



600 House – Proposal of Primary Lease Terms

Synopsis: This Proposal is for a 5 year Lease of 600 NE 13th St., Fort Lauderdale, FL 33304 by *H.O.M.E.S., Inc.* as Lessor, and *Eat the Tea, LLC*, as the Lessee, for use as a restaurant/café. Currently, the building is in use as a single family resident; however, it is located on a commercial street and has a City of Ft. Lauderdale Community Business (CB) zoning classification which permits a restaurant use.

Proposed Responsibilities & Representations of H.O.M.E.S., Inc. (hereinafter *HOMES*) as Lessor:

- 1) *HOMES* is a 501(c)(3) charitable organization with the IRS and a not-for-profit Florida corporation, which has been in business in Broward County continuously since 1998.
- 2) *HOMES* legal name is: Housing Opportunities, Mortgage Assistance, & Effective Neighborhood Solutions, Inc., and H.O.M.E.S., Inc. is its legal fictitious name registered with the State of Florida, under which it does business.
- 3) *HOMES* owns the house and property located at the corner of NE 13th St. and 6th Ave., known as 600 NE 13th Street, Ft. Lauderdale, FL 33304 (hereinafter, the 600 House), as well as the adjacent property on the same block to the east and south.
- 4) The 600 House (currently 3 bedrooms, 2 baths, and approx. 1200 sf) is believed to have been built in the 1940's, and although repairs and upgrades have been made to it over the years, it is in need of significant improvements to make it suitable for a restaurant.
- 5) The 600 House is located within the physical boundaries of the City of Fort Lauderdale's Central City Community Redevelopment Agency (CCCRA), and *HOMES* intention is to apply for its current allotment of \$100,000 in funding, for the purpose of utilizing it to renovate the 600 House to an acceptable standard agreeable to the parties and the City, appropriate to the intended use of a restaurant.
- 6) *HOMES* understands the terms of the CCCRA \$100,000 to be a mortgage on the 600 House property for a 5 year term, which will be satisfied via proof that at least three (3) persons have been employed full-time at the business located where the improvements were made, for the entire 5 year period.

- 7) *HOMES* will take the responsibility of engaging an architect and contractor(s), as appropriate, in accord with City requirements, and overseeing the improvements to the 600 House, as agreed upon with the City, and accommodating the needs of the Lessee to the extent possible with the funding available. Lessee shall be kept apprised of progress toward completion at all stages during the 600 House construction work.
- 8) It is anticipated that the new Lease with Lessee can take effect within the timeframe of between Sept. 1st and Sept. 15th, 2017. Factors include the following:
 - a) The 600 House is currently under lease until the end of Feb. 2017 to the current residential tenants, and will continue to be rented thereafter on a month to month basis to one of these tenants, Todd Schwing, until approximately June 30th, 2017. [He is committed to complete, as Lead Artist, a public art project to be located in a traffic round-about at the intersection of NE 13th St. & Dixie Hwy (a/k/a NE 7th Ave.), Ft. Lauderdale (one block from the 600 House), in conjunction with *HOMES* as Lead Agency and other community partners (including the City itself) – and we believe that the art component will be finished by approx. that date.]
 - b) While some or most of the exterior improvements contemplated can be implemented while the 600 House is still occupied by tenant residents, there are other exterior and interior improvements which will be too disruptive or intrusive, and these will have to wait until the House is vacant. *HOMES* will make every effort to have necessary building permits in place for these improvements/renovations, so they can begin immediately after the house is vacated, and completed within the desired timeframe.
 - c) 13th Street itself is currently being re-done (from the railroad tracks west to NE 4th Ave.) in a Complete Streets model by the City of Fort Lauderdale, with funding from the City itself and a Broward County redevelopment grant, and the street is required by the grant terms to be completed no later than the end of September 2017.
- 9) With regard to parking which will be available to the 600 House: Two (2) parking spaces are currently located on the house site. Also, on-street parking is part of the streetscape plan, which calls for five (5) new on-street parking spaces directly in front of *HOMES* property on 13th St. between NE 6th & 7th Avenue. Weekends and most evenings, *HOMES* 690 Office Building parking lot can be available for 600 House shared parking use. Additional on-street parking on adjacent blocks will be incorporated into the streetscape.
- 10) *HOMES* will maintain the exterior landscaping surrounding the 600 House and provide water for same, at its expense, during the duration of the Lease.
- 11) *HOMES* shall be responsible for the maintenance of the structure of the 600 House after construction is complete, for all items which are not caused by the intentional acts or negligence of Lessee, its principals, employees, or guests.

12) *HOMES* shall continue to maintain the hazard/wind/hurricane/flood insurance on the 600 House during the Least term.

Proposed Responsibilities & Representations of Eat the Tea, LLC (*hereinafter Eat the Tea Café*) as Lessee:

- 1) *Eat the Tea Café* is a Florida limited liability corporation, in good standing.
- 2) *Eat the Tea Café* is not a party to any current litigation.
- 3) The principals of *Eat the Tea Café* are Maureen Ruggeri and James Campbell.
- 4) The current lease of *Eat the Tea Café* at its current location (900 NE 20th Ave., Ft. Lauderdale, FL) expires June 30th, 2017.
- 5) The Lease period shall be for five (5) years, and shall begin within within three (3) business days of *HOMES* notification that all agreed-upon improvements have been completed.
- 6) *Eat the Tea Café* will pay the first and last month's rent and a security deposit in the amount of one month's rent in full (in agreed-upon installments, if necessary) by no later than _____ (a date to be agreed upon by the parties), 2017.
- 7) The above principals of *Eat the Tea Café* shall make themselves available (to the best of their ability) to accompany a representative of Lessor to meetings with the City, as needed, in order to move the project forward in a positive and timely manner.
- 8) Rent shall be payable to Lessor on the first of each month (or such other date agreed upon by the parties). The Rent Amount for the 5 Year Lease Term shall be as follows:
 - a) Year One: \$2,000 per month;
 - b) Year Two: \$2,100 per month;
 - c) Year Three: \$2,200 per month;
 - d) Year Four: \$2,300 per month; and
 - e) Year Five: \$2,400 per month.
- 9) The above Principals of *Eat the Tea Café* shall both sign a Personal Guaranty of the Lease, which shall be called upon in the event of Lessee's breach of the Lease by (a) moving out of the 600 House prior to expiration of the Lease, or (b) ceasing to operate (except for a hiatus due to emergency reasons) during the Lease term, or (c) failing to maintain at least 3 full-time employees at *Eat the Tea Café*. [Said breaches will cause *HOMES* to default on its anticipated Agreement with the City regarding the \$100,000.]

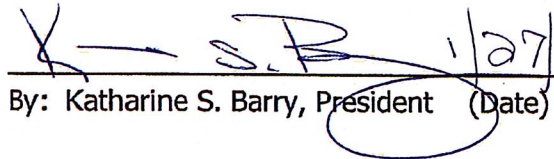
- 10) *Eat the Tea Café* shall be responsible for paying, in addition to the Rent stated above, the following periodic charges during the Lease Period:
 - a) Any Real Estate taxes (ad valorem tax) due on the 600 House (including the Fire Rescue Fee) levied by the Broward County Property Appraiser;
 - b) Insurance Premiums on the 600 house for \$1,000,000 in general liability, and for the contents of the building (listing *HOMES* as an additional insured, and providing *HOMES* with current Certificates of Insurance).
 - c) Electric bills (FPL account shall be in the name of *Eat the Tea Café*);
 - d) Water & Sewer bills (City of Ft. Lauderdale water/sewer account shall be in name of *Eat the Tea Café*).
 - e) Garbage Service, as required, for the 600 House utilized as a restaurant.
 - 11) *Eat the Tea Café* shall be responsible for obtaining/fulfilling any restaurant licensing and/or opening requirements of the State of Florida (through either the Dept. of Agriculture or the Dept. of Professional Regulations's Division of Hotels & Restaurants), and any fees related to same. (Lessor will, however, provide exterior venting from the kitchen as part of the improvements to be made to the 600 House. Grease trap requirements, if any, can be discussed by the parties once known.)
 - 12) *Eat the Tea Café* shall be responsible for the purchase and/or installment of any restaurant kitchen equipment either desired and/or required by the State of Florida, Broward County, or City of Ft. Lauderdale, pursuant to applicable laws, ordinances, and regulations.
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Conclusion & Moving Forward: The above Proposal from *HOMES* is not intended to be an actual Lease Agreement or legally binding contract, but merely an initial statement of primary terms upon which *HOMES* is willing to rent the 600 House to *Eat the Tea, LLC*, for use as a restaurant. It is not intended as an exhaustive statement of each and every term upon which the parties may decide to agree.

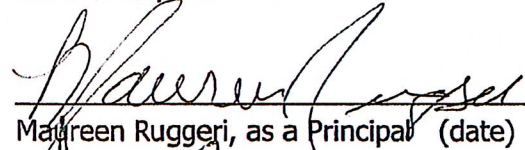
Nonetheless, in the spirit of moving forward, if the above-stated terms are acceptable to *Eat the Tea, LLC*, then *HOMES* requests that *Eat the Tea, LLC* sign and return this Proposal to *HOMES* by no later than Thursday at noon, Eastern Standard Time, January 26th, 2017 (scanned and returned via e-mail is acceptable).

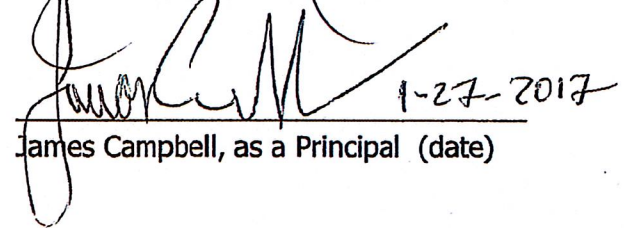
This timing will allow the matter to be presented in principal to the *HOMES* Board of Directors at its Regular Monthly Meeting being held at 5:30 p.m. on that same date of Jan. 26th, 2017. Time is of the essence regarding whether this proposal can move forward at all because of the CCCRA's requirement that a Project using its \$100,000 has to be completed no later than 9-30-17.

H.O.M.E.S., Inc.

 1/27/17
By: Katharine S. Barry, President (Date)

Eat the Tea, LLC


Maureen Ruggeri, as a Principal (date)

 1-27-2017
James Campbell, as a Principal (date)

* On Proposal we ^{are in} agreement on all issues that need to be signed or would be grease trap, venting and ac, power supply discarded but for 6 weeks startup and involvement in the redesign of the kitchen and kitchen part choices.

Thomas Reynolds James