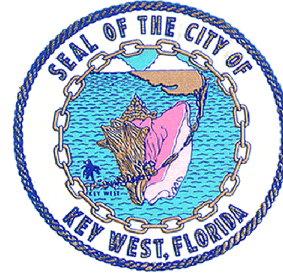


EXECUTIVE SUMMARY



**TO: Key West Bight Board
Community Redevelopment Agency**

CC: David Fernandez

FR: Marilyn Wilbarger, RPA, CCIM

DT: May 2, 2013

RE: Assignment of Lease for the Key West Ice Cream Factory, Inc.

ACTION: This is a request to approve a lease assignment from Key West Ice Cream Factory, Inc. to Waterfront Brewery, LLC. There are no other changes in the terms of the current lease agreement.

HISTORY:

The current tenant has entered into an agreement to sell the business and has requested an assignment of the current lease for the remainder of the lease term. The lease provides for assignment in Section 10 inserted below for your reference.

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.*

This TENANT may assign the Lease without the written consent of the LANDLORD for the sole and limited purpose of collateralizing a loan from a financial institution.

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.

The terms of the current lease are as follows:

Demised Premises: 1447 square feet

Use: Retail and wholesale ice cream sales, frozen yogurt, sorbet, & other related dairy products, candies, soft drinks, coffee, beer, personal pizzas, hot dogs, sandwiches, deli items, and breakfast items.

Term: Five years, expiring June 30, 2013

Rent: Current rate of \$34.03 per square foot

Additional Rent: Tenant pays its' pro-rate share of CAM, Taxes, and insurance

Percentage Rent: 6% in excess of the percentage rent base amount

Utilities: Tenant pays for all utility usage.

FINANCIAL STATEMENT:

The current tenant has met all of the financial obligations of the lease and the rents will continue pursuant to the existing lease. The proposed assignee is an LLC formed by well established local businessmen that will provide a deposit equal to one month's rent as security for the payment of rent as called for in the current lease.

RECOMMENDATION:

Staff recommends approval of the lease assignment as proposed.

ATTACHMENTS:

Lease Assignment and Consent of Lessor
Lease
First Amendment to Lease