

TO: Renee Jadusingh, Executive Director  
CC: Christine Tibbs, Assistant Director  
FROM: Donald J. Doody, Esq., Office of General Counsel *DJD*  
DATE: November 22, 2019  
RE: Lease renewal requested by Emanuel Jackson, Sr. Project, Inc.

---

Our office is in receipt of an email from Ms. Christine Tibbs, Assistant Director of the Delray Beach Community Redevelopment Agency (“DBCRA”) dated November 21, 2019. The email from Ms. Tibbs seeks a legal opinion relative to a tenant’s request to extend the term of an existing lease which according to the terms of the lease will expire on January 14, 2020.

Answer:

In accordance with the terms of the Purchase and Sale Agreement entered into with BH3 Management, LLC, the DBCRA has agreed not to enter into any new leases or extend current leases based on month-to-month tenancies on properties subject to the Agreement with BH3. Therefore, to ensure compliance with the terms of the Purchase and Sale Agreement, the DBCRA cannot approve the request at this time to extend the lease with Emanuel Jackson, Sr. Project, Inc.

Facts:

In November of 2017, the DBCRA entered into a Commercial Lease Agreement (“Lease”) with Emanuel Jackson, Sr. Project, Inc. for Unit 700 located at 700 West Atlantic Avenue, Delray Beach. The Lease provided for a total rent of Two Dollars and 00/100 (\$2.00) for a two (2) year term. The term commenced on January 15, 2018 and expires on or before January 14, 2020.

In April of 2019, the DBCRA entered into a Purchase and Sale Agreement (“Agreement”) with BH3 Management, LLC (“BH3”) which provides for the sale of DBCRA-owned properties to BH3 for redevelopment purposes. One of the parcels to be conveyed by the DBCRA to BH3 is the parcel where the leasehold premises currently occupied by the tenant, Emanuel Jackson, Sr. Project, Inc., is located.

Section 4 of the Agreement contains numerous representations made by the DBCRA as Seller to induce BH3 to enter into the Agreement. One of the representations is as follows:

*Seller shall comply with all of the obligations of Seller under all leases relating to the Property, the service agreements and all other agreements and contractual arrangements by which Seller and/or the Property are bound. Seller shall maintain all existing insurance coverage in full force and effect through Closing and shall pay all required premiums and other*

*charges. Seller agrees not to enter into any new leases or extend current leases based on month-to-month tenancies.*

Given the express language of the language set forth above, the DBCRA would not be in compliance with the terms of the Agreement should it grant the request to extend the term of the Lease with Emanuel Jackson, Sr. Project, Inc.

Conclusion:

At this time, the DBCRA cannot, without running afoul of its Agreement with BH3, extend the term of the Lease with Emanuel Jackson, Sr. Project, Inc. As an option, the DBCRA can seek the approval of BH3 to allow for an extension to the Emanuel Jackson, Sr. Project, Inc. Lease to a date certain or allow the tenant to remain in possession of the leasehold premises on a month-to-month tenancy. This would require an amendment to the Purchase and Sale Agreement.

Should you have any questions relative to this matter, please feel free to contact our office.