JENA FOODS LLC
D/B/A KEY FOOD SUPERMARKET
275 N. Main Street
Spring Valley, NY 10977

October 22, 2024

1160-1178 Pugsley Ave LLC
275 North Main Street
Spring Valley, New York 10977
Attn: Jesus Diaz

Re: ***Letter of Intent for FRESH Supermarket Lease***
1160 Pugsley Avenue, Bronx, New York

Dear Mr. Diaz:

The purpose of this letter is to set forth our present mutual intentions with respect to a proposed lease to be executed by the parties (the "Proposed Lease") pursuant to which Jena Foods LLC (the "Tenant"), would lease a portion of the proposed building located at 1160 Pugsley Avenue, Bronx, New York (Block 3802, Lots 1 and 6) (the "Building"), from 1160-1178 Pugsley Ave LLC (the "Landlord").

The following are the principal points to be incorporated into the Proposed Lease:

1. **Premises:** The Premises is an approximately 11,421.73 gross square foot portion of the ground floor within the Building as shown in the attached diagram.

2. **Term of Lease:** The initial term of the Proposed Lease is 20 years, with 2 option term(s) of 5 years each.

3. **Commencement Date:** The commencement of the term (the "Commencement Date") shall be 30 days after Landlord shall have notified Tenant of the issuance of a temporary or final Certificate of Occupancy for the Premises. Tenant may terminate this lease if the Commencement Date has not occurred by _____ __, 2024, but Tenant's right to terminate the Lease, if not previously exercised, shall expire when the temporary or final Certificate of Occupancy shall be issued.

4. **Delivery Requirements**: Delivery requirements include the following:

(a) Delivery of physical possession of the Premises by Landlord in "white box" condition, ready for fitting out by Tenant; and

(b) Delivery of a temporary or final Certificate of Occupancy permitting a Use Group 6 food store.

5. **Late Delivery Fee:** Day for day rent abatement for each day of delay beyond the Commencement Date.

6. **Rent Commencement Date:** 60 days after the Commencement Date.

7. **Taxes**: Tenant shall pay their pro-rata share of real estate taxes.

8. **Rent:** The initial rent will be appraised market value as determined by a mutually agreed upon third party. The rent will increase by 3% every year.

9. **Build-Out:** The Landlord shall provide the heating, ventilation and air conditioning

systems for the Premises as well as accommodations for heavy electrical loads and chilled water equipment. Tenant shall, at its own expense, fit out the Premises for its use.

10. **Construction/Signage**: Approval of all plans for construction and signage will be subject to Landlord's reasonable discretion, not to be unreasonably withheld, and City approval. Tenant to pay the reasonable fees and charges of Landlord's architectural/engineering review. Signage is subject to legal requirements and the size and location of all signage shall include consideration of the requirements of other tenants in the building.

11. **Premises Trash Removal:** Tenant shall contract at its own expense directly with the trash service provider of its choice.

12. **Utilities:** Tenant shall be responsible for all utility consumption and shall at its own expense contract directly with the utility service provider of its choice.

13. **Maintenance and repair:** The Tenant shall be responsible for the maintenance of all the mechanical equipment for the Premises.

14. **Roof Leak/Plumbing:** The lease document shall include specific requirements for Landlord to promptly repair any roof and/or plumbing leaks into the Premises or affecting Tenant's business operations within the Premises, other than those caused by Tenant or its agent(s) or originating from plumbing lines for which Tenant has exclusive maintenance and repair responsibility.

15. **Relocate or Remodel:** Tenant shall have no obligation to reconfigure, shift, relocate or remodel the Premises.

16. **Construction Allowance:** None.

17. **Right of First Refusal:** Tenant shall have the right of first refusal to lease any space in the Building adjacent to Premises that may become available.

18. **Permitted Use:** The Premises shall only be used as a Use Group VI "FRESH food store" as defined in Section 63-01 of the New York City Zoning Resolution, and shall at all times comply with the requirements of Section 63-01 of the New York City Zoning Resolution with regard to square footage devoted to food and non-food grocery products.

19. **Operating Covenant:** Tenant covenants to commence operation of a FRESH food store within 90 days of the issuance of a temporary Certificate of Occupancy for a Use Group VI food store, and to continually operate for the duration of the term of the lease.

20. **Subletting:** Landlord shall not unreasonably withhold consent to a subletting, provided that sublessee will operate a Use Group VI FRESH food store in accordance with applicable definitions and regulations contained in the New York City Zoning Resolution.

21. **Surrender:** Upon surrender, Tenant shall have no obligation to remove the storefront or perform any other improvements, restorations or alterations to the Premises.

This letter is not intended to and does not constitute a binding agreement between the parties with respect to the Proposed Lease or otherwise. This letter shall serve as the basis for drafting the Proposed Lease.

If you are in agreement with the terms of this letter, please sign in the space provided and return same to us. An additional copy is enclosed for your records.

Very truly yours,

By: Jesus Diaz - President

Name:

Title:

AGREED TO AND ACCEPTED:

1160-1178 PUGSLEY AVE LLC

By: _____

Name: Jesus Diaz

Title: MANAGING MEMBER

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