

## MEMORANDUM

**TO: Real Estate & Transportation Committee**  
Commissioner Bill Read, Chairman  
Commissioner Phillip Walker  
Commissioner Scott Franklin

**FROM: City Attorney's Office**

**DATE: August 3, 2020**

**RE: Lease Agreement between CRA and Five Dolphin Enterprises, Inc. d/b/a DOU Bakehouse – 830 N. Massachusetts Avenue**

In September 2015, the City Commission acting as the Lakeland Community Redevelopment Agency (“CRA”) approved a 5-year lease with Five Dolphin Enterprises, Inc. d/b/a Your Pro Kitchen. In October 2017, Your Pro Kitchen was sold to new owners, Five Dolphin Enterprises, Inc., d/b/a DOU Bakehouse. This transfer was permissible in the lease.

DOU Bakehouse now wishes to expand their operations in Lakeland to meet growing client demands, and they have requested Leasehold Improvements in addition to early renewal of the lease, which is scheduled to expire October 2021. The proposed lease agreement would supersede the existing lease’s renewal provision, and it would allow the CRA to begin making the requested Leasehold Improvements immediately.

CRA Staff analyzed the DOU Bakehouse’s requested improvements with the City’s Facilities Department and Semco Construction. The CRA’s contribution to these improvements would be approximately \$1 for every \$12 the Tenant spends. The CRA will cover the total cost of the Leasehold Improvements (\$123,043.05) upfront. The Tenant’s contribution (\$113,723.80), will be reimbursed monthly (\$1,895.40) as part of the rent payment over the first 5-year term of the lease. The repayment will be included in the monthly invoice. All improvements will stay with the building, except the Tenant has the option to remove the walk-in cooler and generator upon full reimbursement to the CRA for the Leasehold Improvements.

The Leasehold Improvements are expected to take 15-17 weeks to complete with the bulk of the timeframe being the order and delivery time on the generator. The Leasehold Improvements and early renewal are sought during this down time to prevent future disruptions in production while securing the tenant’s long-term presence at the location.

Under the current lease terms, the tenant’s monthly payment, not including operational expenses, property taxes, maintenance fees and sales and use taxes is approximately \$2,187 per month. Under the proposed lease, initial base rent will be \$2,550

per month for year one with subsequent annual increases of 2.5% for the remainder of the five-year initial term. The tenant would continue to be responsible for all property tax, maintenance fees, utilities, and applicable sales and use taxes.

Hearing the request at its June 4<sup>th</sup> regular meeting, the CRA Advisory Board voted unanimously to approve the proposed lease and Leasehold Improvements as proposed. Staff recommends that the City Commission, acting as the Lakeland Community Redevelopment Agency, authorize Staff to execute the attached lease agreement with DOU Bakehouse and commence the proposed Leasehold Improvements.

Attachment

**LEASE AGREEMENT**

**BY AND BETWEEN**

**LAKELAND COMMUNITY REDEVELOPMENT AGENCY (“LANDLORD”)**

**AND**

**FIVE DOLPHIN ENTERPRISES, INC., A FLORIDA CORPORATION, D/B/A DOU  
BAKEHOUSE (“TENANT”)**

**Dated: \_\_\_\_\_, 2020 (THE “EFFECTIVE DATE”)**

**THIS LEASE AGREEMENT** (the “**Lease**”), made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between **LAKELAND COMMUNITY REDEVELOPMENT AGENCY** (hereinafter called “**Landlord**”), and **FIVE DOLPHIN ENTERPRISES, INC., A FLORIDA CORPORATION, D/B/A DOU BAKEHOUSE** (hereinafter called the “**Tenant**”).

WITNESSETH:

**WHEREAS**, the Landlord desires to demise, lease and rent unto Tenant, and the Tenant desires to rent and lease from Landlord Suite A (the “**Premises**”) in the building located at 830 N. Massachusetts Avenue, Lakeland, Florida 33801 (the “**Building**”) located on that certain piece of real property located in Polk County, Florida as more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference, and together with all improvements thereon and appurtenant rights thereto collectively referred to herein as the “**Land**”); and

**WHEREAS**, the Premises consists of four thousand, five hundred (4,500) rentable square feet.

**NOW, THEREFORE**, for and in consideration of the mutual covenants, promises and agreements herein contained, Landlord does hereby demise, lease and rent unto the Tenant and Tenant does hereby rent and lease from Landlord the Premises, under and pursuant to the following terms and conditions:

1. Term. The term of the Lease shall begin on October 1, 2021 and shall be for five (5) years (“**Term**”). Each twelve (12) month period beginning on the Commencement Date or any anniversary thereof shall hereinafter be called a “**Lease Year**.”

(a) Leasehold Improvements. Within ninety (90) days from the execution of this Lease, Landlord will commence the requested Leasehold Improvements as set forth in Exhibit “B”. The Tenant’s responsibility for the cost of improvements will be \$113,723.80, and shall be reimbursed by the Tenant over the term of this Lease through a monthly payment added to the base rent. Any outstanding amounts shall be due upon termination of this Lease. Tenant may not remove any Leasehold Improvements until all balances are satisfied, notwithstanding the date of termination.

2. Rent. Tenant agrees to pay a base rent (“**Rent**”) of Two Thousand Five Hundred and Fifty Dollars (\$2,550) per month based upon Six and 80/100 Dollars (\$6.80) per square foot of the Premises. Additionally, the Tenant agrees to repay \$1,895.40 per month for the duration of the lease term for Leasehold Improvements until the balance is satisfied. Tenant agrees to pay all property taxes, maintenance and utilities (defined in Section 8 below), together with all applicable Florida sales and use tax due thereon. Rent shall be payable in consecutive monthly installments, in advance, on the first (1<sup>st</sup>) day of each calendar month. Except in the event of Tenant’s default, if the term of this Lease expires or is terminated on a day which is not the last day of the calendar month, the Rent for the final partial calendar month that the Rent is due will be prorated based on the actual number of days within said calendar month prior to the end of the Term. All amounts (unless otherwise provided herein) other than the Rent owed by Tenant to Landlord hereunder shall be deemed additional rent. The rent shall increase annually, on the Lease Year anniversary date, at a rate of 2.5%.

(a) Rent subsidy for LCS: The landlord shall deduct the market rental rate for use of one (1) office space and accessible restrooms which is \$250 per month or \$3,000 annually, from the Tenant’s rent expense. This rent subsidy shall be for the term of this Lease Agreement or the duration of use for the office space by Lakeland Christian School (“LCS”). Tenant will ensure access is granted to LCS for use of the office space and accessible restrooms located on the premises as described in Paragraph 6(a) herein.

3. Security. Tenant, concurrently with the execution of the original Lease, has deposited with Landlord the sum of \$2,515.50 (the “**Security Deposit**”), the receipt of which is hereby acknowledged by Landlord, which sum shall be retained by Landlord as security for the payment by Tenant of the rents herein agreed to be paid by Tenant and for the faithful performance by Tenant of the terms and covenants of this Lease. In the event Tenant is not in default of the Lease at the expiration of the Term, the Security Deposit shall be refunded to Tenant, without interest unless otherwise required by law, upon expiration of this Lease.

4. Renewals. Provided Tenant is not in default of the terms of this Lease beyond any applicable notice or cure periods and Tenant does not provide written notice of its intention not to renew this lease at least ninety (90) days prior to the end of the Renewal Term, Tenant shall have the option to renew this Lease for one (1) additional period of five (5) years, immediately ensuing after the expiration of the Term of this Lease. Rent for the Renewal term shall be determined on or before ninety (90) days prior to the expiration of the Initial Term. Landlord and Tenant will work together to arrive at a mutually agreeable lease rate. In the event Landlord and Tenant are unable to agree upon a rental rate, then both Landlord and Tenant will retain a local industrial real estate broker familiar with the Lakeland area for their expertise. Said brokers are to be paid as consultants by both Landlord and Tenant with each paying their own consultant. In the event an agreement cannot be reached prior to the expiration of the existing Term, this Lease will terminate at the end of the existing Term and the Lease shall not be renewed.

5. Landlord’s Representations and Warranties. Landlord hereby represents and warrants to Tenant as follows:

(a) to the best of Landlord’s knowledge, there are no public or private restrictions, easements or conditions of any kind whatsoever, nor any other agreements to which Landlord is a party, nor any ordinances, statutes or regulations, that would in any manner prevent, limit or restrict the use of the Premises by Tenant as a commercial kitchen and office space; and

(b) at the time of the execution by Landlord of this Lease, Landlord is the sole owner in fee simple absolute of the Property; and

(c) to Landlord’s best knowledge, (i) the Land, Building and Premises do not contain any Hazardous Materials (defined in Section 10(c) below), (ii) Landlord has not conducted, authorized or permitted the generation, transportation, storage, treatment, handling or disposal of any Hazardous Materials on the Land, Building or Premises, (iii) Landlord is not aware of any pending or threatened litigation or proceedings before any governmental authority in which any person or entity or governmental authority alleges the presence, release, threat of release, placement on or in the Land, Building, or Premises or the generation, transportation, storage, treatment or disposal at the Land, Building or Premises of any Hazardous Materials, (iv) Landlord has not received any notice of and has no actual or constructive knowledge that any governmental authority or any employee or agent thereof has determined, or threatens to determine, that there is a presence, release, threat of release, placement on, in or about the Land, Building or Premises and adjacent properties or the generation, transportation, storage, treatment or disposal at the Land, Building or Premises of any Hazardous Materials, (v) there are and have been no communications or agreements to, from or with any governmental authority or any private entity, including, but not limited to, any prior owners of the Land or Building or any adjacent or nearby property, relating in any way to the generation, transportation, storage, treatment or disposal at the Land or Building of any Hazardous Materials; and (vi) there are no underground storage tanks on or in the Land, and to the best of Landlord’s knowledge and belief, there have never been any underground storage tanks on or in the Land.

Landlord hereby acknowledges that Tenant is relying upon the representations and warranties contained in this Section 5 in executing this Lease, that the matters so represented and warranted are material, and that in the event any of such representations and warranties were untrue as of the Effective Date or any

time during the Term or in the event of any breach of such warranties or any misrepresentation herein, Tenant may terminate this Lease without any liability on not less than thirty (30) days' prior written notice to Landlord.

6. Use of Premises. The Premises shall be used by Tenant (and third parties authorized by Tenant to use the Premises) for professional cooking facilities, including cooking classes, private events, bottling of products, and other commercial kitchen uses, to include food production, and for office space for Tenant's business. Landlord acknowledges and agrees that, pursuant to Tenant's business, Tenant shall regularly enter into agreements with third parties for the use of the Premises. Such agreements, whether referred to as a lease, license, right to use, or any other name, shall not be considered a sublease, assignment, transfer, mortgage, pledge, encumbrance upon or disposition of this Lease.

(a) The Premises shall be accessible to Lakeland Christian School ("LCS") for restrooms and office space only. Access will only be through the existing door entry ways with access keypads. The emergency exit doors are for emergencies only, and not to be used for any non-emergency access. No doors will be propped open and LCS will only use the access code given for their use and provide that pin code to others who work directly with LCS. LCS has no access to the kitchen facilities and will not grant access to kitchen to others such as by opening the door to others, providing tours, propping open the doors. This can only be granted through written approval by the Tenant. Tenant will control and monitor the actions of anyone working with LCS inside the facilities at all times including minors.

7. Assignment/Subletting. Tenant shall have the right to assign this Lease, or sublet the Premises, or any part thereof, to any person or entity, upon the written approval of Landlord, which approval shall not be unreasonably withheld, denied, or delayed. Upon such assignment, Tenant shall no longer have any obligations under the Lease. In the event of such an assignment, Landlord will not require payment of an additional security deposit or any increase in Rent or other fees. If Tenant assigns this Lease or sublets the Premises all Leasehold Improvements will remain with the Property, unless Tenant fully satisfies any outstanding amounts due for items that are removable.

8. Utilities; Taxes. Tenant shall be responsible for the payment of all utility charges and property taxes associated with the Property. Provided, Tenant shall only be responsible for the specific utilities associated with the Tenant's use of the Property. If the Property does not have meters for same, the Tenant shall only be responsible for the Property's pro rata share of the utilities. Taxes shall be limited to the taxes associated specifically with the Property. If other property is included within the same tax bill, then Tenant shall only be responsible for the Property's pro rata share of the taxes.

9. Alterations/Signage. Except for non-structural alterations to the interior of the Premises and Tenant's Work, Tenant shall not make any alterations, or additions or leasehold improvements to the Premises without Landlord's prior written consent, such consent to be granted or denied in Landlord's reasonable discretion. All Alterations shall become part of the Premises and shall be surrendered with the Premises at the termination of this Lease (except fixtures which shall be readily removable without injury to the Premises, store and office furniture, walk-in cooler and all kitchen equipment, except the hood and sinks). Tenant may only remove Leasehold Improvements performed by the Landlord after payment for which has been fully satisfied. Tenant shall be allowed to install Building signage on the front door at Tenant's expense and on the Building fascia, so long as said signage is presented for Landlord approval, which will not be unreasonably withheld, conditioned or delayed. Landlord will have ten (10) days to approve said signage and Landlord's failure to timely respond shall be deemed disapproval. Tenant shall be permitted to display the Marks (defined below), subject only to the provisions of applicable law. Landlord hereby acknowledges and agrees that it does not have and shall not have the right to use any signs or other goods or materials containing any trade names and/or trademarks owned by Tenant, either during the Term or after the expiration or earlier termination hereof. Notwithstanding anything contained in this Lease to the contrary, upon the termination or earlier expiration of this Lease, Tenant shall be permitted to

enter the Premises and remove any and all interior and exterior signs, additions or fixtures containing the Marks (defined below) and trade fixtures. In the event Tenant removes any Leasehold Improvements, Tenant shall do so with all due diligence, at its sole cost and expense, and shall repair any damage to the Premises caused by such removal, including any required closure of all penetrations to the Building fascia and re-painting.

10. Environmental.

(a) Landlord's Obligations. During the Term, Landlord will not use, generate, place, store, release, or otherwise dispose of, nor permit the use, generation, placing, storage, release, or disposal of Hazardous Materials (defined below) in the Premises, Building or on the Land, except in strict accordance with all Environmental Laws. If during the Term, Hazardous Materials are discovered in any portion of the Building, Land or the Premises and if required by applicable law, Landlord will undertake or cause to be undertaken remediation or removal of the Hazardous Materials in accordance with all Environmental Laws (defined below) and, to the extent Tenant's business is interrupted during the remediation or removal and Tenant closes and ceases to do business at the Premises, Tenant's rent will be abated. Landlord shall defend, indemnify and hold Tenant and Tenant's partners, shareholders, officers, employees, agents, contractors, sublessees, assignees, concessionaires, customers and invitees harmless against any liability, loss, cost or expense, including reasonable attorneys' fees and costs (whether or not legal action has been instituted) at investigative, trial and appellate levels incurred by reason of any failure by Landlord to comply with any Environmental Laws now or hereafter in effect.

(b) Tenant's Obligations. During the Term, Tenant will not use, generate, place, store, discharge, deposit, release or otherwise dispose of Hazardous Materials in the Premises or Building, except in strict accordance with all Environmental Laws. Tenant shall defend, indemnify and hold Landlord harmless against any liability, loss, cost or expense, including reasonable attorneys' fees and costs (whether or not legal action has been instituted) at investigative, trial and appellate levels incurred by reason of any failure by Tenant to comply with any Environmental Laws now or hereafter in effect.

(c) Hazardous Materials Defined. The term "**Hazardous Materials**" as used herein means any substance (i) the presence of which requires special handling, storage, investigation, notification, monitoring, or remediation under any Environmental Law, (ii) which is toxic, explosive, corrosive, erosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous, (iii) which is or becomes regulated by any governmental authority, or (iv) the presence of which causes or threatens to cause a nuisance to the Building or Premises or to adjacent properties or premises.

(d) Environmental Laws Defined. The term "**Environmental Laws**" refers to all federal, state or local statute, law, ordinance, code, rule, regulation, order or decree relating to (i) emissions, discharges, spills, releases or threatened releases of Hazardous Materials onto land or into ambient air, surface water, groundwater, watercourses, publicly or privately owned treatment works, drains, sewer systems, wetlands, or septic systems, (ii) the use, treatment, storage, disposal, handling, manufacturing, transportation, or shipment of Hazardous Materials, or (iii) the protection of human health or the environment.

(e) Survival. The provisions of this Section 10 will survive the expiration or earlier termination of this Lease.

11. Damage to Premises by Fire or Casualty.

(a) In the event that the Premises is totally destroyed or so damaged by fire or other casualty, and in the reasonable judgment of Landlord and Tenant, the same cannot be repaired or restored within one hundred eighty (180) days, then Landlord or Tenant may terminate this Lease by written notice

to the other party within twenty (20) days after the casualty, and the Rent and CAM Expense shall abate as of the date of casualty for the balance of the Term. If Landlord or Tenant do not exercise said termination right within the twenty (20) day time period, then Landlord shall promptly and diligently pursue the repair and restoration of the Premises (which shall be completed within one hundred and eighty (180) days of the casualty) and Rent and CAM Expenses shall be abated until the Premises has been repaired to substantially the same condition as existing prior to the casualty.

(b) If the damage caused as above be only partial and such that the Premises, in Landlord and Tenant's reasonable judgment, can be restored within the time period and under the conditions as provided in Subparagraph 11 (a) above, Landlord shall restore the same (excluding fixtures and improvements owned by Tenant) with reasonable promptness, to be completed within one hundred and eighty (180) days of the casualty. Rent shall abate in such proportion as the Premises have been damaged until the Premises have been repaired to substantially the same condition as existing prior to the casualty.

12. Eminent Domain.

(a) Taking. If by any lawful authority through condemnation or under the power of eminent domain: (i) the whole of the Premises shall be permanently taken; (ii) less than the entire Premises shall be permanently taken, but the remainder of the Premises, are not, in Tenant's sole judgment, fit for Tenant to carry on its business therein; (iii) Tenant determines, in its sole judgment, that after such taking adequate parking space will not be available near the Premises; (iv) there is any substantial impairment of ingress or egress from or to or visibility of the Premises; or (v) all or any portion of the common areas shall be taken resulting in a material interference with the operations of or access to Tenant's business, then in any such event, Tenant may terminate this Lease, effective as of the date of such taking, and the Rent, CAM Expense and other sums paid or payable hereunder shall be prorated as of the date of such termination.

(b) Rent Adjustment. Unless this Lease is terminated as above provided, commencing with the date possession is acquired by the condemning authority the Rent, and other sums payable hereunder shall be reduced by the then applicable per square foot Rent as by the number of square feet taken and Landlord shall restore the Premises, at Landlord's cost and expense to a complete architectural unit. During such restoration the Rent shall be abated to the extent the Premises are rendered tenantable.

(c) Awards. All compensation awarded or paid in any such eminent domain proceeding shall belong to and be the property of Landlord without any participation by Tenant, except that nothing contained herein shall preclude Tenant from prosecuting any claim directly against the condemning authority in such eminent domain proceeding for its relocation costs, its unamortized leasehold improvements and trade fixtures, loss of business and the like.

13. Right of Entry by Landlord. Landlord, or any of its agents, shall have the right to enter said Premises during all reasonable hours and upon at least twenty-four (24) hours prior notice (except in cases of emergency), to perform its obligations under this Lease, examine the same or to exhibit said Premises.

14. Indemnity. Tenant agrees to indemnify, defend and hold Landlord and Landlord's employees harmless from and against any and all claims, actions, damages, liabilities, and expenses: (i) arising from or out of the occupancy or use by Tenant of the Premises or any part thereof or (ii) occasioned by any act or omission of Tenant or Tenant's employees, agents, contractors, sublessees, or concessionaires, excepting, however, in each case, any claims arising out of the gross negligence or willful misconduct of Landlord or Landlord's employees, agents or contractors. Subject to the monetary limitations set forth in Section 768.28, Florida Statutes, Landlord agrees to indemnify, defend and hold



Tenant and Tenant's shareholders, officers, partners, employees, sublessees, and concessionaires harmless from and against any and all claims, actions, damages, liabilities, and expenses occasioned by any negligence of Landlord or Landlord's employees, agents or contractors, excepting, however, in each case, any claims arising out of the gross negligence or willful misconduct of Tenant or Tenant's employees, agents, contractors, sublessees, or concessionaires. The indemnity obligations set forth in this Section 14 shall survive the expiration of the term of this Lease.

15. Tenant Default and Landlord Remedies.

(a) Tenant Default. Each of the following events will be deemed to be an event of default by Tenant under this Lease ("Event of Default"): (i) failure by Tenant to pay Rent, or any other monetary sum due hereunder if such failure continued for ten (10) days following written notice from Landlord specifying such default; or (ii) failure by Tenant to perform or observe any other provision of this Lease and if such failure is not cured within thirty (30) days following written notice from Landlord specifying such default (provided, however, that if such default reasonably requires more than thirty (30) days to cure, Tenant shall have a reasonable time to cure such default, provided Tenant commences to cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion).

(b) Landlord Remedies for Tenant Default. Upon the occurrence of an Event of Default by Tenant, provided Tenant does not cure said default within the period of time allowed for cure as set forth above, Landlord may exercise any and all remedies available at law or in equity and, without limitation, shall have the option to do and perform any one or more of the following remedies: (i) to terminate this Lease, which termination shall be effective on the date specified in Landlord's notice to Tenant (but not less than ten (10) days after the date of such notice), and following receipt of such notice, Tenant shall vacate the Premises on or before the effective date thereof, failing which, Landlord may institute dispossessory proceedings, (ii) terminate Tenant's right to possession without terminating this Lease, which termination shall be effective on the date specified in Landlord's notice to Tenant (but not less than ten (10) days after the date of such notice); provided, however, any termination only of Tenant's right to possession of the Premises will not relieve Tenant of Tenant's obligation to pay the Rent and other charges under this Lease on the days originally set forth in this Lease for payment, without acceleration, or (iii) cure the Event of Default on behalf of Tenant. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and if paid at a later date shall bear interest at the maximum rate permitted by law from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest thereon, shall be deemed additional rent.

(c) Nothing herein shall be deemed to permit Landlord to pursue an action or recover from Tenant any amounts attributable to an acceleration of Rent or other amounts due hereunder, or related to consequential damages of any nature.

16. Default by Landlord and Tenant's Remedies. In the event of any default by Landlord, Tenant will give Landlord written notice specifying such default, and Landlord shall have a period of thirty (30) days following the date of such notice in which to cure the default (provided, however, that if such default reasonably requires more than thirty (30) days to cure, Landlord shall have a reasonable time to cure such default, provided Landlord commences to cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion). Upon the occurrence of any event of default by Landlord, provided Landlord does not cure said default within the period of time allowed for cure as set forth above, Tenant may exercise any and all remedies available at law or in equity, including, without limitation, any one or more of the following remedies:

(a) to commence an action for specific performance against Landlord; and/or

(b) to commence an action for damages suffered or incurred by Tenant as a result of Landlord's Default; and/or

(c) to itself perform, or cause to be performed, the covenant, performance or condition required to be kept, observed or performed by Landlord and which is in default; in which event Landlord shall reimburse Tenant, within fifteen (15) days after a written notice requesting same, for Tenant's reasonable costs and expenses actually incurred in doing so, and in the event Landlord fails to reimburse Tenant within such time period, Tenant shall have the right to offset such amount against Rent otherwise due hereunder; and/or

(d) by written notice to Landlord, to terminate this Lease, which termination shall be effective not less than thirty (30) days after the date of such notice, and, in such event, upon the effective date of such notice Tenant shall vacate the Premises as if such date were the date of expiration of the then current Term of this Lease as originally provided for herein.

17. No Landlord's Lien. Landlord hereby waives and releases any liens which Landlord may have against Tenant's personal property, trade fixtures, equipment, merchandise, cash, or accounts receivable therein, whether such lien is statutory, constitutional, or contractual, or arises out of operation of law or otherwise.

18. Insurance.

(a) Landlord's Insurance. During the Term of this Lease, Landlord shall procure and maintain in full force and effect with respect to the Building and Land (i) a policy or policies of property insurance for full replacement value of the Building (with the exception of the roof, which will be actual cash value); and (ii) a policy of commercial liability insurance insuring Landlord's activities with respect to the Premises and the Building for loss, damage or liability for personal injury or death of any person or loss or damage to property occurring in, upon or about the Building or Land. Such insurance policy will have combined single limits of not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Two Million and No/100 Dollars (\$2,000,000.00) in the aggregate and provide contractual coverage of Landlord's liability to Tenant assumed under the indemnification provisions of Section 14 of this Lease and elsewhere under this Lease. The insurance required hereby shall be written by a company authorized to do business in Florida. Landlord will provide to Tenant a certificate from Landlord's insurer evidencing the coverage required under this Lease.

(b) Tenant's Insurance. Tenant covenants and agrees to keep Tenant's improvements and Tenant's contents in the Premises insured for the insurable value against loss by fire and casualty, under an all risk policy with extended coverage endorsements. In addition, thereto, Tenant shall obtain and keep in force with respect to the Premises comprehensive general liability insurance in a minimum amount of One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Two Million and No/100 Dollars (\$2,000,000.00) in the aggregate for both bodily injury and property damage. Such insurance policy will name Landlord as an additional insured. The insurance required hereby shall be written by a company authorized to do business in Florida. Tenant will provide to Landlord a certificate from Tenant's insurer evidencing the coverage required under this Lease.

(c) Notwithstanding Subparagraphs 11(a) and (b) above, in the event Tenant is determined to be responsible for damage to the Premises, the Building or the Land by fire or other casualty due to Tenant's negligence or willful misconduct, then Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord to repair or replace the Premises, the Building or the Land (but only to the extent such amounts are not covered, or should have been covered but were not, under any insurance required to be carried hereunder) and such amounts shall be deemed additional rent. Provided, Tenant's

obligation under this Paragraph to reimburse the Landlord for the costs and expenses incurred by Landlord to repair or replace the roof to the Premises or Building shall be limited to the cash value of the roof at the time of the fire or other casualty.

19. Repairs and Maintenance.

(a) Maintenance and repairs of the major components of the Property are the responsibility of the Landlord and will be performed by City of Lakeland Facilities Maintenance crews and/or the authorized designee from the City of Lakeland. Any reasonable maintenance requested or required by the Tenant outside of that schedule outlined in Exhibit C shall also be the responsibility of the Landlord unless required due to the fault or negligence of Tenant or related to the Tenant's obligation to maintain the Property in a clean and sanitary condition, in which case such maintenance shall be invoiced to Tenant. Additionally, the CRA will be responsible for the mowing and maintenance of exterior spaces, including the parking lots and the swale adjacent to Massachusetts Avenue. The Tenant shall be responsible to pay for maintenance at the rate of \$1.25 per square foot of leased property, exclusive of outdoor space, or at the rate as calculated at the start of each fiscal cycle by the City of Lakeland Finance Director.

(b) Tenant's Maintenance Responsibilities. Tenant shall keep the interior, non-structural portions of the Premises, all HVAC systems exclusively servicing the Premises, and the non-structural elements of all doors and entrances of the Premises in the same condition, order and repair as they are at the commencement of said Term and shall deliver same to Landlord at the termination of this Lease in good order and condition, normal wear and tear excepted.

20. Brokers. Landlord and Tenant each represent to the other that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease. Tenant and Landlord hereby warrant and represent to each other that no broker or agent is or will be owed a fee or commission with respect to this Lease as a result of the act or omission of the indemnifying party or any affiliate thereof, and each agrees that it will indemnify, defend and hold the other and its affiliates harmless from and against all causes of action, claims and demands for such a fee or commission arising out of the act or omission of the indemnifying party or any affiliate thereof.

21. Parking. Tenant shall be entitled to the use of the parking area in common with other tenants of the Building in the area more clearly defined as the center parking Area which consists of all of the parking area lying between the Event Space and the Property, lying between Massachusetts and Kentucky Avenues, shall be shared by Haus 820, Art/iFact, Collective and the Bakehouse employees and guests. Landlord will use Landlord's best efforts to prevent unauthorized use of the parking areas by parties other than tenants of the Building and their customers, invitees and employees.

22. Mechanic's Liens Prohibited. Tenant shall not suffer any mechanic's lien to be filed against the Premises by reason of work, labor, services or materials performed or furnished to Tenant or anyone holding the Premises, or any part hereof, through or under Tenant. If any such mechanic's lien or any notice of intention to file a mechanic's lien shall at any time be filed against the Premises, Tenant shall at Tenant's cost, within thirty (30) days after knowledge or notice of the filing of any mechanic's lien cause the same to be removed or discharged of record by payment, bond, order of a court of competent jurisdiction, or otherwise. Tenant shall not be liable for any mechanic's liens for work done by or on behalf of Landlord at Landlord's expense.

23. Compliance with Laws. Both parties hereby agree to comply with all applicable federal, state and local laws, ordinances, rules and regulations ("**Laws**") throughout the Term of the Lease.

24. Subordination. This Lease and all rights of Tenant hereunder are subordinate to any mortgage and any extensions and renewals thereof that encumber the Land on the Effective Date or at any time thereafter. Notwithstanding that the aforesaid provision shall be self-operative, upon request from Landlord, Tenant shall execute and deliver a commercially reasonable subordination agreement to Landlord certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified and stating the modification), the dates to which all rents hereunder have been paid in advance, if any, and that there are then existing no setoffs or defenses against the enforcement of the agreements of this Lease on the part of Tenant to be performed (or, if any specifying same).

25. Radon Gas. 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 Polk County Health Department.

26. Late Payment. In the event that any payment of Rent, CAM Expense, additional rent or any other charge required to be paid by Tenant under the provisions of this Lease, shall not be paid within ten (10) days of the due date, Tenant shall pay to Landlord a late charge of five (5%) percent of such past due payment; and such late charge shall be deemed "Rent" for all purposes under this Lease.

27. Notices. All notices, demands and requests which may be or are required to be given by either party to the other shall be in writing and shall be either (i) sent by registered or certified mail, return receipt requested, postage prepaid or (ii) delivered, by hand, or (iii) sent by a nationally recognized overnight courier such as Federal Express or UPS. All notices to Landlord should be addressed to Landlord at CRA Manager, 228 S. Massachusetts Avenue, Lakeland, Florida 33801, with a mandatory copy to City Attorney, 228 S. Massachusetts Avenue, Lakeland, Florida 33801, or at such other place as Landlord may from time to time designate in written notice to Tenant. All notices to Tenant shall be addressed to Tenant at the Premises; or to any such other place as Tenant may from time to time designate in written notice to Landlord. All notices to Tenant shall also include a mandatory copy to Tenant at Five Dolphins Enterprises, Inc., Attn: Diana Cortes, 830 North Massachusetts Ave, Suite A, Lakeland, Florida 33801. All notices, demands and requests which shall be served upon Landlord and Tenant in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder.

28. Estoppel Certificate. Tenant agrees at any time and from time to time upon receipt of twenty (20) days prior written request from Landlord, to acknowledge and deliver to Landlord an estoppel certificate certifying that (a) this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), (b) the dates to which the Rent and other charges have been paid in advance, if any, and (c) all of the defaults of Landlord or Tenant hereunder, if any, (and if there are no defaults a statement to that effect) and any other information reasonably requested, it being intended that any such estoppel certificate delivered pursuant to this Section 28 may be relied upon by any prospective purchaser of the Building or any mortgagee or assignee of any mortgage upon the Building.

29. Holding Over. Should Tenant continue to occupy the Premises after cancellation or forfeiture of this Lease in accordance with its terms, such tenancy ("**Holdover**") shall (without limitation on any Landlord's rights or remedies therefore) be one at sufferance from month to month at a minimum monthly rent equal to one hundred twenty five percent (125%) of the Rent payable for the last month prior to the Holdover together with Triple Net Expense.

30. Binding Effect. All covenants, agreements, stipulations, provisions, conditions and obligations herein expressed and set forth shall extend to, bind and inure to the benefit of, as the case may require, the successors and assigns of Landlord and Tenant respectively, as fully as if such words were written wherever reference to Landlord or Tenant occurs in this Lease

31. Complete Agreement. Any stipulations, representations, promises or agreements, oral or written, made prior to or contemporaneously with this agreement shall have no legal or equitable consequences and the only agreement made and binding upon the parties with respect to the leasing of the Premises is contained herein, and it is the complete and total integration of the intent and understanding of Landlord and Tenant with respect to the leasing of the Premises.

32. Severability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

33. Applicable Law. The laws of Florida shall govern the validity, performance and enforcement of this Lease, without regard to Florida's conflict-of-law principles.

34. Force Majeure. Whenever a day is appointed herein on which, or a period of time is appointed within which, either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is interfered with, the doing or completion of such act, matter or thing because of strikes, lock-outs, embargoes, unavailability of labor or materials, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control.

35. Amendment. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them. No surrender of the Premises, or of the remainder of the Lease Term, shall be valid unless accepted by Landlord in writing.

36. Counterparts. This Lease may be executed in any number of counterparts via facsimile or electronic transmission or otherwise, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

*[The Remainder of this Page Intentionally Left Blank; Signature Page(s) Follow]*

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed as a sealed instrument, effective as of the day and year first above written.

LANDLORD:

**LAKELAND COMMUNITY  
DEVELOPMENT AGENCY**

Witness:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

TENANT:

**FIVE DOLPHIN ENTERPRISES, INC.,  
A FLORIDA CORPORATION, D/B/A  
DOU BAKEHOUSE**

Witness:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF LAND**

SCHIPMANS SURVEY DB G PG 360 361 BLK 19 LOT 7 N 58 FT & 8 N 58 FT & 9 THRU 12 LESS  
RD R/W FROM LOT 12 & LESS R/W FOR LAKELAND IN-TOWN BYPASS AS DESC IN OR 4556-  
2292

**EXHIBIT B**

<b>Improvement</b>	<b>Cost</b>	<b>Responsibility</b>
FRP panel installation where spills/splashes may occur	\$5,460	CRA
Transition guard installation at all kitchen doorways	\$750	CRA
Restroom door modifications to meet ADA requirements	\$3,109.25	CRA
Convert unused restroom into storage	\$12,025	Tenant
Walk-in freezer installation in one of the office spaces	\$26,777.17 (Freezer)	Tenant
Room prep for install and wrap-up after installation	\$16,671.63 (Room Prep)	
Generator and installation	\$18,275 (Generator) \$39,975 (Installation)	Tenant
<b>TOTAL</b>	<b>\$113,723.80</b> <b>\$9,319.25</b>	<b>Tenant</b> <b>CRA</b>



**EXHIBIT C**

The Bakehouse/The Collective  
830 N Massachusetts Ave

Task	Frequency	Performed by	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
<b>Inspections</b>														
Check Irrigation System/Batteries	Monthly													
Smoke & Carbon Monoxide Detectors	Monthly													
Check for water leaks/damages	Quarterly													
Water Heaters	Semi-Annually													
Fire Sprinkler System	Annually													
Fire Extinguishers	Annually													
Main Electrical Distribution Panel	Annually													
<b>Building Equipment/Systems</b>														
Check A/C	Semi-Annually													
Walk-In Cooler	Semi-Annually													
<b>Building Exterior</b>														
Replace light bulbs	Monthly													
Clean gutters	Quarterly													
Roof & roof drain check	Quarterly													
Building pressure wash	Semi-Annually													
Grounds pressure wash	Semi-Annually													
<b>Building Interior</b>														
Replace light bulbs	Monthly													
Examine caulking/grout	Quarterly													
Change filters	Quarterly													
Clean/Wax floors	Semi-Annually													
<b>Additional Services</b>														
Extermination	Monthly													
Grease Trap Grease Valves	Semi-Annually													