all resultant damage.

- (iii) Permit Landlord reasonable access to the Premises for the purpose of conducting an environmental audit or testing, the cost of which shall be borne by Landlord unless the results indicate activity prohibited by Environmental Laws or hereunder.
- (iv) Upon expiration or other termination of this Lease, remove all Hazardous Materials from the Premises caused by the acts or omissions of Tenant, its officers, agents, contractors, employees or invitees, and at Landlord's option cause to be performed and provided to Landlord an environmental audit of the Premises, using a consultant reasonably acceptable to Landlord, and correct, at its expense, any deficiencies noted by the audit.

The provisions regarding Hazardous Materials shall survive the expiration or other termination of this Lease.

XXIX. NOTICE:

Any notice to be given Landlord as provided for in this Lease shall be in writing and shall be sent to Landlord by United States certified mail, postage prepaid, return receipt requested, addressed to Landlord at Landlord's office at the address set forth on page 1 hereof, or hand delivered or sent by a nationally recognized overnight courier to Landlord at such office. Any notice to be given Tenant under the terms of this Lease shall be in writing and shall be sent by United States certified mail, postage prepaid, return receipt requested, or hand delivered or sent by a nationally recognized overnight courier to the Tenant at the Premises (except that prior to commencement of the Term, notices to the Tenant shall be sent to the address set forth on page 1 hereof). Either party, from time to time, by such notice, may specify another address to which subsequent notice shall be sent. Any notice given by mail shall be deemed given on delivery or refusal.

XXX. SURRENDER; CONDITION OF PREMISES ON TERMINATION OF LEASE AND HOLDING OVER:

Tenant agrees to surrender to Landlord, at the end of the Term of this Lease and/or upon any cancellation or early termination of this Lease, the Premises in as good condition as the Premises were at the beginning of the Term of this Lease, ordinary

wear and tear, and damage by fire, or other casualty not caused by Tenant's negligence excepted. Tenant agrees that if Tenant does not surrender the Premises to Landlord at the end of the Term of this Lease, then Tenant will pay to Landlord, to the extent permitted by law, double the amount of the Rent paid by Tenant for the last full month of the Lease Term for each month or portion thereof that Tenant holds over, plus all damages that Landlord may suffer on account of Tenant's failure to so surrender to Landlord possession of the Premises, and will indemnify and save Landlord harmless from and against all claims made by any succeeding tenant of the Premises against Landlord on account of delay of Landlord in delivering possession of the Premises to the succeeding tenant so far as such delay is occasioned by failure of Tenant to so surrender the Premises in accordance herewith or otherwise.

No receipt of money by Landlord from Tenant after termination of this Lease or the service of any notice of commencement of any suit or final judgment for possession shall reinstate, continue or extend the Term of this Lease, affect any such notice, demand, suit or judgment, or waive any of Landlord's rights and remedies set forth in this Lease.

No act or thing done by Landlord or its agents during the Term hereby granted shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless it be made in writing and signed by a duly authorized officer or agent of Landlord. Any personal property, furniture, fixtures, goods or chattels remaining in the Premises after the Termination Date shall be deemed abandoned. No surrender of the Premises prior to the end of the Term shall terminate this Lease unless Landlord agrees to such termination in writing.

XXXI. SIGNS:

Tenant shall have the right to install signs on the exterior of the Premises, subject to the Landlord's prior written consent; provided, however, that such signs comply with all requirements of municipal and county governmental requirements.

XXXII. TRIAL BY JURY:

It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, and Tenant's use or occupancy of the Premises. Tenant further agrees that the provisions for payment of Rent herein are independent covenants of Tenant and Tenant shall not interpose any noncompulsory counterclaim(s) in a summary proceeding or in any action based upon non-payment of Rent or any other payment required of Tenant hereunder. Tenant expressly waives any and all rights of redemption granted by or under any present or future laws.

XXXIII. INVALIDITY OF PROVISION:

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease 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 Lease shall be valid and be enforceable to the fullest extent permitted by law. This Lease shall be construed in accordance with the laws of the State of Florida and venue shall be in Miami-Dade County.

XXXIV. TIME OF ESSENCE:

It is understood and agreed between the parties hereto that time is of the essence of all the terms and provisions of this Lease.

XXXV. SUCCESSORS AND ASSIGNS:

All terms and provisions of this Lease to be observed and performed by Tenant shall be applicable to and binding upon Tenant's respective heirs, personal representatives, successors and assigns, subject, however, to the restrictions as to assignment and subletting by Tenant as provided herein.

XXXVI. ATTORNEYS' FEES:

If either party defaults in the performance of any of the terms or provisions of this Lease and by reason thereof the other party employs the services of an attorney to enforce performance of the covenants, or to perform any service based upon defaults, or in the event a party successfully defends an action against them for breach under this Lease, then in any of said events the prevailing party shall be entitled to receive from the other party reasonable attorneys fees and expenses and costs incurred by the prevailing party pertaining thereto (including costs and fees relating to any appeal) and in enforcement of any remedy.

XXXVII. MISCELLANEOUS:

The terms Landlord and Tenant as herein contained shall include singular and/or plural, masculine, feminine and/or neuter, heirs, successors, personal representatives and/or assigns wherever the context so requires or admits. The terms and provisions of this Lease are expressed in the total language of this Lease and the Article or article headings are solely for the convenience of the reader and are not intended to be all-inclusive and shall not be deemed to limit or expand any of the provisions of this Lease. Anything herein to the contrary notwithstanding, Landlord shall not be or be deemed to be in default hereunder unless it has failed to cure its default within a reasonable time following its receipt of notice thereof. All exhibits attached to this Lease, if any, are hereby incorporated in and made a part hereof. Neither this Lease nor any memorandum or short form thereof shall be recorded in the Public Records of Miami-Dade County, Florida. Tenant certifies that it is not acting directly or indirectly for or on behalf of any person, group, entity or nation named by any Executive Order or the

United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and that it is not engaged in this transaction, directly or indirectly on behalf of any such person, group, entity or nation. Tenant agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification; this indemnity shall survive expiration or earlier termination of this Lease.

XXXVIII. EFFECTIVE DATE:

Submission of this instrument for examination does not constitute an offer, right of first refusal, reservation of or option for the Premises. This instrument becomes effective as a Lease only upon execution and delivery by both Landlord and Tenant.

XXXIX. BROKERAGE:

Tenant represents and warrants that it has dealt with no broker, salesman, agent or other person in connection with this transaction and that no broker, salesman agent or other person brought about this transaction, and Tenant agrees to indemnify and hold Landlord harmless from and against any claims by any other broker, salesman, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Tenant with regard to this leasing transaction. The provisions of this Article shall survive the termination of this Lease.

XL. FORCE MAJEURE:

The term "Force Majeure" as used in this Lease shall mean "Acts of God", labor disputes (whether lawful or not), material or labor shortages, restrictions by any governmental or utility authority, civil riots or floods, but shall not mean financial inability.

XLI. TENANT'S AUTHORITY TO EXECUTE LEASE:

Tenant, if Tenant is a corporation, hereby represents and warrants to Landlord that the Lease has been duly authorized, executed and delivered by and on behalf of Tenant and constitutes a legal, valid and binding agreement of Tenant enforceable in accordance with its terms. Simultaneously with the execution of the Lease, Tenant shall deliver to Landlord a certified resolution of the Board of Directors of Tenant authorizing the execution and delivery of the Lease by Tenant and the performance of Tenant's obligations hereunder.

Tenant, if Tenant is a partnership, hereby represents and warrants to Landlord that the Lease has been duly authorized by all of the general or managing partners of such partnership, and further represents and warrants to Landlord that the Lease has

been duly executed and delivered and constitutes a legal, valid and binding agreement of Tenant enforceable in accordance with its terms. Tenant agrees that each and every present and future partner in Tenant shall be and remain at all times jointly and severally liable hereunder and that neither the death, resignation or withdrawal of any partner, and whether subsequent modification or waiver of any of the terms and provisions of the Lease, shall release any partner from liability hereunder until and unless Landlord shall have consented in writing to such release.

XLII. RADON GAS:

RADON IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS 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 TESTING MAY BE OBTAINED FROM YOUR COUNTY PUBLIC HEALTH UNIT.

XLIII. ENTIRE AGREEMENT:

This Lease contains the entire agreement between the parties hereto and all previous negotiations leading thereto, and it may be modified only by an agreement in writing signed and sealed by Landlord and Tenant. Tenant acknowledges and agrees that Tenant has not relied upon any statement, representation, prior written or prior or contemporaneous oral promises, agreements or warranties except such as are expressed herein.

XLIV. DRAFTING OF LEASE:

The drafting and negotiation of this Lease have been participated in by each of the parties, and for all purposes, therefore, this Lease shall be deemed to have been drafted jointly by each of the parties.

XLV. COUNTERPARTS:

This Lease may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, together, shall constitute but one and the same instrument.

XLVI. SURVIVAL:

All provisions of this Lease intended by their terms to survive expiration or earlier termination shall survive including, but not limited to all indemnification obligations contained herein.

XLVII. FINANCIAL RECORDS:

The Tenant shall maintain accurate and complete records of its activities and operations relating to this Lease in accordance with generally accepted accounting principles. The Tenant agrees to present to Landlord or its agents financial statements, such as cash flow and profit and loss, on a quarterly basis. The Tenant agrees to make such records available to Landlord at its office during normal business hours at a location in Miami-Dade County, Florida, and Landlord may make copies of such records.

XLVIII. PUBLIC RECORDS:

Records subject to the provisions of Public Records Law, Florida Statutes Chapter 119, shall be kept and maintained in accordance with such Statute. Tenant acknowledges that records and books, not subject to exemption under Chapter 119, may be disclosed and/or produced to third parties by the City in accordance with requests submitted under Chapter 119 or court orders without penalty or reprisal to the City for such disclosure and/or production. Tenant also agrees to assert, in good faith, any relevant exemptions provided for under Chapter 119 for records in its possession on behalf of the City. Furthermore, Tenant agrees to comply with the provisions outlined in Section 119.0701 of the Florida Statutes, the requirements of which are incorporated by reference herein.

IN WITNESS WHEREOF, the parties hereto have signed, sealed and delivered this Lease at Miami-Dade County, Florida, as of the day and year first above written.

LANDLORD:

**CITY OF CORAL GABLES, a
municipal corporation of the State of
Florida**

By: [Signature]
Carmen Olazabal
City Manager

Approved as to form and legal
sufficiency:

By: [Signature]
For Craig E. Leen
City Attorney

ATTEST:

By: [Signature]
Walter Foeman
City Clerk

TENANT:

**SACHMO BLUES BAR AND GRILL,
INC.**

By: [Signature]
Name: HAROLD NEUWEG
Title: PRESIDENT

ATTEST/WITNESS:

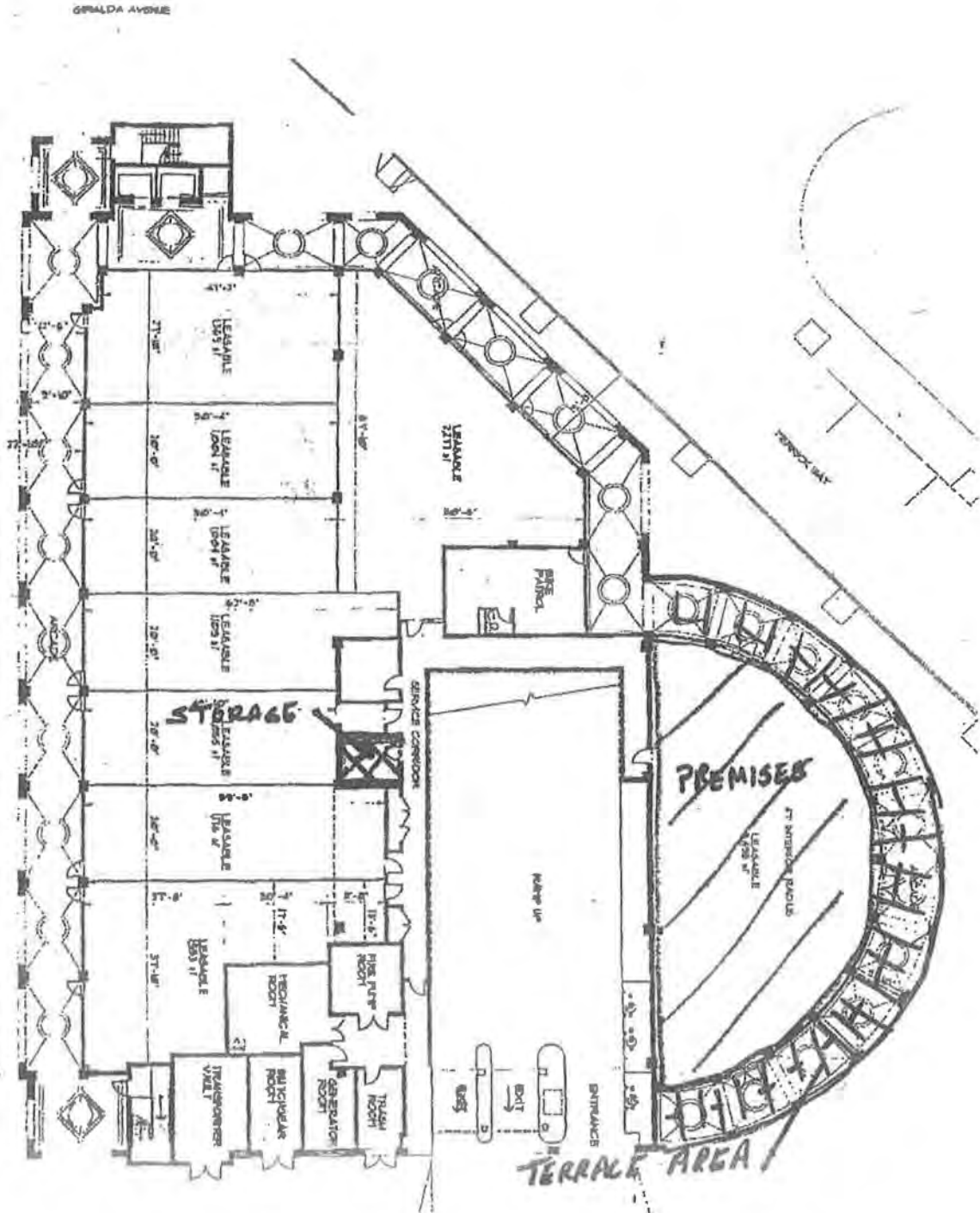
By: [Signature]
Name: Marlene Ramirez

By: [Signature]
Name: James Neweg

APPROVED BY:

Economic Sustainability	Risk Management	Procurement
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>

**EXHIBIT A
PREMISES, TERRACE AREA, AND STORAGE AREA**



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This site plan is intended solely to depict the location of the Premises within the Building. Nothing herein should be construed as a representation as to the quality surrounding areas and nothing herein should be construed as a representation as to the tenants in the Building.

EXHIBIT B
TENANTS FURNITURE AND TRADE FIXTURES

Kitchen Machinery and Equipment:

- 1- Flat top grill 4 burners Imperial;
- 1- open flame lava grill Ember Glow;
- 2- fryers (1x imperial 1x elite);
- 3- line coolers (2 pizza stations, 3 door with open tops, 1- three door cooler);
- 1- Monitowoc ice machine;
- 1- True one door freezer;
- 1- True two door freezer;
- 1- one door freezer white;
- 1- prep stations with shelving;
- 1- micro wave oven Kenmore;
- 1- Rex Chemical dishwashing machine with stainless steel shelving (rental);
- 1- prep table stainless steel coffee station;
- 1- coffee maker;
- 1- coffee grinder;
- 1- Vienna Coffee espresso automat (rental);
- 4- POS System workstations;
- 6- POS System printers.

Restaurant (Indoor) Furniture and Fixtures:

- 22- Large handmade wood tables;
- 24- handmade wood benches;
- 30- chairs;
- 7- TV flat screens with 7 direct TV receivers;
- 1- big screen with projector;
- 3- glass coolers behind bar;
- 1- sliding glass door bottle cooler;
- 2- cabinets at front door;
- 1- cabinet at kitchen entrance.

Restaurant (Outdoor) Furniture and Fixtures:

- 9- Large handmade wood tables;
- 18- handmade wood benches;
- 30- Oktoberfest tables and 60 benches.

Other: Beer signs, frames, pictures, bottle collection, plates, bread and butter plates, baskets for bread, silver ware, coffee cups and saucers, side cups, Pans, pots, tongs, ladles, spoons, plastic containers, chafing dishes, steel bowls, sheet pans with holding rack, beer trolley, and all food and liquor inventory.

The following items, or their equal or better replacements shall remain:

- 1- Kitchen hood;
- 2- six burner stoves with oven (1 Imperial and 1 Dynamic Cooking System)
- 1- Imperial gas convection oven;
- 1- Mr. Winter walk-in cooler with shelving;
- 1- walk-in cooler for kegs;
- 1- three compartment sink*;

* All sinks shall remain.

RISK MANAGEMENT APPROVAL FORM

Name: Satchmo Blues Bar and Grill Inc. dba Fritz & Franz Bierhaus
Account Number:
Address: 60 Merrick Way Coral Gables FL 33134
Status: 30 Day waiver on pending deficiencies per request by Cindy Birdsill granted.

ACCOUNT INFORMATION

Account Number: New account in process of being established
Risk Type: V18 -Lease Agreement with Liquor Liability
Do Not Call: <input type="checkbox"/> Address Updated: <input type="checkbox"/>

ADDRESS INFORMATION

Mailing Address:			
Insured:			
Address 1:			
Address 2:			
City:	State:	Zip:	Country:

CONTRACT INFORMATION

Contract Number:	
Contract Start Date:	Contract End Date:
Contract Effective Date:	Contract Expiration Date:
Description of Services:	Safety Form II:

CONTRACT INFORMATION

Contract Name:	Email Address:
Phone Number:	Fax Number:
Approval Date:	Rush:
Contract on File:	Certificate Received:
Indemnification Agreement:	Tax ID:
Lot Number:	

For HR Purposes Only:

Approved: Disapproved:

STATE OF FLORIDA • COUNTY OF MIAMI DADE

I, *[Signature]* HEREBY CERTIFY that the foregoing (Pages 1 - 42, inclusive) is a true and correct copy of the original on file in this office.

DATE: 9/15/14
[Signature]
 CITY CLERK