

EXHIBIT C

IN THE CIRCUIT COURT OF THE
SIXTEENTH JUDICIAL CIRCUIT IN
AND FOR MONROE COUNTY,
FLORIDA

CASE NO. 2011-CA-1205-K

210 DUVAL STREET, LLC,

Plaintiff,

v.

ELYSSE OF KEY WEST, INC.,
a Florida corporation,

Defendant.

_____ /

SETTLEMENT AGREEMENT

Plaintiff, 210 DUVAL STREET, LLC ("Landlord"), and Defendant,
ELYSSE OF KEY WEST, INC. ("Tenant"), have agreed to resolve the issues in
this case pursuant to the following terms:

1. Landlord stipulates and agrees that the lease renewal option in Article
XII of the parties' July 12, 2004 Lease ("Lease") was validly exercised, and
Tenant's tenancy in the leased premises (as adjusted per ¶¶4 and 5, below) shall
continue through and until June 30, 2014.

2. Landlord stipulates and agrees that, as soon as Landlord receives the
funds from the Court Registry and settlement amount as outlined in ¶¶10 and 11,

below, Tenant is current on all rent obligations pursuant to the Lease through August 31, 2012.

3. Beginning with the rent payment due on September 1, 2012, Tenant's monthly rent obligation for the remainder of the Lease term (i.e. through and until June 30, 2014) shall be THIRTY EIGHT THOUSAND AND NO/100 DOLLARS (\$38,000.00) per month, inclusive of sales tax.

4. No later than October 15, 2012, the leased premises shall include only the 5,575 square foot retail area at 210 – 216 Duval Street and 8 Charles Street.

5. The second floor apartments currently rented (i.e. the 210 Duval Street Apartment and the 8 Charles Street Apartment, which apartments comprise 2,755 square feet — collectively referred to herein as "Apartments") shall no longer be part of Tenant's tenancy. Prior to October 15, 2012, Tenant shall notify Landlord, in writing, that the Apartments are not damaged, vacant, broom clean and have been removed of all appliances. If the second floor is not vacated pursuant to this paragraph, and Tenant has failed to cure any default within five (5) days of Landlord's written notice of such default, then the primary Lease between the parties shall be canceled.

6. Effective September 1, 2012, the Lease is amended so that Tenant's obligation to pay Tenant's proportionate share of *ad valorem* real estate taxes shall be 56.55%, rather than the 84.50% referenced in the Lease.

7. With regard to *ad valorem* real estate taxes for calendar year 2012, Tenant shall be responsible for 84.50% of such *ad valorem* taxes for eight (8) months (i.e. January 1, 2012 through August 31, 2012) of 2012, and for 56.55% of such *ad valorem* taxes for the remaining four (4) months of 2012 (i.e. September 1, 2012 through December 31, 2012). *For illustration purposes only, if the total ad valorem tax bill for 2012 is \$30,000, Tenant's obligation for the tax bill shall be \$22,555.00.*

8. Currently, both Landlord and Tenant procure property insurance for the leased premises. Effective immediately, Landlord may, but is not required to, cancel Landlord's property insurance on the leased premises. In any event, Tenant shall continue to insure ~~the~~ the leased premises.

9. Effective September 1, 2012, Landlord and Tenant shall work together to ensure that Tenant receives the monthly sewer/garbage invoices generated by the City of Key West for sewer/garbage services for the premises being leased by the Tenant. Tenant shall be responsible for the payment of such sewer/garbage invoices. In the event Landlord becomes aware that Tenant has not paid the sewer/garbage invoices for premises being rented by Tenant, Landlord shall immediately notify Tenant of such fact and Tenant shall remedy such situation.

10. Within thirty (30) days of the date of this Settlement Agreement, Tenant shall pay to Landlord the sum of \$50,000.00.

11. The sum of \$53,000.00 currently resides with the Clerk of the Court, having been deposited by Tenant into the Registry of the Court pursuant to the February 22, 2012 Agreed Order Requiring Defendant, Elysse Of Key West, Inc., to Deposit Funds Into Registry Of Court. The parties stipulate and agree to the entry of an order authorizing the Clerk to release all such funds in the Registry of the Court to Landlord. Counsel for Landlord shall prepare the Agreed Order in this regard.

12. Landlord and Tenant each release the other party for any and all claims each may have against the other party, which claim(s) in any way relate to the Lease, or to the tenancy thereby created, which claims arose, were made, or could have been made prior to the date of this Settlement Agreement. This release provision shall be self-executing and not require a collateral document.

13. The parties stipulate and agree that this Settlement Agreement is being entered into to resolve all disputes related to the parties regarding the Lease and any other claims which were brought, or could have been brought, in this lawsuit; all such claims having been satisfied concurrent with the payment referenced in ¶10, above.

14. Neither party admits liability to the other party and both parties expressly disclaim any liability to the other party.

15. Each party shall bear their own costs and attorney's fees.


16. Unless otherwise altered by this Settlement Agreement, all remaining terms of the Lease remain in full force and effect.

17. The parties expressly agree to the dismissal of this lawsuit, with prejudice, with the Court retaining jurisdiction to enforce the terms of this Settlement Agreement.

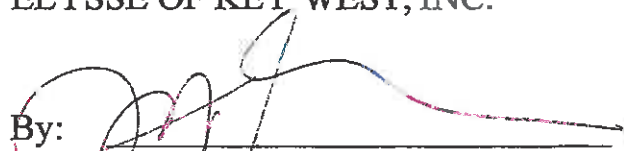
210 DUVAL STREET, LLC

ELYSSE OF KEY WEST, INC.

By:


NANCY PRICE LEACH
Managing Member
Date: Aug 30th-12


By:


JUDITH GREENBERG
President
Date: 9/11/12

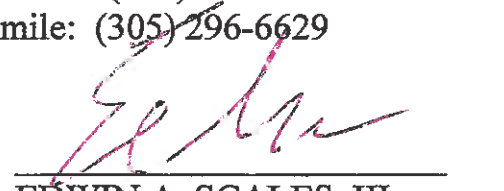
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Date: Aug 30th-12

By:


EDWIN A. SCALES, III
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Date: 9/13/2012

Attorney for Plaintiff

Attorney for Defendant