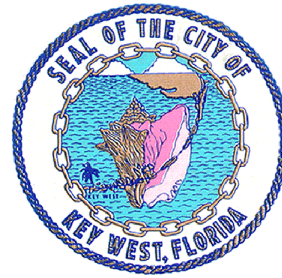


Executive Summary



TO: City Commission

CC: Jim Scholl

FR: Marilyn Wilbarger, RPA, CCIM

DT: July 30, 2015

RE: Simonton Beach Lease Assignment

ACTION STATEMENT

This is a request to approve a lease assignment from Simonton Beach Enterprises, LLC (Assignor) to Southernmost Deli, LLC (Assignee) for the building located on Simonton Beach.

HISTORY

The City entered into a lease agreement per Resolution 11-089 for the building located on Simonton Beach which is now operated as Lagerhead's Beach Bar and Watersports. The Assignor has now entered into an agreement to sell the business and assign the lease to Southernmost Deli, LLC which was established in 2004 and whose owner is Felix Wiggins. Mr. Wiggins currently owns and operates the Southernmost Deli located on Simonton Street at South Street.

The terms of the lease will not be changed and are as follows:

Demised Premises: 252 square feet

Term: Ten years commencing on October 1, 2013

Rent: 6% of gross sales which totaled \$16,783.62 in year one and \$15,712.78 through June 2015.

Use: Operation of a concession stand and watersports activities with rentals of beach accessories such as chairs and umbrellas, paddleboards, kayaks, etc. per section six of the lease.

Increases: 5% annually

Utilities: Tenant shall pay for all utility usage.

FINANCIAL STATEMENT:

The Assignee will post a deposit in the amount of \$9,000.00 as security for the payment of rent.

CONCLUSION: The lease may be assigned with the consent of the Landlord pursuant to Section 10, excerpted here for your reference, as follows:

10. ASSIGNMENT AND HYPOTHECATION - This Lease is not transferable or assignable and may not be hypothecated nor sublet without the prior written consent of the LANDLORD which may be withheld and shall be at the sole discretion of the LANDLORD.

Any assignment or sub-letting, even with LANDLORD'S consent shall not relieve TENANT from liability for payment of Rent or from the obligation to keep and be bound by the agreements of this Lease. The acceptance of Rent from any other person shall not be deemed to be a waiver of any of the agreements of this Lease or to be consent to the assignment for the benefit of creditors or by operation of law and shall not be effective to transfer any rights to any assignee without prior consent of LANDLORD. In the event TENANT wishes to assign this Lease and LANDLORD consents to such assignment, LANDLORD may charge a reasonable fee, not to exceed **\$500.00** to help offset any costs LANDLORD may have in preparing such assignment, or in examining the information, financial statements, operating history, references, etc., necessary to effectuate same. Any assignment, transfer, hypothecation, mortgage, or subletting without LANDLORD'S written consent shall give LANDLORD the right to terminate this Lease and to re-enter and repossess the Demised Premises and the LANDLORD'S right to damages shall survive.

If the TENANT is a corporation, then a sale or transfer of a controlling interest in the corporation by sale of stock or otherwise shall constitute an assignment for purposes of this provision.

There is no change of use requested, the City will receive a \$9,000.00 security deposit and the Assignee will bring his successful business experience to operate and grow this business.

ATTACHMENTS:

Tenant's Assignment Request
Assignee Corporate Documents
Assignment of Lease and Consent of Lessor
Lease
Assignee's Personal Guaranty