



AGENDA REPORT

Meeting Date: January 5, 2016
Item Number: D-3
To: Honorable Parking Authority
From: David Lightner, Deputy City Manager/Director of Capital Assets
Subject: AUTHORIZATION OF CONSENT TO SUBLEASE BY AND BETWEEN THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS, THE ART OF SHAVING – CA, LLC, AND PINES VINTAGE INC. DBA WHAT GOES AROUND COMES AROUND FOR RETAIL SPACE AT 9520 BRIGHTON WAY.
Attachments: 1. Consent to Sublease

RECOMMENDATION

It is recommended that the Parking Authority authorize the Executive Director to execute the Consent to Sublease by and between the Parking Authority of the City of Beverly Hills, The Art of Shaving., a California limited liability corporation and Pines Vintage, Inc. dba What Goes Around Comes Around a Florida corporation. This retail space is located at 9520 Brighton Way.

INTRODUCTION

The Art of Shaving (TAOS) has leased this retail space from the Parking Authority since October 18, 2010. This agreement creates a sublease with Pines Vintage, Inc. dba What Goes Around Comes Around (WGACA) for the entire leased premises for the remainder of the lease term. Pines Vintage, Inc. dba What Goes Around Comes Around (WGACA) is a leading purveyor of authentic luxury and vintage pieces since the inception of its SoHo, NYC flagship store in 1993. In 2008, a Los Angeles location was opened on La Brea Avenue to compliment the NYC flagship. TAOS would remain on the lease and continue to be financially responsible for the performance of the lease, through the end of the lease term which is June 1, 2021. Procter & Gamble will continue to maintain the \$135,000 Letter of Credit, supporting the underlying lease. The Consent to Sublease does not change the previously approved lease terms.

DISCUSSION

TAOS original lease for this space was for a term of 10 years and will expire on June 1, 2021. TAOS has one five (5) year option to extend the term of the lease. The leased premise is located at 9520 Brighton Way.

FISCAL IMPACT

The fiscal impact of this deal is the potential for 50% of the excess consideration which at most is \$1,958.17 monthly before deduction of TAOS actual sublease costs. TAOS is also responsible for paying the City's \$1,500 sublease consent fee.

The Parking Authority will be advised if consent to sublease is not signed by Tuesday, January 5, 2016.


David Lightner
Approved By

Attachment 1

CONSENT TO SUBLEASE

The PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS (“Landlord”), as landlord under that certain Lease (the “Lease”) dated October 18, 2010 entered into by between the City of Beverly Hills, as landlord, and THE ART OF SHAVING-CA, LLC, a California limited liability company, as tenant (“Original Tenant”), **subject to and specifically conditioned upon the following terms and conditions**, hereby grants its consent to that certain Sublease Agreement dated December 7, 2015 entered into by and between THE ART OF SHAVING-FL, LLC, a Florida limited liability company, successor by merger to Original Tenant (“Tenant”), as sublessor, and PINES VINTAGE, INC., a Florida corporation (“Sublessee”), as sublessee, a copy of which is attached hereto as Exhibit “A” (the “Sublease”), covering certain premises (the “Premises”) more particularly described therein that are located in the building at 9520 Brighton Way, Beverly Hills, California.

Any capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Lease.

It is understood and agreed as follows:

1. **No Release.** This Consent to Sublease shall in no way release the Tenant or any person or entity claiming by, through or under Tenant, including Sublessee, from any of its covenants, agreements, liabilities and duties under the Lease (including, without limitation, all duties to cause and keep Landlord and others named or referred to in the Lease fully insured and indemnified with respect to any acts or omissions of Sublessee or its agents, employees or invitees or other matters arising by reason of the Sublease or Sublessee’s use or occupancy of the Premises), as the same may be amended from time to time, without respect to any provision to the contrary in the Sublease.
2. **Specific Provisions of Lease and Sublease; Change in Use.** This Consent to Sublease consenting to a sublease to Sublessee does not constitute approval by Landlord of any of the provisions of the Sublease document; nor shall the same be construed to amend the Lease in any respect, any purported modifications being solely for the purpose of setting forth the rights and obligations as between Tenant and Sublessee, but not binding Landlord. Notwithstanding the foregoing, Landlord hereby consents to Sublessee’s use of the Premises for the retail sale of luxury vintage bags, jewelry, watches, scarves, belts, gloves, neckties and other apparel and accessories under the trade name “What Goes Around Comes Around”.
3. **Amendment of Sublease.** Tenant and Sublessee shall not amend in any respect the Sublease without the prior written approval of Landlord. In no event shall any such amendment affect or modify or be deemed to affect or modify the Lease in any respect.
4. **Limited Consent.** This Consent to Sublease does not and shall not be construed or implied to be a consent to any other matter for which Landlord’s consent is required under the Lease, including, without limitation, any alterations for which Landlord’s consent is required.
5. **Tenant’s Continuing Liability.** Tenant shall be liable to Landlord for any default under the Lease, whether such default is caused by Tenant or Sublessee or anyone claiming by or through either Tenant or Sublessee, but the foregoing shall not be deemed to restrict or diminish any right which Landlord may have against Sublessee pursuant to the Lease, in law

or in equity for violation of the Lease or otherwise, including, without limitation, the right to enjoin or otherwise restrain any violation of the Lease by Sublessee.

6. **Acceptance by Tenant and Subtenant.** Tenant and Sublessee understand and acknowledge that Landlord has agreed to execute this Consent to Sublease based upon Tenant's and Sublessee's acknowledgement and acceptance of the terms and conditions hereof.
7. **Subordination.** The Sublease is, in all respects, subject and subordinate to the Lease, as the same may be amended. Furthermore, in the case of any conflict between the provisions of this Consent to Sublease or the Lease and the provisions of the Sublease, the provisions of this Consent to Sublease or the Lease, as the case may be, shall prevail over the terms of the Sublease. Sublesser hereby represents and warrants that it has reviewed the Lease and is familiar with the terms hereof.
8. **Fee/Costs.** As a condition to the effectiveness of this Consent to Sublease, Tenant shall pay to Landlord concurrently with Tenant's execution and delivery to Landlord of this Consent to Sublease the \$1,500 processing fee described in Section 20(d) of the Lease.
9. **Termination of Lease.** If at any time prior to the expiration of the term of the Sublease the Lease shall terminate or be terminated for any reason (or Tenant's right to possession shall terminate without termination of the Lease), the Sublease shall simultaneously terminate. However, Sublessee agrees, at the election and upon written demand of Landlord, and not otherwise, to attorn to Landlord for the remainder of the term of the Sublease, such attornment to be upon all of the terms and conditions of the Lease, except that the rent set forth in the Sublease shall be substituted for the rent set forth in the Lease and Landlord will not (i) be liable for any previous act or omission of Tenant under such sublease, (ii) be subject to any defense or offset previously accrued in favor of Sublessee against Tenant, or (iii) be bound by any previous modification of the Sublease made without Landlord's written consent, or by any previous prepayment by Sublessee of more than one month's rent. The foregoing provisions of this paragraph shall apply notwithstanding that, as a matter of law, the Sublease may otherwise terminate upon the termination of the Lease and shall be self-operative upon such written demand of the Landlord, and no further instrument shall be required to give effect to said provisions. Upon the demand of Landlord, however, Sublessee agrees to execute, from time to time, documents in confirmation of the foregoing provisions of this paragraph satisfactory to Landlord in which Sublessee shall acknowledge such attornment and shall set forth the terms and conditions of its tenancy. Nothing contained in this paragraph shall be construed to impair or modify any right otherwise exercisable by the Landlord, whether under the Lease, any other agreement or in law.
10. **Services.** Tenant hereby agrees that Landlord may furnish to the Premises services requested by Sublessee other than or in addition to those to be provided under the Lease, and bill the Sublessee directly for such services for the convenience of and without notice to Tenant. Sublessee hereby agrees to pay Landlord all amounts which may become due for such services on the due dates therefor. If Sublessee shall fail to do so, however, Tenant agrees to pay such amounts to Landlord upon demand as additional rent under the Lease, and the failure to pay the same upon demand shall be a payment default under the Lease.
11. **No Waiver; No Privity.** Nothing herein contained shall be deemed a waiver of any of the Landlord's rights under the Lease. In no event, however, shall Landlord be deemed to be in

privity of contract with Sublessee or owe any obligation or duty to Sublessee under the Lease or otherwise, any duties of Landlord under the Lease being in favor of, for the benefit of and enforceable solely by Tenant.

12. **Notices.** Sublessee agrees to promptly deliver a copy to Landlord of all notices of default and all other notices sent to Tenant under the Sublease, and Tenant agrees to promptly deliver a copy to Landlord of all such notices sent to Sublessee under the Sublease. All copies of any such notices shall be addressed and delivered to Landlord in accordance with the terms of the Lease.
13. **Reservation of Rights.** This Consent to Sublease shall be deemed limited solely to the Sublease, and Landlord reserves the right to consent or to withhold consent and all other rights under the Lease with respect to any other matters including, without limitation, any proposed alterations and any further or additional subleases, assignments or transfers of the Lease or any interest therein, or a sub-sublease or any assignment of the Sublease.
14. **Excess Consideration Payable to Landlord.** Tenant and Sublessee hereby acknowledge that Tenant is obligated under Section 20(d) of the Lease to pay to Landlord, as additional rent, all "Excess Consideration" (as defined in said Section 20(d) of the Lease) derived from the Sublease
15. **Counterparts; Email.** This Consent to Sublease may be executed in counterparts, and executed counterparts may be delivered by email.

Dated: _____, 2016

TENANT:

THE ART OF SHAVING-FL, LLC,
a Florida limited liability company

By: _____

Print Name: _____

Title: _____

SUBLESSEE:

PINES VINTAGE, INC.,
a Florida corporation

By: _____

Print Name: _____

Title: _____

LANDLORD:

THE PARKING AUTHORITY OF THE CITY
OF BEVERLY HILLS

By: _____
Mahdi Aluzri,
Executive Director

EXHIBIT A

SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT (the "**Sublease**") is made on this ____ day of December, 2015, by and between **THE ART OF SHAVING – FL, LLC**, a Florida limited liability company ("**Sublandlord**"), and **PINES VINTAGE, INC.**, a Florida corporation (d/b/a What Goes Around Comes Around) ("**Subtenant**").

PREAMBLE

A. Sublandlord (as successor-in-interest to The Art of Shaving – CA, LLC), as "**Tenant**", and City of Beverly Hills, a municipal corporation, as "**Landlord**" ("**Prime Landlord**"), entered into a Lease dated effective October 18, 2010 (the "**Prime Lease**").

B. The property leased under the Prime Lease consists of space located at 9520 Brighton Way, Beverly Hills, California, as more particularly described in the Prime Lease (the "**Premises**").

C. Sublandlord has agreed to sublease to Subtenant the Premises on the terms and conditions set out below.

SUBLEASE

1. Definitions. Unless they are specifically otherwise defined below, all capitalized terms used in this Sublease shall have the meanings assigned in the Prime Lease.

2. Sublease and Subordination to Prime Lease. Sublandlord subleases to Subtenant and Subtenant rents the Premises from Sublandlord and agrees to observe, perform and comply with each and every obligation, term, condition and covenant of the Prime Lease in the same manner and to the same extent as if the Subtenant were the named "**Tenant**" under the Prime Lease, except any provisions of the Prime Lease that are excluded under Section 2(d), below, or expressly modified in this Sublease. If there is any conflict between the terms and conditions in the Prime Lease and those set forth herein, the terms and conditions in this Sublease shall control. The parties agree and understand that:

- (a) Rights of Prime Landlord and Sublandlord. Subtenant's obligations and covenants under the Prime Lease are for the benefit of Sublandlord as well as Prime Landlord and Sublandlord shall have the right to enforce any such obligation or covenant in the same manner and to the same extent as if it were the "**Landlord**" under the Prime Lease;
- (b) Consents. Whenever the Prime Lease requires the consent of the Prime Landlord, the Subtenant shall also be required to obtain the written consent of Sublandlord, which Sublandlord shall not unreasonably withhold or delay. Sublandlord shall not be deemed to have consented to any request rejected by the Prime Landlord;
- (c) Prime Lease Required Covenants. Subtenant acknowledges and agrees as follows:
 - (i) This Sublease is further subject and subordinate to all terms and conditions of the Prime Lease, all mortgages and deeds of trusts that may encumber now or in the future all or any portion of the Premises, and to

each and every other right reserved to the Prime Landlord under the Prime Lease;

- (ii) Prime Landlord may enforce the provisions of the Sublease, including (following the occurrence of any default by Sublandlord under the Prime Lease which is not cured within any applicable period for cure pursuant to Section 21 of the Prime Lease) collection of rent; and
- (iii) In the event of termination of the Prime Lease for any reason, including, without limitation, a voluntary surrender by Sublandlord, or in the event of any re-entry or repossession of the Premises by Prime Landlord, Prime Landlord may, at its option, either (x) terminate the Sublease, or (y) take over all of the right, title and interest of Sublandlord under this Sublease, in which case Subtenant will accrue to Prime Landlord, but that nevertheless Prime Landlord will not (1) be liable for any previous act or omission of Sublandlord under the Sublease, (2) be subject to any defense or offset previously accrued in favor of the Subtenant against Sublandlord, or (3) be bound by any previous modification of the Sublease made without Prime Landlord's written consent, or by any previous prepayment by Subtenant of more than one month's rent;
- (d) Exclusions and Modifications to Prime Lease. The following provisions and Sections of the Prime Lease are not applicable to this Sublease and are not incorporated by reference: Section 1(b), Section 1(e), Section 1(f), Section 1(g), Section 1(j), Section 1(k), Section 2(a), Section 3, Section 5(a), Section 5(b), the first sentence of Section 7(a), the last sentence of Section 10(a), the last sentence of Section 14, the last full paragraph of Section 17(a), Section 20, Section 31, Section 32(i), Exhibit B, and Exhibit D. Subtenant has no rights under any of these provisions, Sections, and Exhibits of the Prime Lease.

3. Sublease Term. This Sublease shall have a term ("**Sublease Term**") commencing on the date which is the last to occur of: (1) the date on which the last party (i.e. Sublandlord and Subtenant) signs this Sublease, and (2) the date the Prime Landlord executes and delivers its consent to this Sublease as provided in Section 18 herein (the "**Sublease Commencement Date**") which date is projected to be no later than January 15, 2016; and it shall expire on March 31, 2021 (the "**Sublease Expiration Date**"). Subtenant understands and agrees that it has no right to renew the Sublease or to holdover after the end of the Sublease Term.

4. Rent: Security Deposit.

- (a) Rent. Commencing on the date that is the earlier of (i) the date Subtenant opens the Premises for business to the public, and (ii) March 16, 2016 (the "**Sublease Rent Commencement Date**"), and during the remainder of the Sublease Term, Subtenant shall pay monthly base rent ("**Base Rent**") to Sublandlord in accordance with the following schedule:

Sublease Period

Monthly Base Rent

Sublease Rent

Commencement Date – 12 th month*	\$30,000.00
13 th month – 24 th month	\$30,900.00
25 th month – 36 th month	\$31,827.00
37 th month – 48 th month	\$32,781.81
49 th month – 60 th month	\$33,765.26
61 st month – Sublease Expiration Date	\$34,778.22

* The first Sublease rental period shall be from the Sublease Rent Commencement Date through the last day of the twelfth (12th) full calendar month following the Sublease Rent Commencement Date.

Base Rent is payable in advance on the first day of each month during the Sublease Term, with the first payment being due and payable in accordance with Section 4(b) below. As used in this Sublease, the term “**Additional Rent**” means all charges, fees or other sums of money of any kind other than Base Rent which Subtenant is or becomes obligated to pay to Sublandlord under the terms of this Sublease or in connection with the Premises. As used in this Sublease, the term “**Rent**” includes Base Rent and Additional Rent, and all Rent shall be paid to Sublandlord, without notice, demand or setoff, at its address for Notice in Section 15 of this Sublease. Rent for any partial month shall be prorated. Except as otherwise expressly provided in this Sublease, Sublandlord shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with this Sublease or the use, maintenance, operation or repair of the Premises, all of which shall be paid by Subtenant.

- (b) Prepaid Rent. Within five (5) days after the Sublease Commencement Date, Subtenant shall pay Sublandlord, as advance rental, the first full month of Base Rent due hereunder (“**Prepaid Rent**”), which shall be \$30,000.00. Sublandlord shall apply the Prepaid Rent to the Base Rent first becoming due and payable under this Sublease.
- (c) Security Deposit. Upon Subtenant’s execution of this Sublease, Subtenant shall deposit \$210,000.00 (the “**Security Deposit**”) with Sublandlord, and maintain that amount on deposit with Sublandlord throughout the Sublease Term, as security for the full, prompt and faithful performance of all of Subtenant’s obligations under this Sublease and the Prime Lease. If Subtenant fails to perform any obligation under this Sublease, then Sublandlord shall have the right to appropriate funds from the Security Deposit to pay any Rent or other amounts due under this Sublease or to compensate Sublandlord for any losses or damage which it suffers or sustains as a result of Subtenant’s failure to perform. If Subtenant complies with all of its obligations under this Sublease, then Sublandlord shall return the remaining Security Deposit, if any, to Subtenant within 30 days after the termination date, as exercised or by natural causes, of this Sublease. Notwithstanding anything in this paragraph to the contrary,

provided Subtenant has not been in default under this Sublease at any time beyond applicable notice and cure periods, then Sublandlord shall refund the following amounts from the Security Deposit to Subtenant as follows (the "**Security Deposit Reduction Schedule**"):

- (i) On or before the 15th day of the 25th full calendar month of the Sublease Term, Sublandlord shall refund \$60,000.00 of the Security Deposit to Subtenant, leaving a Security Deposit balance of \$150,000.00;
- (ii) On or before the 15th day of the 37th full calendar month of the Sublease Term, Sublandlord shall refund an additional \$30,000.00 of the Security Deposit to Subtenant, leaving a Security Deposit balance of \$120,000.00; and
- (iii) On or before the 15th day of the 49th full calendar month of the Sublease Term, Sublandlord shall refund an additional \$30,000.00 of the Security Deposit to Subtenant, leaving a Security Deposit balance of \$90,000.00; and
- (iv) On or before the 15th day of the 60th full calendar month of the Sublease Term, Sublandlord shall refund an additional \$30,000.00 of the Security Deposit to Subtenant, leaving a Security Deposit balance of \$60,000.00; and

If at any time during the Sublease Term Subtenant defaults under this Sublease beyond any applicable notice and cure period, then, regardless if Subtenant subsequently cures such defaults, Sublandlord shall thereafter have no obligation to refund any portion of the Security Deposit pursuant to the Security Deposit Reduction Schedule.

5. Permitted Use. Subtenant shall occupy and use the Premises solely for the retail display and sale of luxury vintage bags, jewelry, watches, scarves, belts, gloves, neckties and other apparel and accessories typically sold at "What Goes Around Comes Around" and for no other use or activity and under no other trade name without Sublandlord's prior written consent, which it may give or withhold in its sole and absolute discretion. Subtenant understands that its use is further subject to the limitations imposed in Section 7 of the Prime Lease.

6. Utilities. During the entirety of Sublease Term, Subtenant shall make all arrangements and pay all charges for any utilities used in connection with the Premises.

7. Condition of Premises.

- (a) *Condition.* Subtenant agrees and understands that Sublandlord owes no obligation to Subtenant under any provisions of the Prime Lease relating to the condition of the Premises and SUBTENANT ACCEPTS THE PREMISES ON THE SUBLEASE COMMENCEMENT DATE IN "**AS-IS, WHERE-IS**" CONDITION, WITH ALL FAULTS. Notwithstanding the foregoing, Sublandlord warrants that the heating, ventilating and air conditioning systems serving the Premises shall

be in good working condition as of the Sublease Commencement Date and for a period of ninety (90) days following the Sublease Commencement Date (excepting any damages caused by Subtenant or its contractors, employees and agents).

- (b) *Alterations.* Subtenant shall not make any alterations to the Premises except improvements, additions or installations which are permitted under the Prime Lease ("**Alterations**"); provided, however, in accordance with Section 2(b) of this Sublease, whenever the Prime Lease requires the consent of the Prime Landlord to perform Alterations, the Subtenant shall also be required to obtain the written consent of Sublandlord, which Sublandlord shall not unreasonably withhold or delay. All permitted Alterations shall be performed in accordance with the requirements of the Prime Lease. Notwithstanding anything in this paragraph or the Prime Lease to the contrary, regardless of whether Sublandlord's consent is required, Subtenant shall provide at least sixty (60) days prior written notice to Sublandlord of any intended Alterations to the Premises. Subtenant covenants that Subtenant will remove any Alterations upon the expiration of the Sublease (and restore any damage to the Premises as a result of such removal), at its sole cost and expense, to the extent (i) such Alterations are required to be removed under the terms and conditions of the Prime Lease, (ii) Sublandlord notifies Subtenant at any time during the Sublease Term that such removal is required, or (iii) such Alterations were made without Sublandlord's consent and Sublandlord subsequently requests removal of the same. Notwithstanding the foregoing, in no event shall Subtenant be required to remove any Alterations under the terms of this Sublease if (x) Subtenant continues possession of the Premises immediately following the expiration of the Sublease Term pursuant to a fully executed separate, independent lease between Prime Landlord and Subtenant permitted such continued possession, and (y) Prime Landlord releases Sublandlord from any and all obligations under the Prime Lease with respect to the condition and surrendering of the Premises upon the expiration of the Prime Lease.
- (b) *Signage.* Subtenant shall have the right, at Subtenant's sole cost and expense, to install signage on the Premises advertising its business in accordance with all applicable Laws (as defined in the Prime Lease, including without limitation all local laws, rules and ordinances), subject to the Prime Lease, (including without limitation Section 27), and subject to obtaining both Prime Landlord and Sublandlord's prior written approval.
- (d) *Surrender.* At the end of the Sublease Term, Subtenant shall surrender the Premises to Sublandlord in the condition required by the Prime Lease and with all of Subtenant's personal property removed (and all damage caused by such removal repaired); provided, however, Subtenant shall not be responsible as part of such surrender obligations to remove any alterations performed by Sublandlord to the Premises prior to the Sublease Commencement Date. Notwithstanding the foregoing, in no event shall Subtenant be required to surrender the Premises to Sublandlord at the end of the Sublease Term if (i) Subtenant continues possession of the Premises immediately following the expiration of the Sublease Term pursuant to a fully executed separate, independent lease between Prime Landlord (or its successor, if applicable) and Subtenant permitting such continued possession, and (ii) Prime Landlord (or its successor, if applicable) releases Sublandlord from any and all obligations under

the Prime Lease with respect to the condition of the Premises and the surrendering of the Premises upon the expiration of the Prime Lease.

8. Maintenance. Subtenant, at Subtenant's sole cost and expense, shall keep and maintain the Premises in a clean and safe condition, in good order, condition and repair as provided in and required under Section 11(a) of the Prime Lease. In furtherance of the foregoing covenant, Subtenant agrees to observe, perform and comply with each and every obligation, term, condition and covenant of Section 11(a) of the Prime Lease and any other term, condition and covenant of the Prime Lease (to the extent not otherwise excluded pursuant to Section 2(d) of this Sublease) in the same manner and to the same extent as if the Subtenant were the named "Tenant" under the Prime Lease. In no event shall this Section 8 of the Sublease be construed as an assumption by Sublandlord of any of the repair and/or replacement obligations of Prime Landlord set forth in the Prime Lease, including, without limitation, Section 11(b) of the Prime Lease.

9. Insurance. Subtenant shall maintain the insurance coverages described in Section 17 of the Prime Lease to be maintained by "Tenant" under the Prime Lease, and in each case where Prime Landlord is required to be named as an additional insured, Sublandlord shall be named as an additional insured together with Prime Landlord. Subtenant waives any and all claims for recovery from Sublandlord and from Prime Landlord, to the extent of the waivers of subrogation contained in the Prime Lease. In addition to the requirements set forth in Section 17 of the Prime Lease, on or before the Sublease Commencement Date, and promptly after the beginning of each subsequent calendar year, Subtenant shall furnish to Sublandlord and Prime Landlord certificates evidencing the aforesaid insurance coverage.

10. Indemnity. Subtenant indemnifies and agrees to defend and hold both Sublandlord and Prime Landlord harmless against each and every liability of any and every kind or nature to the extent required by the Prime Lease. Subtenant further indemnifies and agrees to defend and hold Sublandlord harmless from and against any and all loss, cost, expenses damage, or liability of any kind or nature, including but not limited to reasonable attorneys' fees and legal costs and expenses, arising out of or in any way associated with Subtenant's use of the Premises or Subtenant's violation of any obligation of this Sublease or any obligation Subtenant has assumed under the Prime Lease. Upon receipt of Sublandlord's written demand for indemnification, Subtenant shall promptly pay any such indemnified amount to Sublandlord on or before the earlier of: (i) thirty (30) days after receipt of Sublandlord's demand; or (b) if all or any part of Subtenant's indemnification payment is part of a corresponding indemnification due from Sublandlord to Prime Landlord, then the date that Prime Landlord has notified Sublandlord the indemnification payment is payable to Prime Landlord. This indemnity in favor of Sublandlord shall survive any termination of this Sublease.

11. Casualty Damage and Condemnation. Sublandlord shall have no obligation to repair or restore casualty damage to the Premises under the circumstances described in Section 18 of the Prime Lease or to restore the Premises following a taking under the circumstances described in Section 19 of the Prime Lease, all of which shall be the responsibility of Prime Landlord as provided in Section 18 and Section 19 of the Prime Lease. Subtenant shall have the same rights as those which are granted to "Tenant" under those Sections; so long as Subtenant has delivered the necessary notice to Sublandlord and Prime Landlord.

12. Commission. Sublandlord and Subtenant warrant that Schuster Group, Inc. and Newmark Grubb Knight Frank, representing Sublandlord (collectively, "Sublandlord's

Brokers”), are the only real estate brokers involved in this transaction and that no other party is entitled to claim a commission in connection with this Sublease. Sublandlord has agreed to pay any commission due to Sublandlord’s Brokers, as more fully set out in a separate agreement Sublandlord and Subtenant each agree to indemnify and hold the other harmless against claims made by any other real estate salesperson, broker or other consultant claiming entitlement to a commission by virtue of representing the indemnifying party’s interests. This provision supersedes Section 31 of the Prime Lease, which does not apply to this Sublease.

13. Assignment and Subleasing. Subtenant understands that the rights of Sublandlord (and accordingly, Subtenant’s rights) are subject to the restrictions imposed in Section 20 of the Prime Lease (which is not applicable to this Sublease). Accordingly, the parties agree that all assignment and further subletting of the Premises shall be governed by the following provisions:

- (a) Subtenant shall not sublet the Premises, or any portion thereof, nor assign, mortgage, pledge, transfer or otherwise encumber or dispose of this Sublease, or any interest therein, or in any manner assign, mortgage, pledge, transfer or otherwise encumber or dispose of its interest or estate in the Premises or any portion thereof, without Sublandlord’s prior written consent, which Sublandlord shall not unreasonably withhold so long as Subtenant remains liable for the full and prompt performance of all obligations under this Sublease. Subtenant agrees that any one or more of the following will be proper grounds for Sublandlord’s refusal of a proposed assignment or sublease: (i) Prime Landlord refuses to consent to the proposed assignment or sublease, for any reason; (ii) an Event of Default has occurred and is continuing under this Sublease; (iii) the proposed use of the Premises increases Sublandlord’s risk of loss in connection with the Premises; or (iv) the proposed subtenant or assignee engages in business in competition with Sublandlord, as determined by Sublandlord.
- (b) Subtenant agrees to pay promptly after Sublandlord’s written demand, any and all reasonable, actual out-of-pocket costs of Sublandlord (including reasonable attorney’s fees paid or payable and all costs charged by Prime Landlord) in connection with the review of any request for assignment or subletting.
- (c) Subtenant’s failure to comply with the foregoing provisions and conditions shall, at Sublandlord’s option, render any purported assignment of subletting null and void and of no force and effect.

14. Obligations of Sublandlord. Sublandlord shall not be required to undertake any of the obligations or duties of “Landlord” under the Prime Lease, all of which shall remain the exclusive obligations and duties of Prime Landlord. If Subtenant desires to enforce any obligations against the Prime Landlord, Subtenant shall give Sublandlord at least five (5) business days prior written notice of its intention to enforce any such obligation against Prime Landlord. Sublandlord agrees to cooperate with Subtenant as appropriate and to sign any demands, pleadings or other documents reasonably necessary to enforce Prime Landlord’s obligations under the Prime Lease so long as Subtenant pays all costs and expenses associated with the prosecution of these enforcement actions or proceedings. Subtenant releases and holds Sublandlord harmless from any liability arising out of Prime Landlord’s failure to perform obligations under the Prime Lease.

15. Notices. All notices required by or given in connection with this Sublease shall be in writing and shall be sent by (a) certified mail, postage prepaid, return receipt requested, (b)

personal delivery, or (c) overnight courier providing tracking service, and shall be deemed to have been given (i) upon delivery (or refusal to accept delivery), if sent via mail, and (ii) upon receipt if personally delivered. Notices shall be addressed to:

Sublandlord: The Art of Shaving – FL, LLC
c/o The Procter & Gamble Company
Attn: North America Retail Real Estate Mgr. (TE-4)
2 Procter & Gamble Plaza
Cincinnati, OH 45202
Phone: (513) 983-1100 (Ext. Real Estate Department)

With a copy to:

The Art of Shaving
Attn: Finance Manager
6100 Blue Lagoon Drive
Suite 150
Miami, Florida 33126
Phone: (305) 593-0667

and

The Art of Shaving
c/o Jones Lang LaSalle Americas, Inc.
525 William Penn Way 20th Floor
Pittsburgh, PA 15259
Phone: (412) 208-8276
Attn: Andrew Millberg

Subtenant: What Goes Around Comes Around
54 7th Avenue South
New York, NY 10014
Phone: (212) 242-4626
Attention: Seth Weisser, CEO

or to any other address delivered by either party in the manner required in this Section 15. Any notices required by or given in connection with this Sublease to Prime Landlord shall be done in the manner set forth in Section 28 of the Prime Lease.

16. **Default.** In addition to the Event of Defaults in Section 21 of the Prime Lease, each of the following occurrences, conditions or acts shall also constitute an “Event of Default” under this Sublease:

- (a) The failure to make any payment of Rent to Sublandlord on or before the date it becomes due, or to honor the indemnity obligations in this Sublease within three (3) days after receipt of Sublandlord’s written demand.
- (b) Any action or omission by Subtenant which would constitute an Event of Default under the Prime Lease, which is not cured within twenty (20) days after written notice from Sublandlord.

- (c) Failure by Subtenant to perform any other obligation under this Sublease within twenty (20) days after receipt of written notice from Sublandlord; or
- (d) The occurrence of an Event of Default under the Prime Lease by Subtenant.

Following an Event of Default, and to the extent permitted by applicable law, Sublandlord shall have the right to immediately re-enter and repossess the Premises without judicial process and to take any and all action necessary to prevent or cure any default under the Prime Lease, all at Subtenant's sole cost and expense, and, to the extent permitted by applicable law, Subtenant consents to and waives all objections to this right of re-entry. In addition, Sublandlord shall have the right to exercise the remedies described in the Prime Lease in the same manner and to the same extent as though Sublandlord were the "Landlord" named in the Prime Lease. In addition, if Subtenant fails to pay any amount due or to perform any obligation owing under this Sublease, then Sublandlord shall have the right (but not the obligation) to pay or perform on Subtenant's behalf. Subtenant shall promptly reimburse Sublandlord for all costs, expenses, penalties and other charges Sublandlord incurs in connection with such performance or as the result of any default under the Prime Lease corresponding to a default hereunder, including but not limited to all reasonable attorneys' fees incurred in connection therewith, plus interest from the date of the expenditure until the date Sublandlord receives Subtenant's reimbursement, accruing at the rate of four percent (4%) per annum above the prime rate of interest charged by Fifth Third Bank in Cincinnati, Ohio, or the maximum amount allowed by law, whichever is less.

17. Entire Agreement. The parties agree that this Sublease (including all Exhibits) constitutes the entire agreement between the parties and supersedes any other oral or written representations, conditions or agreements relating to this transaction.

18. Consent to Sublease. A copy of Prime Landlord's consent to this Sublease is (or will be) attached as Exhibit 1. This Sublease is conditioned upon receipt of the Prime Landlord's consent and THIS SUBLEASE SHALL BE OF NO FORCE AND EFFECT UNTIL SUCH CONSENT HAS BEEN OBTAINED. If Prime Landlord rejects Sublandlord's request for Prime Landlord's consent to this Sublease, then if Subtenant previously deposited the Security Deposit with Sublandlord, Sublandlord shall return the Security Deposit to Subtenant within five (5) days following Sublandlord's receipt of the Prime Landlord's rejection.

19. Subtenant's and Sublandlord's Representations and Warranties. Subtenant and Sublandlord each respectively represent and warrant to the other that (so long as they receive the consent required in the preceding Section 18) each of them has full power and authority to enter into this Sublease and perform its respective obligations hereunder and that this Sublease is enforceable against each of them in accordance with its terms. So long as Subtenant shall pay the Rent and any other sums payable hereunder as the same become due and shall fully comply with all of the terms of this Sublease and fully perform its obligations hereunder, Subtenant shall peaceably and quietly have, hold and enjoy the Premises for the Sublease Term, subject, however, to all terms of this Sublease.

20. Counterparts/Facsimile and Electronic Transmission. This Sublease and the signatures on this Sublease may be transmitted by facsimile and/or electronic transmission (i.e. scan/email). Facsimiles and electronic copies of signatures shall be deemed to constitute original signatures and facsimiles and electronic copies of this Sublease (or counterparts of this Sublease) containing the signatures (whether original or facsimiles or electronic) of all the parties shall be deemed to constitute a single, enforceable agreement.

IN WITNESS WHEREOF, the parties have executed and delivered this Sublease as of the date written above.

SUBLANDLORD:

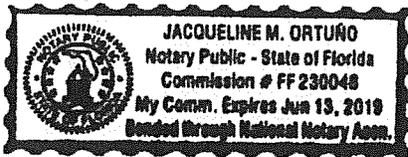
THE ART OF SHAVING – FL, LLC,
a Florida limited liability company

By *Anne Wiseman*
Name: Anne Wiseman
Title: Assistant Treasurer

STATE OF FLORIDA)
)
COUNTY OF MIAMI DADE)

On this 7th day of December, 2015, before me, the undersigned officer, personally appeared Anne Wiseman, the Assistant Treasurer of **THE ART OF SHAVING – FL, LLC**, a Florida limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that (s)he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Jacqueline M. Ortuño
Notary Public

SUBTENANT:

PINES VINTAGE, INC.,
a Florida corporation
(d/b/a What Goes Around Comes Around)

By *Seth*
Name: *Seth Weisser*
Title: *CEO*

STATE OF PENNSYLVANIA)
COUNTY OF PHILADELPHIA)

On this 3rd day of DECEMBER, 2015, before me, the undersigned officer, personally appeared SETH WEISSE, the C.E.O of PINES VINTAGE INC, a(n) OWNER known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that (s)he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Liza M. Melendez
Notary Public

