

Monday, April 27, 2009

MEMORANDUM

To: Sawmill Cove Industrial Park Board of Directors
From: Garry White, Director
Subject: Theobroma Chocolate

Background

Theobroma Chocolate Company and the CBS entered into a 5 year lease agreement on 04/10/2003 until 04/30/2008. The agreement allowed for one - 5 year extension.

The Sawmill Cove Board met in July and August 2008 to consider a request from Theobroma to extend the lease for one year.

At the August 4, 2008 meeting the Board "moved to recommend to the Assembly that the lease with Theobroma Chocolate Company be extended for one year, from May 1, 2008 through April 30, 2009 with the requirement that Theobroma remain current on payments for the promissory note, utilities, and lease, and that notice of default shall be reduced from 45 days to 30 days."

On August 12, 2008, the Assembly approved the recommendation from the SCIP Board.

An amendment to the lease agreement was drawn up and presented to the lease holder. The lease holder has refused to sign the amendment after multiple attempts.

The lease holder is currently operating in lease hold over status.

Additional Information

The current lease rates with the annual CPI adjustment as of July 10, 2008 are as follows:

Manufacturing space (2,512 SF)	\$1,655.76 per month or \$.66/SF
Retail space (1,244 SF)	\$956.63 per month or \$.77/SF
Total space (3,756 SF)	\$2,612.39 per month or \$.70/SF
	or
	\$31,348.68 annually