# ASSIGNMENT OF LEASE AGREEMENT AND CONSENT OF LESSOR

THIS ASSIGNMENT (this "Assignment") is made this _____day of _____, 2019, by and between McGrail & Rowley, Inc., a Florida corporation ("Assignor") and RED Hospitality & Leisure Key West, LLC, a Delaware limited liability company registered in Florida ("Assignee") a wholly owned subsidiary of RED Hospitality & Leisure, LLC, a Delaware limited liability company registered in Florida ("Guarantor").

A. Assignor, as tenant, and the Caroline Street Corridor and Bahama Village Community Redevelopment Agency as landlord ("Landlord") have previously entered into that certain lease dated May 7,2019 per Resolution 19-143, (the "Lease"), a copy of which is attached hereto as Exhibit "A". The Lease pertains to real property commonly referred to as Unit I and outdoor storage space on Lazy Way Lane in the Historic Seaport , Key West, in Monroe County, Florida, and more particularly described on Exhibit B of the lease, which is attached hereto and incorporated by reference.

B. Assignor desires to assign all of its right, title and interest in the Lease to Assignee, Assignee desires to accept and assume the same, and Landlord is willing to consent to the proposed Assignment, all on the terms and conditions hereof.

**NOW THEREFORE**, in consideration of the mutual terms and conditions herein contained, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. Assignor hereby assigns and transfers unto Assignee all of its right, title, and interest in and to the Lease, subject to all the conditions and terms contained therein.

2. Assignor herein expressly represents and warrants that (a) it is the lawful and sole owner of the lessee's interest assigned herein, (b) Assignor's interest in the Lease is free from all encumbrances, and (c) Assignor has not received any written notice from Landlord that Assignor has failed to perform all the duties and obligations or failed to make any payments required under the Lease.

3. Assignor herein expressly acknowledges, pursuant to paragraph 10 of the Lease, that this Assignment shall not relieve Assignor from liability for payment of rent or from the obligation to keep and be bound by the terms, conditions, and covenants contained in the Lease, provided, however, no such liability shall extend beyond the expiration of the current expiration date of the initial Term (as defined in the Lease) which is **May 31, 2025**.

4. Assignee herein expressly agrees to assume, perform and be liable for all of the duties and obligations of "Tenant" required by and under the terms of the Lease, including but not limited to, the obligation to pay all rent due thereunder from and after the effective date of this Assignment.

5. This Assignment is contingent upon the completion of the sale between Assignor and Assignee of the business known as "Sebago Watersports". References herein to the "effective date" shall mean the date of the closing of the aforementioned sale transaction.

6. Assignee agrees to indemnify, defend and hold Assignor and its legal representatives, successors and assigns harmless from and against any and all losses,

damages, claims, demands, suits, judgments, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs), suffered or incurred by any of said indemnitees under or in connection with the Lease arising on or after the effective date hereof. Assignor agrees to indemnify, defend and hold Assignee and its legal representatives, successors and assigns harmless from and against any and all losses, damages, claims, demands, suits, judgments, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and court costs), suffered or incurred by any of said indemnitees under or in connection with the Lease and arising prior to the effective date hereof.

7. No later than the effective date of this Assignment, Assignee herein expressly agrees to provide to Landlord a letter of credit from a federally insured bank in favor of Landlord or a bond, as security for the faithful performance by Assignee of the terms, conditions and covenants of the Lease. The amount of the letter of credit or bond, as approved by the Landlord, shall be **$19,900.00.**

8. In the event Assignee files any form of bankruptcy, Landlord shall be entitled to immediate termination of the automatic stay provisions of 11 U.S.C. §362, granting Landlord complete relief and allowing Landlord to exercise all of its legal and equitable rights and remedies, including, without limitation, the right to terminate the Lease and dispossess Assignee from the Premises in accordance with Florida law. Additionally, Assignee agrees not to directly or indirectly oppose or otherwise defend against Landlord's effort to gain relief from any automatic stay. Landlord shall be entitled as aforesaid to the lifting of the automatic stay without the necessity of an evidentiary hearing and without the necessity or requirement of Landlord to establish or prove the value of the leasehold, the lack of adequate protection of his interest in the leasehold, or the lack of equity in the same. Assignee specifically agrees and acknowledges that the lifting of the automatic stay hereunder by the appropriate bankruptcy court shall be deemed to be "for cause" pursuant to section 362(d)(1).

9. The Guarantor does hereby absolutely, unconditionally and irrevocably guarantee to the City the full and complete performance of all of Assignee's covenants and obligations under the Lease and full payment by Assignee of all rentals, additional charges and other charges and amounts required to be paid hereunder during the entire term. Guarantor's obligations hereunder shall be primary and not secondary and are independent of the obligations of the Assignee.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;**
**SIGNATURES ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the parties have executed this Assignment as of the date first above written.

**ASSIGNOR: McGrail & Rowley, Inc., a Florida corporation**

_____
Witness to Assignor

By:_____
Name: Paul H. McGrail
Title: Director

_____
Witness to Assignor

By:_____
Name: Sean G. Rowley
Title: Director

**ASSIGNEE: RED Hospitality & Leisure Key West, LLC, a Delaware limited liability company**

_____
Witness to Assignee

By:_____
Name: Chris Batchelor
Title: President

_____
Witness to Assignee

**GUARANTOR: RED Hospitality & Leisure, LLC, a Delaware limited liability company**

**By: Ashford Inc., its Manager**

_____
Witness to Guarantor

By:_____
Name: Robert G. Haiman
Title: Executive Vice President, General Counsel and Secretary

_____
Witness to Guarantor

**ASSIGNOR ACKNOWLEDGMENT**

State of Florida }
County of Monroe }

I HEREBY CERTIFY that on this day Paul H. McGrail and Sean G. Rowley personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, _____to me personally known or who provided _____ as photo identification, and who executed the foregoing instrument and he acknowledged before me that he executed the same individually and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this ____ day of _____, 20___.

_____
Notary Public, State of Florida
My Commission Expires:

**ASSIGNEE ACKNOWLEDGMENT**

State of _____ }
County of _____ }

I HEREBY CERTIFY that on this day Chris Batchelor personally appeared before me an officer duly authorized to administer oaths and take acknowledgements, _____to me personally known or who provided _____ as photo identification, and who executed the foregoing instrument and he/she acknowledged before me that he executed the same individually and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this ___ day of _____, 20__.

_____
Notary Public, State of _____
My Commission Expires:

**GUARANTOR ACKNOWLEDGMENT**

State of _____ }
County of _____ }

I HEREBY CERTIFY that on this day Robert G. Haiman personally appeared before me an officer duly authorized to administer oaths and take acknowledgements, _____to me personally known or who provided _____ as photo identification, and who executed the foregoing instrument and he/she acknowledged before me that he executed the same individually and for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this ___ day of _____, 20__.

## CONSENT OF LANDLORD

I, Teri Johnston, Mayor of the City of Key West, the landlord named in that certain lease dated May 7, 2019 per Resolution 19-143, herein expressly consent to the Assignment so long as the sale between Assignor and Assignee of the business known as "Sebago Watersports" is completed on or before _____, failing which this Consent shall be deemed null and void, of no force or effect and withdrawn.

I also consent to the agreement by Assignee to assume, after the effective date of the Assignment, the payment of rent and the performance of all duties and obligations as set forth in the Lease and accept Assignee as tenant in the place of McGrail and Rowley, Inc. alone. Landlord hereby agrees that (i) any security deposit delivered by Assignor to Landlord in connection with the Lease will be returned to Assignor within 15 days following the effective date of the Assignment and (ii) a fee will be charged by Landlord in connection with the Assignment and Landlord's consent thereto.

Defined terms used in this Consent of Landlord shall have the meanings ascribed to such terms in the Assignment of Lease by and between McGrail and Rowley, Inc. as assignor and RED Hospitality & Leisure Key West, LLC, as assignee, to which this Consent of Landlord is attached.

**LANDLORD:**

Caroline Street Corridor and Bahama Village Community Redevelopment Agency

_____
Witness as to Landlord

_____
Teri Johnston, Chairwoman

State of Florida }
County of Monroe }

I HEREBY CERTIFY that on this day personally appeared before me, an officer duly authorized to administer oaths and take acknowledgements, Teri Johnston to me personally known or who provided _____ as photo identification, and who executed the foregoing instrument and he acknowledged before me that he executed the same for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State last aforesaid, this ____ day of _____, 20__.

_____
Notary Public, State of Florida
My Commission Expires: