

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

A RESOLUTION OF THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY ("CRA") APPROVING AND AUTHORIZING THE PROPER OFFICIALS TO EXECUTE A SUBLEASE BETWEEN THE CRA AND INNOVATE FOOD GROUP, LLC FOR PROPERTY LOCATED AT 165 NE 1ST AVENUE, POMPANO BEACH, FLORIDA, AFTER NOTICE PURSUANT TO SECTION 163.380(3)(a), FLORIDA STATUTES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Pompano Beach Community Redevelopment Agency (CRA) intends to dispose of property located at 165 NE 1st Avenue in the Northwest community redevelopment area in the form of a sublease 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 all persons who may have an interest in subleasing 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 between the Pompano Beach Community Redevelopment Agency (CRA) and Innovate Food Group, LLC, a copy of which Sublease is attached hereto and incorporated by reference as if set forth in full, is hereby approved.

SECTION 2. The proper officials are hereby authorized to execute the Sublease, 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.

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SECTION 3. This Resolution shall become effective upon passage.

PASSED AND ADOPTED this 16th day of October, 2018.



LAMAR FISHER, CHAIRPERSON

ATTEST:



MARSHA CARMICHAEL, 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 **INNOVATE FOOD GROUP, LLC**, a Delaware limited liability company, whose address is 2059 Blount Road, Pompano Beach, FL 33069 ("Subtenant").

Recitals

WHEREAS, the CRA has entered into a lease agreement with T E P M, INC., a Florida corporation ("Landlord"), effective July 26, 2012, relating to the lease by the CRA of that certain commercial property described as follows: 3,936 square feet of the structure located at 165 Northeast 1st Avenue, Pompano Beach, Florida 33060 (Folio ID 4842-35-08-0120), (the "Premises") as more particularly described in the lease agreement and amendments attached hereto as Exhibit "A" and incorporated herein by reference (the "Lease"), and

WHEREAS, the initial Lease was effective July 26, 2012, a First Amendment to the Lease was entered into effective October 24, 2014, and a Second Amendment was entered into effective October 20, 2015; and

WHEREAS, the Lease provides for the use of the Premises for any use permitted by applicable federal, state, county or city statutes, laws, ordinances, resolutions, orders, rules or regulations ("Applicable Laws"); and

WHEREAS, the Lease Agreement dated July 26, 2012 provides for subleasing of the Premises without the consent of the Landlord as specified in Paragraph 18 and Subtenant wishes to sublease the Premises for the purpose of operating a restaurant and for related uses; and

WHEREAS, the CRA has entered into a Lease Agreement with Blaise and Algalite Augustin as of September 21, 2012, for an outdoor area located at 128 N. Flagler Avenue, Pompano Beach, adjacent to the outdoor space contained in the Lease (the "Augustin Lease"); and

WHEREAS, as with the Lease, the Augustin Lease provides for subleasing of the Premises without the consent of the Landlord and allows for improvements to the outdoor area described in the Augustin Lease; and

WHEREAS, the CRA has entered into a Lease Agreement with Willy Francois as of October 16, 2018, for an outdoor area located at 126 N. Flagler Avenue, Pompano Beach, adjacent to the outdoor space contained in the Lease (the "Francois Lease"); and

WHEREAS, as with the Lease, the Francois Lease provides for subleasing of the Premises without the consent of the Landlord and allows for improvements to the outdoor area described in the Francois Lease; and

WHEREAS, the CRA intends to improve the outdoor area as more particularly conceptually depicted in Exhibit "B" located to the southwest of the Premises consisting of approximately 14,488 square feet (the "Plaza"); and

WHEREAS the CRA is finalizing proposals in order to procure construction plans, documents and costs to improve the Plaza to be presented for CRA Board approval; and

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WHEREAS, the Subtenant desires to utilize a portion of the Plaza immediately west of the Premises to accommodate additional seating for the restaurant; and

WHEREAS, upon CRA Board approval of the Francois lease, approval of the contract to complete the construction of the Plaza, the CRA intends to lease the Subtenant a portion of the Plaza immediately west of the Premises as depicted in Exhibit "C" (the "Plaza Space") which shall be utilized for additional seating for the restaurant and be limited to removable furnishings and fixtures; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Sublease, the CRA and Subtenant 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 Subtenant, and Subtenant rents from the CRA, the following described commercial property: 3,596 square feet of the structure located at 165 NE 1st Avenue, Pompano Beach, Florida 33060 (collectively, the "Premises"), together with the "Plaza Space". Subtenant acknowledges that it is subleasing the Premises in "as-is" condition. Subtenant further acknowledges that the CRA shall have no obligation to make additional improvements to the Premises, except to the extent otherwise explicitly stated herein, as well as explicitly stated as to the Plaza Space.
3. **Sublease Term.** The initial term ("Initial Term") of this sublease shall commence on November 1, 2018, at 12:01 a.m., and end at midnight on October 31, 2028.
4. **Renewal Term.** Provided that Subtenant shall have fully done, performed and observed all of the terms, covenants and conditions required hereunder to be done, performed or observed by it during the term of this Sublease, then the Subtenant shall have the right to renew this Sublease to align with the Lease Agreement dated July 26, 2012 between the Pompano Beach Community Redevelopment Agency and T E P M, INC. for one (1) additional term ending September 30, 2032, upon the same terms, covenants and conditions as the Initial Term of this Sublease. If the Lease Agreement dated July 26, 2012 is amended to increase the Renewal Terms, the CRA agrees to extend the Sublease Agreement to allow for the additional Renewal Terms provided in the Lease Agreement. The base annual rent for the first year of the first option term shall increase by three percent (3%) plus applicable sales tax and thereafter shall increase annually by three (3%) percent above the immediately preceding base annual rent. During any subsequent option terms exercised by Subtenant the base annual rent shall increase the first year by three percent (3%) above the immediately preceding base annual rent. Subtenant shall give written notice that it is exercising its option to renew by certified mail to CRA at least ninety (90) days prior to the termination of the Initial Term or any renewal term then in effect. The Renewal Term, with the Initial Term shall be referred to herein as the "Term."
5. **Rent.** The annual rental amounts for the Premises ("Rent") shall be as follows:
 - 5.1. There shall be no rental amount due for the Premises for the period of twenty-four (24) months from November 1, 2018, through October 31, 2020 (the "Improvements Period"). The first monthly rental payment shall be due on November 1, 2020, (the "Rental Commencement Date"). Notwithstanding the provisions provided in this paragraph, the Subtenant shall have no less than twelve (12) months' rent free period from the date of issuance of the certificate of occupancy of the Plaza or twenty-four (24) months from November 1, 2018, whichever comes later.
 - 5.2. Beginning on November 1, 2020, the annual Rent for the Premises will be \$77,144 payable in equal monthly installments of \$3,928.67 plus sales tax.

- 5.3. **Annual Rent Increase.** Beginning with the rental payment due on November 1, 2021, the Rent for the Premises will increase annually by three percent (3%) of the base rental amount for the prior year.
- 5.4. **Rent Payments.** Subtenant shall pay Rent in equal monthly installments, plus sales tax, if any, and not exempt, which will be due on the first day of each calendar month.
- 5.5. **Security Deposit.** The security deposit shall be \$3,400, together with first and last month's Rent of \$3,928.67 per month, for a total of \$11,257.34 plus sales tax, if any, and not exempt (the "Security Deposit"). The Security Deposit shall be paid on or before November 1, 2018.
- 5.6. **Late Rent Payments.** If any monthly Rent payment is not received within ten (10) days of the due date, a late charge of Twenty-Five Dollars (\$25) shall be added for the first day late, plus an additional Five Dollars (\$5) per day for each day thereafter until payment is received. Any unpaid late charges due under this paragraph shall be added and become due with the next monthly Rent payment. Non-payment or three (3) instances of late payment of Rent in a twelve (12) month period is a default under this Sublease.
- 5.7. **Plaza Rent.** Subtenant acknowledges that although there is no additional rent due to the CRA for the Plaza Space, there may be a CRA sidewalk café fee that Tenant may be required to pay to the CRA for the use of the Plaza Space, which fees are equal to the City sidewalk café permit fees.
6. **Taxes and Assessments.** Subtenant shall be responsible to pay its share of the difference in the amount of all municipal, county, and state ad valorem and non-ad valorem taxes and assessments which may be assessed against the Premises based upon any increase in property value over the 2015 assessed value during the Term of this Sublease, beginning after the first year, as a direct result of the improvements to the Premises made by the Subtenant. The 2015 assessed value of the Premises was \$333,900.00, with 2015 ad valorem and non-ad valorem taxes paid totaling \$7,722.12. Subtenant shall also be responsible for payment of any taxes levied against the personal property and trade fixtures of Subtenant located in and about the Premises.
- Notwithstanding that annual rent is not due during the Improvements Period, Subtenant agrees to pay the CRA for the ad valorem and non-ad valorem taxes levied by the government on the property during the second year of the Improvements Period.
- The estimated increase in the property value is included in the CAM. In addition, common area maintenance ('CAM') for the building only (not including courtyard) is estimated to be \$6.57 per square foot, see Exhibit "D" for breakdown. Note: all amounts for taxes, insurance and CAM are estimates only; all charges, including the CAM, may increase as a result of improvements made by the Landlord and Tenant. Real Estate Taxes, and Insurance including reserves for deferred repairs, maintenance and replacements for all items not specifically the responsibility of the Landlord or that of a specific Tenant.
7. **Insurance.** Subtenant shall carry commercial general liability insurance in an amount of not less than \$1 million dollars per person, per occurrence, naming both the CRA and Landlord as Additional Insureds under such Policy. Subtenant is encouraged, but not required to carry plate glass insurance if keeping existing storefront. CRA will not pay for any broken storefront glass.

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8. **Subtenant's Maintenance Obligation.** Subtenant shall be responsible for maintenance and repair of the interior and exterior of the Premises, including but not limited to, painting, conduits, HVAC system, window cleaning, lighting, roof, interior ceilings and walls and all Subtenant improvements, at its sole cost and expense, except to the extent that this is inconsistent with subparagraph 8.4 below. Subtenant shall use commercially reasonable efforts to maintain the Premises in a good, neat, clean, safe and sanitary condition throughout the Term, reasonable wear and tear excepted. Subtenant shall keep all furnishings, fixtures and accessories, and any display facilities, in good repair. The Premises shall be maintained in accordance with all applicable code requirements of the Broward County Health Department and all Applicable Laws. Notwithstanding the preceding language in this paragraph, CRA shall be responsible to ensure that the HVAC system is in good condition prior to the Improvements Period. If the HVAC is not in good working order, then the CRA shall be responsible for all costs of providing Subtenant with an HVAC system in good working order. In the event the Subtenant expands the HVAC system, the Subtenant shall be responsible for any roof penetrations and repairs caused by any work relating to such HVAC expansion.
- 8.1. **Windows.** Subtenant shall obtain and pay for the regular cleaning of the exterior windows.
- 8.2. **Pest Control.** Subtenant shall obtain and pay for professional exterminators to control vermin and pests on a regular basis, no less than monthly and as needed. Such extermination services shall be supplied in all areas where food is prepared, dispensed, or stored and in all areas of the Premises where trash is collected and deliveries are made.
- 8.3. **Janitorial.** Subtenant shall obtain and pay for all janitorial services required to keep the Premises in clean and sanitary condition, as well as to comply with Applicable Laws.
- 8.4. **Structural Repairs.** In the event any repairs are necessary to the wiring and plumbing in the walls, floors, ceiling or hard structures of the Premises or any repair involves major penetration of walls, ceilings or floors, Tenant shall be responsible for the costs and shall notify the Landlord of the repair(s).
- 8.5. **Trash Management.** Subtenant shall be responsible for trash management; however CRA may provide common area dumpster at later date as part of Plaza improvements.
- 8.6. **Plaza Space.** Once construction of the Plaza Space is completed, Tenant shall be solely responsible for maintaining the Plaza Space.
9. **Utilities.** Subtenant shall be responsible for obtaining and paying the cost of all utilities (water, sewer, electric, gas, telephone, cable, internet, etc.) serving the Premises during the Term, together with any taxes, penalties, surcharges and any other charges pertaining to such utilities. If utilities are inadvertently billed to the CRA, Subtenant will reimburse the CRA within ten days after receipt of the invoice or utility bill from the CRA. Subtenant will promptly arrange for such utilities to be billed directly to Subtenant. Subtenant will pay all amounts due directly to the utility company prior to delinquency. Once construction of the Plaza Space is completed, Tenant shall be responsible for its pro-rata share of the utilities for the Plaza.
10. **Use of Premises.** Subtenant shall use the Premises and the Plaza Space for the operation of a restaurant, brewery, brewpub, as well as other similar ancillary and related uses. No other

use of the Premises and the Plaza Space is permitted under this Sublease without the CRA's express written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Subtenant will not commit or permit any waste or damage to the Premises and/or the Plaza Space and will not carry on any activity that constitutes a nuisance as defined in the Florida Statutes or violates any Applicable Laws; however, it is agreed by CRA and Subtenant that the use of the Premises and the Plaza Space for operating a restaurant, music venue, brewery, brewpub and for related uses shall not constitute a nuisance and Subtenant shall have the right to terminate this Sublease without any further obligation upon thirty (30) days' notice to CRA if any governmental entity shall determine that Subtenant's use constitutes a nuisance. Subtenant, at its expense, shall procure and maintain all governmental licenses or permits required for the proper and lawful conduct of Subtenant's use of the Premises and the Plaza Space.

11. **Parking.** Subtenant shall have access to the on-street public parking spaces and public parking lots within walking distance of the Property during the Term. Such access is on a first-come, first-served basis. Subtenants' employees are strongly encouraged to park in the public parking lots in the area. Valet parking may become available to Subtenant at a cost to be determined. Additionally, Subtenant shall have non-exclusive access to parking leased by the City of Pompano Beach from the First Baptist Church of Pompano Beach, Florida, a copy of such lease being attached as Exhibit "E."
12. **Improvements.** Subtenant has the right to make changes, alterations and additions to the Premises ("Improvements") with the CRA's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Subtenant shall be responsible for obtaining all permits required for the Improvements. Subtenant shall be responsible for paying all impact fees, if any, and concurrency fees, if any. All Improvements must be undertaken in a good and workmanlike manner and comply with all Applicable Laws. All Improvements made by Subtenant which are permanently attached to the Premises including restroom fixtures and trench drains will become the property of the CRA and shall remain on the Premises at the end of the Sublease Term. Subtenant will have the right to remove any moveable furniture, fixtures and equipment at the end of the Term. In addition, Subtenant will have the right to remove from the Premises at the end of the Term any moveable kitchen equipment or appliances, such as ovens, ranges, and refrigerators installed by Subtenant, as long as Subtenant repairs any damage caused by the removal of such equipment.
 - 12.1. **CRA's Cooperation in Applications.** Pursuant to Section 8.1 of the Lease between the CRA and the Landlord, the CRA agrees to obtain Landlord's joinder in and execution of any permit applications, consents, or other documents required in connection with the construction or installation of any Improvements by Subtenant. The CRA agrees to obtain Landlord's signature for the signing of any required documents within fifteen days after receipt of the request from Subtenant and the document to be signed.
 - 12.2. **Signage.** Subtenant 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, which consent shall not be unreasonably withheld, conditioned or delayed. Any and all such signs or structures must comply with Applicable Laws.
 - 12.3. **CRA's Work.** The CRA shall provide one grease trap at a size to be determined by engineering calculations and in accordance with Broward County and Florida Building codes, to Subtenant at the expense of the CRA. Tenant shall pay for permits

and fees and do whatever is necessary to properly maintain and clean the grease trap as often as necessary to prevent clogging or discharge, and in compliance with the City Code and, at a minimum, shall be pumped and cleaned not less than once every three (3) months. Additionally, the CRA shall provide other utility connections, including running all gas lines, water lines, electricity, and communication connections (telephone, high-speed internet, cable, etc.).

- 12.4. **Incentives Application.** Subtenant may apply for incentives offered by the CRA for tenant interior and/or exterior buildout according to CRA regulations. CRA's contribution for an approved application would be up to a maximum of \$40,000 from the Façade and Business Site Improvement Program and up to a maximum of \$150,000 from the Strategic Investment Program (SIP). Subtenant must make a full application for incentives in order to receive consideration by the CRA Board for approval. Subtenant acknowledges that the CRA has no obligation to approve such incentives application.
- 12.5. **Subtenant Improvement Allowance.** The CRA will provide the following allowances for Subtenant improvements to the Premises, which will be paid, in full, within thirty (30) days following Subtenant's presentation to the CRA of paid invoices and approved inspections:
- \$11,758 for Subtenant's construction of a 500-600 amp 3-phase panel;
 - \$37,500 for a minimum of 15-ton HVAC system with open ceiling and exposed ductwork and hood system for Tenant's use; and
 - \$65,000 for miscellaneous Subtenant improvements. A list of possible improvements may include:
 - parapet (which will be required by city)
 - roll up garage doors for bar and patio entrance
 - additional lighting on exterior of building
 - additional AC above and beyond required for the restaurant openness
 - bringing the historic interior floor back to life
 - training of new team members from local culinary schools
 - architect (MEP drawings) and design plans
 - additional marketing to bring business to the area
13. **CRA's Right to Inspect Premises.** The CRA will have the right to enter upon and inspect the Premises at reasonable times and after notice to Subtenant. The CRA will have the right to place a sign in the Premises advertising that the Premises are available for rent not more than 30 days prior to the expiration of the Term.
14. **Ownership; Peaceful Enjoyment; Surrender of Premises.** The CRA represents and warrants that it has a leasehold interest in the Premises and the Plaza Space as provided for in the Lease, the Augustin Lease, and the Francois Lease, respectively. The CRA will warrant and defend Subtenant's right to the peaceful possession and enjoyment of the Premises and the Plaza Space during the Term of this Sublease. At the end of the Term, Subtenant will surrender the Premises and the Plaza Space in clean condition and good repair, normal wear and tear excepted. No surrender of the Premises or the Plaza Space by Subtenant prior to the end of the Term of this Lease will be valid unless accepted by the CRA in writing or as specifically set forth in this Sublease.

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15. **Sublease Subordinate to Lease.** 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, the Augustin Lease, and the Francois Lease. Neither the CRA nor Subtenant shall do or permit anything to be done in connection with this Sublease or Subtenant's occupancy and use of the Premises and the Plaza Space which will violate the Lease, the Augustin Lease, or the Francois Lease. All actions of Subtenant shall be consistent with the CRA's obligations under the Lease, the Augustin Lease, and the Francois Lease.
16. **Accidental Damage or Injury.** The CRA and the Landlord shall not be liable for any damage to property, or any injury to persons, sustained by Subtenant or others, caused by conditions or activities on the Premises and/or the Plaza Space. Subtenant shall carry insurance insuring the CRA, Subtenant, and Landlord against any claims of the types and in the amounts stated in Exhibit "F" attached hereto and made a part hereof.
17. **Force Majeure.** If the Premises and/or the Plaza Space shall be destroyed or damaged by any acts of Force Majeure, including earthquake or fire, to such an extent as to render the Premises untenable in whole or in substantial part, the CRA or Subtenant (provided that Subtenant is not at fault for the damage) shall have the right to terminate the Term of the Sublease by giving notice to the other of its exercise of such right at any time within thirty (30) days after the occurrence of such damage or destruction. If this notice is given, the term of the Sublease shall terminate, and rent shall be payable, up to the date of destruction as if such date were the date set forth in the Sublease. If Subtenant exercises the option to terminate the Sublease, Subtenant must immediately vacate the Premises and the Plaza Space, but shall be provided a reasonable amount of time to recover and remove any of its equipment. If neither party has given notice of termination as herein provided, CRA has the option of rebuilding or repairing the Premises and the Plaza Space by giving notice to that effect to Subtenant within fifteen (15) days after the termination of the option of its intent to rebuild or repair the Premises and the Plaza Space or the part so damaged. If the CRA elects to rebuild or repair the Premises and the Plaza Space and does so without unnecessary delay, Subtenant shall be bound by this Sublease, 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 Subtenant shall bear to the whole of the subleased premises. There is no abatement in the Rent if only the Plaza Space is damaged or destroyed. In the event that neither party terminates the Sublease pursuant to the above portion of this paragraph, CRA's repairs must be complete within six (6) months following the destruction, or Subtenant shall have the option to terminate this Sublease within twenty (20) days after the expiration of the six (6) month period.
18. **Liens.** Subtenant shall keep the Premises and the Plaza Space free and clear of all liens arising out of any work performed, material furnished or obligations incurred by Subtenant.
19. **Laws and Ordinances.** Subtenant agrees to comply with all applicable state statutes, Broward County and City ordinances, and any safety requirements of all federal, state and local governments. Subtenant shall maintain all required licenses from governmental agencies in full force and effect during the term of this Sublease.
20. **Indemnification.** Subtenant will indemnify and hold harmless the CRA, the City of Pompano Beach ("City"), the Landlord, and the Premises and the Plaza Space from all costs, losses, damages, liabilities, expenses, penalties, and fines whatsoever ("Claims") that may arise from or be claimed against the CRA, the City, the Landlord, or the Premises and the Plaza Space 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 and the Plaza Space by Subtenant or its employees, agents, guests, and invitees; or (b) any failure by Subtenant or its employees, agents, guests, and invitees to comply with all Applicable Laws.

- 20.1. **Lawsuits.** If any lawsuit or proceeding is brought against the CRA, the City, the Landlord, or the Premises and/or the Plaza Space 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 and/or the Plaza Space by Subtenant, its agents, employees, guests and invitees, Subtenant agrees that Subtenant or any other person on the premises and/or the Plaza Space with Subtenant's consent will defend the CRA, the City, and Landlord in such lawsuit or proceeding, and pay whatever judgments may be recovered against the CRA, the City, the Landlord, or the Premises and/or the Plaza Space, and pay for all attorneys' fees in connection with such lawsuit or proceeding, including attorneys' fees on appeal. The venue for any litigation shall be in Broward County, Florida.
- 20.2. **Limitation.** Nothing in this Sublease shall be deemed as a waiver by the CRA or the City 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.
- 20.3. **Glass Damage.** In case of damage to glass caused by Subtenant, or its agents, employees, guests or invitees in the Premises and the Plaza Space, Subtenant agrees to replace the glass with glass of the same kind, size, and quality as quickly as possible at Subtenant's expense.

21. Defaults and Remedies.

- 21.1. **Events of Default.** The occurrence of any one or more of the following events shall constitute a Default under this Sublease:
 - 21.1.1. **Failure by Subtenant 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 the Plaza Space and re-lease or rent the Premises and the Plaza Space for the remainder of the Term for the account of Subtenant and recover from Subtenant 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.
 - 21.1.2. Failure by either party to observe or perform in any material respect any covenant, obligation or agreement contained in this Sublease.
 - 21.1.3. The filing by Subtenant of a petition to have Subtenant 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 Subtenant's assets where such possession is not restored to Subtenant within ninety (90) days of such appointment.
 - 21.1.4. The material breach of any representation or warranty by either Party contained in this Sublease 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.

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- 21.2. **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.
- 21.3. **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. 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 will cause irreparable injury to the non-defaulting party and that money damages will not provide an adequate remedy.
22. **No Waiver.** The exercise by either party to this Sublease of any right or remedy under this Sublease will not be a waiver of or preclude the exercise of any other right or remedy afforded such party by this Sublease or by Applicable Laws. The failure of either party 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 such party 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. Regarding the CRA, its receipt of Rent or any other payment or partial payment required to be made by the Subtenant 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. No waiver by either party of any of the provisions of this Sublease, or of any of either party's rights, remedies, privileges, or options under this Sublease, will be considered to have been made unless made by such party in writing.
23. **Assignment and Subletting.** This Sublease may not be assigned, sublet, or subleased without the express written consent and approval of the CRA, which consent shall not be unreasonably withheld, conditioned or delayed.
24. **Termination and Surrender**
- A. If Subtenant does not renew the Sublease as described herein or a new lease with the CRA is otherwise not secured:
1. Subtenant shall surrender the Premises and the Plaza Space on or before the last day of the Term of this Sublease.
 2. The CRA shall have the right to place and maintain on the Premises and the Plaza Space "For Rent" signs during the last thirty (30) days of the term of this Sublease.
 3. Subtenant shall, at the expiration of this Sublease, surrender the keys to the Premises to the CRA.
- B. If Subtenant shall surrender the Premises and the Plaza Space at the election of the Subtenant, the liability for all duties and obligations required of Subtenant shall continue until the surrender has been accepted by the CRA in writing.
25. **Address for Payments and Notices**

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- 25.1. **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 Subtenant.
- 25.2. **Notices to Subtenant.** Notices to Subtenant shall be mailed or delivered to the Premises and to Subtenant's address set forth on the first page of the Sublease.
- 25.3. **Mailing of Notice.** All notices required under this Sublease 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.
26. **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.
27. **Miscellaneous Provisions.**
- 27.1. **Inspection Period.** Subtenant shall have thirty (30) days following the execution of this Sublease and receipt of the complete due diligence package in the form of a CD to perform an inspection of the Premises and related documentation in order to ensure suitability of the Premises for Subtenant's intended investment, which shall include ensuring proper zoning to operate as a brewery with a taproom, CMB manufacturing license with a retail license to sell beer (and wine, if Subtenant so desires) for on and off site consumption. During the Inspection Period, the CRA will assist the Subtenant in obtaining a determination from the City that the Premises currently comply with all necessary requirements for the use stated herein so as not to require a new HVAC system or handicap ramp for the rear exit. Subtenant agrees to limit its occupancy allowable by the City of Pompano Beach's Code of Ordinances at time of permitting in order to achieve the above. If such assurance is not provided in writing by the City's building department and planning and zoning department during the Inspection Period, the Inspection Period may be extended by the Subtenant by giving notice to the CRA in writing that it wishes to extend the Inspection Period until such time as such assurance is provided by the City departments but not longer than 120 days.
- 27.2. **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 Sublease or affect this Sublease in any way.
- 27.3. **Governing Law.** This Sublease will be governed by the laws of the State of Florida, as to both interpretations and performance.
- 27.4. **Entire Agreement.** This Sublease sets forth all of the promises, agreements, conditions, and understandings between the CRA and Subtenant relative to the Premises and the Plaza Space. 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 Subtenant unless in writing and signed by both of them. Tenant acknowledges that once construction of the Plaza is completed, there will be rules and regulations that apply to the Plaza and use of the Plaza Space will be subject to such additional rules and regulations.

DRC

27.5. **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 Subtenant have duly executed this Sublease Agreement on October 22, 2018.

DRC

"CRA":

Signed, Sealed and Witnessed
In the Presence of:

**POMPANO BEACH COMMUNITY
REDEVELOPMENT AGENCY**

Betty J. Manes
Print Name: Betty J. Manes

By: [Signature]
Lamar Fisher, Chairman

[Signature]
Print Name: Kimberly VAZQUEZ

ATTEST:
Marsha Carmichael
Marsha Carmichael, Secretary

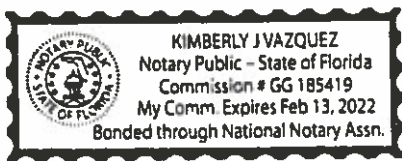
Shelley R. Bartholomew
Print Name: Shelley R. Bartholomew

EXECUTIVE DIRECTOR:
By: [Signature]
Gregory P. Harrison

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 2nd day of October, 2018 by LAMAR FISHER as Chair, GREGORY P. HARRISON as Executive Director and MARSHA CARMICHAEL as Secretary of the Pompano Beach Community Redevelopment Agency, who are personally known to me.

NOTARY'S SEAL:




[Signature]
NOTARY PUBLIC, STATE OF FLORIDA
Kimberly J. Vazquez
(Name of Acknowledger Typed, Printed or Stamped)
GG 185419
Commission Number

DRC

Signed, Sealed and Witnessed
In the Presence of:



Print Name: Jennifer Landers



Print Name: Courtney Heller

"SUBTENANT":

INNOVATE FOOD GROUP, LLC

By: 

Print Name: Michael Linder

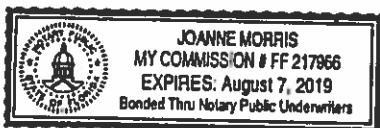
Title: Managing member/owner

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this 10 day of OCTOBER, 2018, by MICHAEL LINDER as Managing member (title) of INNOVATE FOOD GROUP, LLC, who is personally known to me or who has produced _____ (type of identification) as identification..

NOTARY'S SEAL:




NOTARY PUBLIC, STATE OF FLORIDA

Joanne Morris
(Name of Acknowledger Typed, Printed or Stamped)

FF 217966
Commission Number

DRC

PZ19-12000006
5/5/2021