

EXHIBIT A



Application For Lawful Unit Determination

City of Key West, Florida • Planning Department

3140 Flagler Avenue • Key West, Florida 33040-4602 • 305-809-3720

RECEIVED

JUL 24 2014

**CITY OF KEY WEST
PLANNING DEPT.**

Application Fee: \$1,000.00

Ordinance 13-19, Effective March 1, 2014

Please complete this application and attach all required documents. This will help staff process your request quickly and obtain necessary information without delay. If you have any questions, please call 305-809-3720.

PROPERTY DESCRIPTION:

Site Address: 210-216 DUVAL - 8 CHARLES STREET
Real Estate (RE) #: 00001420-000000 Alternate Key: 1001449
Zoning District: HR-CC-1 Total Land Area (sq ft): 7,480-
Property located within the Historic District? ☒ Yes ☐ No

APPLICANT: ☐ Owner ☒ Authorized Representative

Name: THOMAS E. POPE
Mailing Address: 610 WHITE STREET
City: KEY WEST State: FL Zip: 33040
Home/Mobile Phone: _____ Office: 296-3611 Fax: _____
Email: tepoepa@aol.com

PROPERTY OWNER: (if different than above)

Name: 210 DUVAL STREET, LLC
Mailing Address: PO BOX 2068
City: KEY WEST State: FL Zip: 33045
Home/Mobile Phone: _____ Office: _____ Fax: _____
Email: _____

Is this request based on a code case? ☐ Yes ☒ No Case Number: _____

UNIT TYPE	NUMBER OF UNITS	
	EXISTING	LICENSED ¹ / RECOGNIZED
Market-Rate Residential Dwelling Units	2	1
Affordable Residential Dwelling Units ²	0	0
Transient Units	1	0
Commercial Units		

¹ Please provide City Licensing Records from the Building Department

² All units allocated as affordable are subject to Section 122-1467(c), (d), (e), and (f) of the Workforce Housing Ordinance. Applicant Eligibility Requirements are subject to Section 122-1469 (2) through (15) of the Workforce Housing Ordinance. Affordable housing projects enabled by federal tax credit housing are not subject to 122-1467(c).

The review process for lawful unit determination is as follows:

1. Applications will be processed on a first come, first serve basis. If the property is under contract with a scheduled closing date, staff will consider an expedited review;
2. Staff will schedule a site visit to include the Building Official when the application is under review;
3. If a unit(s) is recognized, the Collections Manager will coordinate with the applicant regarding any back fees owed; and
4. The lawful unit determination shall be rendered to the DEO for a determination of consistency with the principals for guiding development.

Application checklist:

- ☒ Application fee. Please make checks payable to "City of Key West."
- ☒ Notarized verification form signed by property owner or the authorized representative.
- ☒ Notarized authorization form signed by property owner, if applicant is not the owner.
- ☒ Copy of recorded warranty deed
- ☒ Survey
- ☒ Sketch of site and floor plan
- ☒ Supporting documentation that unit existed

2014 FLORIDA LIMITED LIABILITY COMPANY ANNUAL REPORT

DOCUMENT# L04000092751

Entity Name: 210 DUVAL STREET, LLC

Current Principal Place of Business:

1700 N. ROOSEVELT BLVD.

#5

KEY WEST, FL 33040

Current Mailing Address:

PO BOX 2068

KEY WEST, FL 33045 US

FEI Number: 20-2113143

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

HIGHSMITH, ROBERT EESQ

3158 NORTHSIDE DRIVE

KEY WEST, FL 33040 US

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent

Date

Authorized Person(s) Detail :

Title MGRM

Name LEACH, NANCY PRICE

Address 3311 RIVIERA DR.

City-State-Zip: KEY WEST FL 33040

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am a managing member or manager of the limited liability company or the receiver or trustee empowered to execute this report as required by Chapter 605, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: NANCY PRICE LEACH

MGRM

03/25/2014

Electronic Signature of Signing Authorized Person(s) Detail

Date

THIS INSTRUMENT WAS PREPARED BY AND RETURN TO:
Robert E. Highsmith, Esq.
FELDMAN KOENIG & HIGHSMITH, P.A.
3158 Northside Drive
Key West, Florida 33040

Doc# 1487602 12/29/2004 3:34PM
Filed & Recorded in Official Records of
MONROE COUNTY DANNY L. KOLHAGE

DEED DOC STAMP CL: FP \$23,275.00

Folio Number: 00001420-000000
Grantee(s) S.S. #(s):

SPACE ABOVE

Doc# 1487602
Bk# 2071 Pg# 1603

WARRANTY DEED

THIS INDENTURE, made this 29th day of December, 2004, between WALTER F. PRICE, AS TRUSTEE OF THE WALTER F. PRICE DECLARATION OF TRUST DATED APRIL 22, 1998, Grantor, and 210 DUVAL STREET, LLC, a Florida Limited Liability Company, whose post office address is P.O. Box 2068, Key West, Florida 33045, Grantee:

("Grantor" and "Grantee" are used for singular or plural, as context requires)

WITNESSETH, that said Grantor, for and in consideration of the sum of \$10.00 and other good and valuable considerations to said Grantor in hand paid by said Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold to the said Grantee, and Grantee's heirs and assigns forever, the following described lot, piece or parcel of land, situate, lying and being in the County of Monroe, State of Florida, to wit:

On the Island of Key West, and known on William A. Whitehead's Map, delineated in February, A.D. 1829, as Parts of Lots One (1) and Two (2) of Square Fifteen (15).

Commencing on the Southern corner of Charles and Duval Streets, and running in a Southeasterly direction Eighty-five (85) feet in line with Duval Street; thence in a Southwesterly direction Eighty-eight (88) feet; thence in a Northwesterly direction Eighty-five (85) feet; thence in a Northeasterly direction along the line of Charles Street Eighty-eight (88) feet to the Point of Beginning.

AND GRANTOR does hereby fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

THE PROPERTY BEING CONVEYED HEREIN IS NOT THE HOMESTEAD OF THE GRANTOR.

IN WITNESS WHEREOF, Grantor has signed and sealed these presents the day and year first written above.

Witness Signature

Printed Name

Witness Signature

Printed Name

WALTER F. PRICE, as Trustee

STATE OF FLORIDA)

COUNTY OF MONROE)

On this 29th day of December, 2004, before me personally came WALTER F. PRICE, who are personally known to me (yes) (no) or who have produced _____ as identification to me, and who acknowledged execution of the foregoing instrument.

Notary Public, State of Florida



MONROE COUNTY
OFFICIAL RECORDS

City of Key West
Planning Department



Authorization Form
(Where Owner is a Business Entity)

Please complete this form if someone other than the owner is representing the property owner in this matter.

I, 210 Duval Street, LLC as
Please Print Name of person with authority to execute documents on behalf of entity

Nancy Price Leach of 210 Duval Street, LLC
Name of office (President, Managing Member) *Name of owner from deed*

authorize Thomas E. Pope
Please Print Name of Representative

to be the representative for this application and act on my/our behalf before the City of Key West.

Nancy Price Leach
Signature of person with authority to execute documents on behalf on entity owner

Subscribed and sworn to (or affirmed) before me on this 7/24/2014 by
date

Nancy Price
Name of Authorized Representative

He/She is personally known to me or has presented _____ as identification.

M. Holly Booton
Notary's Signature and Seal

M. Holly Booton
Name of Acknowledger typed, printed or stamped

FF070470
Commission Number, if any



M. HOLLY BOOTON
MY COMMISSION # FF 070470
EXPIRES: December 26, 2017
Bonded Thru Budget Notary Services

City of Key West
Planning Department



Verification Form

(Where Authorized Representative is an individual)

I, Thomas E. Pope, being duly sworn, depose and say that I am the Authorized Representative of the Owner (as appears on the deed), for the following property identified as the subject matter of this application:

210-216 Duval Street, Key West, FL
Street address of subject property

All of the answers to the above questions, drawings, plans and any other attached data which make up the application, are true and correct to the best of my knowledge and belief. In the event the City or the Planning Department relies on any representation herein which proves to be untrue or incorrect, any action or approval based on said representation shall be subject to revocation.

Thomas E. Pope

Signature of Authorized Representative

Subscribed and sworn to (or affirmed) before me on this 7/24/2014 by
date

Thomas E. Pope
Name of Authorized Representative

He/She is personally known to me or has presented _____ as identification.

M. Holly Booton
Notary's Signature and Seal

M. Holly Booton
Name of Acknowledger typed, printed or stamped



M. HOLLY BOOTON
MY COMMISSION # FF 070470
EXPIRES: December 26, 2017
Bonded Thru Budget Notary Services

FF 070470
Commission Number, if any

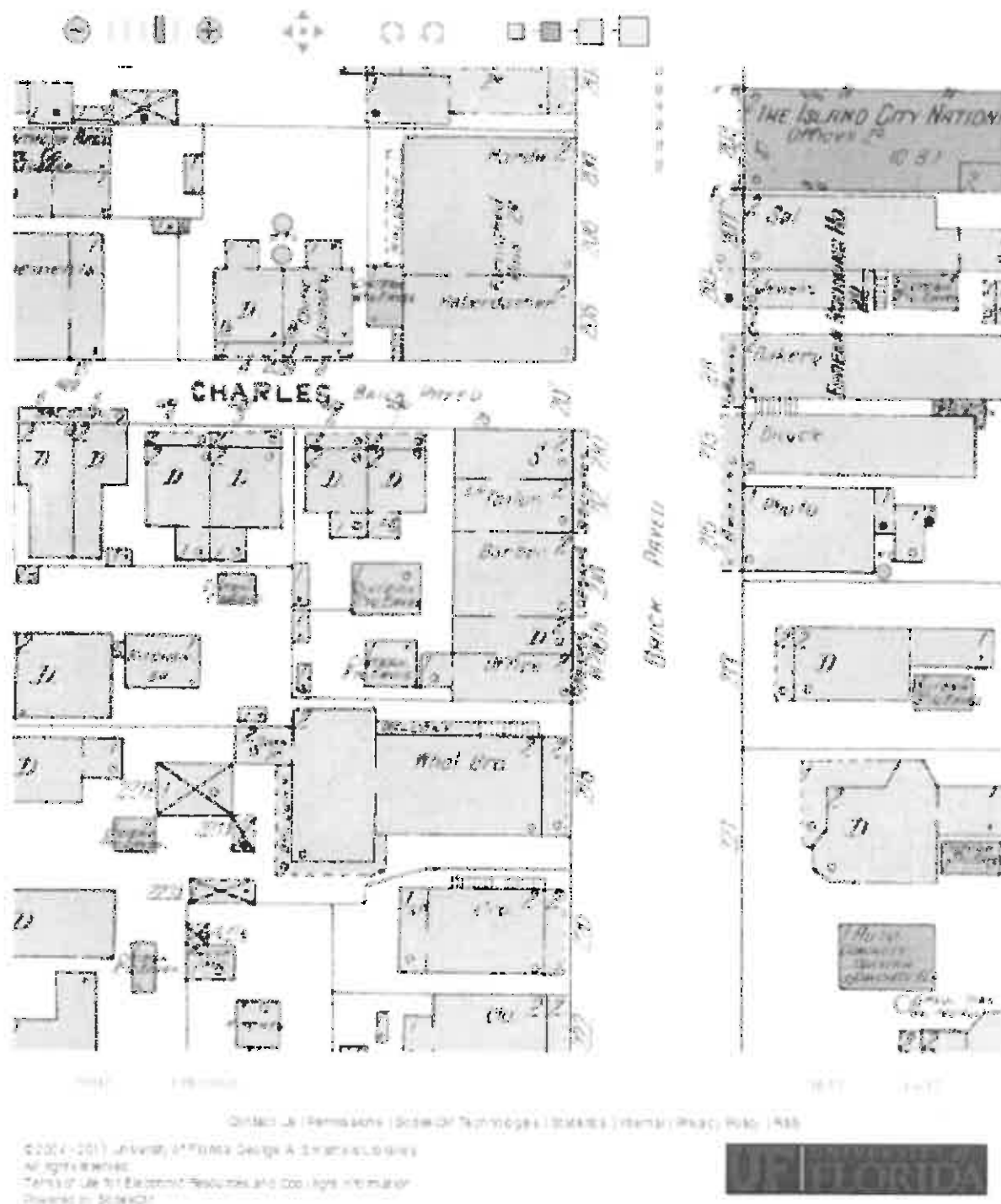
- Sign Up
- Explore
 - Recent Photos
 - The Commons
 - Galleries
 - World Map
 - App Garden
 - Camera Finder
 - The Sticky Photo
 - Flickr Blog
- Upload
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- Sign In

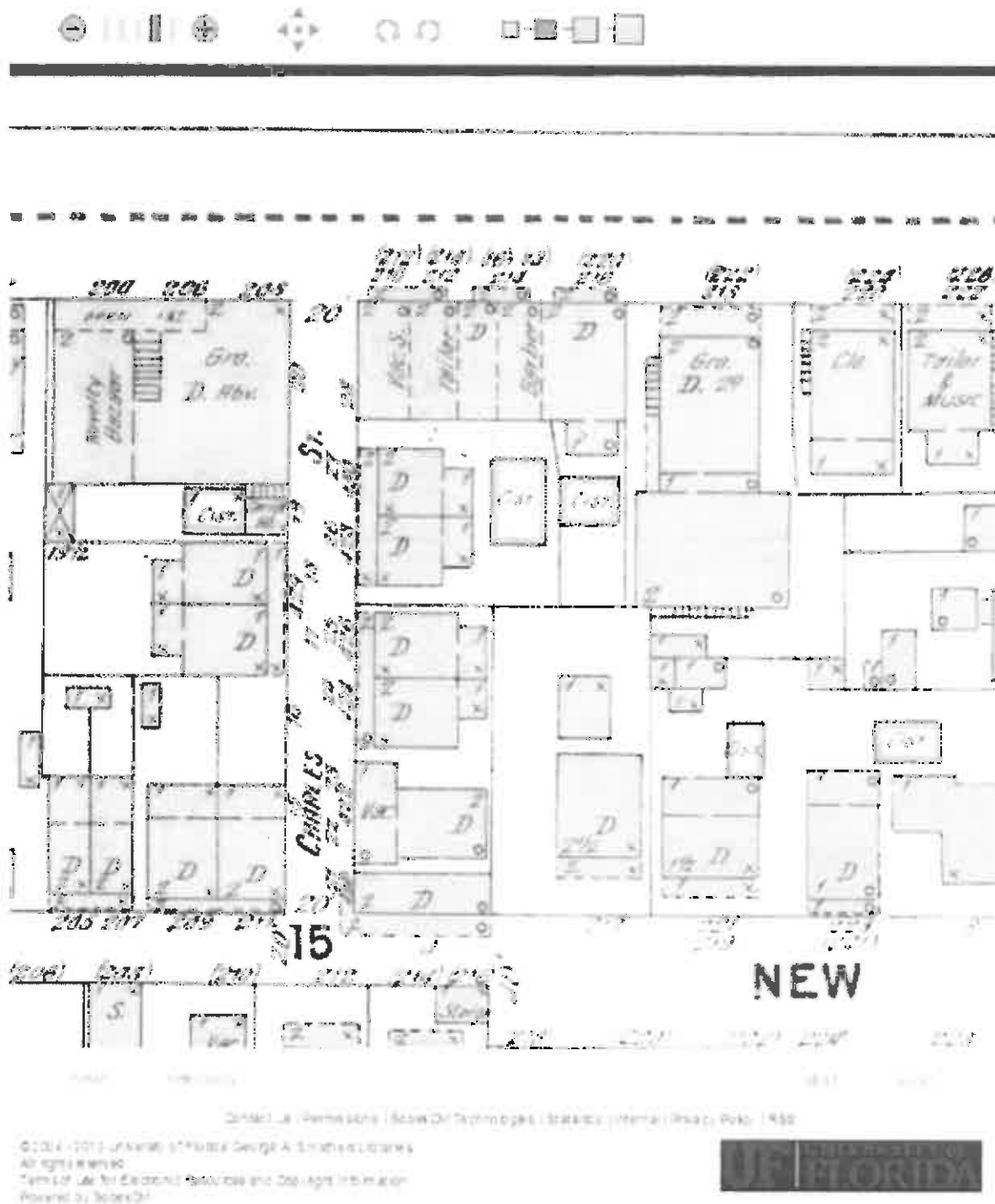


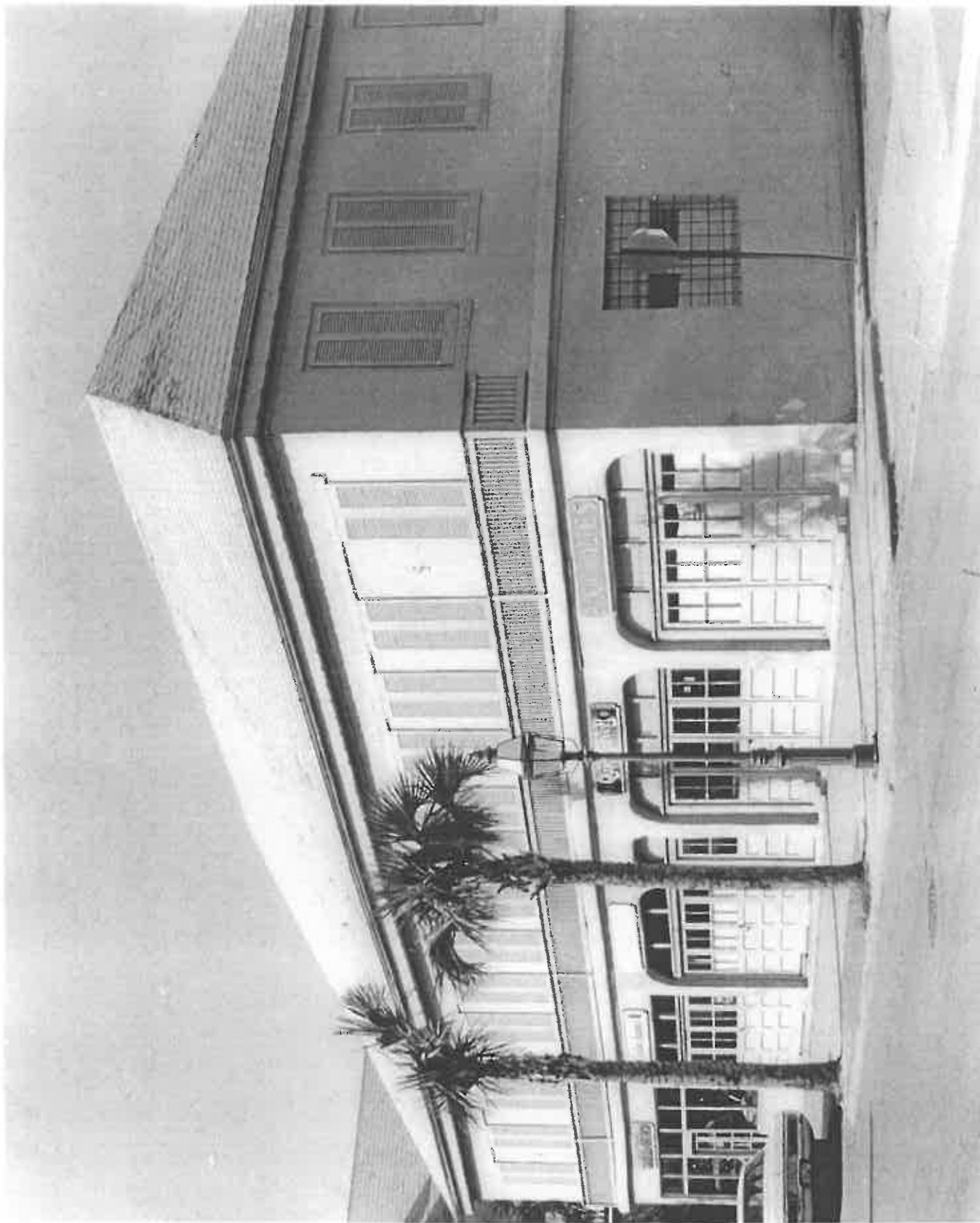
Florida Keys - Photo Library

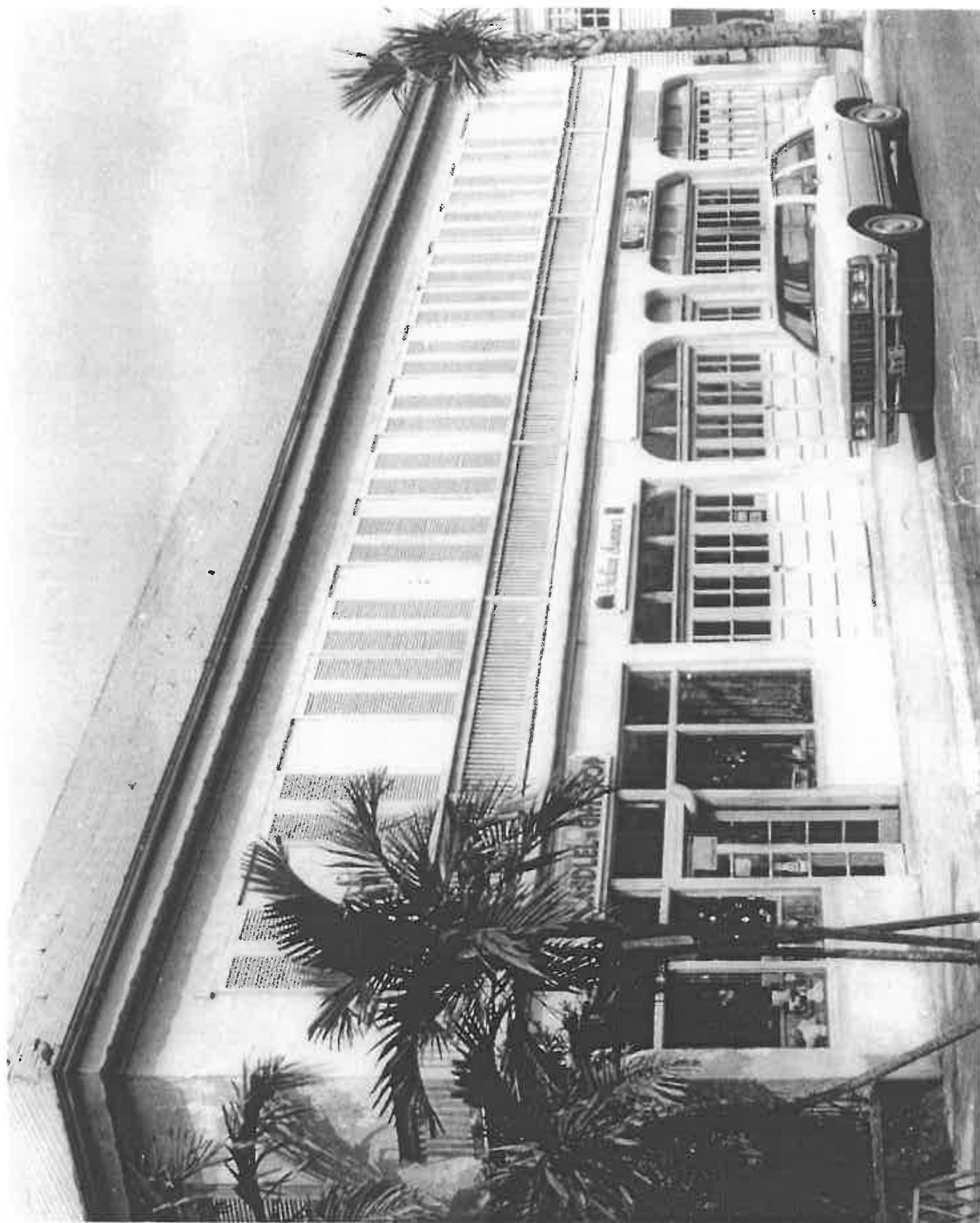
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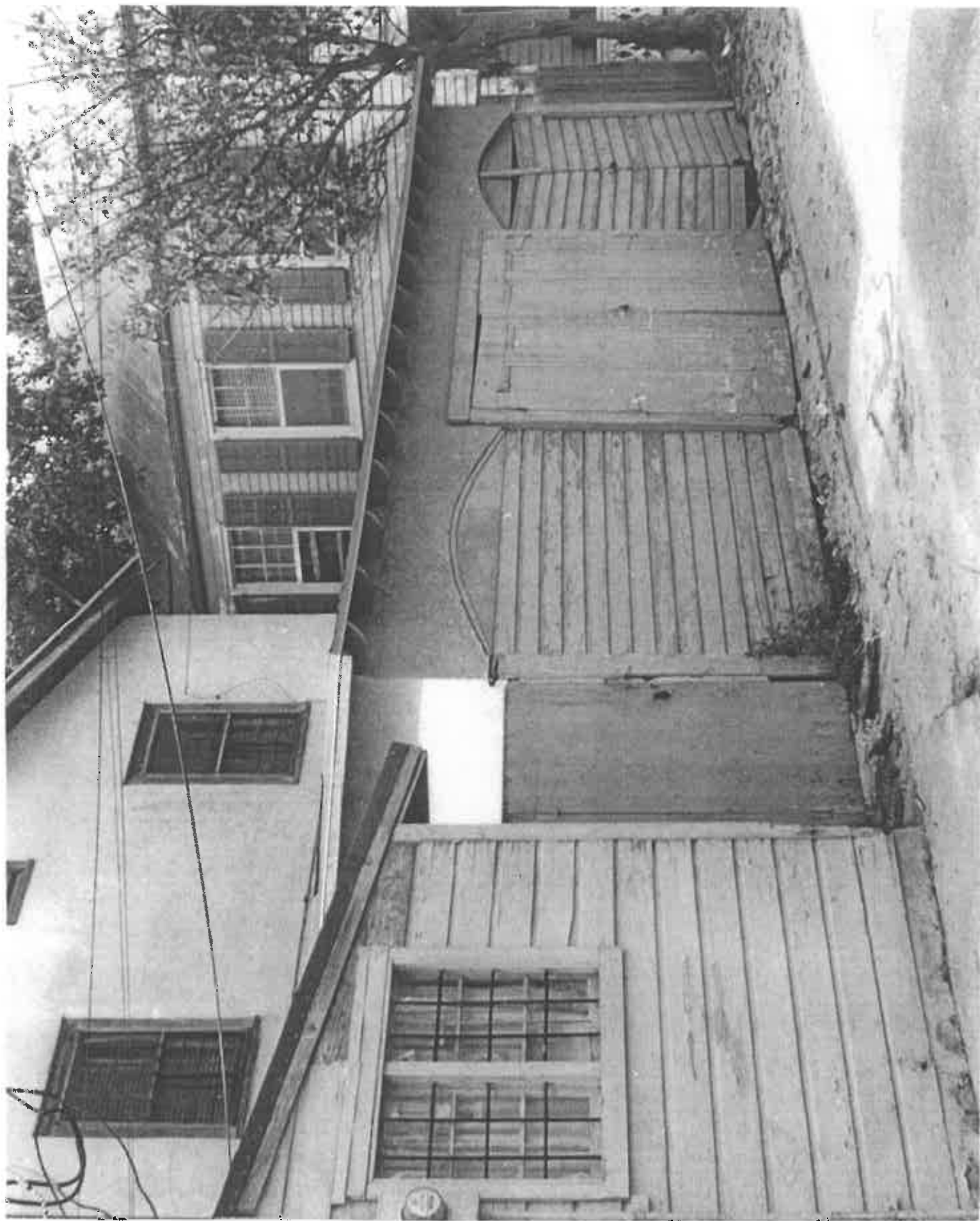
Key West Postcard of Bird's-eye View looking East from Jefferson Tower. The DeWitt and Wood Collection.

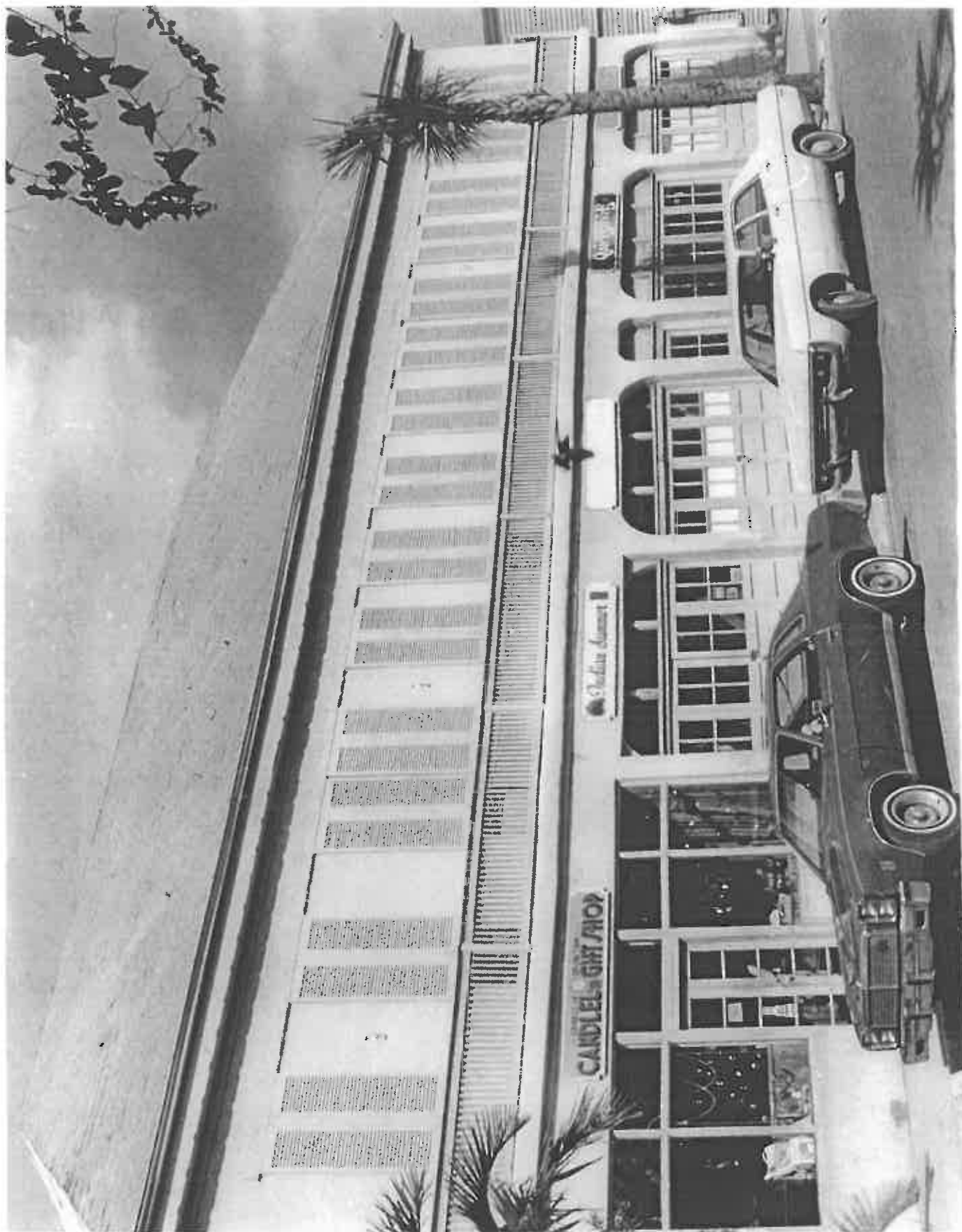


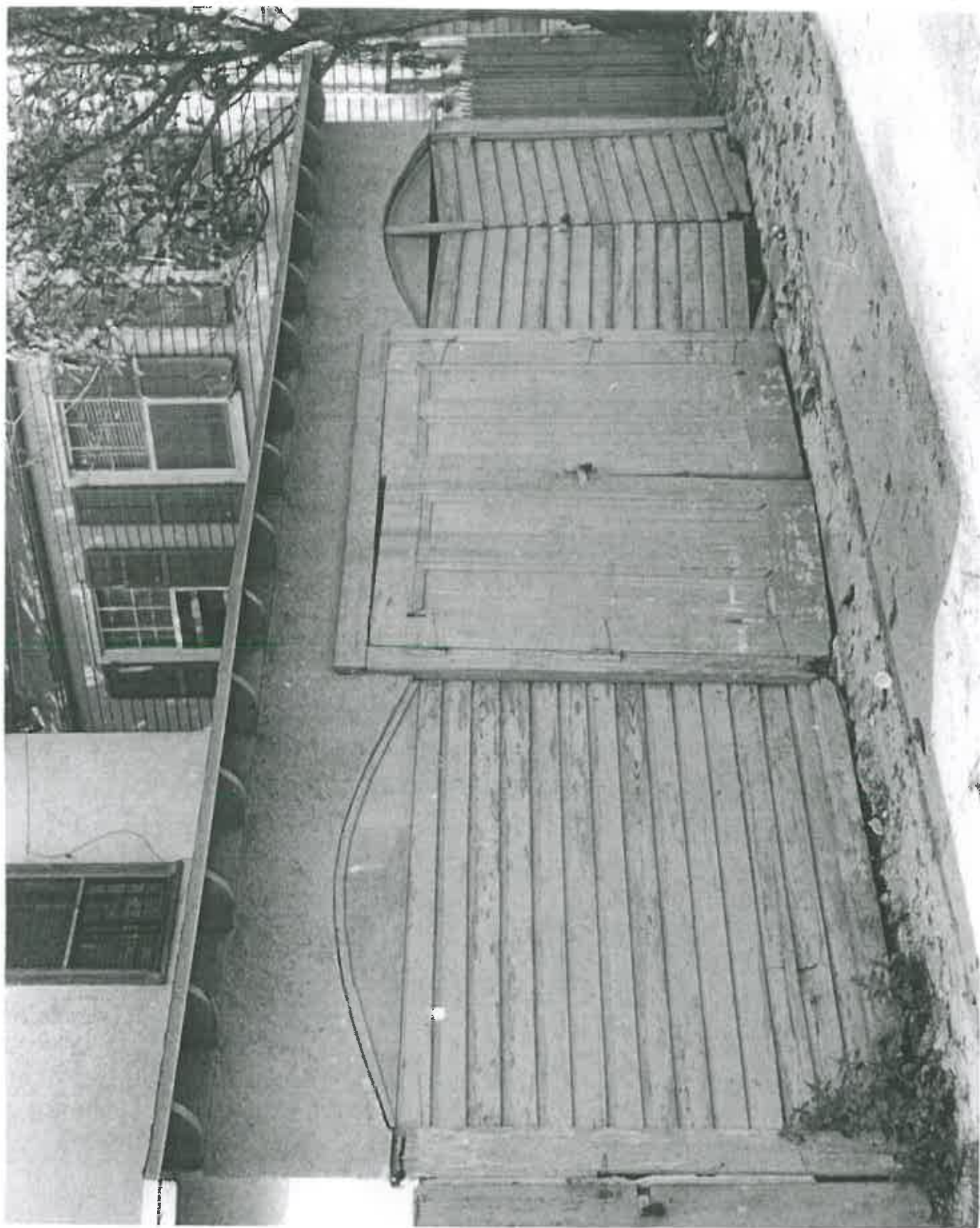






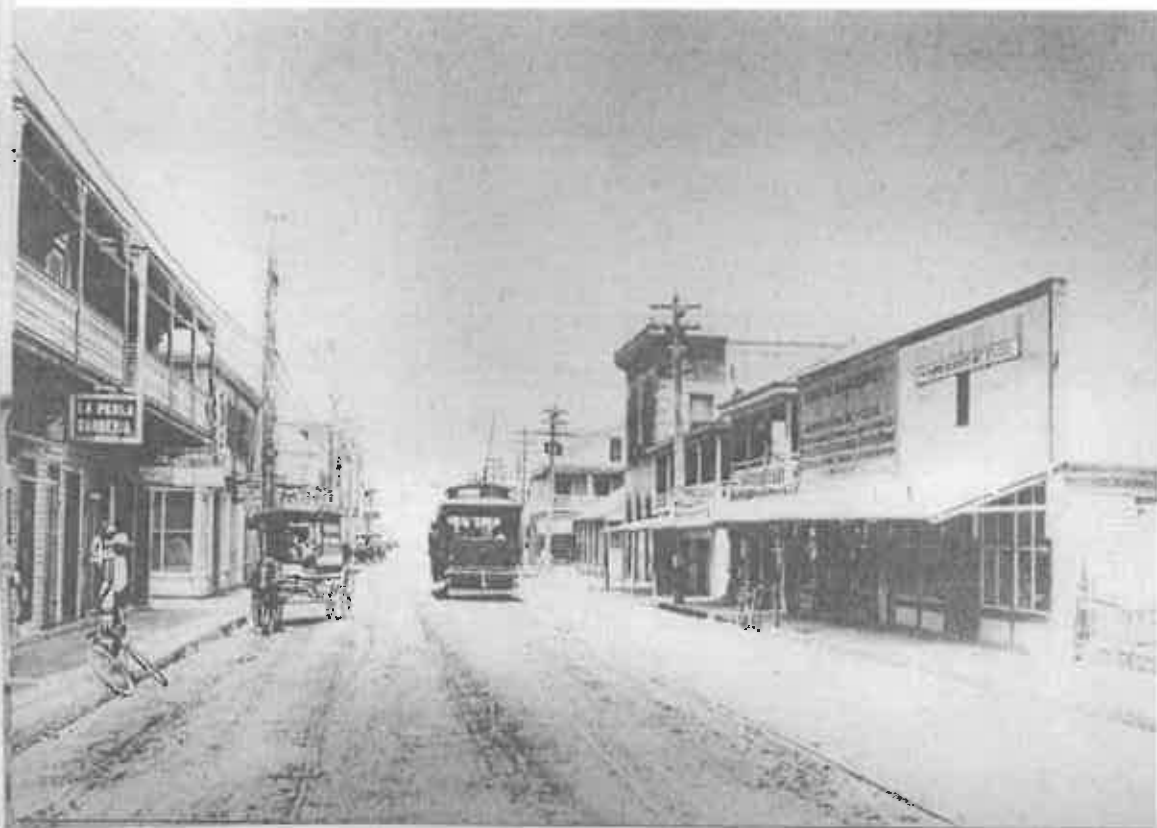








ELECTRIC TROLLEY in operation along Duval Street, Above. Building at right housed Key West Electric Company. Legend claims that Key West was the second city of its size to have electric service and the first to get indoor plumbing. Below: Electric trolley passes old two-story Island City Bank (right) as it travels along Duval Street. The bank was founded in 1903, failed in 1914, and now houses Lopez Wholesale Liquors.





CITY'S PINET taken in 1925. The only member still living is Everett S. Rice, shown on motorcycle, right

LOWER DUVAL STREET buildings photographed in the mid-1920s. Reedy company building now houses art supply and antique shops in this neighborhood now filled with tourist-oriented businesses. Duval, although just over a mile in length, is often referred to as the world's longest main street since it runs from the Gulf of Mexico to the Atlantic.



61111
Gulfview
monline

CUBA?
with
Cuban
from
here
from



Scott P. Russell, CFA
Property Appraiser
Monroe County, Florida

Key West (305) 292-3420
Marathon (305) 289-2550
Plantation Key (305) 852-7130

Property Record Card -
Maps are now launching the new map application version.

Alternate Key: 1001449 Parcel ID: 00001420-000000

Ownership Details

Mailing Address:

210 DUVAL STREET LLC
PO BOX 2068
KEY WEST, FL 33045-2068

Property Details

PC Code: 12 - STORE/OFF/RES OR COMBINATION

Millage Group: 10KW

Affordable Housing: No

Section-Township-Range: 06-68-25

Property Location: 210-216 DUVAL ST KEY WEST

Legal Description: KW PT LOTS 1&2 SQR 15 G64-440/41 OR729-311 OR971-642/45 OR1516-1205/1206 OR2071-1603

Click Map Image to open interactive viewer



Land Details

Land Use Code	Frontage	Depth	Land Area
100D - COMMERCIAL DRY	85	88	7,480.00 SF

Building Summary

Number of Buildings: 2
 Number of Commercial Buildings: 2
 Total Living Area: 10159
 Year Built: 1918

Building 1 Details

Building Type
Effective Age 16
Year Built 1918
Functional Obs 0

Condition A
Perimeter 578
Special Arch 0
Economic Obs 0

Quality Grade 400
Depreciation % 20
Grnd Floor Area 7,323

Inclusions:

Roof Type
Heat 1
Heat Src 1

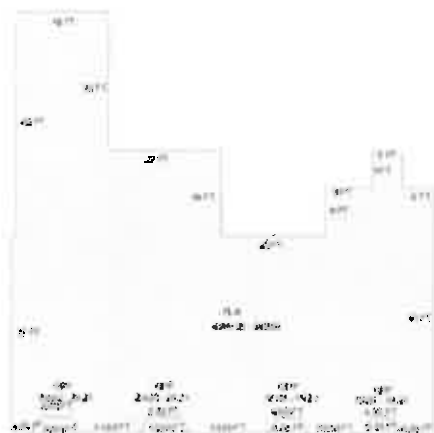
Roof Cover
Heat 2
Heat Src 2

Foundation
Bedrooms 0

Extra Features:

2 Fix Bath 0
3 Fix Bath 0
4 Fix Bath 0
5 Fix Bath 0
6 Fix Bath 0
7 Fix Bath 0
Extra Fix 15

Vacuum 0
Garbage Disposal 0
Compactor 0
Security 0
Intercom 0
Fireplaces 0
Dishwasher 0



Sections:

Nbr	Type	Ext Wall	# Stories	Year Built	Attic	A/C	Basement %	Finished Basement %	Area
0	OFF		1	1993					24
0	OFF		1	1993					24
0	OFF		1	1993					18
0	OFF		1	1993					18

1	FLA	1	1993	4,289
3	FLA	1	1993	3,034
4	OUU	1	1993	40

Interior Finish:

Section Nbr	Interior Finish Nbr	Type	Area %	Sprinkler	A/C
	537	1 STY STORE-A	100	N	Y
	539	APTS-B	100	N	Y

Exterior Wall:

Interior Finish Nbr	Type	Area %
172	MIN WOOD SIDING	7
173	AB AVE WOOD SIDING	72
174	C.B.S.	21

Building 2 Details

Building Type
Effective Age 16
Year Built 1928
Functional Obs 0

Condition A
Perimeter 320
Special Arch 0
Economic Obs 0

Quality Grade 400
Depreciation % 20
Grnd Floor Area 2,836

Inclusions:

Roof Type
Heat 1
Heat Src 1

Roof Cover
Heat 2
Heat Src 2

Foundation
Bedrooms 0

Extra Features:

2 Fix Bath 0
3 Fix Bath 0
4 Fix Bath 0
5 Fix Bath 0
6 Fix Bath 0
7 Fix Bath 0
Extra Fix 14

Vacuum 0
Garbage Disposal 0
Compactor 0
Security 0
Intercom 0
Fireplaces 0
Dishwasher 0



Sections:

Nbr	Type	Ext Wall	# Stories	Year Built	Attic A/C	Basement %	Finished Basement %	Area
1	FLA		1	1993				1,660
3	FLA		1	1993				1,176

Interior Finish:

Section Nbr	Interior Finish Nbr	Type	Area %	Sprinkler	A/C
	541	WAREHOUSE/MARINA B	100	N	Y
	542	WAREHOUSE/MARINA B	100	N	Y

Exterior Wall:

Interior Finish Nbr	Type	Area %
175	AB AVE WOOD SIDING	100

Misc Improvement Details

Nbr	Type	# Units	Length	Width	Year Built	Roll Year	Grade	Life
1	WD2: WOOD DECK	70 SF	0	0	1991	1992	1	40
2	AC2: WALL AIR COND	1 UT	0	0	1992	1993	1	20
3	FN2: FENCES	108 SF	6	18	2000	2001	5	30

Appraiser Notes

TPP AK-8807571 FOR APT ONLY.

*****HURRICANE DAMAGE*****0

Building Permits

Bldg	Number	Date Issued	Date Completed	Amount	Description	Notes
16	09-00003619	10/23/2009		3,678	Commercial	ROOFING
	10-1637	06/01/2010		4,200	Commercial	INSTALL 600SF OF WHITE SINGLE PLY ROOFING.
	12-2534	07/16/2012	12/31/2012	2,800	Commercial	CHANGE OUT A 5-TON CONDENSER.
1	B950730	03/01/1995	11/01/1995	325	Commercial	REPL. ENTRANCE DOOR
2	9602584	06/01/1996	11/01/1996	175	Commercial	PAINTING
3	9603452	08/01/1996	11/01/1996	4,500	Commercial	MECHANICAL
4	9701264	04/01/1997	07/01/1997	900	Commercial	PAINT ROOF
5	9802039	07/10/1998	01/01/1999	3,500	Commercial	INSTALL 5 AIR CURTAINS
6	9802387	08/13/1998	01/01/1999	5,000	Commercial	INTERIOR WORK ONLY
7	9802529	08/19/1998	01/01/1999	3,000	Commercial	INTERIOR WORK ONLY
8	9802387	08/21/1998	01/01/1999	5,000	Commercial	INTERIOR WORK ONLY
9	9803441	12/02/1998	11/03/1999	20,000	Commercial	RENOVATIONS/SHUTTERS
10	0000012	01/26/2000	07/14/2000	10,000	Commercial	FACADE AND FENCE
11	0102213	06/07/2001	11/16/2001	1,445	Commercial	4 SQS ASPHALT SHINGLES
12	03-2834	08/20/2003	10/03/2003	1,900	Commercial	REPAIR EXTERIOR
13	04/0598	02/27/2004	10/06/2004	500	Commercial	ELECTRIC
14	05-2852	07/07/2005	11/02/2005	1,000	Commercial	REPLACE 200 AMP PANEL WITH 42 BREAKERS
15	05-4810	11/01/2005	11/02/2005	2,400	Commercial	*****HURRICANE DAMAGE***** DEMO INTERIOR ONLY

Parcel Value History

[View Taxes for this Parcel.](#)

Roll Year	Total Bldg Value	Total Misc Improvement Value	Total Land Value	Total Just (Market) Value	Total Assessed Value	School Exempt Value	School Taxable Value
2013	909,216	1,035	2,457,352	3,367,603	3,367,603	0	3,367,603
2012	909,216	1,076	2,457,352	3,367,644	3,367,644	0	3,367,644
2011	909,216	1,134	2,457,352	3,367,702	3,196,758	0	3,367,702
2010	931,946	1,176	1,973,022	2,906,144	2,906,144	0	2,906,144
2009	966,042	1,222	2,673,526	3,640,790	3,640,790	0	3,640,790
2008	966,042	1,276	1,982,200	3,319,590	3,319,590	0	3,319,590

2007	676,262	1,322	1,982,200	3,319,590	3,319,590	0	3,319,590
2006	676,262	1,363	748,000	3,319,590	3,319,590	0	3,319,590
2005	705,810	1,421	710,600	2,830,000	2,830,000	0	2,830,000
2004	518,908	1,483	714,685	2,513,445	2,513,445	0	2,513,445
2003	583,128	1,549	541,656	2,513,445	2,513,445	0	2,513,445
2002	583,128	1,623	541,656	2,513,445	2,513,445	0	2,513,445
2001	583,128	1,689	541,656	2,107,816	2,107,816	0	2,107,816
2000	633,377	400	466,426	2,053,390	2,053,390	0	2,053,390
1999	633,377	425	466,426	2,053,390	2,053,390	0	2,053,390
1998	422,833	449	466,426	1,291,670	1,291,670	0	1,291,670
1997	422,833	474	451,380	1,291,670	1,291,670	0	1,291,670
1996	340,731	498	451,380	1,010,789	1,010,789	0	1,010,789
1995	340,731	523	451,380	1,010,789	1,010,789	0	1,010,789
1994	340,731	546	451,380	957,589	957,589	0	957,589
1993	272,816	0	451,380	850,418	850,418	0	850,418
1992	272,816	0	451,380	850,418	850,418	0	850,418
1991	272,816	0	451,380	850,418	850,418	0	850,418
1990	277,316	0	366,182	850,418	850,418	0	850,418
1989	237,086	0	364,113	737,982	737,982	0	737,982
1988	178,779	0	316,530	495,309	495,309	0	495,309
1987	174,961	0	180,552	503,603	503,603	0	503,603
1986	172,933	0	180,552	440,529	440,529	0	440,529
1985	165,936	0	85,762	441,683	441,683	0	441,683
1984	163,636	0	85,762	339,513	339,513	0	339,513
1983	163,636	0	62,260	225,896	225,896	0	225,896
1982	137,111	0	62,260	199,371	199,371	0	199,371

Parcel Sales History

If you are not generally how to use our website, please click on the "Help" link in the top right corner of the page. Thank you for your patience and understanding.

Sale Date	Official Records Book/Page	Price	Instrument	Qualification
12/27/2004	2071 / 1603	3,325,000	WD	Q

This page has been visited 202,349 times.

Monroe County Monroe County Property Appraiser
Scott P. Russell, CFA
P.O. Box 1176 Key West, FL 33041-1176

Subj: **Re: Re Rent**
Date: 7/18/2009 10:08:27 PM Central Standard Time
From:
To:
CC:

Dear Nancy,

Thank you for your email.

I am truly sorry to hear that you had to mentally get ready for surgery and then have it canceled at the last moment. That must have been very distressing.

Re the rent situation - Thanks to both Robert and yourself for always being willing to work with us. I agree that in these trying times, that we should search to find a happy medium that both sides can live with.

I mailed out the rent check late Friday so it should be received Monday.

If the check is received Monday I would hope that Robert or yourself could wait until Tuesday to deposit it so that we have a chance to get the weekend money into the account.

As soon as I know my schedule I will let you know. But I do hope to be coming down next week for a day or two and I would like to meet with Robert and yourself to try to sort out things so that each month I don't have to approach you regarding the rent.

My 6/15 email I thought explained about the upstairs. Here is what I had said then:

Note that the large, new three bedroom, three bath apartments that we built over 117 Duval Street rented for only \$2500 a month when things were good and I believe they are currently renting for less than that.

When rentals were hard to get, we started letting staff stay upstairs over Beach Club as an accommodation for them. The units are relatively small and the kitchen facilities are limited and today rentals are pretty easy to find so rent income for the upstairs is really much below the \$6262.54 I calculate that we are paying for the upstairs. Plus we are paying the water and electric for those units.

In truth the amount we are paying for the second floor really exceeds what it is worth and I hope we can discuss this when I meet with you during the week. I can check around to figure out some comps - or maybe you can - but I can't imagine that the upstairs is worth even \$4000 on the open market and maybe much less than that.

When we had renegotiated the lease back in 2004 I was in the middle of a divorce and didn't pay much attention to the details of the new lease. For sure I never even looked at what the cost of the second floor was until recently.

When things got tight financially we started looking at all our expenses to try to eliminate what ever is unnecessary or reduce whatever expenses we can.

In any case, I will be in touch with you again in a few days as soon as I plan the trip.

Again wishing you health and success.

Kindly
Judith
Beach Club

In a message dated 7/17/2009 11:01:10 A.M. Eastern Daylight Time, KeyWestNurse58 writes:

Good Morning, Judith! Thank you for your well wishes. As it turned out, my surgery was cancelled as I was already sitting in the waiting room in Miami. I will have to start over now with a new surgeon, I

guess. Please don't be embarrassed about the rent situation. If you could go ahead and send a check in the amount of \$24,750.00 for July rent, that would be fine. Please let us know when you will be in Key West so that either Robert and I could meet with you or I will meet with you concerning the rent situation. My telephone numbers are home-(305) 296-1019 or cell-(305) 304-4464 if you would like to call. Also, I will go over the figures of the upstairs rent and see what we can figure out about that as well. Going down Duval Street, I have noticed several people going upstairs, some with bicycles, so the people living up there should be held accountable for paying rent to you.

I hope you had a nice vacation and found it to be relaxing as you certainly deserve it, Judith. I look forward to hearing from you and we will continue to try to work together to find a happy medium for all concerned. Hope you have a great weekend! Regards, Nancy Price Leach c/o 210 Duval Street

A Good Credit Score is 700 or Above.

An Excellent Credit Score is 750.

Subj: Fwd: 210 Duval Street, et al
 Date: 6/7/2011 11:37:55 AM Central Standard Time
 From:
 To:

-----Original Message-----

From: KeyWestNurse58@aol.com
 Date: Tue, 7 Jun 2011 13:37:27 EDT
 Subject: Fwd: 210 Duval Street, et al
 To: vanloon@fkhlaw.com

Hi Dave, I hope your week is going well so far. I know you are busy now, but when you get the chance, could you please send Yehudith a short e-mail letting her know that I spoke with the contractor, John Mann of All Keys Construction, about the changes to the schedule. He said if we could have someone to allow access to the apartments at 210 Duval and 8 Charles for the week of June 13-17 (5 days) to do the window repairs, that would be great. Thank you once again. Nancy

-----Original Message-----

From: RAHOLLYWD@aol.com
 Date: Mon, 6 Jun 2011 00:30:12 EDT
 Subject: Re: 201 Duval Street, et al
 To: vanloon@fkhlaw.com
 CC: keywestnurse58@aol.com, RJ6KIKAR@HOTMAIL.COM

Dear David,

I will speak to the people at the store and tell them that someone will be coming in for inspections.

I need to let you know that Tuesday night begins a Jewish Holiday "Shavous" and many of our employees will not be available starting Tuesday late afternoon until Thursday evening when the Holiday ends.

Since it is a Holiday, it will be harder to gain access to the apartment(s) as well.

I, myself, will be out of town from Monday afternoon until next Sunday.

Is there anyway that this can be rescheduled for after the Holidays?

Please advise asap and in the meantime, tomorrow I will try to sort out access for your clients and let you know who to contact.

Thank you for your attention.

We look forward to hearing back from you regarding the terms for the new lease.

Regards
 Yehudith

In a message dated 6/3/2011 4:27:36 P.M. Eastern Daylight Time, vanloon@fkhlaw.com writes:

Yuhudith:

Walter F. Price
Robert E. Price

P.O. Box 2068
Key West, FL 33045-2068

Telephone: 305-296-5100
Facsimile: 305-296-5655

March 11, 2004

Mr. Jacob Friedman
Beach Club
210 Duval St.
Key West, FL 33040

Dear Jacob:

It has come to our attention that some of the second floor space of your stores is being rented out for short term accommodations to local "street people." This is not allowed for in the leases, and we must demand that this cease and desist immediately. Thank you for your cooperation; it has been a pleasure working with you thus far.

Very truly,

Robert E. Price

C: Ms. Judith Greenberg

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.

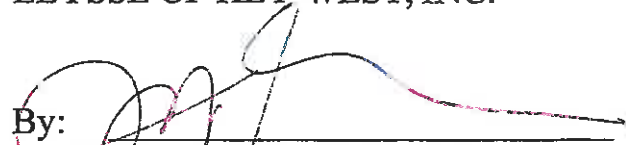
210 DUVAL STREET, LLC

By:


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


ELYSSE OF KEY WEST, INC.

By:


JUDITH GREENBERG
President
Date: 9/11/12

LAW OFFICE OF ROBERT
GOLDMAN
302 Southard Street, Suite 208
Key West, FL 33040
Telephone: (305) 296-1111

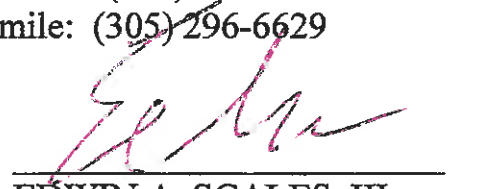
By:


ROBERT B. GOLDMAN
Florida Bar No. 81280
Date: Aug 30th - 12

Attorney for Plaintiff

EDWIN A. SCALES, III, P.A.
201 Front Street, Suite 333
Key West, Florida 33040
Telephone: (305) 292-8950
Facsimile: (305) 296-6629

By:


EDWIN A. SCALES, III
Florida Bar No. 0897700
Date: 9/13/2012

Attorney for Defendant

Subj: **Re Going Forward Sewer Bills**
Date: 8/8/2012 2:31:03 PM Central Daylight Time
From:
To:

Hello Nancy.

It was really nice to see you yesterday and to come up with some conclusion - albeit for only 2 years.

We will certainly try to be model tenants during these two years. And we hope to see you when we next come to the Keys. Maybe we can share a coffee.

I want to make sure that we sort out the sewer bills going forward so please contact me when you get the bills next.

In the meantime, I have the sewer account numbers you gave me and we will try to give a call to the City to start resolving this.

It appears we get some bills every so often but not all bills all the time so we need to sort that out.

I don't know if there are sewer bills for the upstairs or if all are for the downstairs but hope to find that out from the City.

Clearly the ones from the downstairs are ours to contend with going forward and the upstairs are ours to contend with for the next two months.

We have already begun to notice the dwellers in the upstairs units that they need to move.

If you come up with some idea for Ms D - please do let me know.

Again - thanks for a great meeting. And again - regards to your mother and to Robert.

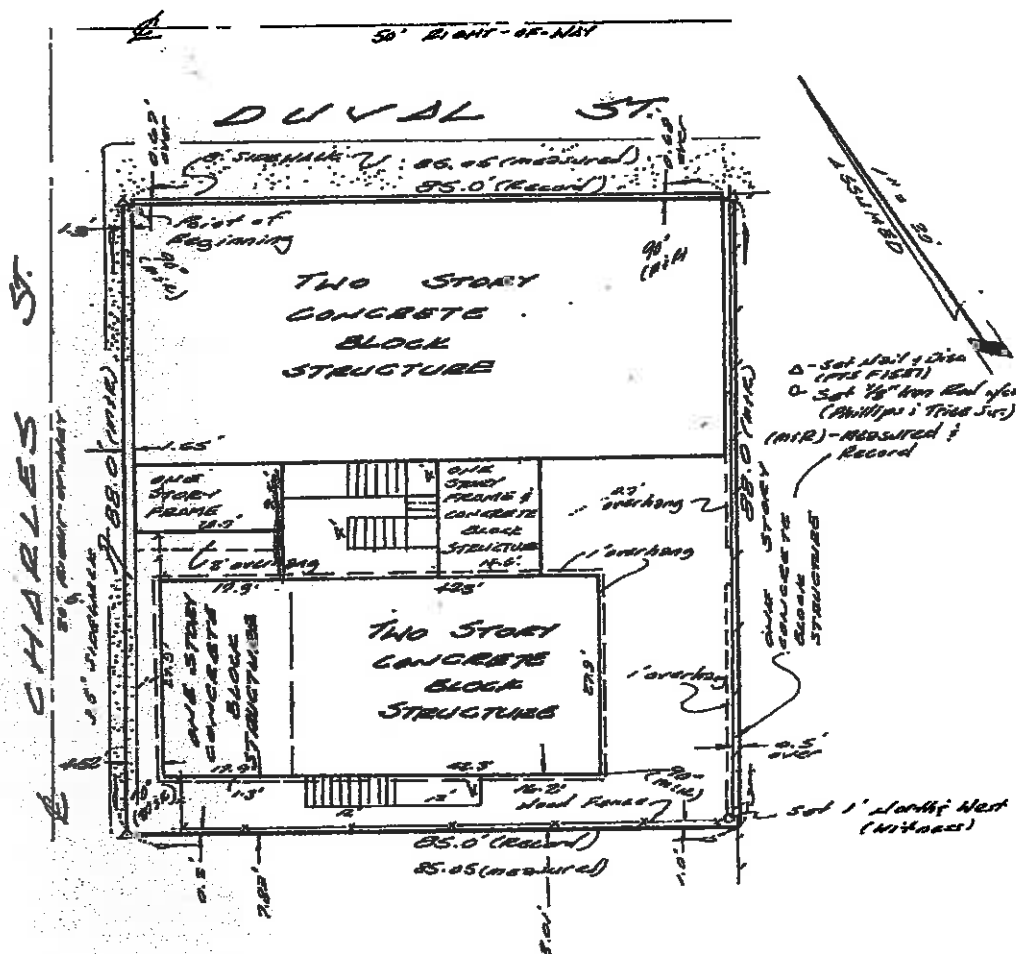
Kindest regards
Yehudith

SURVEY & LEGAL DESCRIPTION OF THE SUBJECT PROPERTY

Professional Land Surveyors
1204 Simonton Street
Key West, Florida 33040
(305) 294-4747

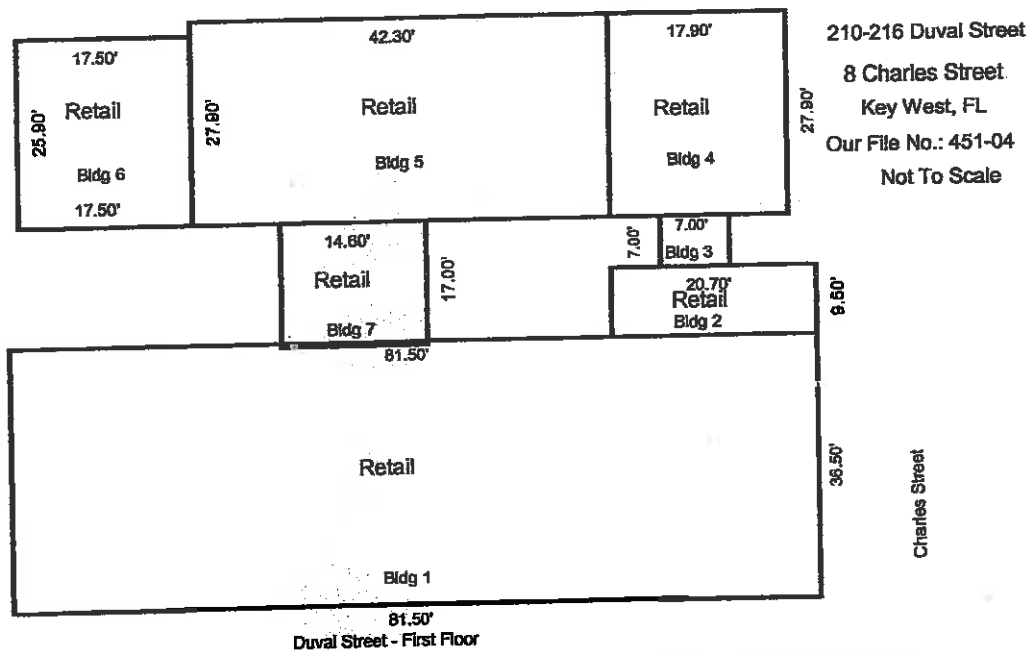
FLORIDA CERTIFICATE NO. 1410

JOE M. TRICE, P.L.S.
FLORIDA CERTIFICATE NO. 2110

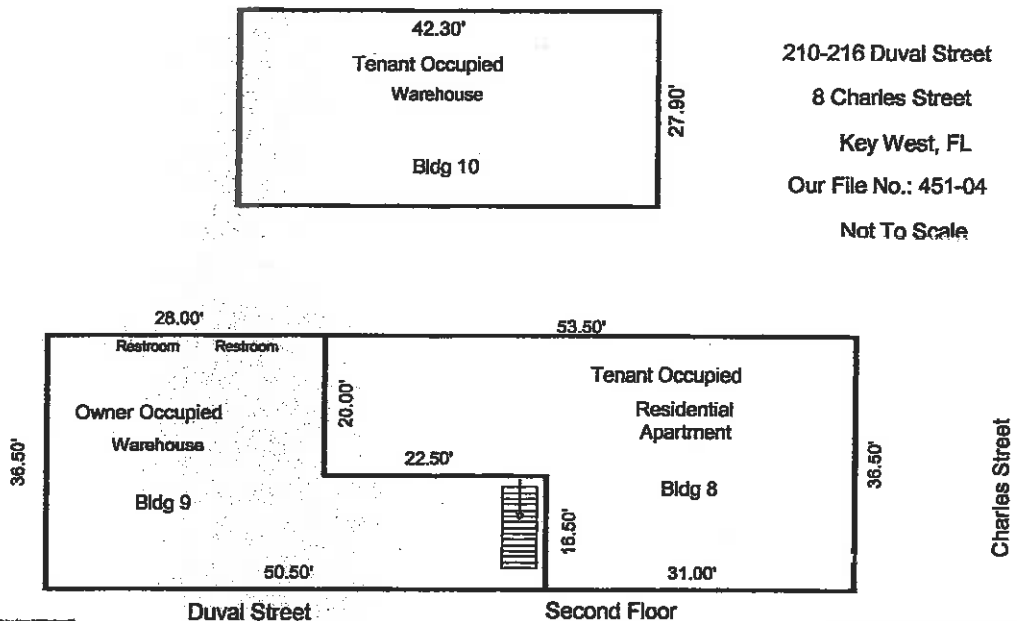


- NOTES:**
1. Flood Insurance Rate Map Zone: AE, EL 6.
 2. Street address: 210-216 Duval Street: and 8 Charles Street
Key West, Florida 33040
 3. Date of field work: April 1, 1992.

BOUNDARY SURVEY OF: On the Island of Key West, and known on William A. Whitehead's map, delineated in February A.D. 1829, as parts of Lots One (1) and Two (2) of Square Fifteen (15). Commencing on the Southern corner of Charles and Duval Streets, and running in a Southeasterly direction Eighty-five (85) feet in line with Duval Street; thence in a Southwesterly direction Eighty-eight (88) feet; thence in a Northwesterly direction Eighty-five (85) feet; thence in a Northeasterly direction along the line of Charles Street Eighty-eight (88) feet to the Point of Beginning.

BUILDING LAYOUT AND AREA CALCULATIONS OF SUBJECT PROPERTY**FIRST FLOOR**

AREA CALCULATIONS SUMMARY				LIVING AREA BREAKDOWN		
Code	Description	Size	Totals	Breakdown	Subtotals	
00A1	Bldg 1	2974.7500		Bldg 1	36.50 x 81.50	2974.7500
	Bldg 2	196.6500		Bldg 2	9.50 x 20.70	196.6500
	Bldg 4	499.6100		Bldg 4	17.90 x 27.90	499.6100
	Bldg 5	1180.1700		Bldg 5	17.90 x 42.30	1180.1700
	Bldg 6	453.2500		Bldg 6	17.50 x 25.90	453.2500
	Bldg 7	248.2000		Bldg 7	14.80 x 17.00	248.2000
	Bldg 3	49.0000	5601.4300	Bldg 3	7.00 x 7.00	49.0000
TOTAL LIVABLE (rounded)			5601	7 Areas Total (rounded)		5601

BUILDING LAYOUT AND AREA CALCULATIONS OF SUBJECT PROPERTY**SECOND FLOOR**

Drawn by: [Signature]
Comments:

AREA CALCULATIONS SUMMARY				LIVING AREA BREAKDOWN	
Code	Description	Size	Totals	Breakdown	Subtotals
06A3	Second Floor-Bldg 10	3289.1700		Second Floor-Bldg 10	
	Second Floor-Bldg 8	1581.8600		37.90 x 42.30	1180.1700
	Second Floor-Bldg 9	3373.3500	6154.9200	Second Floor-Bldg 8	
				33.00 x 36.50	1131.5000
				20.00 x 31.50	450.0000
				Second Floor-Bldg 9	
				28.00 x 36.50	1022.0000
				16.50 x 22.50	371.2500
TOTAL LIVABLE (rounded)			4155	5 Areas Total (rounded)	4155

\$26,153. Most commercial retail and restaurant/bar units within the subject's market area are leased on a triple net basis. In a triple net lease, the tenant is responsible for all utilities plus a pro-rata share of the real estate taxes, building maintenance, and hazard insurance, while the landlord is responsible for property management and reserves for replacements.

Potential income for the subject property has been projected from the rent comparables. The subject property is located on the westerly side of Duval Street and on the southerly side of Charles Street. This locale is one of the busiest areas of the shopping district in the "Old Town" area of Key West. Rental rates in this immediate area are the highest within the City and have been steadily increasing over the past few years. Typical rent increases are based on the CPI (Consumer Price Index) to 5% increase (whichever is greater). Most restaurant/bars have leases based on percentage rent, typically ranging from 5% to 10% of annual gross revenues with 6% to 8% being the most prevalent. Bars and clubs are typically at the upper-end of the spectrum. In our Fee Simple analysis, the following projected market rents and terms were utilized:

Subject Property - 210-216 Duval Street and 8 Charles Street
Potential Rental Income as of September 28, 2004

Unit	Type Use	Size SF	Monthly Rent	Annual Rent	Annual Rent/SF	Lease Terms
210 Duval St. Level 1	Retail	5,575	\$20,906	\$250,872	\$45.00	Triple Net
210 Duval St. Level 2	Res'l/Warehouse	2,755	\$5,166	\$61,992	\$22.50	Triple Net
210 Duval St. Level 2	Warehouse/STG	1,426	\$1,783	\$21,390	\$15.00	Triple Net
Totals:		9,756	\$27,855	\$334,254	\$34.26	

The subject's projected overall rate is also well-supported by a range of first level retail rental rates at \$42 to \$74 per square foot of rentable retail space and second level warehouse/storage/residential rental rates at about \$14 to \$20 per square foot in the immediate market area.

Vacancy and Collection Allowance: Vacancy & Collection losses include allowances for vacancy due to tenant turnover or loss of rents from a tenant who vacates the building or is late with payments. The market is currently experiencing a 3% to 8% vacancy and collection losses on commercial units on an annual basis with frontage along Duval Street. Due to the subject property's prime location, we have projected a vacancy and collection loss of 5% for the commercial units. On the date of inspection, the subject property was mostly tenant occupied, while the second level storage area in the 210-216 Duval Street building was vacant. Downtown storage is limited and it is anticipated that it could be absorbed rather quickly.

Subj: **FW: Elysse Lease**
Date: 5/8/2012 8:42:20 AM Central Daylight Time
From:
To:
Re: [REDACTED]

Please take a look at email below and give me call at office to discuss.

David Van Loon, Esq.
Koenig Highsmith & Van Loon, P.A.
2138 Northside Drive
Key West, Florida 33040
Telephone (305) 296-6551
Facsimile (305) 296-6576

From: Ed Scales [mailto:escales@edscalespa.com]
Sent: Monday, May 07, 2012 6:16 PM
To: 'David Van Loon'
Subject: Elysse Lease

May 7, 2012

Dear Dave:

In follow-up to our conversation on Wednesday, May 2, 2012, the following is an offer from my client to remain in the subject tenancy and obviate the need for further litigation of this case.

Effective July 1, 2012, and for two (2) years and two (2) months thereafter (i.e. through and until August 31, 2014), my client offers to pay \$36,500 (inclusive of sales tax) per month for the tenancy as is (i.e. with the upstairs apartments). Without the apartments, my client would be willing to pay \$32,500 (inclusive of sales tax) per month. My client will continue paying \$26,500 for the months of May 2012 and June 2012.

Each party will bear its own costs and fees; there would be no other "retroactive" payments, except that all funds currently in the Registry of the Court would be released to your client.

Please note that this offer reflects a monthly increase of \$10,000 over the current monthly rent, and equates to roughly \$65.07 per square foot for the commercial space, and \$16.21 per square foot for the apartments. I think

you will find these are very competitive rents in this economy and significantly more than any rent outlined in the rent report prepared by the City of Key West which Virginia Panico recently sent to us.

With regard to the insurance charges, the tenant carries the required insurance, and should not be paying for any insurance procured by the landlord. If the tenant has not been paying water and/or sewer charges, the tenant will obviously begin paying water and/or sewer charges.

Please let me know if your client is amenable to this offer so we can hopefully "wrap up" this matter quickly. My client has instructed me that this is "the best they can do" and they will not be able to negotiate from these numbers.

In any event, thank you very much, Dave, for your time and consideration. I look forward to hearing back from you very soon.

Sincerely yours,

Ed Scales
305-292-8950