

## LEASE AGREEMENT

This Lease Agreement (this “Lease”), made and entered into this 15<sup>th</sup> day of February, 2024, by and between Summit Owners Association, Inc., 8743 Thomas Drive, Panama City Beach, Florida 32408, (“SOA”), and EDGEWATER BEACH RESORT MANAGEMENT, INC. d/b/a RC Hospitality Solutions, 11212 FRONT BEACH ROAD Suite C, PANAMA CITY BEACH, FL 32407 (“RCHS”).

WHEREAS, SOA is the owner of certain premises located at 8743 Thomas Drive, Panama City Beach Florida 32408 at the property commonly known as The Summit Condominium (the “Property”);

THEREFORE, SOA and RCHS agree as follows:

### ARTICLE I LEASED PREMISES

1.1 **Leased Premises:** SOA demises and leases to RCHS, and RCHS rents from SOA certain premises located at the Property and described as follows: **a market shop commonly known as “Summit Market” and pool deck bar commonly known as “Summit Tiki Bar” and a small office, west and adjacent to the Summit Market, commonly known as “Housekeeping Office”** (collectively the “Leased Premises”).

1.2 **Common Areas:** RCHS shall have the non-exclusive right, to use the common areas of the Property, including the parking lot, at all times subject to the rules of the Property Association of the Property (the “Association”). All rights conferred upon RCHS are subject to the Association’s bylaws (the “Bylaws”) and declaration or other governing documents (collectively, the “Declaration”). SOA specifically excepts and reserves to itself all rights of ownership including voting pursuant to the Bylaws and Declaration.

### ARTICLE II TERM

2.1 **Term:** The length of this Lease shall be for a term of three (3) years from the Commencement Date (as defined herein) (the “Term”).

2.2 **Commencement Date:** This Lease shall commence on January 1<sup>st</sup>, 2024 (the “Commencement Date”).

### ARTICLE III RENT

3.1 **Rent:** RCHS shall pay to SOA one hundred fifteen thousand eight hundred and thirteen Dollars (\$115,813) as yearly base rent for the Leased Premises, to be paid in monthly installments outlined in (Exhibit A) for each month in which RCHS operates the Leased Premises (“Rent”). RCHS shall pay Rent by the fifteenth (15<sup>th</sup>) day of each month.

3.2 **Revenue Share:** RCHS shall pay to SOA a rate of 10% of total top line revenue (“Revenue Share”) to be paid monthly. RCHS shall pay Revenue Share by the fifteenth (15<sup>th</sup>) day of each month.

3.3 **Additional Contributions and Incentives:** Additional Contributions and Incentives: In addition to the rent specified in Section 3.1 and Section 3.2 of this Lease Agreement, the SOA acknowledges and agrees to the following contributions and incentives proposed by RCHS to

enhance the guest and owner experience at The Summit Condominium:

- i. **Contribution and Booking of Entertainment on the Summit Pool Deck:** During the period from Memorial Day to Labor Day each year, RCHS shall take responsibility for organizing and booking entertainment on the Summit Pool Deck. This shall include providing live music or other entertainment options. Real Value: \$15,000 per year
- ii. **Dive-In Movie Nights:** RCHS shall host one poolside movie night per week, running from Memorial Day to Labor Day, with each movie having a valid license obtained from the Motion Picture Licensing Corporation. This entertainment feature will occur on a weekday selected by RCHS. RCHS will furnish the Association with a schedule of movies to be screened and designate a consistent day for the poolside movie night. RCHS shall manage all aspects of setup, equipment provision, and movie selection. Real Value: \$10,000 per year
- iii. **20% Owners Discount on All Food & Beverage (Excluding Specially Priced Items):** RCHS shall offer a 20% discount on all food, beverage, and retail purchases made by owners during operational hours. This discount shall not be applicable to specially priced items or promotions. Owners must be identifiable by photo ID card or unique owner wristband provided by the Summit Association in order to receive discount. Real Value: \$8,000 per year.
- iv. **Owner Happy Hour:** RCHS shall host an Owner Happy Hour served every day from the Summit Tiki Bar during operational hours. The happy hour shall consist of \$2 Select Can Beer, \$3 Select House Wine, and \$4 Well Liquor Drinks served in single-use cups. Real Value: \$2,000 per year

The parties agree that the contributions and incentives outlined above shall be provided by RCHS in accordance with the terms specified herein.

3.4 **Third Party Vendor:** RCHS shall be granted the privilege to designate a small portion of the summit pool deck for the utilization by a third-party vendor to vend goods and services to the guests at The Summit Condominium. The nature of these goods or services must be approved by the general manager of the Summit Association. Monetary compensation for the usage of the pool deck by a third-party vendor shall be calculated within the top-line revenue and remitted to the Summit Association in accordance with the provisions outlined in Section 3.2.

#### ARTICLE IV USE BY RCHS

4.1 **Use of Premises:** Subject to state, county and other municipal zoning ordinances, RCHS shall exclusively occupy and use the Leased Premises as a beverage and food vending service for the use and enjoyment of the owners of units and guests at the Property.

4.2 **Utilities and Services:** RCHS shall be responsible for the cost of all utilities associated only with the Leased Premises, namely gas and pest control. SOA shall in no event be liable for the quality or quantity of utilities, unless SOA causes or interferes with the quality or quantity of such services.

4.3 **Hours of Operation:** RCHS shall keep the Leased Premises and the business contemplated by this Lease to be operated and conducted thereon and therein, open and available for such business

according to the following schedule:

a. Proposed Hours of Operation:

i. Tiki Bar – March 1<sup>st</sup> – October 31<sup>st</sup>

1. Memorial Day to Labor Day 11am-11pm (dictated by weather/business levels)
2. Shoulder Season hours 11am-9pm (dictated by weather/business levels)
3. Notification will be sent to property manager via email or phone call with updated modifications to any operating hours.

ii. Market – March 1<sup>st</sup> – October 31<sup>st</sup>

1. Memorial Day to Labor Day 7am-9pm (dictated by weather/business levels)
2. Shoulder Season hours 7am-3pm (dictated by weather/business levels).
3. From November 1, 2024 through the end of February, 2025, RCHS shall have hours on a trial basis and consider staying open for the remainder of the contracted term, if the trial season proves successful. (dictated by weather/business levels).

The required operating hours agreed to hereinabove may be changed from time to time by RCHS with the agreement of SOA. RCHS shall not be required to operate during inclement weather which shall reasonably be determined to present the risk of injury to person or property. RCHS shall consider staying open beyond the times set forth above as dictated by business levels. Notification will be sent to the SOA property manager via email or phone call with updated modifications to any operating hours.

4.4 **Licenses and Permits:** RCHS shall be responsible for acquiring and maintaining all required state and local licenses, permits and/or certificates necessary to undertaking the use described in Section 4.1. Failure to do so may result in termination of this Lease at SOA's sole option.

## ARTICLE V MAINTENANCE AND REPAIRS

5.1 **Maintenance by RCHS:** RCHS shall at all times keep the Leased Premises, fixtures and appurtenances in good order, condition and repair and in a clean, sightly, sanitary and safe condition. This responsibility is defined as all equipment within the perimeter of the Leased Premises. Should RCHS fail to do abide by this Section 5.1, SOA may perform these duties and RCHS agrees to reimburse SOA, as the case may be, the reasonably incurred costs upon ten (10) days' written request therefor. Consistent with and subject to the foregoing, RCHS shall be responsible for repairing and replacing any items installed by RCHS. Such shall be done without disturbing the rights of owners of other units at the Property. Additionally, RCHS shall be obligated, at RCHS's expense to maintain, repair and replace all furniture, fixtures and equipment installed by RCHS. At the expiration or earlier termination of the Term, RCHS shall surrender the Leased Premises to SOA in as good condition and repair as RCHS is required to maintain the Leased Premises throughout the Term. RCHS, if required or requested by SOA, must remove any installations, alterations or improvements made by RCHS and shall repair any damage caused thereby.

5.2 **RCHS Installation of Fixtures:** RCHS shall install first class trade fixtures and equipment required to operate its business. Any *permanently* fixed equipment replaced by RCHS will be the property of SOA. Portable machinery, appliances and equipment purchased, leased or otherwise acquired or owned by RCHS and brought to the Leased Premises by RCHS shall remain property of RCHS.

5.3 **Maintenance by SOA:** SOA will, at its own expense, maintain in good order and repair,

(i) all structural portions of the Leased Premises, including the roof, exterior walls, foundation, and floor structures; and (ii) repair, maintenance and replacement of all heating, air conditioning, ventilation, fire protection, sprinkler, mechanical electrical or lighting systems, conduits and utility installations. RCHS agrees to indemnify and save harmless SOA from all expenses, liens, claims or damages to either persons or property, including, without limitation, of any manner from such work.

5.4 **Repairs by RCHS:** Any maintenance or repairs required to be completed by RCHS in the Leased Premises shall be performed by licensed contractors and workmen. RCHS shall complete all maintenance and repairs to the Leased Premises in a good and workmanlike manner.

5.5 **Alterations:** If permitted by the Bylaws and Declaration, RCHS, at its sole cost and expense, shall be entitled to make alterations, additions or improvements to the Leased Premises that it desires to undertake, or is required to undertake pursuant to any law, regulation, or rule, subject to the approval of local permitting agencies, subject to the following requirements:

For RCHS desired alterations, RCHS shall first submit to SOA, plans and specifications and receive written consent of SOA. All work shall be done at RCHS's sole cost and in a good and workmanlike manner. If RCHS adds or removes non-loadbearing walls, RCHS shall provide SOA with as-built drawings. SOA shall be furnished with sworn statements and lien waivers. Except as to trade fixtures and removable personal property installed by RCHS, which RCHS shall remove at the termination of its possession and for which RCHS shall repair all improvements damaged thereby, all alterations and additions (whether temporary or permanent) shall be the property of RCHS but shall become SOA's property and remain upon the Premises at the termination of this Lease without compensation to RCHS.

5.6 **SOA's Right to Inspect:** In accordance with the Bylaws and the Declaration, RCHS shall permit SOA and its agents and employees to enter into and upon the Leased Premises at all reasonable times and upon reasonable notice for the purpose of inspecting same. For purposes of this paragraph, reasonable notice shall be four (4) hours verbal or written notice to RCHS during business hours as defined herein and twenty-four (24) hours verbal or written notice outside of business hours as defined herein. Notice shall not be required in the event of an emergency, when necessary to protect SOA's property or when necessary to ensure the safety of life or property.

5.7 **Cleanliness and Waste:** RCHS shall keep the Leased Premises and the areaways adjacent thereto at all times in a neat, clean and sanitary condition, free from waste or debris and shall neither commit nor permit any waste or nuisance thereon.

5.8 **Signs, Awnings, Canopies:** As referenced in Section 5.5, no exterior door, wall or window signs, awnings or canopies nor any lighting or protruding object or any decoration, lettering or advertising matter on any exterior door, wall or window of the Leased Premises, or that can be seen from the exterior of the Leased Premises, is permitted without SOA's advance written consent and must be in compliance with the Bylaws, the Declaration and all Exhibits thereto. Once installed, RCHS shall maintain any approved sign, canopy, prior decoration, lettering or advertising matter in good condition and repair.

## ARTICLE VI INSURANCE AND CASUALTY LOSS

6.1 **Casualty Insurance by RCHS:** RCHS shall, at all times, during the Term, at its own cost and expense, keep all furniture, fixtures and personal property on the Leased Premises, fully insured up the full replacement cost, with loss payable to RCHS. SOA shall be listed as additional named insured on the policy set forth in this section. RCHS shall furnish SOA certificates of such insurance.

6.2 **General Liability Insurance:** RCHS shall maintain in effect throughout the term of this

Lease, at its own expense, bodily injury and property damage comprehensive liability insurance, or any combination thereof, covering the Leased Premises and its appurtenances in the amount of One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate. Such insurance shall specifically insure SOA against all liability assumed hereunder, as well as liability imposed by law, and shall insure SOA and RCHS but shall be so endorsed as to create the same liability on the part of the insurer as though separate policies had been written for SOA and RCHS. SOA shall be listed as additional named insured on the policy set forth in this section. RCHS shall furnish SOA certificates of such insurance.

6.3 **Waiver of Subrogation:** Nothing in this Lease shall be construed so as to authorize any insurer of either party to be subrogated to any right of said party against the other arising under this Lease. SOA and RCHS hereby release the other to the extent of perils to be insured against by either pursuant to this Lease, whether or not such insurance has been secured, is collectible, is through self-insurance or otherwise, and to the extent of their respective coverage for any loss or damage caused by any such casualty, even if such incidents shall be brought about by the fault or negligence of either party or persons for whose acts or negligence the other party is responsible. All policies to be provided under this Lease shall contain a provision that they are not invalidated by the foregoing waiver. Such waiver shall cease to be effective if it precludes either party from obtaining any such policy.

## ARTICLE VII TAXES AND ASSESSMENTS

7.1 **Personal Property Taxes and Assessments:** RCHS shall pay, before delinquent, any and all taxes, licenses, fees and public charges levied, assessed or imposed, and which become payable during the Term upon RCHS's fixtures, furniture, appliances and personal property located or installed in the Leased Premises.

7.2 **Commercial Sales Tax:** RCHS shall pay the applicable sales tax, calculated at the current Florida commercial rental tax rate at the time of payment of the base rent as listed in section 3.1, and on revenue share allocation as listed in section 3.2, on a monthly basis to the SOA. It shall be the responsibility of the SOA to remit these funds to the State of Florida in a timely manner.

## ARTICLE VIII TITLE

8.1. **Possession by RCHS:** RCHS covenants and warrants that it has full right and authority to enter into this Lease for the full term hereof. SOA covenants that RCHS, upon paying the Rent and any and all other sums due as provided for herein and upon performance of the covenants and agreements of this Lease to be performed by said RCHS, will have, hold and enjoy quiet possession of the Leased Premises.

8.2. **Lease and Assignment:** This Lease may not be sublet or assigned by RCHS without the prior written consent and approval of SOA.

8.3. **Surrender of Premises:** RCHS shall, upon the expiration date, surrender to SOA the Leased Premises, together with all replacements thereto in good order, condition and repair, except for ordinary wear and tear.

## ARTICLE IX DEFAULT

9.1. **Default by RCHS:** All of the rights and remedies of SOA herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. It is agreed that the following events shall be deemed events of default by SOA under this Lease:

- a. If RCHS fails to pay Rent or any other sums due as provided for herein within ten (10) days after such



Rent or other sum is due pursuant to the terms of this Lease; or

- b. If RCHS fails in the performance of any of the other covenants or conditions herein and fails to cure such non-performance within ten (10) days after the receipt of written notice from SOA specifying the non-performance. If such nonperformance cannot be cured within such ten (10) day period, it will not be an event of default if RCHS commences to cure the non-performance within such period and pursues the cure with reasonable diligence.

9.2. **SOA's Remedies Upon an Event of Default:** Upon the occurrence of any event of default, SOA may cancel and terminate this Lease on not less than thirty (30) days' prior written notice to RCHS, and on the date specified in such notice. RCHS shall then quit and surrender the Leased Premises to SOA. Upon such cancellation and termination, SOA may at any time thereafter resume possession of the Leased Premises by any lawful means, with or without legal process, and remove RCHS and its effects and hold the Leased Premises as if this Lease had not been made. The failure on the part of SOA to exercise any of its rights hereunder upon any event of default shall not be deemed a waiver of any subsequent default or defaults.

## ARTICLE X TERMINATION

10.1 **Termination for Cause:** During the Term, either party may terminate this Lease, for Cause, by giving written notice to the other party stating the reasons for cancellation. "Cause" to RCHS shall mean the occurrence of any event of default as set out in Article 9 hereof. "Cause" to SOA shall mean failure to perform any of its obligations, agreements or covenants under this Lease after thirty (30) days written notice from RCHS stating the nature of such failure and demanding correction of same; provided, however, that if the cause for giving such notice reasonably requires a longer period of time than the thirty (30) day period, SOA shall be deemed to have complied with such notice so long as it has commenced to comply with said notice within said thirty (30) day period, and is diligently prosecuting compliance with said notice.

## ARTICLE XI MISCELLANEOUS

11.1. **Notices:** Whenever under this Lease a provision is made for any demand or notice of any kind, or where it is deemed desirable or necessary by either party to give or serve any such notice or demand to the other, it shall be in writing sent by overnight mail or certified mail, return receipt requested, postage prepaid, if to RCHS addressed to RCHS at EDGEWATER BEACH RESORT MANAGEMENT, INC., d/b/a RC Hospitality Solutions, 11212 FRONT BEACH ROAD Suite C, PANAMA CITY BEACH, FL 32407 and if to SOA addressed to SOA Summit Owners Association, Inc., 8743 Thomas Drive, Panama City Beach, Florida 32408 and either party may give like notice at any time and from time to time designate a different address to which notices shall be sent. Such notices or demands shall be deemed sufficiently served or given for all purposes hereunder at the time they shall be mailed by an overnight delivery service or by United States certified mail, as aforesaid.

11.2. **Relationship of Parties:** Nothing contained in this Lease nor any act or acts of the parties shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between SOA and RCHS, other than the relationship of SOA and RCHS.

11.3. **Law:** RCHS covenants to abide by all applicable local, state and federal laws. This Lease shall be construed and enforced according to the laws of the State of Florida as same may be amended from time to time. Venue for any action brought to enforce or interpret any provision of this Lease shall lie solely in Bay County, Florida.

11.4. **Attorney's Fees:** In the event that either party initiates an action to enforce or interpret one or more provisions of this Lease, the prevailing party shall be entitled to recover its reasonable attorney's fees and court costs through the appellate level.

11.5. **Severability:** If any term or provision of this Lease, or its application to any person or circumstances, will to any extent be invalid or unenforceable, the remainder of this Lease, or the application of the provision to persons or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby and each provision of this Lease will be valid and enforceable. Notwithstanding any other provision in this Lease to the contrary, in the event that all or any portion of the Leased Premises shall become unavailable for lease for any reason other than the actions or inactions of RCHS, the terms of this Lease shall remain in full force and effect except that the Rent payment shall be proportionally abated until such time as RCHS is able to reoccupy the space, at which time RCHS shall reoccupy the space and all terms of this Lease shall apply including full payment of the Rent payments as provided for in Section 3.1. SOA will take such steps reasonably necessary and available to facilitate the availability of the Leased Premises to be occupied by RCHS as provided herein.

11.6. **Assignability:** This Lease is not assignable by RCHS without the written consent of SOA. SOA may assign this Lease to any other third party, in its sole discretion.

11.7. **Counterparts:** This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. An electronic signature or a signature delivered by facsimile or electronic means shall have the same force and effect as an original signature.

11.8. **Financial Disclosure:** As part of the monthly rent payment and revenue share payment, the RCHS shall include a revenue report generated from their Point of Sale/accounting systems. This report shall be provided to the SOA along with the respective payments. Additionally, the SOA reserves the right to request a more detailed report directly from the RCHS's accounting department once per calendar year.

11.9. **Entire Agreement:** It is expressly understood and agreed by and between the parties hereto that this Agreement sets forth all of the terms, agreements, conditions, and understandings between SOA and RCHS relative to the Premises and that there are no terms, agreements, conditions, or understandings, either oral or written, between them other than are herein set forth. Any prior agreements between the parties or RCHS's predecessor or assignor relative to the Premises or this Agreement are hereby superseded by this Agreement. It is further understood and agreed that, except as herein otherwise provided, no subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon SOA or RCHS unless reduced in writing and executed by them.

11.10. **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 your county public health unit.

[Remainder Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement the date first above written.

SOA:

SUMMIT OWNERS ASSOCIATION INC.

3.12.2024.  
Date

 PRES  
STACY PEERY  
PRESIDENT, SOA

RGHS:

EDGEWATER BEACH RESORT MANAGEMENT, INC. D/B/A RC HOSPITALITY SOLUTIONS

3/12/2024  
Date



**Exhibit A – Rent Schedule\***

	Year 1	Year 2	Year 3
Jan	\$ 1,158.13	\$ 1,158.13	\$ 1,158.13
Feb	\$ 1,158.13	\$ 1,158.13	\$ 1,158.13
Mar	\$ 9,265.04	\$ 9,265.04	\$ 9,265.04
April	\$ 11,581.30	\$ 11,581.30	\$ 11,581.30
May	\$ 17,371.95	\$ 17,371.95	\$ 17,371.95
June	\$ 17,371.95	\$ 17,371.95	\$ 17,371.95
July	\$ 17,371.95	\$ 17,371.95	\$ 17,371.95
Aug	\$ 17,371.95	\$ 17,371.95	\$ 17,371.95
Sept	\$ 11,581.30	\$ 11,581.30	\$ 11,581.30
Oct	\$ 9,265.04	\$ 9,265.04	\$ 9,265.04
Nov	\$ 1,158.13	\$ 1,158.13	\$ 1,158.13
Dec	\$ 1,158.13	\$ 1,158.13	\$ 1,158.13
TOTAL	\$115,813.00	\$115,813.00	\$115,813.00

\*Above listed rental amount will have applicable sales taxes applied at time of payment