

RESOLUTION NO. 22-038

**A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING THE ATTACHED ASSIGNMENT OF LEASE AND CONSENT OF LESSOR FROM GARRISON BIGHT MARINA, INC. (ASSIGNOR) TO GARRISON BIGHT SMI, LLC, A SUBSIDIARY OF SUNTEX MARINA INVESTORS (ASSIGNEE/GUARANTOR) FOR SUBMERGED LANDS AT 711-717 EISENHOWER DRIVE (PARCEL H/ANGELFISH PIER), AS DESCRIBED IN THE LEASE APPROVED IN RESOLUTION 20-059; PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, in Resolution 15-187 the City Commission approved "Submerged Lands Lease" with Island Tranquility, and in 17-239 the City Commission approved an assignment of Lease from Island Tranquility, Inc. to Garrison Bight Marina, Inc., and in Resolution No. 20-059 approved the First Amendment to Submerged Lands Lease Agreement (incorporating a portion of submerged Land from Parcel "I" into parcel "H", that was previously approved in a Submerged Lease Agreement approved in Resolution 19-310); and

WHEREAS, the current owner has requested an assignment of the submerged lands lease at Parcel H/Angelfish Pier, as permitted in Section 10 of the lease, to accompany an agreement to sell their business.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the attached "Assignment of Lease Agreement and Consent of Lessor" from Garrison Bight Marina, Inc. to Garrison Bight SMI, LLC, a subsidiary of Suntex Marina Investors for submerged lands at 711-717 Eisenhower Drive (Parcel "H"/Angelfish Pier) is hereby approved.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 1st day of February, 2021.

Authenticated by the Presiding Officer and Clerk of the Commission on 2nd day of February, 2021.

Filed with the Clerk on February 2, 2021.

Mayor Teri Johnston	<u>Yes</u>
Vice Mayor Sam Kaufman	<u>Yes</u>
Commissioner Gregory Davila	<u>Yes</u>
Commissioner Mary Lou Hoover	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>

  
TERI JOHNSTON, MAYOR

ATTEST:

  
CHERYL SMITH, CITY CLERK

# EXECUTIVE SUMMARY



**TO:** City Commission

**CC:** Patti McLauchlin  
Todd Stoughton  
Ron Ramsingh

**FR:** Michael Henriquez Jr, Senior Property Manager

**DT:** December 7, 2021

**RE:** Submerged Land Lease Assignment for 711-717 Eisenhower Drive in Garrison Bight

## ACTION STATEMENT

This is a request to approve a Submerged Land lease assignment from Garrison Bight Marina, Inc, (Assignor) to Garrison Bight SMI, LLC (Assignee) for the Submerged Land property located 711-717 Eisenhower Drive.

## BACKGROUND

The City entered into a lease renewal agreement pursuant to Resolution 20-059 for the two parcels in April of 2020. The city and Tenant at that time amended the submerged lands lease to include a portion of parcel I thereby expanding parcel H from 15,740 square feet to 19,874 square feet for the remainder of the lease term

**Demised Premises:** 711-717 Eisenhower submerged lands parcel H as expanded will contain approximately 19,874 square feet

**Use:** The Lessee is hereby authorized to operate a commercial docking facility with rental of wet slips, rental of recreational pleasure craft, loading/offloading passengers for charter/tour boats, to be used exclusively in conjunction with the upland use, with fueling facilities.

**Term:** 5 Years, Effective September 1, 2019

**Lease Fees:** The Lessee hereby agrees to pay to the Lessor an annual lease fee rate of \$.55 per square foot plus sales tax, if applicable, on a monthly basis. The current rate is below:

Monthly Fee	\$910.89
Sales Tax	\$63.76
<b>Total</b>	<b>\$974.65</b>

**Rent Increases:** The annual fee for the remaining years of this lease shall be increased annually on the anniversary date of the lease, which is September 1<sup>st</sup>, by .10 per square foot.

**Additional Rent:** Tenant shall pay real estate taxes, sales, use or excise taxes

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

**10. ASSIGNMENT OF LEASE** - This Lease shall not be assigned or otherwise transferred without prior written consent of the Lessor, which consent shall not be unreasonably withheld. Such assignment or other transfer shall be subject to terms, conditions and provisions of this lease, current management standards and applicable laws, rules, and regulations in effect at that time. Any assignment or other transfer without prior written consent of the lessor shall be null and void without legal effect.

**FINANCIAL:** The rental rates will continue according to the terms of the lease. The Assignee will post a performance bond equal to six month's rent totaling \$5,847.90. In addition, pursuant to current management standards, a \$500.00 transfer fee will be charged to offset the Landlord's costs associated with the preparation of the assignment necessary to effectuate same.

**STRATEGIC PLAN:** This lease is consistent with Goal Number 5 'Cleanliness', numbers 6 & 7: Lease Agreements and Clean Marinas.

**CONCLUSION:** The use remains unchanged and will continue to be used only for Marina purposes.

**ATTACHMENTS:**

Current Lease  
Exhibit A – Demised Area  
Exhibit A-1- Demised Area  
Request for Assignment  
Assignment of Lease and Consent of Lessor  
Performance Bond

### **ASSIGNMENT LEASE AGREEMENT AND CONSENT OF LESSOR**

THIS ASSIGNMENT is made this 2nd day of February, 20 22, by and between James Figuerado, Jr, as assignor, and Garrison Bight SMI, LLC, (a Delaware Limited Liability Company, 17330 Preston Road, Suite 220A Dallas, TX, as assignee.

WHEREAS, the Assignor, in consideration of the covenants and agreements contained herein, assigns and transfers to Assignee the lease agreement (hereinafter "Agreement"), effective April 14, 2020, per Resolution 20-059, a copy of which is attached hereto as Exhibit "A" and incorporated by reference, that pertains to submerged land Parcel H and a portion of Parcel I, located at 711 – 717 Eisenhower Drive, Key West, in Monroe County, Florida, and more particularly described on Attachment "A" of the Lease;

WHEREAS, 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 thereof.

1. The Assignor assigns and transfers unto the Assignee all of its right, title, and interest in and to the Agreement and amendment thereof, and premises, subject to all the conditions and terms contained in the Agreement and this Assignment. Copies of the Agreement are attached hereto, incorporated by reference, and more particularly described as Exhibit "A".

2. The Assignor herein expressly agrees and covenants that it is the lawful and sole owner of the interest assigned herein; that this interest is free from all encumbrances; and that it has performed all duties and obligations and made all payments required under the terms and conditions of the lease agreement.

3. 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.

4. The Assignee herein expressly agrees to provide to the Lessor throughout the current term of the Agreement, a performance bond from a federally insured bank in favor of lessor as security for the faithful performance by assignee of the terms, conditions and covenants of the Agreement. The amount of the performance bond shall be equal to six months of the total rent pursuant to the Agreement.

5. The Assignee herein expressly agrees herein to be liable for all the duties and obligations required by the terms of the lease agreement. The Assignee expressly agrees herein to pay all rent due after the effective date of this agreement, and to assume and perform all duties and obligations required by the terms of the lease agreement.

6. This assignment is contingent upon the completion of the sale between the assignor and assignee of the business conducted on the upland property at 711 – 717 Eisenhower Drive. References herein to the “effective date” shall mean the date of the closing of the aforementioned sale transaction. References to the upland property in this Assignment and/or the Lease refer to 711 – 717 Eisenhower Drive.

7. No later than the effective date of this Assignment, Assignee herein expressly agrees to pay Landlord \$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.

8. In the event assignee files any form of bankruptcy, lessor shall be entitled to immediate termination of the automatic stay provisions of 11 U.S.C. §362, granting the lessor complete relief and allowing the lessor to exercise all of its legal and equitable rights and remedies, including, without limitation, the right to terminate this lease and dispossess assignee from the demised premises in accordance with Florida law. Additionally, assignee agrees not to directly or indirectly oppose or otherwise defend against the lessor’s effort to gain relief from any automatic stay. The lessor 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 the lessor 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. Lessor’s consent to the lease assignment is further conditioned upon the Assignee securing a lease with the Lessor for the parcel attached as Exhibit B (more commonly referred to as the corner parcel at Palm Avenue and Eisenhower Drive) at a newly established rental rate within 2 months of the date of this assignment.

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

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

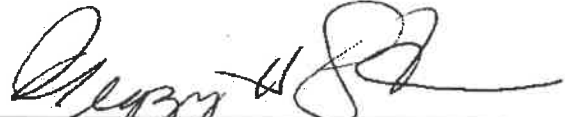
ASSIGNOR:  
Garrison Bight Marina, Inc.

  
\_\_\_\_\_  
Witness to Assignor  
Zulena Rodriguez

By:   
\_\_\_\_\_  
Name: James Figuerado, Jr  
Title: President

State of Florida }  
County of ~~Monroe~~ } Lee.

Subscribed and sworn to (or affirmed) before me, by means of ☐ physical presence or  
☒ online notarization, on 12-2-2021 (date) by  
James Figuerado (name of affiant). He/She is personally known to me or has  
produced Florida Driver License (type of  
identification) as identification.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:



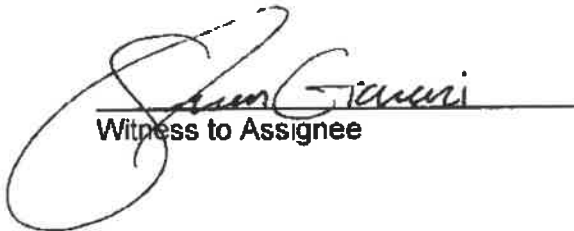
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**ASSIGNEES:**  
Garrison Bight SMI, LLC

  
Witness to Assignee

By: SMI PROPCO HOLDINGCO, LLC, a  
Delaware Limited Liability Company

Its sole member

  
Witness to Assignee

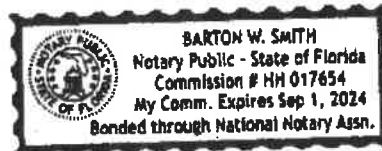
By:   
Name: David Filler  
Title: Manager Member

State of Florida     }  
County of Monroe   }

Subscribed and sworn to (or affirmed) before me, by means of ☒ physical presence or  
☐ online notarization, on 1-19-2022 (date) by  
\_\_\_\_\_ (name of affiant). He/She is ~~personally known to me~~ or has  
produced \_\_\_\_\_ (type of  
identification) as identification.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:





### CONSENT OF LESSOR

I, Teri Johnston, Mayor of the City of Key West, the Lessor named in the above assignment of that lease agreement executed by the City of Key West on effective April 14, 2020, per Resolution 20-059, herein expressly consent to that assignment so long as the sale between Assignor and Assignee of the business which is conducted on and from the submerged land lease on the premises known as 711 – 717 Eisenhower Drive is completed within two weeks of this assignment, failing which this Consent shall be deemed null and void, of no force or effect and withdrawn.

I also consent to the agreement by the 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 Assignees as tenant in the place of Garrison Bight SMI, LLC, alone.

#### LANDLORD/LESSOR:

City of Key West

By:

Teri Johnston, Mayor

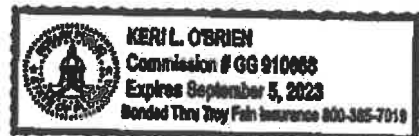
  
Witness as to Landlord/Lessor

State of Florida     }  
County of Monroe    }

Subscribed and sworn to (or affirmed) before me, by means of ☒ physical presence or ☐ online notarization, on February 2, 2022 (date) by Teri Johnston (name of affiant). r/a He/She is personally known to me or has produced \_\_\_\_\_ (type of identification) as identification.

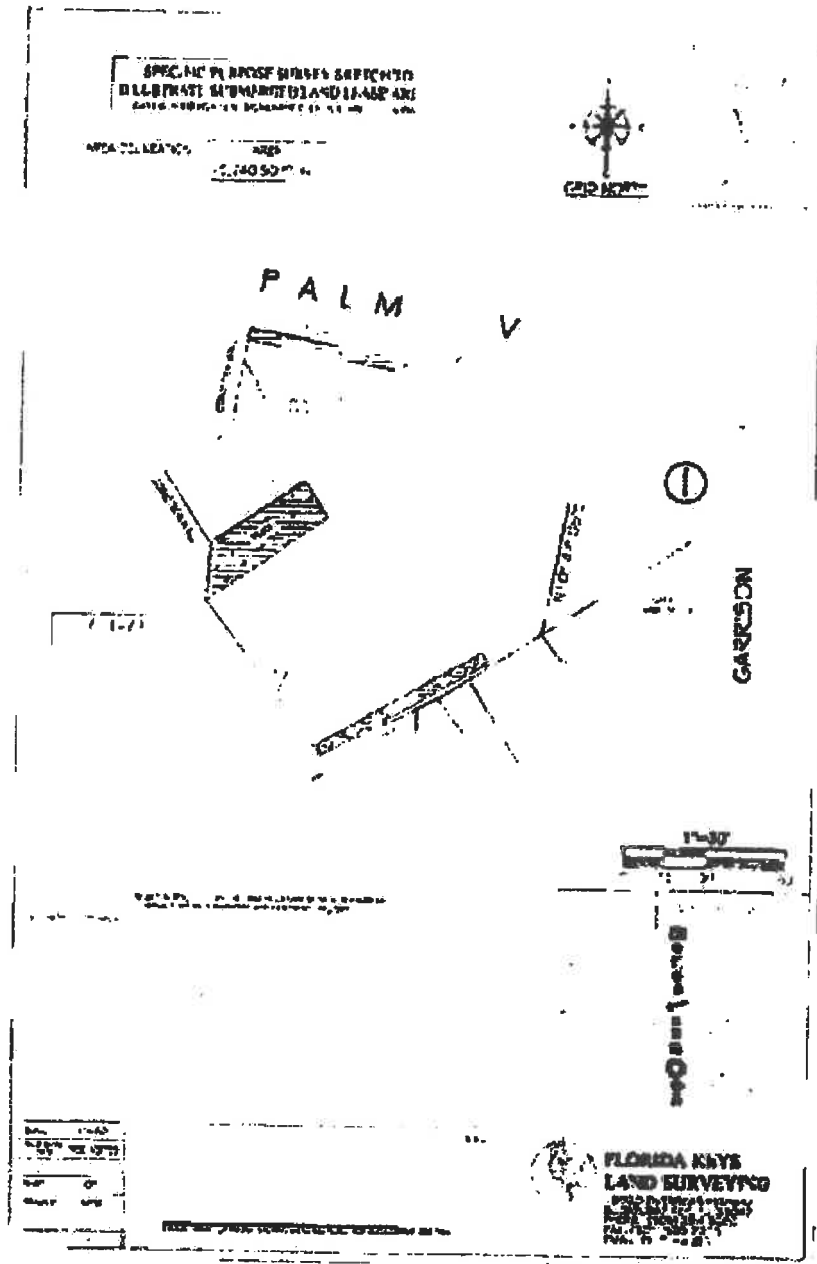
  
NOTARY PUBLIC

My Commission Expires:



**EXHIBIT "A"**  
**LEASE AGREEMENT**

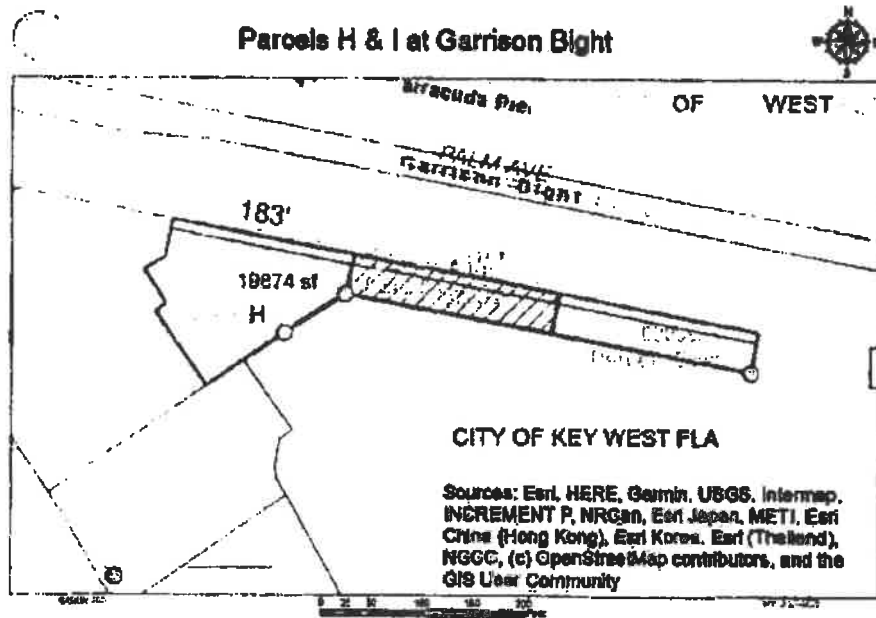
**Attachment "A"**  
**Submerged Land Survey with**  
**Riparian Upland Property Street Address**



Attachment A-1

Amended Submerged Lands Lease Parcel H Demised Area 19,874 Square Feet

Parcels H & I at Garrison Bight



**2019 SUBMERGED LAND LEASE RENEWAL**  
**711-717 Eisenhower Drive**  
**Garrison Bight Marina, Inc.**  
**413-8000-362-2900**

**Term:** 5 years effective September 1, 2019 (Year 3)

**SF:** 15,740 (Original SF)

**SF:** 19,874 (Amended SF - June 2020)

1	September 1, 2019	December 31, 2020	\$0.35	\$459.08	\$33.05	\$492.13	\$1,968.52	Pre-tax
	January 1, 2020 **	May 31, 2020	\$0.35	\$459.08	\$32.14	\$491.22	\$2,456.10	\$2,295.42
	June 1, 2020	August 1, 2020	\$0.35	\$579.66	\$40.58	\$620.24	\$1,860.72	\$1,836.33
							\$6,285.34	\$1,738.96
								\$6,870.73
2	September 1, 2020	August 1, 2021	\$0.45	\$745.28	\$52.17	\$797.45	\$9,569.40	
3	September 1, 2021	August 1, 2022	\$0.55	\$910.89	\$63.78	\$974.65	\$11,695.80	
4	September 1, 2022	August 1, 2023	\$0.65	\$1,076.51	\$75.36	\$1,151.87	\$13,822.44	
5	September 1, 2023	August 1, 2024	\$0.75	\$1,242.13	\$86.95	\$1,329.08	\$15,948.96	

**NOTES:** \* The initial annual lease fee = \$.35 per SF.

The annual fee for the remaining years of the lease increase annually by \$.10 per SF.

\*\* Combined sales tax decreased from 7.2% to 7.0%



GREGORY S. OROPEZA | ADELE VIRGINIA STONES | SUSAN M. CARDENAS

**VIA HAND DELIVERY AND ELECTRONIC MAIL**  
**MICHAEL.HENRIQUEZ@CITYOFKEYWEST-FL.GOV**

November 8, 2021

Michael Henriquez, Jr.  
Senior Property Manager  
The City of Key West  
Post Office Cox 1409  
Key West, Florida 33041-1409

RE: Request for Assignment of upland and submerged land leases at 711-717 Eisenhower Drive, Key West, Florida 33040:

Dear Mr. Henriquez,

The undersigned represents the interests of Garrison Bight Marina, Inc., a Florida corporation ("Garrison Bight Marina") with respect to a proposed sale of the real property located at 711-717 Eisenhower Drive, Key West, Florida 33040 (collectively the "Property"). There are four leases between Garrison Bight Marina and the City of Key West ("City") – (1) Angelfish Pier Upland Lease, (2) Parcel H Submerged Land Lease, (3) Parcel I Submerged Land Lease, and (4) Upland Lease at the corner of Eisenhower Drive and Palm Avenue (collectively the "Leases"). True and correct copies of the Leases are attached hereto and incorporated herein.

Garrison Bight Marina respectfully requests the assignment of the Leases to Garrison Bight SMI, LLC, the purchaser of the Property. By way of brief background, Garrison Bight SMI, LLC is a subsidiary of Suntex Marina Investors, which engages in the ownership and management of marina properties across the United States. The executive officers at Suntex have over 100 years combined experience investing in, acquiring, and managing marinas. Suntex prides itself on a growing reputation in the marina industry for its commitment to superior customer service, experienced marina managers and staff, conscious contributions to marina communities and expansive enthusiasm for creating memorable experiences on the water. The Suntex portfolio of marinas are located in California, Florida, Georgia, Iowa, Kentucky, Maryland, New Jersey, Oklahoma, Texas, Tennessee and Virginia.

If you should require any additional information, please do not hesitate to contact me.

Very Truly Yours,

  
Gregory S. Oropeza

Enc.

**LEASE BOND**  
**Annually Renewable Form**

Travelers Casualty and Surety Company of America  
One Tower Square, Hartford, CT 06183

Bond No. 107017304

KNOW ALL BY THESE PRESENTS, that we Garrison Bight SM1, LLC, as Principal, and Travelers Casualty and Surety Company of America, of Hartford, Connecticut, authorized to do business in the FL, as Surety, are held and firmly bound unto City of Key West, Florida, as Obligor, in the sum of Five Thousand Eight Hundred Forty-Seven and 90/100 Dollars (\$ 5,847.90), lawful money of the United States of America, for which payment well and truly to be made we bind ourselves, our heirs, executors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Lease Agreement with the Obligor, effective the 1st day of February, 2022, and terminating the 1st day of September, 2024, for Submerged Land Lease Parcel H & I pursuant to Resolution #20-059 and more fully described in said Lease Agreement, said Lease Agreement is hereby referred to and made a part hereof.

NOW, THEREFORE, the condition of this obligation is such that if the above named Principal, its successors and assigns, shall well and truly perform its obligations as set forth in the above mentioned Lease Agreement, then this Bond shall be void; otherwise to remain in full force and effect pursuant to its terms.

Notwithstanding anything to the contrary in the Lease Agreement, the Bond is subject to the following express conditions:

1. Whereas, the Obligor has agreed to accept this Bond, this Bond shall be effective 2/1/2022, and shall remain in full force and effect thereafter for a period of one year and will automatically extend for additional one year periods from the expiry date hereof, or any future expiration date, unless the Surety provides to the Obligor not less than Sixty (60) days advance written notice of its intent not to renew this Bond or unless the Bond is earlier canceled pursuant to the following. This Bond may be canceled at any time upon thirty (30) days advance written notice from the Surety to the Obligor.
2. Neither (a) the Surety's decision not to renew this Bond, nor (b) the failure or inability of the Principal to file a replacement bond or other security in the event the Surety exercises its right to not renew this Bond, shall itself constitute a loss to the Obligor recoverable under this Bond or any extension thereof.
3. Regardless of the number of years this Bond is in force, this Bond shall have a final and definite expiration date of (9/1/2024), unless earlier nonrenewed or canceled pursuant to paragraph 1 above.
4. No claim, action, suit or proceeding, except as hereinafter set forth, shall be had or maintained against the Surety on this instrument unless such claim, action, suit or proceeding is brought or instituted upon the Surety within one year from termination or expiration of the bond term.
5. Regardless of the number of years this Bond is in force the liability of the Surety shall not be cumulative in amounts from period to period and shall in no event exceed the amount set forth above, or as amended by rider.
6. Any notice, demand, certification or request for payment, made under this Bond shall be made in writing to the Surety at the address specified below. Any demand or request for payment must be made prior to the expiry date of this Bond.

Surety Address: Travelers Casualty and Surety Company of America  
One Tower Square, 4PB  
Hartford, CT 06183  
Attn: Bond Claim

7. If any conflict or inconsistency exists between the Surety's obligations or undertakings as described in this Bond and as described in the underlying Contract, then the terms of this Bond shall prevail.

SIGNED, SEALED AND DATED this 21st day of January, 2022.

Garrison Bight SM1, LLC  
By: [Signature]  
Principal

Travelers Casualty and Surety Company of America  
By: [Signature]  
Kristin Darling, Attorney-in-Fact

**TRAVELERS**

**Travelers Casualty and Surety Company of America**  
**Travelers Casualty and Surety Company**  
**St. Paul Fire and Marine Insurance Company**

**POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS:** That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Kristin Darling** of **HOUSTON, Texas**, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

**IN WITNESS WHEREOF,** the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this 21st day of April, 2021.



State of Connecticut

City of Hartford ss.

By: \_\_\_\_\_

Robert L. Raney, Senior Vice President

On this the 21st day of April, 2021, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

**IN WITNESS WHEREOF,** I hereunto set my hand and official seal.

My Commission expires the 30th day of June, 2026



\_\_\_\_\_  
 Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

**RESOLVED,** that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED,** that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED,** that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED,** that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this 21st day of January, 2022



\_\_\_\_\_  
 Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.**  
**Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.**