

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") is made by and between Azul and Company, Inc. ("Tenant"), a Florida corporation, Maria J. De Caires and Oscar Murphy, a married couple ("Guarantors"), and the City of Coral Gables, a Florida municipal corporation ("City"), each individually a "Party" and collectively, "Parties".

Recitals

- A. City and Tenant are parties to a Retail Lease Agreement dated September 5, 2012 (the "Lease"), which lease is guaranteed by a Guaranty dated July 9, 2012 by the Guarantors.
- B. Disputes have arisen between the Parties, which they wish to resolve and settle as herein stated.

NOW THEREFORE, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged by the Parties, it is hereby agreed as follows:

1. Termination of Lease. City and Tenant agree that the Lease will terminate on July 31, 2015 (the "Termination Date"). Upon vacation of the Premises (as defined in the Lease), Tenant shall deliver the keys to City and remove its signage and personal property from the Premises. Tenant and Guarantors shall indemnify City and its officers, Commissioners, managers, employees, predecessors, successors, agents, assigns, attorneys, and insurers, and save each of them harmless, and at City's option, defend each of them from and against any and all claims, actions, damages, liabilities and expenses (including reasonable attorneys and other professional fees), judgments, settlement payments and fines paid, incurred or suffered by any of them in connection with Tenant's failure to vacate the Premises by the Termination Date. In addition, Tenant shall be subject to the holdover provisions set forth in the Lease if it fails to vacate by the Termination Date. In the event that the Lease is terminated as provided herein, as of the Termination Date neither City, Tenant, nor Guarantors shall have any further rights or obligations under the Lease except as set forth in this Settlement Agreement and for all indemnity obligations, which shall survive termination as to any act, omission, or occurrence which took place prior to such termination.
2. Payments and Obligations. City, Tenant and Guarantors acknowledge and agree that:
 - a. Tenant shall not be required to pay Base Rent or its share of taxes and insurance for the months of June and July 2015, which the Parties agree is a value of \$16,518.36;
 - b. Tenant shall not be required to repay any portion of the Rent Abatement set forth in Section IV.B. of the Lease;
 - c. City will pay Tenant up to \$20,000 for moving expenses, to be paid within fifteen (15) days after receipt of satisfactory documentation of such expenses;
 - d. City will pay Tenant its unamortized leasehold improvements as of July 31, 2015, in the amount of \$90,278.98 and its Security Deposit in the amount of \$17,430.66, to be paid within fifteen (15) days after the Termination Date, provided Tenant has vacated by said date with the Premises broom clean and in the condition required by this Agreement;

- e. Tenant shall not remove any of the leasehold improvements, it shall only remove its signage and personal property;
 - f. Tenant will provide to City an interior design layout of the Premises based on the City's planned use for the Premises for City offices (which includes adding two bathrooms), and Tenant will coordinate with the City's public works department to ensure the design layout meets the City's needs;
 - g. City shall provide Tenant with a list of furniture and fixtures needed for the City's use of the Premises and Tenant shall obtain such items that are acceptable to City at Tenant's cost from a quality furniture and fixture wholesale and/or distribution entity, the City to pay for such items within fifteen (15) days of satisfactory receipt of such items and invoices therefor; and
 - h. The City will pay the Tenant the sum of \$33,202.66 upon satisfactory completion of subsections f. and g. above.
3. **No Admission.** This Agreement represents a settlement of disputed items and is not an admission by any Party of fault or liability and cannot be used by any Party in any court or administrative proceedings except in the enforcement of its terms. Except for the City's obligations hereunder, the Tenant and Guarantors acknowledge that this Agreement fully and finally resolves the disputes between the Parties, and hereby releases and discharges the City and its officers, Commissioners, managers, employees, predecessors, successors, agents, assigns, attorneys, and insurers from any known or unknown claims or liabilities. Except for the Tenant's and Guarantor's obligations under this Agreement, City acknowledges that this Agreement fully and finally resolves the disputes between the Parties, and hereby releases and discharges the Tenant, its officers, partners, managers, employees, predecessors, successors, agents, assigns, attorneys, and insurers from any known or unknown claims or liabilities.
4. **Remedies for Breach.** The Parties shall be entitled to initiate, bring or prosecute any suit, action or grievance against the other in any federal, state, county or municipal court, or any arbitral forum for a breach of this Agreement and further agree that if a trier-of-fact finds that a Party has breached any of the terms of this Agreement, then said Party shall be liable for the payment of all damages, costs and expenses, including attorneys' fees, incurred by the other Party.
5. **Warranty of Understanding; Voluntary Nature of Agreement.** The Parties acknowledge that they have carefully read and fully understand all of the provisions of this Agreement and that they know and understand the rights they are releasing by signing this Agreement. The Parties further acknowledge that in entering into this Agreement, they have relied upon their own judgment, belief, and knowledge of the nature, extent, and duration of any losses and damages, and no representations or statements regarding said losses or damages, or regarding any other matters, made by Parties or any other persons representing them, have been relied upon by either Party to any extent whatsoever in entering into this Agreement.
6. **Severability/Modification.** The provisions of this Agreement are fully severable. Therefore, if any provision of this agreement is for any reason determined to be invalid or unenforceable, such invalidity or unenforceability will not affect the validity or enforceability

of any of the remaining provisions. Furthermore, any invalid or unenforceable provisions shall be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or, if such provision cannot under any circumstances be modified or restricted, it shall be excised from the Agreement without affecting the validity or enforceability of any of the remaining provisions. The Parties agree that any such modification, restriction or excision may be accomplished by their mutual written agreement or, alternatively, by disposition of a court or other tribunal.

7. Waiver and Amendment; Successors and Assigns. No waiver or amendment of any of the provisions of this Agreement shall be valid and enforceable unless agreed to, in writing, by both Parties. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties and their successors and assigns.

8. Paragraph Headings; Execution; Choice of Law. Paragraph headings herein are for convenience and reference only and in no way define, limit or enlarge the rights and obligations of the Parties under this Agreement. This Agreement may be signed in single or multiple counterparts, all of which, when taken together, shall constitute the original. This Agreement and any amendments to this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to conflicts of law principles.

9. Notices. All notices, demands, requests for approvals, approvals, statements and other communications which may be required to be given by either Party to the other shall be in writing and shall be deemed given if delivered by hand against receipt or rejection or sent by certified or registered mail, postage prepaid, return receipt requested:

To City: City of Coral Gables
 405 Biltmore Way
 P.O. Drawer 141549
 Coral Gables, FL 33134
 Attn: City Manager

With a copy to City of Coral Gables
 405 Biltmore Way
 P.O. Drawer 141549
 Coral Gables, FL 33134
 Attn: City Attorney

To Tenant: Azul and Company, Inc.
 11520 SW 96 Terrace
 Miami, FL 33176
 Attn: Maria De Caires

To Guarantors:

Maria J. De Caires and Oscar Murphy
11520 SW 96 Terrace
Miami, FL 33176

and Oscar Murphy
330 SW 27 AVE
SUITE 508
MIA. FL 33135

For any of the Parties, such other address as from time to time may be designated by the Party receiving the notice.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers.

ATTEST:

By: _____
Walter Foeman, City Clerk

CITY OF CORAL GABLES

By: [Signature]
Craig E. Leen, City Attorney

Date: 5/11, 2015

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

[Signature]
City Attorney's Office

WITNESSES:
By: [Signature]
Name: Rene Villazon

By: [Signature]
Name: Henry Orellana

AZUL AND COMPANY INC
By: [Signature]
Maria Jose De Calves, President

Date: 5/5/ 2015

WITNESSES:
By: [Signature]
Name: Rene Villazon

By: [Signature]
Name: Henry Orellana

Maria J. De Calves, Guarantor
[Signature]

Date: 5/15, 2015

WITNESSES:
By: [Signature]
Name: Rene Villazon

By: [Signature]
Name: Henry Orellana

Oscar Murphy, Guarantor
[Signature]

Date: 5/5/15, 2015