POMPANO BEACH
COMMUNITY REDEVELOPMENT AGENCY

Meeting Date: March 20, 2018 Agenda Item 6

REQUESTED CRA BOARD ACTION:

X Resolution(s) ____ Consideration X Approval ____ Other

SHORT TITLE OR MOTION: A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA) APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE AN ASSIGNMENT AND SECOND AMENDMENT TO SUBLEASE AGREEMENT AND AN ASSIGNMENT AND SECOND AMENDMENT TO PATIO GROUND LEASE AGREEMENT BETWEEN THE CRA AND ATLANTIC HOSPITALITY GROUP II, LLC, RELATING TO PROPERTY LOCATED AT 44 NE 1ST STREET, POMPANO BEACH, FLORIDA; PROVIDING AN EFFECTIVE DATE.

Summary of Purpose and Why:

In May 2016, the CRA Board approved a Sublease Agreement and Patio Ground Lease between the CRA and Atlantic Hospitality Group II, LLC and then a First Amendment in July 2017 related to the property located at 44 NE 1st Street. Since that time, the restauranteur's investor became more involved and interested in being a true partner with the project, while the restauranteur decided they wanted to pursue other ventures. This investor, who grew up in Pompano Beach, has found a strong culinary partner and still desires to bring the project to fruition. CRA staff is recommending the CRA Board approve Assignments and Second Amendments for this team to bring a new restaurant that will invest significant dollars into to the emerging arts and entertainment district of Downtown Pompano.

QUESTIONS TO BE ANSWERED BY ORIGINATING DEPARTMENT:

(1) Origin of request for this action: Staff
(2) Primary staff contact: Adriane Esteban Ext. 7841
(3) Expiration of contract, if applicable: 12/31/2033
(4) Fiscal impact and source of funding: Approximately $100,000; 150-1910-539.84-59 (Tenant Improvements)

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	AUTHORIZED SIGNATURE OR ATTACHED MEMO NUMBER

X CRA Executive Director
X CRA Attorney
X Finance Director

Claudia M. McKenna

ACTION PREVIOUSLY TAKEN BY CRA BOARD:

Resolution Results:	Consideration Results:	Other: Results:

P. O. Drawer 1300
Pompano Beach, FL 33060

Phone: (954) 786-5535
Fax: (954) 786-7836

COVERSHEET

Date: **March 15, 2018**

To: **Pompano Beach CRA Board**

From: **Adriane Esteban, Project Manager**

Subject: **Signature Page for Atlantic Hospitality Group II, LLC Assignments & Second Amendments**

It is anticipated that the Atlantic Hospitality Group II's signature page for the Assignments and Second Amendments will be provided on or by Tuesday, March 20, 2018. If the CRA does not receive the signature pages by the CRA Board meeting time, this item will be pulled from the March 20, 2018 CRA Board meeting agenda.

CRA
POMPANO BEACH

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MEMORANDUM

Date: **March 20, 2018**

To: **Pompano Beach CRA Board**

From: **Adriane Esteban, CRA Project Manager**

Subject: **Assignments & Second Amendments to the Sublease and Patio Ground Lease Agreements relating to property located at 44 NE 1st Street**

In May 2016, the CRA Board approved a Sublease Agreement and Patio Ground Lease Agreement between the CRA and Atlantic Hospitality Group II, LLC (AHG II) relating to the property located at 44 NE 1st Street. Then in July 2017, First Amendments to the Sublease and Patio Ground Lease were approved to extend the project schedule. Since that time, the restauranteur's investor became more involved and interested in being a true partner with the project, while the restauranteur decided they wanted to pursue other ventures. The restauranteurs ultimately decided would be best for the project if they transferred ownership of AHG II to their investor.

The investor, Brian Baer, grew up in Pompano Beach and attended Blanche Ely High School. He has built successful businesses and is looking to grow his portfolio while investing significant dollars in the community that helped form him. Mr. Baer has found a strong culinary partner, Chef Dean James Max, who also has ties to South Florida to bring this project to fruition. Chef Max has been nominated for Best Chef of the South by the James Beard Foundation, a very prestigious honor. He formed his own restaurant group ten years ago and in that time went from being the Executive Chef of 3030 Ocean in Ft. Lauderdale to opening multiple successful restaurants throughout the U.S. with the Marriott company. Chef Max has recently moved back to the area and is excited by the opportunity to bring his farm to table, local, and sustainable cooking concept to Pompano Beach.

In areas like Downtown Pompano that have been affected by blight and high vacancies in the past, it can be hard to attract and implement a project that requires a significant investment like a restaurant. In Delray Beach, there were many starts and stops in the early 1990's and took nearly 20 years before it became a destination for trendy restaurants. Mr. Baer and Chef Max are up for

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the challenge though, especially because of their close ties to the area. Staff is recommending the Assignment and Second Amendments be approved so this team can bring a new restaurant to the emerging arts and entertainment district of Old Town.

The Assignments and Second Amendments in this agenda item contain the following changes:

- Approves assignment of Sublease and Patio Ground Lease to Brian Baer
- Changes initial term commencement date to April 1, 2018 instead of July 1, 2016
- Still provides two year Improvement Period in which no rent shall be due
- Changes renewal terms to one five-year term and another term to end December 31, 2033 instead of three renewal terms
- Changes rent escalation during the first year of the renewal terms to 10.5% instead of 12.5% for Sublease
- Clarification in Patio Ground Lease that the rent for the first year of the First Renewal Term shall be $10,000. Annual increase after that year changed to 5% instead of 7.5%
- Project Schedule is revised
- CRA work revised to provide reimbursement for electric, wall cuts, and curbs instead of CRA having the work performed by CRA contractor. However CRA work will include providing new water line and fire line to space, as well as constructing a new dumpster

RESOLUTION NO. 2016-44

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE A SUBLEASE AGREEMENT AND A PATIO GROUND LEASE AGREEMENT BETWEEN THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY AND ATLANTIC HOSPITALITY GROUP II LLC, RELATING TO PROPERTY LOCATED AT 44 NORTHEAST 1ST STREET, POMPANO BEACH, FLORIDA, AFTER NOTICE PURSUANT TO SECTION 163.380(3)(a), FLORIDA STATUTES; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the Pompano Beach Community Redevelopment Agency (CRA) intends to dispose of property located at 44 Northeast 1st Street in the Northwest community redevelopment area in the form of a sublease agreement and a patio ground lease agreement; and

WHEREAS, the CRA is required by Section 163.380(3)(a), Florida Statutes, to give thirty (30) days public notice of its intention to dispose of CRA property and to invite proposals and make pertinent information available to private developers and all persons who may have an interest in redevelopment or rehabilitation of the subject property; and

WHEREAS, the CRA intends to provide such public notice and consider all proposals received in connection with such notice, if any.

BE IT RESOLVED BY THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The Sublease Agreement and the Patio Ground Lease Agreement between the Pompano Beach Community Redevelopment Agency and Atlantic Hospitality Group II, LLC, relating to the property located at 44 Northeast 1st Street, Pompano Beach, Florida (the Agreements), copies of which Agreements are attached hereto and incorporated by reference as if set forth in full, are hereby approved.

SECTION 2. The proper officials are hereby authorized to execute the Agreements, together with such other documents as may be required to effectuate the Agreements, upon

expiration of the thirty (30) day notice period required by Section 163.380(3)(a), Florida Statutes, and due consideration of all proposals in response to such notice, if any.

SECTION 3. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this 17th day of May, 2016.

LAMAR FISHER, CHAIRPERSON

ATTEST:

MARGARET GALLAGHER, SECRETARY

SUBLEASE AGREEMENT

This Sublease Agreement ("Sublease") is made between the **POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**, a public body corporate and politic created pursuant to Part III of Chapter 163, Florida Statutes, whose address for purposes of notice under this lease is 100 West Atlantic Blvd., Room 276, Pompano Beach, Florida 33060, ("CRA") and **Atlantic Hospitality Group II, LLC**, whose address is **2729 NE 31st Street, Lighthouse Point, Florida, 33064**, ("Sublessee").

Recitals

WHEREAS, the CRA has entered into a lease agreement with Pompano Pharmacy Wholesale, Inc., a Florida Corporation ("Landlord"), relating to the lease by the CRA of that certain commercial property described as follows: 3,081 square feet of the structure located at 44 Northeast 1st Street, Pompano Beach, Florida 33060, (the "Premises") as more particularly described in the Lease Agreement attached hereto as Exhibit "A" and incorporated herein by reference (the "Lease Agreement"), and

WHEREAS, the Lease Agreement, the effective date of which is January 1, 2014, provides for the use of the Premises for commercial purposes, including but not limited to the operation of a restaurant, facility for cooking classes and sales of food products, and other related uses; and

WHEREAS, the Lease Agreement provides for subleasing of the Premises and SUBLESSEE wishes to sublease the Premises for the purpose of operating a restaurant and for related uses; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Sublease, the CRA and Sublessee agree as follows:

1. The above recitals are true and correct and are incorporated herein.

2. **Sublease of Property.** The CRA does hereby sublease to Sublessee, and Sublessee rents from the CRA, the following described commercial property (collectively, the "Premises"): 3,081 square feet of the structure located at 44 NE 1st Street, Pompano Beach, Florida 33060. In addition to the sublease of the Premises, Sublessee will simultaneously enter into a Patio Ground Lease Agreement directly with the CRA to lease property owned by the CRA adjacent to the Premises for use as a covered patio area with additional restrooms to compliment operation of the restaurant on the Premises (the "Patio Property").

3. **Sublease Term.** The initial term of this sublease shall be a period of five (5) years commencing on July 1, 2016, at 12:01 a.m., and ending at midnight on June 30, 2021, (the "Initial Term").

4. **Rent.** The rental amounts for the Premises ("Rent") shall be as follows:

    4.1. There shall be no rental amount due for the Premises for the period of twenty-four (24) months from July 1, 2016 through June 30, 2018 (the "Improvements Period"). The first monthly rental payment shall be due on July 1, 2018, (the "Rental Commencement Date").

    4.2. Beginning on July 1, 2018, the annual Rent for the Premises will be $38,081 plus tax payable in equal monthly installments of $3,173 plus tax commencing on July 1, 2018.

4.3. **Annual Rent Increase.**

Beginning with the rental payment due on July 1, 2019, the Rent for the Premises will increase annually by three percent (3%) of the base rental amount for the prior year.

4.4. **Rent Payments.** Sublessee shall pay the Rent in equal monthly installments, which will be due on the first day of each calendar month.

4.5 **Security Deposit.** Sublessee shall pay a $6,000 security deposit upon execution of this Sublease.

5. **Option to Renew.** Sublessee shall have the right to renew this Sublease for up to two (2) additional terms ("Renewal Terms") of five (5) years each and one addition term to end December 31, 2033, on the terms and conditions of this Sublease, by delivering to CRA a written notice of its intention to renew the Sublease no later than 120 days prior to the end of the Term then in effect. In the event the CRA is able to purchase the Premises or extend the Lease Agreement beyond December 31, 2033, then the CRA will give Sublessee the right to extend the Sublease accordingly.

5.1. **Renewal Term Rent for Premises.** The Rent for the Premises in the Renewal Terms shall be as follows:

5.2. **First Renewal Term.** The annual Rent for the first Renewal Term will escalate by 12.5% to be **$45,450**, and will commence on April 1, 2021. Rent will increase by 3% each year for the remainder of the First Renewal Term.

5.3. **Second Renewal Term.** The annual Rent for the second Renewal Term will escalate by 12.5% to be **$57,549** and will commence on April 1, 2026. Rent will increase by 3% each year for the remainder of the Second Renewal Term.

5.4. **Third Renewal Term.** The annual Rent for the third Renewal Term will escalate by 12.5% to be **$72,869** and will commence on April 1, 2031, and will end on December 31, 2033. Rent will increase by 3% each year for the remainder of the Third Renewal Term.

The Initial Term and all Renewal Terms shall collectively be referred to as the "Term."

6. **Right to Purchase.** Neither the CRA, nor the Sublessee have the right of first refusal to purchase the Premises. If the CRA obtains this right from the Landlord through a lease amendment, the CRA shall offer the Sublessee this same right provided Sublessee is not in default after notice and opportunity to cure and Sublessee purchases adjacent Patio Property. In the event that the CRA purchases the building which contains the Premises, Sublessee shall have right to purchase the property at an amount equal to the CRA's purchase price including all closing costs for a period of two years from the CRA's closing date provided that the restaurant be completed and operating and Sublessee purchases adjacent Patio Property. However in the event that at any time during the term of this Sublease, CRA receives from any third party a bona fide offer to purchase the Premises at a price and on terms acceptable to CRA, CRA shall give written notice of the price and terms to Sublessee, and Sublessee shall have thirty (30) days after that in which to execute a written agreement with CRA for the purchase of the Premises at that price and on those terms. If CRA notified Sublessee and Sublessee failed to execute the agreement within a ninety (90) day period, CRA is free to sell the property to the third party making the offer on the same terms and conditions set forth in the offer. If the property is sold to the third party then all rights of

Sublessee under this section shall promptly terminate. If the property is not sold to the party making the offer, then CRA shall give Sublessee the same right to purchase the property on receiving any subsequent offer from any third party that is acceptable to CRA; provided, however, that nothing contained in this Sublease shall limit the right of CRA to transfer or convey the Premises on the dissolution of CRA or otherwise, for nominal or no consideration, and Sublessee shall have no right to purchase the Premises in the event of such transfer or conveyance. The CRA shall retain air rights of the Premises in any event.

7. **Taxes and Assessments.** Sublessee shall be responsible for any municipal, county, and state taxes and assessments which may be assessed against the Premises during the Term of this Sublease. Sublessee will be responsible for any taxes levied against the personal property and trade fixtures of Sublessee located in and about the Premises. The pro-rata percentage of the Premises of the entire building is 55 %.

8. **Insurance.** The CRA shall carry Property Insurance, General Commercial Liability Insurance and casualty insurance for the Premises. Sublessee shall reimburse the CRA for the prorata cost of such insurance attributable to the Premises which is 55% of the entire building. The reimbursement shall be payable to the CRA within 30 days after the CRA gives the Sublessee written notice of the CRA's payment of the insurance premiums. Sublessee shall also carry General Commercial Liability Insurance naming the Pompano Beach Community Redevelopment Agency as Additionally Insured under such Policy. Sublessee shall provide the CRA annually with a certificate of insurance evidencing the coverage and the naming of the CRA as an additional insured.

9. **Maintenance.** The Sublessee shall be responsible for maintaining the Premises, including but not limited to HVAC, electrical and the grounds outside the Premises, as well as general housekeeping of the Premises. The CRA shall maintain the exterior structural portion of the Premises, including the roof, except as provided in Section 13 below. Sublessee shall reimburse the CRA for the prorata cost of such exterior structural maintenance which is 55% of the entire building. The reimbursement shall be payable to the CRA within 30 days after the CRA gives the Sublessee written notice of the CRA's payment of such maintenance costs.

10. **Utilities.** Sublessee shall pay for all utilities (water, sewer, electric, gas, telephone, cable, etc.) serving the Premises during the Term. If utilities are billed to the CRA, Sublessee will reimburse the CRA within ten days after receipt of the invoice or utility bill from the CRA. If utilities are billed directly to Sublessee, Sublessee will pay the amounts due directly to the utility company prior to delinquency. If any utilities billed to the CRA include service to properties other than the Premises, the CRA will provide Sublessee with a calculation of the amount owed by Sublessee.

11. **Use of Premises.** Sublessee shall use the Premises for the operation of a restaurant, a facility for cooking classes and the sale of food products, as well as other similar and related uses. No other use of the Premises is permitted under this Sublease. Sublessee will not commit or permit any waste or damage to the Premises and will not carry on any activity that constitutes a nuisance or violates any Applicable Laws.

12. **Parking.** Sublessee and its agents, employees, guests and invitees shall have the right to park in the parking lot, owned by the Landlord and located adjacent to the rear of the Premises at 44 NE lst Street, Pompano Beach, Florida, 33060 (the "Landlord's Parking Lot"). Parking in the Landlord's Parking Lot will be available to Sublessee on a "first-come, first-serve" basis. In addition, Sublessee shall have the right to utilize Landlord's

Parking Lot for the installation of a grease trap, plumbing to serve the restaurant to be located on the Premises,-and to utilize a dumpster located on the Landlord's Parking Lot with said dumpster to be maintained and emptied by Sublessee at its sole cost and expense. The CRA agrees that it will coordinate with the Landlord to have the Landlord join in any applications or consents required for the installation of the grease trap, related plumbing and use of the dumpster in the Landlord's Parking Lot, and that it will further coordinate with the Landlord to have the Landlord execute and deliver an easement over, across and under Landlord's Parking Lot for these purposes if one is required. Sublessee will be responsible for the repair or replacement of any asphalt removed or damaged during the installation of the grease trap and plumbing.

13. **Improvements.** Sublessee has the right to make changes, alterations and additions to the Premises ("Improvements") with the CRA's prior written consent. All such changes, alterations and additions must be undertaken in a good and workmanlike manner and comply with all Applicable Laws. All Improvements made by Sublessee which are permanently attached to the Premises including fixed cabinets will become the property of the Landlord and shall remain on the Premises at the end of the Term. Sublessee will have the right to remove any moveable furniture, fixtures and equipment not attached to the walls of the Premises at the end of the Term. In addition, Sublessee will have the right to remove from the Premises at the end of the Term any kitchen equipment or appliances, such as ovens, ranges, and refrigerators installed by Sublessee and not attached to the walls of the Premises, as long as Sublessee repairs any damage caused by the removal of such equipment.

13.1. **The CRA Obligations.** The CRA agrees to make the improvements described in Exhibit "B" attached to this Sublease.

13.2. **The CRA's Cooperation in Applications.** The CRA agrees to coordinate with the Landlord for Landlord's joinder in and execution of any permit applications, consents, or other document required in connection with the construction or installation of any Improvements by Sublessee as required by the Lease Agreement. The CRA agrees to coordinate with the Landlord for the signing of any required documents within fifteen days after receipt of the request from Sublessee and the document to be signed.

13.3. **Project Schedule.** Sublessee shall comply with Project Schedule attached as Exhibit "C".

13.4. **Unity of Use Agreement.** A Unity of Use Agreement is required because the Premises and the Patio Property are owned by two different parties. CRA and Sublessee agree to enter into a Unity of Use Agreement in the form attached to this Sublease as Exhibit "D" During the Term, the Premises and the Patio Property shall be treated as a single, unified use. The Unity of Use Agreement shall terminate upon the termination of this Sublease regardless of whether such termination occurs upon the expiration of the Sublease or sooner pursuant to its terms. At least 90 days prior to the termination of the Sublease, the Premises and the Patio Property shall be returned to their original condition as physically separated parcels by Sublessee at Sublessee's sole cost and expense. Such physical separation of the Premises and the Patio Property shall consist of Sublessee obtaining a building permit for the construction of a block wall to be constructed between the two parcels and constructing such block wall, including interior drywall and paint to match the

existing finish. After the physical separation of the two parcels, the Premises may not be used or occupied separately until the owner of the Premises independently obtains any building permits and/or zoning certificates which may be required for the Premises for compliance with the City of Pompano Beach Code of Ordinances and the Florida Building Code. Similarly, the Patio Property may not be used or occupied separately until the owner of the Patio Property independently obtains any building permits and/or zoning certificates which may be required for the Patio Property for compliance with the City of Pompano Beach Code of Ordinances and the Florida Building Code. The failure to obtain any building permits and/or zoning certificates which may be required for each of said parcels, respectively, shall have no effect on the other parcel so long as the other parcel is in compliance. All work to be performed by Sublessee under the Unity of Use Agreement shall be performed at Sublessee's sole cost and expense, using first class building materials and contractors. Sublessee shall restore the Premises to the same condition as they were in upon the commencement of the Sublease Agreement, including without limitation, removal of all awnings, lights, etc. affixed by Sublessee to the exterior of the Premises and repair of all damage caused by the removal thereof, ordinary wear and use excepted. This Section 13.2.1. shall survive the termination of the Sublease.

In the event the Sublessee purchases the Premises and the Patio Property, the need for the Unity of Use Agreement shall be eliminated.

13.5. **Signage.** Sublessee has the continuing right to install signs, awnings, marquees or other structures on the exterior of the Premises with the CRA's prior written consent. Any and all such signs or structures must comply with Applicable Law.

14. **The Patio Property.** Sublessee shall have the right to attach a covered patio to the exterior wall of the Premises for purposes of providing a covering for an outdoor dining area and installing bathrooms the Patio Property. The covered patio shall entail an area that measures approximately 35 feet by 80 feet. Sublessee may undertake any necessary painting or repairs to the exterior wall of the Premises that will face the outdoor dining area and may decorate and adorn said exterior wall as it deems necessary so long as such décor and improvements comply with Applicable Law. Upon the termination of this Sublease, Sublessee shall remove any and all decorative items from said exterior wall and repair any damage to the wall caused by Sublessee's use.

15. **The CRA's Right to Inspect Premises.** The CRA will have the right to enter upon and inspect the Premises, and to make necessary repairs to the Premises, at reasonable times and after notice to Sublessee. The CRA will have the right to place a sign in Premises advertising that the Premises are available for rent not more than 30 days prior to the expiration of the Initial Term and any Renewal Terms, if the Sublessee has not notified the CRA of its intention to renew the Sublease.

16. **The Sublessee's Right to Inspect Premises.** The Sublessee has the right to enter upon and inspect the Premises to perform due diligence on any matter, including, but not limited to, soil analysis, zoning regulations, and conceptual architectural layouts (the "Due Diligence Period"). The Due Diligence Period shall begin on the date of execution of this Sublease and continue for 60 days, at which time Sublessee may terminate this Sublease by proper written notice to the CRA. Upon expiration of the Due Diligence Period, unless Sublessee exercises the right to terminate the Sublease, Sublessee accepts the physical condition of the Premises. Sublessee shall

be responsible for prompt payment to the CRA for repair and restoration of any damage caused to the Premises as a result of the Sublessee's inspection of the Premises.

17. **Ownership; Peaceful Enjoyment; Surrender of Premises.** The CRA represents and warrants that it has a leasehold interest in the Premises as provided for in the Lease Agreement. The CRA will warrant and defend Sublessee's right to the peaceful possession and enjoyment of the Premises during the Term. At the end of the Term, Sublessee will surrender the Premises in clean condition and good repair, normal wear and tear excepted. No surrender of the Premises by Sublessee prior to the end of the Term of this Sublease will be valid unless accepted by the CRA in writing.

18. **Sublease Subordinate to Lease Agreement.** The parties agree that this Sublease shall be subject and subordinate at all times to all of the covenants, agreements, terms, provisions and conditions of the Lease Agreement. Neither the CRA nor Sublessee shall do or permit anything to be done in connection with this Sublease Agreement or Sublessee's occupancy and use of the Premises which will violate the Lease Agreement. All actions of Sublessee shall be consistent with the CRA's obligations under the Lease Agreement.

19. **Accidental Damage or Injury.** The Landlord and the CRA shall not be liable for any damage to property or any injury to persons, sustained by Sublessee or others, caused by conditions or activities on the Premises. Sublessee shall carry liability insurance insuring the CRA, Sublessee, and the Landlord against any claims in the types and amounts described in Exhibit "E" attached to this Sublease.

20. **Casual Damage or Injury.** If the Premises shall be destroyed or damaged by any acts of force majeure, including earthquake or fire, to such an extent as to render the Premises untenantable in whole or in substantial part, Landlord has the option of rebuilding or repairing the Premises by giving notice to that effect to the CRA within fifteen (15) days after the occurrence of any damage of the intent of Landlord to rebuild or repair the Premises or the part so damaged. If Landlord elects to rebuild or repair the Premises and does so without unnecessary delay, Sublessee shall be bound by this Sublease Agreement, except that during the period of repair, the Rent shall be abated in the same proportion that the part of the Premises rendered unfit for occupancy by Sublessee shall bear to the whole of the subleased premises. If Landlord fails to give notice of the intent to repair, Sublessee shall have the right to declare this Sublease Agreement terminated.

21. **Liens.** Sublessee shall keep the Premises free and clear of all liens arising out of any work performed, material furnished or obligations incurred by Sublessee.

22. **Indemnification.** To the extent permitted by Applicable Laws, Sublessee will indemnify and hold harmless the CRA and the Landlord from all costs, losses, damages, liabilities, expenses, penalties, and fines whatsoever that may arise from or be claimed against the CRA or the Premises by any person for any injury to person or property or damage of whatever kind or character arising out of or in connection with any of the following: (a) the use or occupancy of the Premises by Sublessee or its employees, agents, guests, and invitees; or (b) any failure by Sublessee or its employees, agents, guests, and invitees to comply with all Applicable Laws.

    22.1. **Lawsuits.** If any lawsuit or proceeding is brought against the CRA or the Landlord on account of any alleged violations of, or failure to comply with, Applicable Laws, or on account of any damage, omission, neglect, or use of the

premises by Sublessee, its agents, employees, guests and invitees, Sublessee agrees that Sublessee will defend the CRA and/or the Landlord in such lawsuit or proceeding, and pay whatever judgments may be recovered against the CRA or the Landlord, and pay for all attorneys' fees in connection with such lawsuit or proceeding, including attorneys' fees on appeal.

22.2. **Limitation.** Nothing in this Sublease Agreement shall be deemed as a waiver of the monetary limits set forth in Section. 768.28(5), of the Florida Statutes, which monetary limits shall be applicable regardless of whether said limitations would apply in the absence of this provision.

22.3. **Glass Damage.** In case of damage to glass caused by Sublessee, or its agents, employees, guests or invitees in the Premises, Sublessee agrees to replace the glass with glass of the same kind, size, and quality as quickly as possible at Sublessee's expense.

23. **Defaults and Remedies.**

23.1 **Events of Default.** The occurrence of any one or more of the following events shall constitute a Default under this Sublease:

23.1.1 Failure by Sublessee to pay Rent. If any Rent due under this Sublease is not paid within fifteen days after the due date, the CRA will have the right to resume possession of the Premises and re-lease or rent the Premises for the remainder of the Term for the account of Sublessee and recover from Sublessee at the end of the Term the difference between the Rent specified in this Sublease and the Rent received on the re-leasing or renting.

23.1.2 Failure by Sublessee to observe or perform in any material respect any covenant, obligation or agreement contained in this Sublease, the Unity of Use Agreement or the Patio Ground Lease Agreement.

23.1.3 The filing by Sublessee of a petition to have Sublessee adjudged bankrupt or a petition for reorganization under any law relating to bankruptcy; or the appointment of a trustee or receiver to take possession of all or substantially all of Sublessee's assets where such possession is not restored to Sublessee within ninety (90) days of such appointment.

23.1.4 The material breach of any representation or warranty by either Party contained in this Sublease Agreement or the Unity of Use Agreement or the Patio Ground Lease Agreement if such material breach is not cured after written notice from the non-defaulting party to the defaulting party and a reasonable opportunity to cure such material breach.

23.2 **Cure Period.** In the event of a Default, the non-defaulting party shall provide written notice to the defaulting party and the defaulting party shall have thirty (30) days to cure such Default, provided that the cure period shall be extended if the Default cannot reasonably be cured within thirty (30) days and the defaulting party is using commercially reasonable efforts to cure said Default.

23.3 **Remedies for Default.** Following the occurrence of a Default and the expiration of any applicable cure period, the non-defaulting party may terminate this agreement, the Unity of Use Agreement and the Patio Ground Lease Agreement. Additionally, the non-defaulting party shall have the right to have provisions of this

Agreement enforced by any court having equity jurisdiction it being acknowledged that any such Default wil cause irreparable injury to the non-defaulting party and that money damages will not provide an adequate remedy.

24. **No Waiver of the CRA's Rights.** The exercise by the CRA of any right or remedy to collect Rent or enforce its rights under this Sublease will not be a waiver of or preclude the exercise of any other right or remedy afforded the CRA by this Sublease or by Applicable Law. The failure of the CRA in one or more instances to insist on strict performance or observation of one or more of the covenants or conditions of this Sublease or to exercise any remedy, privilege, or option conferred by this Sublease on or reserved to the CRA shall not operate or be construed as a relinquishment or future waiver of the covenant or condition or the right to enforce it or to exercise that remedy, privilege, or option; that right shall continue in full force and effect. The receipt by the CRA of Rent or any other payment or partial payment required to be made by the Sublessee shall not act to waive any additional Rent or other payment then due. Even with the CRA's knowledge of the breach of any covenant or condition of this Sublease, receipt of Rent will not operate as or be considered to be a waiver of this breach, and no waiver by the CRA of any of the provisions of this lease, or of any of the CRA's rights, remedies, privileges, or options under this Lease, will be considered to have been made unless made by the CRA in writing.

25. **Assignment and Subletting.** This Sublease may not be assigned, sublet, or subleased without the express written consent of the CRA. , which consent requires approval by the CRA Board.

26. **Termination and Surrender**

    26.1 If a new lease with Landlord is not secured by the CRA:

    26.1.1 Sublessee shall surrender the Premises on or before the last day of the Term of this Sublease Agreement.

    26.1.2 The CRA shall have the right to place and maintain on the Premises "For Rent" signs during the last thirty (30) days of the Initial Term and any Renewal Terms of this Sublease Agreement, if Sublessee has not given the CRA notice of its intent to renew this Sublease.

    26.1.3 Sublessee shall, at the expiration of this Sublease Agreement, surrender the keys to the Premises to the CRA.

    26.2 If Sublessee shall surrender the Premises at the election of the Sublessee, the liability for all duties and obligations required of Sublessee shall continue until the surrender has been accepted by the CRA in writing.

27. **Address for Payments and Notices**

    27.1. **Notices to the CRA.** Rent payments and notices to the CRA shall be mailed or delivered to the address set forth on the first page of this Sublease, unless the CRA changes the address by written notice to Sublessee.

    27.2. **Notices to Sublessee.** Notices to Sublessee shall be mailed or delivered to the Premises and to Sublessee's address set forth on the first page of the Sublease.

    27.3. **Mailing of Notice.** All notices required under this Lease shall be sent either by: (a) certified or registered mail, return receipt requested; (b) hand-delivery with a receipt

evidencing delivery; or (c) Federal Express or other nationally recognized overnight mail service.

28. **Radon Gas Notification.** 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 and radon testing may be obtained from the county health department.

29. **Miscellaneous Provisions.**

    29.1. **Captions.** The captions appearing in this Sublease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of the sections or articles of this Lease or affect this Lease in any way.

    29.2. **Governing Law.** This Sublease will be governed by the laws of the state of Florida, as to both interpretations and performance.

    29.3. **Exhibits Incorporated by Reference.** All exhibits attached to this Sublease are incorporate in this Sublease by reference.

    29.4. **Entire Agreement.** This Sublease sets forth all of the promises, agreements, conditions, and understandings between the CRA and Sublessee relative to the Premises. There are no other promises, agreements, conditions, or understandings, either oral or written, between them. No amendment, change, or addition to this Sublease will be binding on the CRA or Sublessee unless in writing and signed by both of them.

    29.5. **Time of the Essence.** Time is of the essence as to all of the terms and provisions of the Sublease.

    29.6. **Successors and Assigns.** The terms of this Sublease will be binding on the respective successors, representatives, and assigns of the parties.

IN WITNESS WHEREOF, the CRA and Sublessee have duly executed this Subease Agreement on 6/21, 2016.

"CRA":

Signed, Sealed and Witnessed
In the Presence of:

Sandra M. Morway

Print Name: SANDRA M MORWAY

Shelley R. Bartholomew

Print Name: Shelley R. Bartholomew

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

By: _____
Lamar Fisher, Chairman

ATTEST:

_____
Margaret Gallagher, Secretary

EXECUTIVE DIRECTOR:
Redevelopment Management Associates, LLC
a Florida limited liability company

Dahlia Bailey

Print Name: Dahlia Bailey

By: _____
Christopher J. Brown, a managing member

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 27th day of June, 2016 by LAMAR FISHER as Chairman of the Pompano Beach Community Redevelopment Agency, who is personally known to me.

NOTARY'S SEAL:

Notary Public State of Florida
Shelley R Bartholomew
My Commission EE 871686
Expires 04/01/2017

Shelley R. Bartholomew

NOTARY PUBLIC, STATE OF FLORIDA

Shelley R. Bartholomew

(Name of Acknowledger Typed, Printed or Stamped)

EE871686

Commission Number

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 27th day of June, 2016, by MARGARET GALLAGHER, Secretary of the Pompano Beach Community Redevelopment Agency, who is personally known to me.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

CATHERINE TRENKLE

(Name of Acknowledger Typed, Printed or Stamped)

CATHERINE TRENKLE
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE839199
Expires 9/30/2016

EE839199

Commission Number

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 27th day of June, 2016, by Christopher J. Brown, as Managing Member of Redevelopment Management Associates, LLC, on behalf of the limited liability company. He is ~~personally known to me or~~ who has produced _____ (type of identification) as identification.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

CATHERINE TRENKLE

(Name of Acknowledger Typed, Printed or Stamped)

CATHERINE TRENKLE
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE839199
Expires 9/30/2016

EE839199

Commission Number

"SUBLESSEE":

Signed, Sealed and Witnessed
In the Presence of:

Print Name HARRY PATEL

Print Name MARGARET GALLAGHER

Print Name HARRY PATEL

Print Name MARGARET GALLAGHER

ATLANTIC HOSPITALITY GROUP II, LLC

By: Hansa J Patel

Print Name: HANSA PATEL

Title: MANAGING PARTNER

By:

Print Name: FRANCO GRIECO

Title: Managing Partner

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 10th day of MAY, 2016, by HANSA PATEL and FRANCO GRIECO as MANAGING PARTNER (title) and MANAGING PARTNER (title) of ATLANTIC HOSPITALITY GROUP II, LLC, on behalf of the limited liability company. They are personally known to me or who have produced FLORIDA DRIVER'S LICENCES (type of identification) as identification.

NOTARY'S SEAL:

MARGARET GALLAGHER
Notary Public - State of Florida
My Comm. Expires Jan 12, 2018
Commission # FF 065528
Bonded Through National Notary Assn.

NOTARY PUBLIC, STATE OF FLORIDA

MARGARET GALLAGHER
(Name of Acknowledger Typed, Printed or Stamped)

FF 065528
Commission Number

PATIO GROUND LEASE AGREEMENT

This Patio Ground Lease Agreement ("Patio Lease") is made between the **POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**, a public body corporate and politic created pursuant to Part III of Chapter 163, Florida Statutes, whose address for purposes of notice under this lease is 100 West Atlantic Blvd., Room 276, Pompano Beach, Florida 33060, ("CRA") and Atlantic Hospitality Group II, LLC , whose address is 2729 NE 31st Street, Lighthouse Point, Florida, 33064, ("Tenant").

WITNESSETH:

1. DESCRIPTION OF PREMISES.

CRA leases to Tenant for the purpose of providing an outdoor eating area for Tenant's Restaurant to be located at 44 NE 1st Street (the "Restaurant Property") adjacent to the property described in this Patio Lease, the following described premises situated in the City of Pompano Beach, County of Broward, State of Florida, and more particularly described in Exhibit "A" attached to this Patio Lease (the "Patio Property"). As used in this Patio Lease, the term "Patio Property" refers to the real property described above and to any improvements located on the property from time to time during the term of this Patio Lease.

In addition to this Patio Lease, Tenant will simultaneously enter into a sublease agreement with the CRA to lease the Restaurant Property.

2. TERM.

2.1 The initial term of this Patio Lease shall be for a period of five (5) years commencing on July 1, 2016, at 12:01 a.m., and ending at midnight on June 30, 2021 (the "Initial Term").

2.2 Tenant, provided it is not in default of any terms or conditions of this Patio Lease, shall have the option to renew this Patio Lease for up to two (2) additional terms ("Renewal Terms") of five (5) years each and one additional term to end on December 31, 2033, on the terms and conditions set forth in this Patio Lease, by delivering to CRA a written notice of its intention to renew the Patio Lease no later than one hundred and twenty (120) days prior to the end of the term of the Patio Lease then in effect.

2.3 The Initial Term and the Renewal Terms shall be referred to collectively as the Term.

3. RENT.

3.1 **Rent.** The rental amounts for the Patio Property ("Rent") shall be as follows:

3.1.1 There shall be no rental amount due for the Patio Property for the period of twenty-four (24) months from July 1, 2016 through June 30, 2018 (the "Improvements Period").

3.1.2 The first annual rental payment shall be due on July 1, 2018, (the "Rental Commencement Date"). The annual Rent for this Patio Lease shall be $5,000 per year, plus all applicable taxes. The Rent during the Initial Term shall not be adjusted annually.

3.1.3 **Renewal Term Rent.** The Rent due in the Renewal Terms shall be five (5) dollars per square foot per year, which equals $10,000 per year, plus all applicable taxes. The Rent during the Renewal Terms shall be adjusted annually as described in 3.1.3 below.

3.1.4 **Annual Rent Increase.** Beginning with the Rent payment due on the first day of the second year of the First Renewal Term, the Rent will increase by 7.5% of the base rental amount for the prior year. Thereafter, the Rent will increase by 7.5% each year of the Term.

3.2 **Rent Payments.** During the Initial Term, the $5,000 per year rent shall be paid in full on July 1, 2018 and on July 1 of each year of the Initial Term. Beginning on July 1 of the First Renewal Term, Tenant shall pay Rent in equal monthly installments, plus all applicable taxes, which will be due on the first day of each calendar month.

4. IMPROVEMENTS AND USE OF PREMISES.

4.1 Tenant may use the Patio Property only for the uses permitted by this Patio Lease. The Patio Property shall be used to provide an outdoor dining area and additional restrooms for the Restaurant Property. The outdoor dining area may include a large patio area (35' x 80') with tables, chairs and/or benches, hard roof structure, hurricane impact sliders, landscaping,; a portico and temporary structures necessary to facilitate outdoor dining and/or other outdoor events offered by the Restaurant Property such as fund-raisers, cocktail parties, wedding receptions, birthday parties, and similar activities. The Patio Property shall also include a building for restrooms. Construction of the patio area and the restroom facilities (collectively, the "Improvements") on the Patio Property shall comply with the Florida Building Code.

4.2 CRA shall install turfblock at grade on the Patio Property by August 1, 2016. Tenant leases the Patio Property in "as is" condition.

4.3 Tenant shall be solely responsible for the cost of construction of the Improvements.

4.4 Tenant shall comply with Project Schedule attached to this Lease as Exhibit "B".

4.5 Tenant shall construct the Improvements in accordance with the applicable rules, regulations, resolutions and ordinances of the City, County, State and Federal governments. Tenant shall be responsible for obtaining all necessary zoning and building permits and any other approvals or permits which may be required and shall pay all charges for such permits. The CRA shall cooperate with, support and join in, to the extent required, all necessary applications, site plan approval, building permits, variances, special exceptions and other approvals, permits, and licenses for the construction and use of the Improvements, but shall bear no cost for the same.

5. WARRANTIES OF TITLE AND QUIET POSSESSION.

CRA covenants that CRA is the fee simple owner of the Patio Property and has full right to make this Patio Lease and that Tenant shall have quiet and peaceable possession of the Patio Property during the term of this Patio Lease.

6. DELIVERY OF POSSESSION.

If, for any reason whatsoever, CRA cannot deliver possession of the Patio Property to Tenant at the commencement of the Term, as specified above, this Patio Lease shall not be void or voidable, nor shall CRA be liable to Tenant for any loss or damage resulting from the inability to deliver possession; in that event there shall be a proportionate reduction of Rent covering the period between the commencement of the Term and the time when the CRA can deliver possession. However, in the event that the CRA cannot deliver possession by August 1, 2016, this Patio Lease shall be voidable.

7. USES PROHIBITED.

Tenant shall not use or permit the Patio Property, or any part of it, to be used for any purpose other than the purpose for which the Patio Property is Leased. No use shall be made or permitted to be made of the Patio Property or acts done, that will cause a cancellation of any insurance policy covering the Patio Property; nor shall Tenant sell, or permit to be kept, used, or sold, in or about the premises, any article prohibited by the standard form of fire insurance policies. Tenant shall, at its sole cost, comply with all requirements, pertaining to the Patio Property, of any insurance organization or company, necessary for the maintenance of insurance, as provided in this Patio Lease, covering any improvements and appurtenances at any time located on the Patio Property.

8. WASTE AND NUISANCE PROHIBITED.

During the term of this Patio Lease, Tenant shall comply with all applicable laws affecting the Patio Property, the breach of which might result in any penalty on CRA. Tenant shall not commit or suffer to be committed any waste or nuisance on the Patio Property.

9. ABANDONMENT OF PREMISES.

Tenant shall not vacate or abandon the Patio Property at any time during the Term of this Patio Lease. If Tenant abandons, vacates, or surrenders the Patio Property, or is dispossessed by process of law or otherwise, any personal property belonging to Tenant and left on the Patio Property shall be deemed to be abandoned, at the option of CRA, except any property that may be encumbered to CRA.

10. CRA'S RIGHT OF ENTRY.

Tenant shall permit CRA and CRA's agents and employees to enter the Patio Property at all reasonable times for the purpose of inspecting the Patio Property, or for the purpose of posting

notices of non-responsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to Tenant for any loss of occupation or quiet enjoyment of the premises.

11. TENANT'S RIGHT TO INSPECTION

The Tenant, has the right to enter upon and inspect the Patio Property to perform due diligence on any matter including, but not limited to, soil analysis, zoning regulations, and conceptual architectural layouts (the "Due Diligence Period"). The Due Diligence Period shall begin on the date of execution of the Patio Lease and continue for 60 days, at which time Tenant may cancel this Patio Lease through proper written notice to the CRA. Upon expiration of Due Diligence Period, unless Tenant exercises the right to terminate the Patio Lease, Tenant accepts the physical condition of the Patio Property. Tenant shall be responsible for prompt payment to the CRA for repair and restoration of any damage caused to the Patio Property as a result of the inspection.

12. SUBLETTING AND ASSIGNMENT.

This Patio Lease may not be assigned, sublet, or subleased without the express written consent of the CRA which consent requires approval by the CRA Board.

13. NOTICES.

13.1 All notices, demands, or other writings in this Patio Lease to be given or made or sent, or which may be given or made or sent, by either party to this Patio Lease to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, with postage prepaid, and registered and addressed as follows:

TO CRA: Executive Director
City of Pompano Beach Community Redevelopment Agency
100 W. Atlantic Blvd., Suite 276
Pompano Beach, FL 33062

TO TENANT: Frank Grieco
Atlantic Hospitality Group II, LLC
2729 NE 31st Street
Lighthouse Point, Florida, 33064

13.2 The address to which any notice, demand, or other writing may be given or made or sent to a party may be changed by written notice of such change given to the other party.

14. TAXES AND ASSESSMENTS.

14.1 Tenant shall be responsible for all municipal, county, and state taxes and assessments which may be assessed against the Patio Property during the term of this Patio Lease. Tenant shall also be responsible for any taxes levied against the personal property and trade fixtures of Tenant located in and about the Patio Property.

14.2 Notwithstanding the foregoing provision, CRA shall, after notifying Tenant of its

intention to do so, have the right in its own name or behalf, or in the name and behalf of Tenant, to contest in good faith by all appropriate proceedings the amount, applicability or validity of any such tax or assessment, and in good faith by all appropriate proceedings the amount, applicability or validity of any such tax or assessment.

15. INSURANCE.

Tenant shall carry property, general commercial liability and casualty insurance on the Patio Property in the types and amounts described on Exhibit "C" attached to this Patio Lease, and naming the Pompano Beach Community Redevelopment Agency as Additionally Insured on said policies. Tenant shall provide the CRA annually with a certificate of insurance evidencing the coverage and the naming of the CRA as an additional insured.

16. REPAIRS AND DESTRUCTION OF IMPROVEMENTS.

16.1 Maintenance of Improvements. Throughout the term of this Patio Lease, Tenant shall, at its own cost and without any expense to CRA, keep and maintain the Patio Property, including all improvements of every kind that may be a part of the Patio Property and all appurtenances to the Patio Property in good, sanitary, and neat order, condition and repair. Except as specifically provided in this Patio Lease, during the Term Tenant shall restore and rehabilitate any improvements of any kind that may be destroyed or damaged by fire, casualty, or any other cause whatsoever. CRA shall not be obligated to make any repairs, replacements, or renewals of any kind whatsoever to the Patio Property or improvements on it. Tenant shall also comply with and abide by all federal, state, county, municipal, and other governmental statutes, ordinances, laws, and regulations affecting the Patio Property, the improvements on the Patio Property, or any activity or condition on or in the Patio Property.

16.2 Damage To and Destruction Of Improvements. The damage, destruction, or partial destruction of any improvement that is a part of the Patio Property shall not release Tenant from any obligation under this Patio Lease, except as expressly provided below. In case of damage to or destruction of any improvement, Tenant shall at its own expense promptly repair and restore the improvement to a condition as good as or better than that which existed prior to the damage or destruction. Without limiting the obligations of Tenant, it is agreed that the proceeds of any insurance covering the damage or destruction shall be made available to Tenant for repair or replacement.

16.3 Damage or Destruction Occurring Toward End Of Term. Notwithstanding anything to the contrary in paragraphs 16.1 and 16.2 above, in case of destruction of any improvement on the Patio Property or damage thereto from any cause so as to make it untenantable occurring during the last six (6) months of the Term, Tenant, if not then in default under this Patio Lease, may elect to terminate this Patio Lease by written notice served on CRA within thirty (30) days after the occurrence of the damage or destruction. In the event of termination, there shall be no obligation on the part of Tenant to repair or restore the improvements, nor any right on the part of Tenant to receive any proceeds collected under any insurance policies covering the Patio Property or any part of the Patio Property. On termination, Tenant shall return the Patio Property to CRA as provided for below in Paragraph 21. On termination, Rent and any other sums payable by Tenant to CRA under this Patio Lease shall be prorated as of the termination date, and in the event any Rent shall have been

paid in advance, CRA shall rebate such rent for the unexpired period for which payment shall have been made.

16.4 Election Not To Terminate. If, in the event of destruction or damage during the last six (6) months of the Term, Tenant does not elect to terminate this Patio Lease, the proceeds of all insurance covering the damage or destruction shall be made available to Tenant for repair or replacement, and Tenant shall be obligated to repair the Patio Property as provided in paragraph 16.2 above.

17. UTILITIES.

Tenant shall fully and promptly pay for all water, gas, heat, light, power, telephone service, and all other public utilities furnished to the Patio Property throughout the term of this Patio Lease, and all other costs and expenses in connection with the use, operation and maintenance of the Patio Property and all activities conducted on the Patio Property. CRA shall have no responsibility of any kind for any of those costs and expenses.

18. LIENS.

18.1 Tenant's Duty To Keep Patio Property Free Of Liens. Tenant shall keep all of the Patio Property and every part of the improvements at any time located on the Patio Property free and clear of any mechanics', materialmen's, and other liens arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished in connection with any operations of Tenant, any alteration, improvement, or repairs or additions which Tenant may make or permit or cause to be made, or any work or construction, by or permitted by Tenant on or about the Patio Property, or any obligations of any kind incurred by Tenant. Tenant shall at all times promptly and fully pay and discharge all claims on which any lien may or could be based, and Tenant shall indemnify CRA and all of the Patio Property and all improvements on the Patio Property against all liens and claims of liens and suits or other proceedings pertaining to those liens. Tenant shall give CRA written notice no less than ten (10) days in advance of the commencement of any construction, alteration, addition, improvement, or repair estimated to cost in excess of $1,000 in order that CRA may post appropriate notices of CRA's non-responsibility.

18.2 Contesting Liens. If Tenant desires to contest any lien, Tenant shall notify CRA of its intention to do so within ten (10) days after the filing of the lien. In such a case, and provided that Tenant shall on demand protect CRA by a good and sufficient surety bond against any lien and cost, liability, or damage arising out of such contest, Tenant shall not be in default under this Patio Lease until thirty (30) days after the final determination of the validity of the lien, within which time Tenant shall satisfy and discharge the lien to the extent held valid. However, the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered on it, and any delay shall be a default of Tenant under this Patio Lease. In the event of any such contest, Tenant shall protect and indemnify CRA against all loss, expense, and damage resulting from the contest.

19. INDEMNIFICATION OF CRA.

19.1 CRA shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by Tenant or by any person who may at any time be using or occupying or visiting the Patio Property or be in, on, or about the Patio Property, whether the loss, injury, death or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of Tenant or of any occupant, subtenant, visitor or user of any portion of the Patio Property, or shall result from or be caused by any other matter or thing. Tenant shall indemnify CRA against all claims, liability, loss, or damage whatsoever on account of any such loss, injury, death, or damage. Tenant waives all claims against CRA for damages to the improvements that are now on or will later be placed or built on the Patio Property and to the property of Tenant in, on or about the Patio Property, and for injuries to persons or property in or about the premises, from any cause arising at any time. The limitation of the CRA's liability in this paragraph shall not apply to loss, injury, death, or damage arising by reason of the negligence or misconduct of CRA or its agents or employees. Nothing contained in this paragraph, or this Patio Lease, however, shall be construed as a waiver by the CRA of sovereign immunity.

19.2 Notwithstanding the above, CRA shall cooperate in the defense of any legal actions by providing information to Tenant and by providing the compilation of data and documentation to the extent necessary and pertinent to the defense or prosecution of any legal action.

20. ATTORNEY'S FEES.

If any action at law or in equity shall be brought to recover any rent under this Patio Lease, or for or on account of any breach of this Patio Lease, or to enforce or interpret any of the covenants, terms, or conditions of this Patio Lease, or for the recovery of the possession of the Patio Property, the prevailing party shall be entitled to recover from the other party as part of the prevailing party's costs, reasonable attorney's fees, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.

21. REDELIVERY OF PREMISES.

Upon the expiration or earlier termination of this Patio Lease, Tenant shall surrender the premises to CRA in good order and condition. Any improvements and alterations made to the Patio Property by Tenant during the Term of the Patio Lease shall remain on and be surrendered with the Patio Property at such time.

22. REMEDIES CUMULATIVE.

All remedies conferred on CRA shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law.

23. PROHIBITION OF INVOLUNTARY ASSIGNMENT.

Neither this Patio Lease nor the leasehold estate of Tenant nor any interest of Tenant under the Patio Lease in the Patio Property or in the improvements on the Patio Property shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever, except through statutory merger, consolidation, devise, or intestate succession. Any such attempt at involuntary assignment, transfer, or sale shall be void and of no effect.

24. NOTICE OF DEFAULT.

Tenant shall not be deemed to be in default under this Patio Lease unless CRA shall first give to Tenant thirty (30) days' written notice of the default and Tenant fails to cure the default within thirty (30) days or, if the default is of such a nature that it cannot be cured within such time, Tenant fails to commence to cure the default within the thirty (30) day period and thereafter diligently pursue it and complete the same within ninety (90) days.

25. DEFAULT BY TENANT.

25.1 Acts Constituting Default. Tenant will be considered to be in default of this Patio Lease if any one or more of the following events shall occur:

25.1.1 Tenant fails to pay any Rent or any other payment due under this Patio Lease within thirty (30) days after the same becomes due;

25.1.2 Tenant voluntarily abandons, deserts or vacates the Patio Property or discontinues its operation on the Restaurant Property absent a force majeure;

25.1.3 Tenant fails to perform and observe each and every other promise, covenant and agreement set forth in this Patio Lease, performed or observed prior to the later of: (a) thirty (30) days after CRA gives written notice of such failure; or (b) if thirty (30) days is not a reasonable time to complete such performance, but Tenant commences such performance during such thirty day period, and thereafter diligently pursues it, ninety (90) days after CRA gives such notice.

25.2 Remedies In Event Of Breach.

25.2.1 In the event of any breach of this Patio Lease by Tenant, CRA, in addition to the other rights or remedies CRA may have, shall have the immediate right of reentry and may remove all persons and property from the Patio Property. Any property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of, Tenant. Should CRA elect to reenter, as provided in this agreement, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, CRA may terminate this Patio Lease.

25.2.2 No reentry or taking possession of the Patio Property by CRA shall be construed as an election on the part of CRA to terminate this Lease unless a written notice of CRA's intention to terminate this Patio Lease is given to Tenant or unless the termination of the Patio Lease is decreed by a court of competent jurisdiction.

25.2.3 Should CRA at any time terminate this Patio Lease for any breach, in addition to any other remedy it may have, CRA may recover from Tenant all damages incurred by reason of the breach, including the cost of recovering the Patio Property, and including the worth at the time of the termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Patio Lease for the remainder of the stated term over the then reasonable rental value of the Patio Property for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant to CRA.

26. DEFAULT BY CRA.

If CRA fails to perform any obligation of CRA under this Patio Lease on or before the later of (a) thirty (30) days after Tenant gives written notice that such performance is due, or (b) if thirty (30) days is not a reasonable time to complete such performance, but CRA commences such performance in such thirty day period and thereafter diligently pursues it, ninety (90) days after Tenant gives such notice, CRA shall be deemed in default. Until such time, CRA shall not be deemed to be in default and Tenant shall have no remedy against CRA for such failure. Upon default, Tenant may (a) institute action in a court of competent jurisdiction to terminate this lease or to complete performance of the agreement, and the losing party in that litigation shall pay the prevailing party all expenses of the litigation, including reasonable attorneys' fees; r (b) Tenant may, after thirty (30) days written notice of such intent to the CRA, comply with the agreement or correct any such breach.

27. TENANT'S RIGHT TO PURCHASE THE PATIO PROPERTY.

Tenant shall have the right to purchase the Patio Property for market value at time of sale for a period of two years commencing on the date which the Restaurant Property is acquired, with the stipulation that a restaurant has been built on the Restaurant Property, the Patio Property is improved as outdoor dining and restrooms as stated in section 4.1, and the Tenant purchases the Restaurant Property at 44 NE 1st Street. However in the event that at any time during the term of this Patio Lease, CRA shall receive from any third party a bona fide offer to purchase the Patio Property at a price and on terms acceptable to CRA, CRA shall give written notice of the price and terms to Tenant, and Tenant shall have thirty (30) days after that in which to execute a written agreement with CRA for the purchase of the Patio Property at that price and on those terms. If CRA notified Tenant and Tenant failed to execute the agreement within a ninety (90) day period, CRA is free to sell the property to the third party making the offer on the same terms and conditions set forth in the offer. If the property is sold to the third party then all rights of Tenant under this section shall promptly terminate. If the property is not sold to the party making the offer, then CRA shall give Tenant the same right to purchase the property on receiving any subsequent offer from any third party that is acceptable to CRA; provided, however, that nothing contained in this Patio Lease shall limit the right of CRA to transfer or convey the Patio Property on the dissolution of CRA or otherwise, for nominal or no consideration, and Tenant shall have no right to purchase the property in the event of such transfer or conveyance.

28. EFFECT OF EMINENT DOMAIN.

28.1 Effect of total condemnation. In the event the entire Patio Property shall be appropriated or taken under the power of eminent domain by any public or quasi-public

authority, this Patio Lease shall terminate and expire as of the date of the taking, and Tenant shall then be released from any liability accruing under this Patio Lease after that date.

28.2 Effect of partial condemnation.

28.2.1 In the event a portion of the Patio Property shall be so appropriated or taken and the remainder of the Patio Property shall not be suitable for the use then being made of the Patio Property by Tenant, or if the remainder of the Patio Property is not one undivided parcel of property, Tenant shall have the right to terminate this Patio Lease as of the date of the taking on giving to CRA written notice of the termination within thirty (30) days after CRA has notified Tenant in writing that the Patio Property has been appropriated or taken.

28.2.2 In the event of partial taking and Tenant does not terminate this Patio Lease, this Patio Lease shall continue in full force and effect as to the part not taken, and the rent to be paid by Tenant during the remainder of the term shall continue in the manner provided for in Paragraph 3 above.

28.3 Condemnation Award.

28.3.1 In the event of the termination of this Patio Lease by reason of the total or partial taking of the Patio Property by eminent domain, then in any condemnation proceedings CRA and Tenant shall be free to make claim against the condemning or taking authority for the amount of any damage done to them, respectively, as a result of the taking

28.3.2 In the event of a partial taking of the Patio Property and this Patio Lease is not terminated, then Tenant shall have the right to make claim against the condemning or taking authority for only the unamortized cost of the improvements placed on the Patio Property by Tenant and located on the Patio Property at the time of the taking or appropriation, which improvements shall be deemed to amortize in equal annual amounts over the period commencing with the date of completion of the improvements and ending upon the termination of the Patio Lease.

29. SURRENDER OF PATIO LEASE.

The voluntary or other surrender of this Patio Lease by Tenant, or a mutual cancellation of this Patio Lease, shall not work a merger, and shall, at the option of CRA, terminate all or any existing subleases or subtenancies, or may, at the option of CRA, operate as an assignment to it of any or all such subleases or subtenancies.

30. WAIVER.

The waiver by CRA of, or the failure of CRA to take action with respect to any breach of, any term, covenant, or condition contained in this Patio Lease shall not be deemed to be a waiver of that term, covenant, condition, or subsequent breach, or of any other term, covenant, or condition contained in the Patio Lease. The subsequent acceptance of Rent under this Patio Lease by CRA shall not be deemed to be a waiver of any preceding breach by Tenant

of any term, covenant, or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of CRA's knowledge of the preceding breach at the time of acceptance of rent.

31. EFFECT OF TENANT'S HOLDING OVER.

Any holding over after the expiration of the term of this Patio Lease, with consent of CRA, shall be construed to be a tenancy from month to month, at the same monthly rent as required to be paid by Tenant for the period immediately prior to the expiration of the term of this Patio Lease, and shall otherwise be on the terms and conditions specified in this Patio Lease, so far as applicable.

32. PARTIES BOUND.

The covenants and conditions contained in this Patio Lease shall, subject to the provisions as to assignment, transfer, and subletting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties to this Patio Lease. All of the parties to this Patio Lease shall be jointly and severally liable under the Patio Lease.

33. FLORIDA LAW

This Patio Lease will be governed by the laws of the State of Florida, as to both interpretations and performance, with venue lying in Broward County, Florida.

34. TIME OF THE ESSENCE.

Time is of the essence of this Patio Lease and of every covenant, term, condition, and provision of this Patio Lease.

35. SECTION CAPTIONS.

The headings and captions contained in this Patio Lease are inserted for convenience only and are not to be deemed part of or to be used in construing this Patio Lease.

36. ENTIRE AGREEMENT.

This Patio Lease, including the exhibits referred to in this agreement, represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations or agreements, either written or oral. This Patio Lease may be modified only by a written agreement signed by the parties hereto.

Executed on June 27, 2016.

"CRA":

Signed, Sealed and Witnessed
In the Presence of:

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

SANDRA M Morway

Print Name: SANDRA M MORWAY

By: _____
Lamar Fisher, Chairman

Shelley R. Bartholomew

Print Name: Shelley R. Bartholomew

ATTEST:
_____
Margaret Gallagher, Secretary

EXECUTIVE DIRECTOR:
Redevelopment Management Associates, LLC
a Florida limited liability company

Print Name: Sahlia Baker

By: _____
Christopher J. Brown
a managing member

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 21st day of June, 2016 by LAMAR FISHER as Chairman of the Pompano Beach Community Redevelopment Agency, who is personally known to me.

NOTARY'S SEAL:

Notary Public State of Florida
Shelley R Bartholomew
My Commission EE 871686
Expires 04/01/2017

Shelley R. Bartholomew
NOTARY PUBLIC, STATE OF FLORIDA

Shelley R. Bartholomew
(Name of Acknowledger Typed, Printed or Stamped)

EE 871686
Commission Number

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 27th day of June, 2016 by MARGARET GALLAGHER, Secretary of the Pompano Beach Community Redevelopment Agency, who is personally known to me.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

CATHERINE TRENKLE
(Name of Acknowledger Typed, Printed or Stamped)

EE839199
Commission Number

CATHERINE TRENKLE
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE839199
Expires 9/30/2016

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 27th day of June, 2016, by Christopher J. Brown, ~~as Managing Member of~~ Redevelopment Management Associates, LLC, on behalf of the limited liability company. He is personally known to me or who has produced _____ (type of identification) as identification.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

CATHERINE TRENKLE
(Name of Acknowledger Typed, Printed or Stamped)

EE839199
Commission Number

CATHERINE TRENKLE
NOTARY PUBLIC
STATE OF FLORIDA
Comm# EE839199
Expires 9/30/2016

"TENANT"

ATLANTIC HOSPITALITY GROUP II, LLC

Witnesses:

Signature

Signature

By:

Print Name: FRANCO GRIECO

Print Title: Managing Partner

Signature

Signature

By: Hansa J Patel

Print Name: HANSA PATEL

Print Title: MANAGING PARTNER

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 10th day of MAY, 2016, by HANSA PATEL and FRANCO GRIECO as _____(title) and _____ (title) of ATLANTIC HOSPITALITY GROUP II, LLC, on behalf of the limited liability company. They are personally known to me or who have produced FLORIDA DRIVER'S LICENCES (type of identification) as identification.

NOTARY'S SEAL:

MARGARET GALLAGHER
Notary Public - State of Florida
My Comm. Expires Jan 12, 2018
Commission # FF 065528
National Notary Assn.

NOTARY PUBLIC, STATE OF FLORIDA

MARGARET GALLAGHER

(Name of Acknowledger Typed, Printed or Stamped)

FF065528

Commission Number

RESOLUTION NO. 2017-43

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA) APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE A FIRST AMENDMENT TO SUBLEASE AGREEMENT AND A FIRST AMENDMENT TO PATIO GROUND LEASE AGREEMENT BETWEEN THE CRA AND ATLANTIC HOSPITALITY GROUP II, LLC, RELATING TO PROPERTY LOCATED AT 44 NORTHEAST 1ST STREET, POMPANO BEACH, FLORIDA; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The First Amendment to Sublease Agreement and the First Amendment to Patio Ground Lease Agreement between the Pompano Beach Community Redevelopment Agency and Atlantic Hospitality Group II, LLC, relating to the property located at 44 Northeast 1st Street, Pompano Beach, Florida (the Agreements), copies of which Agreements are attached hereto and incorporated by reference as if set forth in full, are hereby approved.

SECTION 2. The proper officials are hereby authorized to execute the Agreements, together with such other documents as may be required to effectuate the Agreements.

SECTION 3. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this 18 day of July, 2017.

LAMAR FISHER, CHAIRPERSON

ATTEST:

CATHY TRENKLE, SECRETARY

FIRST AMENDMENT TO PATIO GROUND LEASE AGREEMENT

THIS FIRST AMENDMENT TO PATIO GROUND LEASE AGREEMENT is entered into on the 25th day of July, 2017, by and between: **POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**, a public body corporate and politic, whose address is 100 West Atlantic Boulevard, Pompano Beach, Florida ("CRA"), and **ATLANTIC HOSPITALITY GROUP II, LLC**, a Florida limited liability company, whose address is 2729 NE 31st Street, Lighthouse Point, Florida 33064 ("Tenant").

WHEREAS, CRA entered into a Patio Ground Lease Agreement with Tenant for the use of 2,800 SF of land located adjacent to 44 NE First Street, ("Original Patio Lease"), and approved by Resolution No. 2016-44;

WHEREAS, CRA entered into a Sublease Agreement with Tenant for the use of 3,081 SF of structure located at 44 NE First Street, ("Original Sublease"), and approved by Resolution No. 2016-44.

WITNESSETH:

NOW, THEREFORE, the parties agree as follows:

1. Each "WHEREAS" clause set forth above is true and correct and herein incorporated by this reference.

2. The Original Patio Lease shall remain in full force and effect except as specifically amended herein below.

3. The Project Schedule attached as Exhibit "B" of the Sublease Agreement is replaced with the revised Project Schedule attached as Exhibit A to this First Amendment.

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first above written.

"CRA":

Signed, Sealed and Witnessed
In the Presence of:

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

Sandra M. Morway

Print Name: SANDRA M MORWAY

By: _____
Lamar Fisher, Chairman

Shelley R. Bartholomew

Print Name: Shelley R. Bartholomew

ATTEST:

_____
Cathy Trenkle, Secretary

EXECUTIVE DIRECTOR:
Redevelopment Management Associates, LLC
a Florida limited liability company

Marsha Carmichael

Print Name: Marsha Carmichael

By: _____

Print Name: Kim Briesemeister

"Tenant":

Signed, Sealed and Witnessed
In the Presence of:

K Romen

Print Name. Karina E. Romen.

Print Name _____

Print Name. _____

Print Name _____

ATLANTIC HOSPITALITY GROUP II, LLC,
a Florida limited liability company

By: Hansa J Patel

Print Name: HANSA PATEL

Title: Managing Partner

By: _____

Print Name: FRANCO GRIECO

Title: _____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 13th day of July, 2017, by HANSA PATEL ~~and FRANCO GRIECO~~ as Managing Partner (title) ~~and~~ _____ (title) of ATLANTIC HOSPITALITY GROUP II, LLC, on behalf of the limited liability company. They are personally known to me or who have produced Florida Driver License (type of identification) as identification.

NOTARY'S SEAL:

Wendy M. Flores
State of Florida
My Commission Expires
November 02, 2020
Commission No. GG 44324

NOTARY PUBLIC, STATE OF FLORIDA

Wendy M. Flores
(Name of Acknowledger Typed, Printed or Stamped)

GG 44324
Commission Number

EXHIBIT A

Project Schedule

Description of Event	Due Date	
Submit for Development Approval (Pre-Application, DRC, AAC, P&Z)		11/1/2016
Development Order		2/28/2017
Submit for Building Permit		3/1/2017
Obtain Building Permit	~~6/30/2017~~	9/30/2017
Notice of Commencement	~~7/1/2017~~	10/1/2017
Temporary Certificate of Occupany or Certificate of Completion		7/1/2018

FIRST AMENDMENT TO SUBLEASE AGREEMENT

THIS FIRST AMENDMENT TO SUBLEASE AGREEMENT is entered into on the 25th day of July, 2017, by and between: **POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**, a public body corporate and politic, whose address is 100 West Atlantic Boulevard, Pompano Beach, Florida ("CRA"), and **ATLANTIC HOSPITALITY GROUP II, LLC**, a Florida limited liability company, whose address is 2729 NE 31st Street, Lighthouse Point, Florida 33064 ("Sublessee").

WHEREAS, CRA entered into a Sublease Agreement with Sublessee for the use of 3,081 SF of structure located at 44 NE First Street, ("Original Sublease"), and approved by Resolution No. 2016-44; and

WHEREAS, CRA entered into a Patio Ground Lease Agreement with Sublessee for the use of 2,800 SF of land located adjacent to 44 NE First Street, ("Original Patio Lease"), and approved by Resolution No. 2016-44.

WITNESSETH:

NOW, THEREFORE, the parties agree as follows:

1. Each "WHEREAS" clause set forth above is true and correct and herein incorporated by this reference.

2. The Original Sublease shall remain in full force and effect except as specifically amended herein below.

3. The Project Schedule attached as Exhibit "C" of the Sublease Agreement is replaced with the revised Project Schedule attached as Exhibit A to this First Amendment.

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first above written.

"CRA":

Signed, Sealed and Witnessed
In the Presence of:

Sandra M. Moreway

Print Name: SANDRA M MOREWAY

Shelley R. Bartholomew

Print Name: Shelley R. Bartholomew

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

By: _____
Lamar Fisher, Chairman

ATTEST:

_____
Cathy Trenkle, Secretary

Marsha Carmichael

Print Name: Marsha Carmichael

EXECUTIVE DIRECTOR:
Redevelopment Management Associates, LLC
a Florida limited liability company

By: _____

Print Name: Kim Briesemeister

"Sublessee":

Signed, Sealed and Witnessed
In the Presence of:

Print Name Yarina E. Romero

Print Name

Print Name

Print Name

ATLANTIC HOSPITALITY GROUP II, LLC,
a Florida limited liability company

By: Hansa J Patel

Print Name: HANSA PATEL

Title: Managing Partner

By:

Print Name: FRANCO GRIECO

Title: Managing Partner

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2017, by HANSA PATEL ~~and FRANCO GRIECO~~ as Managing Partner (title) ~~and~~ _____ (title) of ATLANTIC HOSPITALITY GROUP II, LLC, on behalf of the limited liability company. They are personally known to me or who have produced Florida Driver License (type of identification) as identification.

NOTARY'S SEAL:

Wendy M. Flores
State of Florida
My Commission Expires
November 02, 2020
Commission No. GG 44324

NOTARY PUBLIC, STATE OF FLORIDA

Wendy M. Flores
(Name of Acknowledger Typed, Printed or Stamped)

GG 44324
Commission Number

EXHIBIT A

Project Schedule

Description of Event	Due Date
Submit for Development Approval (Pre-Application, DRC, AAC, P&Z)	11/1/2016
Development Order	2/28/2017
Submit for Building Permit	3/1/2017
Obtain Building Permit	~~6/30/2017~~ 9/30/2017
Notice of Commencement	~~7/1/2017~~ 10/1/2017
Temporary Certificate of Occupany or Certificate of Completion	7/1/2018

RESOLUTION NO. 2018-_____

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY (CRA) APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE AN ASSIGNMENT AND SECOND AMENDMENT TO SUBLEASE AGREEMENT AND AN ASSIGNMENT AND SECOND AMENDMENT TO PATIO GROUND LEASE AGREEMENT BETWEEN THE CRA AND ATLANTIC HOSPITALITY GROUP II, LLC, RELATING TO PROPERTY LOCATED AT 44 NORTHEAST 1ST STREET, POMPANO BEACH, FLORIDA; PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY THAT:

SECTION 1. The Assignment and Second Amendment to Sublease Agreement and the Assignment and Second Amendment to Patio Ground Lease Agreement between the Pompano Beach Community Redevelopment Agency and Atlantic Hospitality Group II, LLC, relating to the property located at 44 Northeast 1st Street, Pompano Beach, Florida (the Second Amendments), copies of which Second Amendments are attached hereto and incorporated by reference as if set forth in full, are hereby approved.

SECTION 2. The proper officials are hereby authorized to execute the Second Amendments, together with such other documents as may be required to effectuate the Second Amendments.

SECTION 3. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this 20th day of March, 2018.

_____
LAMAR FISHER, CHAIRPERSON

ATTEST:

_____
MARSHA CARMICHAEL, SECRETARY

ASSIGNMENT AND SECOND AMENDMENT TO SUBLEASE AGREEMENT

THIS ASSIGNMENT AND SECOND AMENDMENT TO SUBLEASE AGREEMENT is entered into on the _____ day of _____, 2018, by and between: **POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**, a public body corporate and politic, whose address is 100 West Atlantic Boulevard, Pompano Beach, Florida ("CRA"), and **ATLANTIC HOSPITALITY GROUP II, LLC,** a Florida limited liability company, whose address is 1560 Sawgrass Corp Prkwy #400, Sunrise, Florida 33323 ("Sublessee").

WHEREAS, CRA entered into a Sublease Agreement with Sublessee for the use of 3,081 SF of structure located at 44 NE First Street, ("Original Sublease"), and approved by Resolution No. 2016-44; and

WHEREAS, CRA entered into a Patio Ground Lease Agreement with Sublessee for the use of 2,800 SF of land located adjacent to 44 NE First Street, ("Original Patio Lease"), and approved by Resolution No. 2016-44; and

WHEREAS, CRA entered into a First Amendment to Sublease Agreement with Sublessee approved by Resolution No. 2017-43; and

WHEREAS, CRA entered into a First Amendment to Patio Ground Lease Agreement with Sublessee approved by Resolution No. 2017-43; and

WHEREAS, the principals of the Original Sublease and Original Patio Lease desire to assign their interest in Original Sublease and Original Patio Lease to Brian Baer; and

WHEREAS, the CRA is willing to approve the assignment to Brian Baer.

W I T N E S S E T H :

NOW, THEREFORE, the parties agree as follows:

1. Each "WHEREAS" clause set forth above is true and correct and herein incorporated by this reference.

2. The Original Sublease shall remain in full force and effect except as specifically amended herein below.

3. The assignment of the Original Sublease and the Original Patio Lease to Brian Baer is approved.

4. The CRA's Obligations attached as Exhibit "B" of the Sublease Agreement is replaced with the revised CRA's Obligations attached as Exhibit A to this Second Amendment.

5. The Project Schedule attached as Exhibit "C" of the Sublease Agreement is replaced with the revised Project Schedule attached as Exhibit B to this Second Amendment.

6. Section 3. Sublease Term is amended to read as follows (added language is underlined and in bold, deleted language has a line through it):

> 3. **Sublease Term.** The initial term of this sublease shall be a period of five (5) years commencing on ~~July 1, 2016~~**April 1, 2018,** at 12:01 a.m., and ending at midnight on ~~June 30, 2021~~**March 31, 2023**, (the "Initial Term").

7. Section 4. Rent is amended to read as follows (added language is underlined and in bold, deleted language has a line through it):

> 4. **Rent**. The rental amounts for the Premises ("Rent") shall be as follows:
>
> 4.1. There shall be no rental amount due for the Premises for the period of twenty-four (24) months from ~~July 1, 2016~~**April 1, 2018** through ~~June 30, 2018~~**March 31, 2020** (the "Improvements Period"). The first monthly rental payment shall be due on ~~July 1, 2018,~~ **April 1, 2020** (the "Rental Commencement Date").
>
> 4.2. Beginning on ~~July 1, 2018~~ **April 1, 2020**, the annual Rent for the Premises will be ~~$38,081~~ **$42,857** plus tax payable in equal monthly installments of ~~$3,173~~ **$3,571** plus tax ~~commencing on July 1, 2018~~.
>
> 4.3. **Annual Rent Increase**. Beginning with the rental payment due on ~~July 1, 2019~~ **April 1, 2021**, the Rent for the Premises will increase annually by three percent (3%) of the base rental amount for the prior year.

8. Section 5. Option to Renew is amended to read as follows (added language is underlined and in bold, deleted language has a line through it):

5. **Option to Renew**. Sublessee shall have the right to renew this Sublease for up to two (2) additional terms ("Renewal Terms"): ~~of~~ a five (5) years ~~each~~ **term** and one additional term to end December 31, 2033, on the terms and conditions of this Sublease, by delivering to CRA a written notice of its intention to renew the Sublease no later than 120 days prior to the end of the Term then in effect. In the event the CRA is able to purchase the Premises or extend the Lease Agreement beyond December 31, 2033, then the CRA will give Sublessee the right to extend the Sublease accordingly.

5.2. First Renewal Term. The annual Rent for the first Renewal Term will escalate by ~~12.5%~~ **10.5%** to be ~~**$45,450**~~ **$50,241 annually**, and will commence on April 1, ~~2021~~ **2023**. Rent will increase by 3% each year for the remainder of the First Renewal Term.

5.3. Second Renewal Term. The annual Rent for the second Renewal Term will escalate by ~~12.5%~~**10.5%** to be ~~**$57,549**~~ **$62,484 annually** and will commence on April 1, ~~2026~~ **2028**. Rent will increase by 3% each year for the remainder of the Second Renewal Term.

~~**5.4. Third Renewal Term.** The annual Rent for the third Renewal Term will escalate by 12.5% to be **$72,869** and will commence on April 1, 2031, and will end on December 31, 2033. Rent will increase by 3% each year for the remainder of the Third Renewal Term.~~

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first above written.

"CRA":

Signed, Sealed and Witnessed
In the Presence of:

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

_____

By:_____
Lamar Fisher, Chairman

Print Name:_____

_____

ATTEST:

Print Name:_____

_____
Marsha Carmichael, Secretary

EXECUTIVE DIRECTOR:

_____

By: _____

Print Name:_____

Print Name: _____

"Sublessee":

Signed, Sealed and Witnessed
In the Presence of:

_____

Print Name_____

_____

Print Name _____

ATLANTIC HOSPITALITY GROUP II, LLC,
a Florida limited liability company

By:_____

Print Name: Brian Baer

Title:_____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by Brian Baer. They are personally known to me or who have produced _____ (type of identification) as identification.

NOTARY'S SEAL:

_____
NOTARY PUBLIC, STATE OF FLORIDA

_____
(Name of Acknowledger Typed, Printed or Stamped)

_____
Commission Number

EXHIBIT A

Project Schedule
44 NE 1st St. & Patio

Description of Event	Due Date
Resubmit for Building Permit	8/1/2018
Obtain Building Permit	11/1/2018
Notice of Commencement	12/1/2018
Temporary Certificate of Occupany or Certificate of Completion	7/1/2019

EXHIBIT "B"

This Exhibit outlines the improvements agreed to by the CRA as stated under Paragraph 13.1, of the Sublease Agreement. The CRA agrees to as follows:

1. The CRA shall install and deliver the Premises with a grease trap pursuant to the Mechanical Engineer drawings at the CRA sole cost and expense.

2. The CRA shall provide funds as a reimbursement up to $11,758 provided final inspection is approved for Sublessee to install and deliver the Premises with a 3 phase 600 Amp panel and disconnect box with electrical service ~~pursuant to the Mechanical Engineer drawings at the CRA sole cost and expense~~. Electrical wiring from the panel throughout the space shall be at the sole cost and expense of the Sublessee.

3. The CRA shall provide funds as a reimbursement up to $39,735 provided final inspection is approved for Sublessee to ~~include in its demolition~~ open the wall cuts ~~pursuant to the architectural plans at the CRA sole cost and expense~~.

4. The CRA shall provide funds as a reimbursement up to $8,120 provided final inspection is approved for Sublessee to construct ~~be responsible for~~ the concrete interior curbs ~~at the CRA sole cost and expense~~.

5. The CRA shall install a new 4" fire line and 2"water line to the space pursuant to drawing C-1 by Keith & Associates dated 6/2/17.

6. The CRA shall construct a new dumpster enclosure.

ASSIGNMENT AND SECOND AMENDMENT TO PATIO GROUND LEASE AGREEMENT

THIS ASSIGNMENT AND SECOND AMENDMENT TO PATIO GROUND LEASE AGREEMENT is entered into on the _____ day of _____, 2018, by and between: **POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY**, a public body corporate and politic, whose address is 100 West Atlantic Boulevard, Pompano Beach, Florida ("CRA"), and **ATLANTIC HOSPITALITY GROUP II, LLC,** a Florida limited liability company, whose address is 1560 Sawgrass Corp Prkwy #400, Sunrise, FL 33323 ("Tenant").

WHEREAS, CRA entered into a Patio Ground Lease Agreement with Tenant for the use of 2,800 SF of land located adjacent to 44 NE First Street, ("Original Patio Lease"), and approved by Resolution No. 2016-44; and

WHEREAS, CRA entered into a Sublease Agreement with Tenant for the use of 3,081 SF of structure located at 44 NE First Street, ("Original Sublease"), and approved by Resolution No. 2016-44; and

WHEREAS, CRA entered into a First Amendment to Sublease Agreement with Tenant approved by Resolution No. 2017-43; and

WHEREAS, CRA entered into a First Amendment to Patio Ground Lease Agreement with Tenant approved by Resolution No. 2017-43; and

WHEREAS, the principals of the Original Patio Lease and Original Sublease desire to assign their interest in the Original Patio Lease and Original Sublease to Brian Baer; and

WHEREAS, the CRA is willing to approve the assignment to Brian Baer.

WITNESSETH:

NOW, THEREFORE, the parties agree as follows:

1. Each "WHEREAS" clause set forth above is true and correct and herein incorporated by this reference.

2. The Original Patio Lease shall remain in full force and effect except as specifically amended herein below.

3. The assignment of the Original Patio Lease and Original Sublease to Brian Baer is approved.

4. The Project Schedule attached as Exhibit "B" of the Patio Ground Lease Agreement is replaced with the revised Project Schedule attached as Exhibit A to this Second Amendment.

5. Section 2. Term is amended to read as follows (added language is underlined and in bold, deleted language has a line through it):

> 2.1 The initial term of this Patio Lease shall be for a period of five (5) years commencing on ~~July 1, 2016~~ **April 1, 2018**, at 12:01 a.m., and ending at midnight on ~~June 30, 2021~~ **March 31, 2023** (the "Initial Term").
>
> 2.2 Tenant, provided it is not in default of any terms or conditions of this Patio Lease, shall have the option to renew this Patio Lease for up to two (2) additional terms ("Renewal Terms"): ~~of~~ **a** five (5) years~~ each~~ **term** and one additional term to end on December 31, 2033, on the terms and conditions set forth in this Patio Lease, by delivering to CRA a written notice of its intention to renew the Patio Lease no later than one hundred and twenty (120) days prior to the end of the term of the Patio Lease then in effect.

6. Section 3. Rent is amended to read as follows (added language is underlined and in bold, deleted language has a line through it):

> 3.1 **Rent**. The rental amounts for the Patio Property ("Rent") shall be as follows:
>
> 3.1.1 There shall be no rental amount due for the Patio Property for the period of twenty-four (24) months from ~~July 1, 2016~~ **April 1, 2018** through ~~June 30, 2018~~ **March 31, 2020** (the "Improvements Period").
>
> 3.1.2 The first annual rental payment shall be due on ~~July 1, 2018~~ **April 1, 2020**, (the "Rental Commencement Date"). The annual Rent for this Patio Lease shall be $5,000 per year, plus all applicable taxes. The Rent during the Initial Term shall not be adjusted annually.
>
> 3.1.3 **Renewal Term Rent.** The Rent due in the **First** Renewal Terms shall be ~~five (5) dollars per square foot per year, which equals~~ $10,000 per year,

plus all applicable taxes. The Rent during the Renewal Terms shall be adjusted annually as described in 3.1.~~3~~**4** below.

3.1.4 **Annual Rent Increase.** Beginning with the Rent payment due on the first day of the second year of the First Renewal Term, the Rent will increase by ~~7.5%~~ **5%** of the base rental amount for the prior year. Thereafter, the Rent will increase by ~~7.5%~~ **5%** each year of the Term.

3.2 **Rent Payments**. During the Initial Term, the $5,000 per year rent shall be paid in full on ~~July 1, 2018~~ **April 1, 2020** and on ~~July~~ **April** 1 of each year of the Initial Term. Beginning on ~~July~~ **April** 1 of the First Renewal Term, Tenant shall pay Rent in equal monthly installments, plus all applicable taxes, which will be due on the first day of each calendar month.

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first above written.

"CRA":

Signed, Sealed and Witnessed
In the Presence of:

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

_____

By:_____
Lamar Fisher, Chairman

Print Name:_____

_____

ATTEST:

Print Name:_____

_____
Marsha Carmichael, Secretary

EXECUTIVE DIRECTOR:

_____

By: _____

Print Name:_____

Print Name: _____

"Tenant":

Signed, Sealed and Witnessed
In the Presence of:

_____

Print Name_____

_____

Print Name _____

ATLANTIC HOSPITALITY GROUP II, LLC,
a Florida limited liability company

By:_____

Print Name: Brian Baer

Title:_____

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this _____ day of _____, 2018, by Brian Baer. They are personally known to me or who have produced _____ (type of identification) as identification.

NOTARY'S SEAL:

_____
NOTARY PUBLIC, STATE OF FLORIDA

_____
(Name of Acknowledger Typed, Printed or Stamped)

_____
Commission Number

EXHIBIT A

Project Schedule
44 NE 1st St. & Patio

Description of Event	Due Date
Resubmit for Building Permit	8/1/2018
Obtain Building Permit	11/1/2018
Notice of Commencement	12/1/2018
Temporary Certificate of Occupany or Certificate of Completion	7/1/2019