

## **TERM SHEET**

for a Sublease between the  
Pompano Beach Community Redevelopment Agency (CRA)  
& The Lean Grill LLC

### **TERMS**

**Property:** 44 NE 1<sup>st</sup> Street, Pompano Beach, Florida plus adjacent outdoor space of approximately 5,000 SF for use as outdoor patio seating, (Premises) pursuant to two (2) separate lease agreements,(one for the building, one for the exterior patio area).

**Folio Number:** 4842 35 08 0240 (Building) & a Portion of 4842 35 08 0250 (Exterior Patio Space)

**Property Owner:** Pompano Pharmacy Wholesale Inc. (Property Owner)

**Landlord:** Pompano Beach Community Redevelopment Agency (CRA)

**Tenant:** Brian Faeth and Lauren Grosso who represent The Lean Grill, LLC

**Rentable Area of the Premises:** Approximately 3,081 square feet with approximately +/-5,000 SF of adjacent outdoor space, contingent and pursuant to a separate lease agreement with the CRA

**Gross Annual Rent:** The gross annual rent for the interior space will be \$43,349.43, plus sales tax payable in equal monthly installments of \$3,612.45. Annual Gross Base Rent shall increase annually by 3%.

The gross annual rent for exterior patio space will be \$5,000 plus sale tax and shall increase annually by 3% and due upon rent commencement date.

**Fixturing Period Free Rent:** There shall be a rent-free fixturing period for construction of the Tenant Improvements and Tenant's opening and operation of business for thirty-six (36) months from the Effective Date of Sublease ("Fixturing Period") during which no Gross Rent shall be due for either Lease (building or exterior patio) provided tenant follows the schedule defined in the sublease

**Permitted Uses:** A full service restaurant, music/entertainment/events venue, brewery, brewpub, retail and bar with full liquor license which shall be obtained by tenant. Tenant shall be permitted to serve food and alcohol indoors and outdoors. All food and alcohol sales shall be for on and off site consumption.

**Effective Date:** The later of the date the Sublease is fully executed by both parties

Rent commencement date:	36 (Thirty-six) months from Sublease effective date. (Rent Commencement Date)
Term:	Initial term shall be five (5) years commencing on the effective date with two (2) options to renew for five (5) years each or until the end of the term of the lease between Property Owner and CRA for interior space of September 30, 2034. Tenant must exercise its option with at least 9 months' notice.
Renewal Terms:	If Tenant exercises an option to renew, Rent will be increased 3% for each year of the new term.
Late Payments:	If any monthly rental payments are not received within ten (10) days of the due date each month, 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 late charges becoming due under this paragraph shall be added and become due with the next monthly payment of Rent. Non-payment or late payment of rent is a default under Sublease. The CRA to provide standard 30-day "right to cure period" language in the Lease.
Security Deposit:	Sublessee shall pay a \$6,000 security deposit upon execution of this Sublease.
Insurance & Taxes:	Tenant shall be required to provide Commercial General Liability Insurance in an amount not less than \$1 million dollars per person, per occurrence and name both The CRA and Property Owner as additional insureds. Tenant must pay its prorata share of property insurance, which currently costs approximately \$6,800 per year for the entire building. In addition, Tenant shall pay its prorata share of ad valorem taxes levied by the government on the property. The prorata share for 2019 is estimated to be \$518.77. Tenant is advised to purchase plate glass insurance in addition to the required insurance coverages. The CRA makes no representations as to the cost of insurance coverages Tenant will have to pay.
Licenses & Permits:	Tenant, at Tenant's expense, shall procure and maintain all governmental licenses or permits required for the proper and lawful conduct of Tenant's permissible business conducted in the Premises.
Services & Utilities:	All utilities including electricity, gas, and communication service connections (telephone, internet, cable, etc.), shall be obtained by and at the expense of Tenant.
Utilities:	Tenant shall be responsible for the payment of all utilities, including water, gas, electricity, heat, telephone, internet and other services delivered to the Premises together with any taxes, penalties, surcharges and any other charges pertaining thereto and any maintenance for utilities. CRA states the premises is separately metered for gas, water and electric.
Janitorial:	Tenant shall also obtain and pay the expenses of all janitorial services required for the Premises. CRA shall remain responsible for janitorial service and maintenance for all Common Areas controlled by the CRA, at the CRA's expense.

Parking Rights:	Currently, there are 82 on-street public parking spaces and 41 public parking spaces in lots within walking distance of the property. The CRA may construct an additional 126 private parking spaces some of which may become available to Tenant for valet parking in a number and at a cost to be determined.
CRA Incentive:	Tenant may apply for incentives offered by the CRA for the tenant interior and/or exterior build-out according to CRA regulations. If approved by the CRA Board, the CRA's contribution 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). Tenant must make a full application for incentives in order to receive consideration by the CRA Board for approval; contact Kimberly Vazquez, <a href="mailto:kimberly.vazquez@copbfl.com">kimberly.vazquez@copbfl.com</a> .
Repairs & Maintenance:	Tenant shall be responsible for the repair and maintenance of the interior of the Premises at its sole cost and expense and for all items not specifically the responsibility of the Property Owner, CRA (as determined by the Lease) or that of a specific Tenant. The Property Owner or the CRA (As determined by the Lease), at its sole cost and expense, shall be responsible for maintaining the structure of the building, the roof as well as exterior portions of the existing building at 44 NE 1 <sup>st</sup> Street. Tenant shall maintain the Premises in a good, neat, clean, safe and sanitary condition, free from waste and offensive odors, and free of vermin, rodents, bugs and other pests throughout the term of the Sublease, reasonable wear and tear excepted. Tenant shall keep all furnishings, fixtures and accessories, and any display facilities, in good repair. Tenant shall keep in good repair the interior ceilings, interior doors, interior windows, interior walls, and all tenant improvements. The Premises shall be maintained in accordance with all applicable code requirements of the Health Department of Broward County and other regulatory agencies as applicable.
Windows:	Tenant shall be responsible for the regular cleaning of the exterior windows.
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 initial costs and shall notify the CRA of the repair(s). CRA or Property Owner (As determined by the Lease) shall be responsible, at its sole expense, for repairing all structural aspects of the existing building.
Trash Management:	The tenant shall take steps necessary to manage the smell from dumpster area so as not to cause back alley to smell. CRA will provide the dumpster enclosure at its expense.
Pest Control:	Tenant, at its sole expense, shall engage 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 in the Premises where trash is collected and deliveries are made.

Grease Traps:	Tenant shall comply with Pompano Beach City Code regarding wastewater and grease. Tenant shall obtain all applicable permits at Tenant's cost. Tenant shall 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. The CRA is providing an in-ground grease trap, dumpster enclosure, parking lot improvements and gas line to the premises.
Permits:	Tenant will be responsible for obtaining Tenant's own permit and for compliance with all codes with respect to complete tenant improvements. The CRA shall assist and support Tenant through the permitting process through Certificate of Occupancy.
Impact & Concurrency fees:	Tenant will be responsible for paying all impact fees and concurrency fees.
Assignment or Subletting:	Tenant shall not assign, sublet or transfer its rights under this Sublease without the express written consent of the CRA, which shall not be unreasonably withheld.
Inspection Period:	<p>Tenant shall have thirty (30) days following execution of Term Sheet and receipt of the complete due diligence package in the form of a flash drive as listed below to perform an inspection of the property and related documentation in order to ensure suitability of the Lease Area for Tenant's intended investment. The due diligence package will include the following items:</p> <ul style="list-style-type: none"><li>• Current lease between CRA and Property Owner with any and all amendments;</li><li>• All environmental studies;</li><li>• Survey</li><li>• Other available reports</li></ul>
"As-Is" Lease:	Tenant acknowledges that it is subleasing the Premises in an "as-is" condition. Tenant further acknowledges that the CRA shall have no obligation to make additional improvements to the Premises.
Dedicated Parking:	Tenant shall be granted two (2) dedicated short-term parking spaces with signage for pick-up and to-go orders in the rear of the property and as close to the Premises, as possible.
Contact:	Kimberly Vazquez, CRA Project Manager for Pompano Beach CRA; Telephone: (954) 786-5535 or E-mail: <a href="mailto:kimberly.vazquez@copbfl.com">kimberly.vazquez@copbfl.com</a> ;

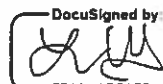
If the above terms and conditions are acceptable, please indicate in the appropriate space provided.

Agreed to and Accepted:



By: Brian Faeth

Date 12/10/2019



By: Lauren Grosso

Date 12/10/2019