

STAFF REPORT REGULAR MEETING

AGENDA DATE: September 30, 2025

DEPARTMENT: City Manager

TITLE:

Fourth Amendment to Retail Lease with B.F. Enterprises, Inc. and Vulta T-Shirts LLC

SUMMARY:

The Fourth Amendment to the Retail Lease with B.F. Enterprises, Inc. ("T-Shirt company"), seeks authorization from the City to assign the Lease to Vulta T-Shirts LLC, with related amendments to the Lease's term, rent and related provisions.

BACKGROUND AND JUSTIFICATION:

On June 6, 2012, the City and B. F. Enterprises, Inc., entered a retail lease for Units #5 and #6 on the first floor of the Lake Worth Beach Municipal Casino Building ("Lease") for the use by the tenant as a tee shirt and beach wear retailer. On November 7, 2017, the lease was amended to extend the lease for five years (5) years, and on August 31, 2020, the lease was amended to revise certain conditions related to the Covid-19 pandemic.

The City and B. F. Enterprises, Inc. entered a third amendment to the lease on November 1, 2022; as a part of that amended lease, the City and B.F. Enterprises, Inc. agreed to extend the lease for an additional five (5) years through and including October 31, 2027. There remain two (2) additional options to renew the lease for 5 years each. The current monthly base rent under the 13th year of the agreement is \$5,941.02 with a new monthly base rent of \$6,148.95 scheduled to begin on November 1, 2025.

The tenant (B. F. Enterprises, Inc.) contacted the city to inform us that he is retiring and would like to assign the lease for Units #5 and #6 to Vulta T-Shirts, LLC. The owners of Vulta T-Shirts, LLC. are existing tenant (RVRA, LLC) of Mamma Mia's. B. F. Enterprises, Inc., and Vulta T-Shirts, LLC. desire to amend the lease to address this assignment and related matters. The City Manager and City Attorney met with Mr. Barry Freedman, President of B.F. Enterprises, Inc, and drafted a Fourth Amendment to the Lease. To move forward, the following amendments to the lease were made:

- a. Section 1.2, "Tenant," is deleted in full and amended to state, Vulta T-Shirts LLC, a Florida limited liability company."
- b. Section 1.19, "Tenant's Notice Address," is deleted in full and amended to state, Vulta T-Shirts LLC, 5197 Monterey Lane, Delray Beach, Florida 33484.
- c. Section 18, "Indemnification," is hereby amended to include the following: "Nothing contained in this paragraph or elsewhere in the Lease shall be construed or interpreted as consent by the Landlord to be sued, nor as a waiver of sovereign immunity beyond the waiver and limits provided in Section 768.28, Florida Statutes, as amended from time to time. The limitations and provisions set forth in Section 768.28, Florida Statutes, are deemed to apply to this Lease to claims or actions arising in tort and/or contract. This paragraph shall survive the expiration or earlier termination of this Lease."

Under section 6, Security deposit, the amount the tenant /assignee shall provide to the landlord as a cash bond or other form of security acceptable to the Landlord, in an amount equal to months was left blank intentionally. Anthony Vultaggio, the owner of Vulta T- Shirts, submitted a letter requesting the commission waive the security deposit. He requested that all the terms of the current lease with Mr. Freedman of B. F. Enterprises, Inc. remain the same, as Mr. Freedman did not maintain a security deposit with the city. In December 2018, his deposit was returned after he complied with the terms of the

lease that stated, if he exercised the option to renew the lease and paid its rent timely during the first five years of the lease, the security deposit shall be returned to the tenant at the end of the fifth lease year. Therefore, Mr. Vultaggio is requesting the commission approve his request. As an alternative to the security deposit, he would consider providing the first and last month's rent in advance.

Under the terms of the current lease, the tenant/assignor (B.F. Enterprises, Inc.) is required to pay the landlord an administrative fee of \$1,000.00 and reasonable attorneys' fees of \$1,500.00 for a total payment of \$2,500.00 within five (5) business days of the effective date of this agreement. This fee is to cover the review and preparation of all documents associated with the Landlord's consideration of this amendment request. Mr. Freedman and Mr. Vultaggio both understand and agree with this provision.

MOTION:

Move to approve/disapprove the Fourth Amendment to Retail Lease with B.F. Enterprises, Inc. and Vulta T-Shirts LLC

ATTACHMENT(S):

Fiscal Impact Analysis – N/A
Letter of Assignment
Letter from Anthony Vutaggio
Fourth Amendment
Original Lease and previous amendments