



SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY

AGENDA REQUEST

AGENDA OF:	11-14-13	AGENDA REQUEST NO:	I-C
INITIATED BY:	REGINA MORALES	RESPONSIBLE DEPARTMENT:	ECONOMIC DEVELOPMENT
PRESENTED BY:	REGINA MORALES, DIRECTOR OF ECONOMIC DEVELOPMENT	DIRECTOR:	REGINA MORALES <i>RFM</i>
		ADDITIONAL DIRECTOR (S):	N/A

SUBJECT / PROCEEDING: CONSIDERATION AND ACTION ON AUTHORIZING EXECUTION OF AN ASSIGNMENT AND ASSUMPTION OF LEASE BY AND AMONG SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY, TOWN CENTER LAKESIDE, LTD, AND LCFRE SUGAR LAND TOWN SQUARE, LLC, REGARDING THE MASTER LEASE AGREEMENT FOR THE SUGAR LAND TOWN SQUARE PLAZA KIOSKS

EXHIBITS: ASSIGNMENT AND ASSUMPTION OF LEASE BY AND AMONG SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY, TOWN CENTER LAKESIDE, LTD, AND LCFRE SUGAR LAND TOWN SQUARE, LLC

CLEARANCES	APPROVAL
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LEGAL:	EUGENIA CANO, FIRST ASSISTANT CITY ATTORNEY <i>EAC</i>	VICE PRESIDENT:	REGINA MORALES <i>RFM</i>
		PRESIDENT:	ALLEN BOGARD <i>Allen Bogard</i>

RECOMMENDED ACTION

Approve Assignment and Assumption of Lease.

EXECUTIVE SUMMARY

The closing for the pending sale of Town Center Lakeside, Ltd’s (Town Center Lakeside) assets in Sugar Land Town Square (SLTS) is scheduled for November 14th. At the time of SLTS creation, a local government corporation (LGC), named Sugar Land Town Square Development Authority (SLTSDA), was established to act as the owner of public investments that include the Sugar Land Town Square Plaza, the Conference Unit within the Marriott Hotel and certain conference parking spaces. The SLTSDA is a party to the Conference Center and Parking Lease Agreement with the owners of the Marriott Hotel and a Master Lease Agreement with Town Center Lakeside pertaining to the 2 Kiosks in the public square.

The future new owners have requested the Landlord’s approval of Assignment and Assumption of the Master Lease for the two Kiosks in the plaza. The attached Assignment and Assumption of Lease approves the

Assignor's ability to assign all of its rights, title, and interest as Tenant in, to, and under the Lease, and Assignee (LCFRE) accepts such assignment. The Assignee assumes all of the Assignor's obligations under the Lease. The Landlord (SLTSDA) also consents to the assignments of the Sublicenses for A Dog's Life and Houck's House of Blooms.

Staff recommends approval of the Assignment and Assumption of Lease.

EXHIBITS

Assignment and Assumption of Lease by and among Sugar Land Town Square Development Authority, Town Center Lakeside, LTD, and LCFRE Sugar land Town Square, LLC

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "Assignment") is entered into by and between TOWN CENTER LAKESIDE, LTD., a Texas limited partnership ("Assignor"), and LCFRE SUGAR LAND TOWN SQUARE, LLC, a Delaware limited liability company ("Assignee"), and is consented to by SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY, a Texas local government corporation ("Landlord").

RECITALS:

A. On or about March 31, 2004, that certain Master Lease Agreement (Sugar Land Town Square Plaza Kiosks (the "Lease")) was entered into by and between Landlord and Assignor (as Tenant), covering the Leased Land as more fully-described in the Lease, reference to which is here made for all purposes.

B. Assignor desires to assign to Assignee all of its right, title, and interest as Tenant in, to, and under the Lease, and Assignee desires to accept the assignment thereof and assume Assignor's obligations thereunder.

C. Unless a contrary meaning is expressly indicated, the terms used in this Assignment shall have the same meanings as in the Lease.

NOW, THEREFORE, in consideration of the premises and conditions contained herein, the parties hereby agree as follows:

AGREEMENT:

1. Assignor hereby assigns to Assignee all of its right, title, and interest as Tenant in, to, and under the Lease, and Assignee hereby accepts such assignment.

2. Assignor represents and warrants to Assignee the following: (i) the Lease has not been amended; and (ii) no default exists under this Lease by either Assignor or Landlord, and the Lease is in full force and effect.

3. Assignee hereby assumes all of Assignor's obligations under the Lease (as amended) arising after the date hereof and agrees fully and faithfully to pay, perform, and discharge, as and when payment, performance, and discharge are due, all of Assignor's obligations under the Lease arising after the date hereof.

4. In accordance with Section 7.1 of the Lease, the Landlord hereby consents to (i) this Assignment; (ii) the sublease of part of the Leased Land (Kiosk No. 1, as defined in the Lease) to Sharlene Jacobson, an individual, d/b/a A Dog's Life ("Sublicensee 1") pursuant to that certain Kiosk License Agreement dated June 13, 2007, as amended by that certain First Amendment to Kiosk License Agreement dated June 2, 2008, that certain Second Amendment to Kiosk License Agreement dated June 3, 2008, that certain Third Amendment to Kiosk License Agreement dated June 9, 2008, that certain Fourth Amendment to Kiosk License Agreement dated March 30, 2012, and that certain Fifth Amendment to Kiosk License Agreement dated November 7, 2013 (as amended "Sublicensee 1"); and (iii) the sublease of the remainder of the

Leased Land (Kiosk No. 2 as defined in the Lease) to Houck's House of Blooms, LLC, a Texas limited liability company ("Sublicensee 2") pursuant to that certain Kiosk License Agreement dated May 13, 2009, as amended by that certain First Amendment to License Agreement dated February 18, 2010 and that certain Second Amendment to License Agreement dated April 19, 2013 (as amended, "Sublicense 2").

5. In the event of any litigation between Assignor and Assignee arising out of the obligations of either Assignor or Assignee under this Assignment, the losing entity shall pay the prevailing entity's costs and expenses of such litigation, including, without limitation, reasonable attorneys' fees.

6. This Assignment shall be binding on and inure to the benefit of Assignor and Assignee and their respective successors in interest and permitted assigns.

7. Assignor hereby agrees to indemnify and hold Assignee harmless from and against any claim, demand, liability, cost, or expense asserted against Assignee (including, without limitation, and by way of example only, reasonable attorney's fees, disbursements and amounts paid in settlement of claims) arising out of the failure of Assignor to perform its obligations under the Lease during the period prior to the date of this Assignment.

8. Assignee hereby agrees to indemnify and hold Assignor harmless from and against any claim, demand, liability, cost or expense asserted against Assignor (including, without limitation, and by way of example only, reasonable attorney's fees, disbursements and amounts paid in settlement of claims) arising out of the failure of Assignee to perform its obligations under the Lease during the period on or after the date of this Assignment.

9. This Assignment may be executed in multiple counterparts and shall be valid and binding with the same force and effect as if Assignor and Assignee had executed the same Assignment.

[Signature page follows]

IN WITNESS WHEREOF, Assignor, Assignee, and Landlord have executed this Assignment as of the dates shown below, but made effective as of the ____ day of _____, 2013.

ASSIGNOR:

TOWN CENTER LAKESIDE, LTD., a Texas limited partnership

By: SPI/TCL, LLC, a Texas limited liability company, its sole General Partner

By: _____
Les A. Newton, Manager

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on this _____ day of _____, 2013, by Les A. Newton, Manager of SPI/TCL, LLC, a Texas limited liability company, on behalf said limited liability company, acting in its capacity as the sole General Partner on behalf of TOWN CENTER LAKESIDE, LTD., a Texas limited partnership.

Notary Public in and for The State of Texas

ASSIGNEE:

LCFRE SUGAR LAND TOWN SQUARE, LLC

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 2013, by _____, _____ of LCFRE SUGAR LAND TOWN SQUARE, LLC, a Delaware limited liability company, on behalf of said limited liability company.

Notary Public in and for The State of Texas

LANDLORD:

SUGAR LAND TOWN SQUARE
DEVELOPMENT AUTHORITY

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on this _____ day of _____, 2013, by _____, _____ of SUGAR LAND TOWN SQUARE DEVELOPMENT AUTHORITY, a Texas local government corporation, on behalf of said corporation.

Notary Public in and for The State of Texas