

CITY OF CORAL GABLES, FLORIDA

RESOLUTION NO. 2022-

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF CORAL GABLES, FLORIDA APPROVING A SETTLEMENT AGREEMENT AND RELEASE BETWEEN THE CITY OF CORAL GABLES AND CORAL GRAND, LLC AND CORAL GABLES ATHLETIC CLUB, LP

WHEREAS, the City of Coral Gables (the “City” or “Landlord”) and Coral Grand, LLC (“Coral Grand” or “Tenant”) were parties to that certain lease agreement, as amended, for Tenant’s management and operation of the real property located at 997 N. Greenway Drive, Coral Gables, Florida 33134 (the “**Country Club**”), which was executed on August 6, 2009, commenced on October 1, 2011, and had an initial 10-year term that ran through September 30, 2021 (the “**Lease**”); and

WHEREAS, in addition to the actual building structure of the Country Club, which includes a Fitness Center, the Lease required Tenant to manage and/or operate a larger premises comprising of the Land, the Building, the Tennis Facility, the Parking Lot and the contents thereof; and

WHEREAS, on June 23, 2021, Landlord and Tenant entered into a settlement agreement in an effort to resolve their differences and set a Lease expiration date, among other things (the “**Settlement Agreement**”). The terms of the Settlement Agreement allowed Tenant to continue occupying and operating the Country Club until April 30, 2022 (the “**Extended Operating Period**”); and

WHEREAS, the City intends on managing and operating the Country Club following the conclusion of the Extended Operating Period; and

WHEREAS, in accordance with the Settlement Agreement, Tenant designated a list of items that it claims as its Personal Property. City hired a third-party, Kroll, to appraise the full list of Tenant’s claimed Personal Property, which arrived at total price of approximately \$370,000.00. In early April 2022, the City offered Tenant \$400,000.00 to purchase the Personal Property, which equipment and other improvements were deemed essential for a quick operational transition for the City in light of the current material shortages resulting from the COVID pandemic; and

WHEREAS, on April 12, 2022 in order to protect the historical Country Club, obtain information needed to conduct and complete its audit, and determine what additional percentage rent may be owed to the City by Tenant, the City filed a Verified Complaint, attached as **Exhibit A**, in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida against Coral Grand and the Athletic Club (the “**Litigation**”) with Case No. 2022-006722-CA-01 (21), and a Verified Motion for Entry of Ex Parte Order Appointing Receiver and/or Emergency Motion for Temporary Injunction, attached as **Exhibit B**, and an Ex Parte Order Appointing Receiver,

attached as **Exhibit C**, was entered to operate the Tenant through the Extended Operating Period (the “**Receivership**”); and

WHEREAS, on April 14, 2022, Coral Grand and Athletic Club filed an Emergency Motion to Dissolve the Receivership, which motion was scheduled for an evidentiary hearing on Thursday, April 21, 2022 at 1:00 p.m. (the “**Evidentiary Hearing**”); and

WHEREAS, the Parties desire to fully, completely, and finally amicably settle and resolve all claims and disputes between them arising out of or relating to the Lease, Settlement Agreement, Litigation, Receivership, and all claims that could have been brought by the City in connection with the Lease, including, but not limited to, underreported Gross Revenues and underpaid Percentage Rent, as well as any potential counterclaims that Coral Grand and Athletic Club could have raised or brought against City in connection with the Lease, Settlement Agreement, Litigation and Receivership (collectively, the “**Claims**”); and

WHEREAS, the City Commission finds that it is in the best interests of the City to resolve this matter and approve the Settlement Agreement and Release, attached as **Exhibit D**, which includes the following key terms:

- The Receiver stays in place through April 30, 2022, and Coral Grand continues to satisfy all Lease and June 2021 Settlement Agreement obligations through April 30, 2022, including continuous operation of the fitness center and fulfillment of all events.
- The City takes possession of the Country Club and Coral Grand conveys Personal Property (as defined) to the City in exchange for the purchase price of \$295,000 to Coral Grand, on May 2, 2022, at 10:00 AM.
- Coral Grand and the Coral Gables Athletic Club transfer retail beverage, permanent food service, and gym operation licenses to the City effective May 2, 2022.
- The evidentiary hearing scheduled for April 21, 2022 on Defendants’ Emergency Motion to Dissolve Ex Parte Temporary Injunction Appointing Receiver was cancelled
- If the City Commission approves the Settlement Agreement on April 26, 2022, the emergency motion to dissolve shall be moot and the appeal shall be dismissed.
- The Coral Gables Athletic Club will not exercise any purchase options over the fitness center equipment or take any action that would result in the removal of the equipment.
- Mutual releases effective upon satisfaction by Coral Grand and Coral Gables Athletic Club of all obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

SECTION 1. That the foregoing "Whereas" clauses are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this Resolution upon the adoption hereof.

SECTION 2. That the City Commission approves the Settlement Agreement and Release in substantially the form attached as Exhibit A and authorizes the City Manager to execute the Settlement Agreement and the Release with any such modifications approved by the City Manager and the City Attorney consistent with the intent of the City Commission.

SECTION 3. That this Resolution shall become effective immediately upon the date of its passage and adoption herein.

PASSED AND ADOPTED THIS TWENTY-FIRST DAY OF APRIL 2021.

APPROVED:

VINCE LAGO
MAYOR

ATTEST:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

BILLY Y. URQUIA
CITY CLERK

MIRIAM SOLER RAMOS
CITY ATTORNEY