



April 17, 2021

Via E-Mail – zsardinas@coralgables.com

Ms. Zeida Sardiñas
Asset Manager - City of Coral Gables
2121 Ponce de Leon Boulevard
Coral Gables, Florida 33134

Re: Restaurant Lease of City owned Property currently known as Burger Bob's

Dear Ms. Sardiñas:

I hope this correspondence finds you well. It was a pleasure meeting with you recently. We are thrilled at the prospect of partnering with the City of Coral Gables on the Burger Bob's Project. Below are our proposed terms for a Restaurant Lease:

TERM: Fifteen (15) years

OPTIONS: Three (3) Five (5) year renewal options

LEASE COMMENCEMENT: The date at which both Landlord and Tenant have signed a Lease

RENT COMMENCEMENT: Twenty-four (24) months from Lease Commencement.

USE: Retro/Vintage-Style Neighborhood diner offering light casual fare with an emphasis on burgers, salads, milkshakes, and ice cream (referred to herein as the "Diner"). The Diner will be open Tuesday through Sunday, 45 minutes before sunrise through 9:00pm and 7:30pm Sundays. Last call for kitchen will be 8:30pm and 7:00pm respectively.

MINIMUM RENT: Minimum Rent in the amount of \$5,000.00 per month commencing on the first month of the third (3rd) year of the Lease. The Minimum Rent will increase annually at the rate of three percent (3%).

PERCENTAGE RENT: 3% of Gross sales (the "Percentage Rent Requirement"), payable on a quarterly basis in arrears and using Florida sales tax reports as supporting documentation. Gross sales shall be defined as revenue received from any source, excluding only tips. On an annual basis and within 30 days of December 31st of each year, Tenant shall provide the City with CPA reviewed financial statements to perform a true-up of percentage rent payments for the preceding fiscal year. If there is an underpayment, Tenant shall pay the City amounts sufficient to satisfy the Percentage Rent Requirement. If there is an overpayment, the City shall credit the Tenant's Minimum Rent Obligations in the amount of such overpayment.

ANNUAL RENT CAP: \$150,000.00

ADDITIONAL RENT: Florida's Sales Tax: 6.5% of the gross monthly payment
The Lease shall be NNN and shall include real property taxes, insurance, and common area maintenance amounts based on the Tenant's proportionate share of the premises.

INSURANCE: During the Construction, Tenant shall carry such insurances as the City shall reasonably require and once the Diner opens for business Tenant shall carry general liability and worker's compensation insurance in such amounts as the City may reasonably require. Tenant shall list the City as an additional insured on all such policies of insurance and shall provide the City with written evidence of the same on an annual basis.

TENANT UTILITIES AND TRASH FEE: Tenant shall endeavor to have all utilities separately metered during the construction process. If separate metering is not possible or is cost-prohibitive, then Tenant shall pay its proportionate share. Restaurant Trash retrieval to be paid by tenant and to be further defined in the Lease.

SECURITY DEPOSIT: In lieu of a personal guaranty, Tenant shall place a Security Deposit with Landlord in an amount equal to six (6) months of the Minimum Rent upon execution of the Lease.

PRE-PAID RENT: One month's Minimum Rent (as defined in the Lease).

CONDITION OF PREMISES: Tenant shall take the Premises in its as-is condition with no warranties or representations.

RENOVATIONS: Tenant shall undertake all renovations required to create a first-class Diner at its sole cost and expense. Tenant's preliminary renovation budget is \$800,000.00 (the "Budget Amount"). Tenant shall provide the City with a construction budget reflecting at least the Budget Amount and, upon completion of construction, with an audited Schedule of Construction-related Payments.

COVID CLAUSE: The Lease shall contain a force majeure provision which expressly contemplates pandemics, including COVID-19, and any business interruption occasioned as a direct or indirect result thereof.

BROKERAGE: None.

Sincerely,

Rodney Barreto



RB/rlb
Enclosures