

ORDINANCE NO. 09-016

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA, PURSUANT TO SECTION 7.03 OF THE CITY CHARTER, CALLING FOR A REFERENDUM FOR THE AUTHORITY TO SELL REAL PROPERTY OWNED BY THE CITY OF KEY WEST AND COMMONLY KNOWN AS 529 FRONT STREET (RE NUMBER 00072082-000600); AUTHORIZING THE CITY CLERK TO TAKE ALL NECESSARY ACTION TO PLACE THIS MEASURE ON THE BALLOT FOR OCTOBER 6, 2009; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Charter Section 7.03 requires a referendum for a sale of property owned by the City of Key West; and

WHEREAS, Florida Statutes Section 101.161 provides procedures for a referendum and Florida Statutes Section 100.342 provides for notice for a referendum election; and

WHEREAS, the City of Key West owns a parcel of real property commonly known as 529 Front Street (RE Number 00072082-000600), which parcel is the subject of a ground lease between the City and Pier House Joint Venture; and

WHEREAS, the City executed such ground lease on December 13, 1965, with Key West Hand Print Fabrics, Inc. for premises then known as the Key West Hand Print Fabric Factory; and

WHEREAS, as a result of a bankruptcy proceeding, the ground lease was assigned by Key West Hand Print Fabrics, Inc. to Pier House Joint Venture in 1987; and

WHEREAS, the term of the ground lease will expire on May 31, 2020; and

WHEREAS, the premises are now used for the "Spa Building" of the Pier House Resort, which includes a spa, 22 hotel rooms and meeting room; and

WHEREAS, pursuant to the ground lease, the annual rental for the premises is \$3,600.00 through the end of the term of the ground lease; and

WHEREAS, the City desires, in accordance with the terms of its Charter and Code of Ordinances, to consider offers for the purchase and sale of the aforementioned real property; and

WHEREAS, the City Commission desires that the proposed referendum appear on the regularly scheduled election ballot of October 6, 2009;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF KEY WEST FLORIDA:

Section 1: That a referendum for the sale of the City-owned

real property commonly known as 529 Front Street shall be held on October 6, 2009.

Section 2: That the question appearing on the ballot shall be titled: "Referendum - Authorizing City of Key West to Sell Real Property at 529 Front Street."

Section 3: That the ballot question shall be worded as follows:

"Shall the City of Key West, pursuant to Section 7.03 of the City Charter and Sections 2-931 through 2-937 of the City ordinances, initiate the process to sell the parcel of real property commonly known as 529 Front Street (RE Number 00072082-000600) pursuant to an appraisal and sealed competitive bid process, and thereafter be authorized to sell such property upon terms and conditions in the best interests of the City?"

_____ Yes

_____ No

Section 4: That the City Clerk is hereby authorized and directed to take all necessary and proper action to place this question on the ballot of October 6, 2009, including the providing

of notice of the election in accordance with law.

Section 5: If any section, provision, clause, phrase, or application of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, the remaining provisions of this Ordinance shall be deemed severable therefrom and shall be construed as reasonable as necessary to achieve the lawful purposes of this Ordinance.

Section 6: All Ordinances or parts of Ordinances of the City in conflict with the provisions of this Ordinance are hereby superseded to the extent of such conflict.

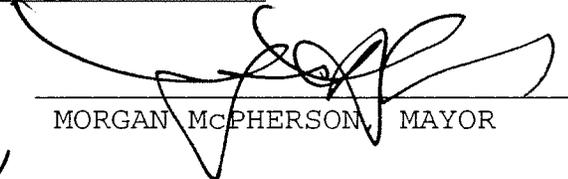
Section 7: This Ordinance shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Read and passed on first reading at a regular meeting held this 07th day of July, 2009.

Read and passed on final reading at a regular meeting held this 21st day of July, 2009.

Authenticated by the presiding officer and Clerk of the Commission on this 22nd day of July, 2009.

Filed with the Clerk July 22, 2009.


MORGAN McPHERSON, MAYOR

ATTEST:

CHERYL SMITH, CITY CLERK

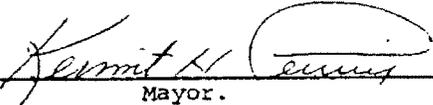
RESOLUTION NO. 65-125

A RESOLUTION AUTHORIZING THE EXECUTION OF A
LEASE BETWEEN THE CITY OF KEY WEST, FLORIDA
AND KEY WEST HAND PRINT FABRICS, INC.

BE IT RESOLVED by the City Commission of The City of
Key West, Florida:

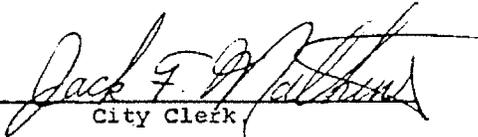
That the attached Lease between The City of Key West,
Florida, and Key West Hand Print Fabrics, Inc., a copy of
which is attached hereto and made a part of this Resolution,
and marked Exhibit "A" be, and the same is hereby approved, and
the Mayor of The City of Key West, Florida, be and he is hereby
authorized, empowered and directed to execute said Lease
for and on behalf of The City of Key West, Florida, and
the City Clerk of said City be, and he is hereby authorized,
empowered and directed to attest the signature of the said
Mayor on the said Lease, and affix the seal of the said City
thereto. The execution of said Lease is hereby authorized
to be made in as many counterparts as may be desired or
required.

Passed and adopted by the City Commission at a meeting
held this 17 day of November, A. D. 1965.



Mayor.

Attest:



City Clerk

139621

THIS INDENTURE OF LEASE, Made as of the 13th day of December, A. D. 1965, by and between THE CITY OF KEY WEST, FLORIDA, a municipal corporation organized and existing under the laws of the State of Florida, which may be hereinafter referred to as "City", as Lessor, and KEY WEST HAND PRINT FABRICS, INC., a corporation organized and existing under the laws of the State of Florida, as Lessee, WITNESSETH:

FIRST: For and in consideration of the mutual covenants herein contained, the City does hereby lease to the said Lessee, and the Lessee does hereby hire from the City the following described premises:

That Part of Lot One (1) in Square Two (2) according to William A. Whitehead's map of the Island of Key West, delineated in February A. D. 1829, more particularly described as follows:

Beginning at the intersection of the Westerly line of Simonton Street and the Northerly line of Front Street, run thence westerly along the Northerly line of Front Street 88 feet 4 inches to Lot 2 of said Square; thence run at right angles Northerly and parallel with Simonton Street a distance of 245 feet; thence run at right angles and parallel with Front Street a distance of 88 feet 4 inches back to said Westerly line of Simonton Street; thence run along the said Westerly line of Simonton Street a distance of 245 feet back to the point of beginning.

Reserving unto the Lessor herein an easement of 15 feet in width along the Easterly line of the above described premises to be used by the Lessor for street purposes or public parking purposes.

Subject to the restriction that no improvements of any nature shall be constructed on the Northerly 20 feet of the above described property.

TO HAVE AND TO HOLD the above described premises unto the Lessee for and during the term of thirty-five years, commencing on the 1st day of June, 1966, and ending on the 31st day of May, 2001.

FILED FOR RECORD

1966 JUN 28 PM 1:57

EARL R. ADAMS, CLK. CT. CL.
MONROE COUNTY, FLORIDA

Amended
Res 69-45
to 5/31/2020

SECOND: The Lessee in consideration of the leasing of the property aforesaid does hereby covenant and agree to and with the Lessor to pay the yearly rental of Three Thousand Six Hundred Dollars (\$3,600.00), which rental shall be paid in advance on the 1st day of June of each year.

As a further consideration for the leasing aforesaid, the Lessee agrees to commence construction and complete within eighteen (18) months from the commencement of this lease, a two-story concrete block factory building having the approximate size of 60' x 225', but the plans and specifications for such building must be first submitted to the City for approval. Such approval shall not be withheld capriciously or arbitrarily. The minimum cost of such improvements shall be no less than Seventy-five Thousand Dollars (\$75,000.00).

THIRD: It is mutually understood and agreed between the parties to this lease as follows:

a. Lessee covenants, promises and agrees to bear, pay and discharge, in addition to the said rent reserved, all rates, taxes, charges for revenue and otherwise, assessments and levies, general and special, ordinary and extraordinary, of every name, nature and kind whatsoever, which may be charged, levied or imposed upon said property, or upon the building and improvements hereafter constructed or placed on said leased property, and all which may be assessed, levied or imposed upon the leasehold estate hereby created, provided however, no ad valorem taxes shall be imposed or assessed against the land by the Lessor and any improvements on said land shall be considered not to be part of the realty and shall be assessed as personalty by the Lessor. Further, no provision herein may likewise prevent the Lessor from assessing any chattels or personalty found on the leased premises.

b. That there shall, during the said demised term, be no mechanics' liens upon any buildings or improvements which

may at any time be put upon or be upon said demised property, and that in case of any mechanics' liens the Lessee must pay off the same; and that if default in payment thereof shall continue for thirty (30) days after written notice, said Lessor shall have the right and privilege, at its option, to pay off the same or any portion of the same, and the amount so paid, including expenses, shall, at the option of the said Lessor, be so much additional rent due from said Lessee at the next rent due after such payment, with interest thereon at the rate of six per cent (6%) per annum.

FOURTH: It is further understood and agreed that improvements and repairs made shall become the property of the City at the termination of the lease. Upon termination of the term of this lease, the Lessee will return the leased premises to the City in good condition, except for normal wear and tear and such damage as may occur through act of God, or fire.

FIFTH: It is expressly covenanted between the parties hereto that the Lessee will not use or suffer nor permit any person to use in any manner whatsoever the said demised property, or the building or improvements hereafter constructed or placed on said leased property, nor any portion thereof, for any purpose calculated to injure the reputation of the premises or of the neighboring property, nor for any purpose or use in violation of the laws of the United States, or of the State of Florida, or of the Ordinances of The City of Key West, Florida, and that said Lessee will, at its own proper costs and charges, keep the building on said property and all the appurtenances thereto belonging in a good, safe and secure condition and will conform to all municipal ordinances or laws, and that it will keep and save the Lessor forever harmless from any penalty or damage or charges imposed for any violation of any of said laws,

whether occasioned by neglect of Lessee, and that said Lessee will indemnify and save and keep harmless the Lessor against and from any loss, cost, damage and expense arising out of any accident or other occurrence, causing injury to any person or property whomsoever or whatsoever, and due directly or indirectly to the use of the premises, or any part thereof, by the Lessee.

SIXTH: The Lessee shall secure at its own expense, from an approved insurance company, and furnish to the Lessor evidence of such insurance, the following described insurance coverage:

(a) Coverage which will protect the legal liability of Lessor and Lessee to pay off claims for personal injury or death resulting therefrom, on account of accidents to third parties or the public, which might arise out of, or in connection with the conduct of the Lessee's business on the premises, or which might arise out of, or in connection with any act or acts of Lessee's agents, invitees or employees. The minimum limits of such policy or policies shall be \$50,000.00 for any one person, or \$100,000.00 for more than one person, arising out of one accident. Such policy or policies shall carry an endorsement stating that in any suit or action by Lessee's servants, agents or employees, brought against Lessor, which might arise out of, or in connection with the carrying out of the operations and the conduct of the business by the Lessee on said premises, such servants, agents or employees shall be considered members of the public.

SEVENTH: The Lessee may assign the within lease to any banking institution for the purpose of obtaining mortgage

funds, without the consent of the Lessor. However, the Lessee shall not assign this lease to any other person, firm or corporation without first obtaining the written consent of the Lessor herein, which approval shall not be arbitrarily or capriciously withheld.

EIGHTH: Failure on the part of the Lessee to duly and promptly perform and observe each and every of the above terms, conditions and provisions set forth in this lease shall be grounds for cancelling and terminating the term of this lease, upon giving 30 days' written notice, and upon such termination the Lessor shall have the immediate right of re-entry on the leased premises.

IN WITNESS WHEREOF, the Lessor has caused these presents to be executed in its name by its Mayor, and its seal affixed, attested by its City Clerk, and the Lessee has hereunto caused these presents to be executed in its name by its President, and its seal affixed, attested by its Secretary, all as of the day and year first above written.

Signed, Sealed and Delivered in Our Presence:

Agnes P. Lowe
Josephine Parker
As to the Lessor.

THE CITY OF KEY WEST, FLORIDA
BY James H. [Signature]
Mayor
Attest: Jack F. [Signature] (Seal)
City Clerk.

Agnes P. Lowe
Josephine Parker
As to the Lessee.

KEY WEST HAND PRINT FABRICS, INC
BY [Signature]
President
Attest: Jim Russell (Seal)
Secretary.

STATE OF FLORIDA,
ss.
COUNTY OF MONROE,

On this 13th day of December, A. D. 1965,

before me, the undersigned authority, personally came and appeared KERMIT H. LEWIN and JACK F. MATHEWS, to me well known to be respectively the Mayor and City Clerk of The City of Key West, Florida, a municipal corporation organized and existing under the laws of the State of Florida, whose names are subscribed to the within lease, and they being informed of the contents thereof acknowledged that they executed the same on behalf of and as the free act and deed of said municipal corporation for the purposes therein expressed, and each being duly sworn did say that the said instrument was executed and the seal of said municipal corporation affixed pursuant to authority of Resolution duly passed by the City Commission of said City, that they know its common seal, and the seal affixed thereto is the common seal of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

Margaret J. Catala
Notary Public, State of Florida at
Large.

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Nov. 1, 1968
Bonded by Transamerica Insurance Co. (Seal)

STATE OF FLORIDA,
ss.
COUNTY OF MONROE,

On this 13th day of December, A. D. 1965,

before me, the undersigned authority, personally came and appeared Peter Pull and Jim Russell to me well known to be respectively the President and Secretary of KEY WEST HAND PRINT FABRICS, INC., a corporation organized and existing under the laws of the State of Florida, whose names are subscribed to the within lease, and they being informed of the contents thereof acknowledged that they executed the same on behalf of and as the free act and deed of said corporation for the purposes therein expressed, that they know its common seal, and the seal affixed thereto is the common seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

Margaret J. Catala
Notary Public, State of Florida at Large.

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Nov. 1, 1968
Bonded by Transamerica Insurance Co.

(Seal)

139621

Recorded in Official Record Book
Monroe County, Florida
EARL R. ADAMS
CLERK OF CIRCUIT COURT
RECORD VERIFIER

RESOLUTION NO. 69-45

A RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTION OF AN AMENDMENT TO INDENTURE OF LEASE BETWEEN THE CITY OF KEY WEST, FLORIDA, AND KEY WEST HAND PRINT FABRICS, INC.

BE IT RESOLVED by the City Commission of The City of Key West, Florida, as follows:

That the Amendment to Indenture of Lease between The City of Key West, Florida, and Key West Hand Print Fabrics, Inc., a copy of which is attached hereto and made a part of this Resolution, be and the same is hereby approved, and the Mayor of The City of Key West, Florida, be and he is hereby authorized, empowered and directed to execute said Amendment to Indenture of Lease for and on behalf of The City of Key West, Florida, and the City Clerk of said City be, and he is hereby authorized, empowered and directed to attest the signature of the said Mayor on the said Amendment to Indenture of Lease, and affix the seal of the said City thereto. The execution of said Amendment to Indenture of Lease as aforesaid is hereby authorized to be made in as many counterparts as may be desired or required.

Passed and adopted by the City Commission of The City of Key West, Florida, at a meeting held this 23 day of July, A. D. 1969.


Mayor

Attest:


City Clerk

THIS AMENDMENT TO INDENTURE OF LEASE, Made as of the 23 day of July, A. D. 1969, by and between THE CITY OF KEY WEST, FLORIDA, a municipal corporation organized and existing under the laws of the State of Florida, which may be hereinafter referred to as "City", as Lessor, and KEY WEST HAND PRINT FABRICS, INC., a corporation organized and existing under the laws of the State of Florida, as Lessee,

W I T N E S S E T H :

WHEREAS, The City of Key West, Florida and Key West Hand Print Fabrics, Inc. entered into an Indenture of Lease dated the 13th day of December, A. D. 1965, filed the 28th day of June, 1966, and recorded in Official Record 375, Pages 404-410, inclusive, Monroe County, Florida Public Records, and

WHEREAS, the said Key West Hand Print Fabrics, Inc. has requested said Indenture of Lease to be amended, removing an easement reserved unto the said City and extending the term of said lease, and

WHEREAS, the said City is willing to grant said amendments:

NOW, THEREFORE, for and in consideration of the premises and of the mutual benefits, the Lessor and the Lessee do hereby agree each with the other as follows:

1. That the description of the lease premises set forth in said Indenture of Lease dated December 13, 1965, identified in the preambles of this Amendment to Indenture of Lease, is amended by striking and removing the following paragraph which immediately follows the metes and bounds description of said lease premises:

"Reserving unto the Lessor herein an easement of 15 feet in width along the Easterly line of the above described premises to be used by the Lessor for street purposes or public parking purposes."

2. That the term of the lease described in said Indenture of Lease dated December 13, 1965, between the Lessor and the Lessee is amended by extending same to May 31, 2020.

FILED FOR RECORD
1969 AUG -6 PM 1:32
J. M. ADAMS, CLERK, CT. CT.
MONROE COUNTY, FLORIDA

IN WITNESS WHEREOF, the Lessor has caused these presents to be executed in its name by its Mayor, and its seal affixed, attested by its City Clerk, and the Lessee has hereunto caused these presents to be executed in its name by its President, and its seal affixed, attested by its Secretary, all as of the day and year first above written.

Signed Sealed and Delivered in Our Presence:

Josephine Parker
Agnes P. Lewis

Burt Schuman
Gloria A. Barber

THE CITY OF KEY WEST, FLORIDA

By Sam H. Curry
Mayor

Attest: Jack F. Matthews (Seal)
City Clerk

KEY WEST HAND PRINT FABRICS, INC.

By [Signature]
President

Attest: Jim Russell (Seal)
Secretary

STATE OF FLORIDA,
COUNTY OF MONROE,

OFF REC 436 PAGE 589

ss.

On this 24 day of July, A. D. 1969, before me, the undersigned authority, personally came and appeared KERMIT H. LEWIN and JACK P. MATHEWS, to me well known to be respectively the Mayor and City Clerk of The City of Key West, Florida, a municipal corporation organized and existing under the laws of the State of Florida, whose names are subscribed to the within Amendment to Indenture of Lease, and they being informed of the contents thereof acknowledged that they executed the same on behalf of and as the free act and deed of said municipal corporation for the purposes therein expressed, and each being duly sworn did say that the said instrument was executed and the seal of said municipal corporation affixed pursuant to authority of Resolution duly passed by the City Commission of said City, that they know its common seal, and the seal affixed thereto is the common seal of said municipal corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.


Notary Public, State of Florida at
Large.

My Commission Expires:

Notary Public, State of Florida at Large
My Commission Expires Aug. 9, 1971
Bonded by Transamerica Insurance Co.

(Seal)

RESOLUTION NO. 71-79

A RESOLUTION AMENDING A LEASE BETWEEN
THE CITY OF KEY WEST, FLORIDA, AND
KEY WEST HAND PRINT FABRICS, INC.

WHEREAS, The City of Key West, Florida, entered into a
Lease Agreement with Key West Hand Print Fabrics, Inc. on December 13, 1965,
and

WHEREAS, Section Seven of said Lease provides that,
"The Lessee may assign the within lease to any banking institution for the purpose
of obtaining mortgage funds, without the consent of the Lessor." and,

WHEREAS, the Lessee now desires to assign said Lease to a
financial institution, not legally classified as a banking institution, for the
purpose of obtaining mortgage funds for the expansion of said Lessee's business,
and

WHEREAS, The City of Key West does not desire to restrict
the Lessee in its selection of a financial institution,

NOW, THEREFORE, BE IT RESOLVED by the City Commission of
The City of Key West, Florida, that Section Seven of the Lease Agreement between
The City of Key West, Florida, and Key West Hand Print Fabrics, Inc. is hereby
amended to read as follows:

SEVENTH: The Lessee may assign the within lease to any
financial institution for the purpose of obtaining mortgage funds, without the
consent of the Lessor. However, the Lessee shall not assign this lease to any
other person, firm or corporation, without first obtaining the written consent
of the Lessor herein, which approval shall not be arbitrarily or capriciously
withheld.

All other conditions and provisions of the original lease
dated December 13, 1965, shall remain in full force and effect.

Passed and adopted by the City Commission at a meeting
held this 7th day of June, A. D., 1971.


Mayor.

Attest:


City Clerk.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 85-01967-BKC-AJC

In re:

KEY WEST HAND PRINT FABRICS,
INC.,

Debtor.

ORDER CONDITIONALLY APPROVING
SALE AND ASSIGNMENT OF LEASE

At a hearing held before the Court on July 29, 1987, the Debtor, Key West Hand Print Fabrics, Inc., moved for authority to sell an asset of the estate and assign a lease on premises located at 529 Front Street, Key West, Florida after notice to creditors and interested parties, and on the objection of the City of Key West, and after presentation of the Attorneys for the Debtor and the City of Key West, it is

ORDERED as follows:

1. The motion for authority to assign and sell an asset of the estate in the form of a lease agreement between the City of Key West and the Debtor on the property located at 529 Front Street, Key West, Florida to the Assignee of Six Tulips Development Corp., Pier House Joint Venture and Ohio General Partnership, is approved and the objection is overruled.

2. The assignment by the Debtor to Pier House Joint Venture shall be on the same terms and conditions as enjoyed

by the Debtor on the premises, subject to all existing laws, ordinances and regulations regarding use, occupancy and maintenance of the premises.

3. The approval of the assignment by the Debtor is subject to compliance with the provisions of the lease agreement, Paragraph 7, to the effect that "...the Lessee shall not assign this lease to any other person, firm or corporation without first obtaining the written consent of the lessor herein, which approval shall not be arbitrarily or capriciously withheld."

4. In the event, after request, the consent by the City of Key West to assignment of the lease is not forthcoming within a reasonable time, a further hearing shall be scheduled before the Court to consider the question as to whether there is adequate assurance of performance by the Assignee and whether there is an unreasonable withholding of consent to the assignment.

ORDERED at Miami, Florida this 4th day of August, 1987.



A. JAY CRISTOL
U.S. BANKRUPTCY JUDGE

Copy furnished to:

Robert E. Venney, Esq.
(Atty. Venney is directed to forthwith
mail a copy of this Order to all
interested parties.)

8/5

SHUTTS & BOWEN

ATTORNEYS AND COUNSELLORS AT LAW
A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

MIAMI OFFICE
1300 EDWARD BALL BUILDING MIAMI CENTER
100 CHOPIN PLAZA
MIAMI, FLORIDA 33133
MIAMI (305) 358-6300
BROWARD (305) 487-884

ORLANDO OFFICE
56 EAST PINE STREET SUITE 300
P.O. BOX 2064
ORLANDO, FLORIDA 32802
TELEPHONE (305) 423-152

WEST PALM BEACH OFFICE
SUITE 701 FORUM II
1075 PALM BEACH LAKES BOULEVARD
WEST PALM BEACH, FLORIDA 33409
TELEPHONE (305) 664-3400

ROBERT E. VENNEN
(305) 379-4600

CABLE "SHUTTSBC"

TELEX 441-072

FRANK B. SHUTTS
(1870) 1947

CRATE D. BOWEN
(1870) 1959

August 10, 1987

OCALA OFFICE
125 NORTHEAST FIRST AVENUE
SUITE 3
OCALA, FLORIDA 32670
TELEPHONE (904) 624-885

LAKE WORTH OFFICE
1010 TENTH AVENUE NORTH
P.O. DRAWER 95
LAKE WORTH, FLORIDA 33460
TELEPHONE (305) 582-3300

OCEAN REEF OFFICE
OCEAN REEF CLUB
31 OCEAN REEF DRIVE
SUITE 520 OCEAN REEF PLAZA
KEY LARGO, FLORIDA 33037
TELEPHONE (305) 367-288

PLEASE REPLY TO MIAMI OFFICE

Stephen D. Stitt, Esq.
City Attorney
City of Key West
Angela and Simonton Streets
Key West, Florida 33040

Re: Key West Hand Print Fabrics Building

Dear Mr. Stitt:

Key West Hand Print Fabrics, Inc., Debtor in Possession ("Hand Print Fabrics") hereby requests the City of Key West, Florida ("City") to consent to the assignment by Hand Print Fabrics to Pier House Joint Venture, a Florida general partnership ("Pier House Venture"), as successor in interest to Six Tulips Development Corp., of its interest in and to that certain Lease by and between Hand Print Fabrics, as lessee and the City, as lessor, dated December 13, 1965, as amended.

Enclosed herewith is a letter dated August 6, 1987 from William R. Hansen, counsel to Pier House Venture, in which is set forth information pertaining to Pier House Venture and The Continental Companies, the latter as the contract manager of the Pier House Inn and Beach Club, which is owned by Pier House Venture. Also enclosed with Mr. Hansen's letter is a letter from Touche Ross & Co. dated August 6, 1987, with respect to the net worth of Richard E. Jacobs and David H. Jacobs, as the controlling partners of the entities which comprise Pier House Venture.

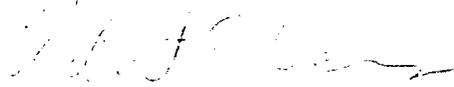
We would be most appreciative of the City's consideration of and early response to this request. Should you have any questions

Stephen D. Stitt, Esq.
August 10, 1987
Page Two

as to the above or the enclosures hereto, please contact me at your earliest possible convenience.

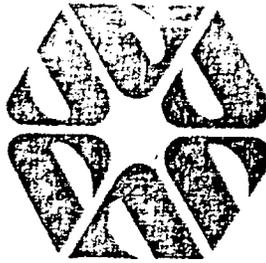
Thank you for your attention to this matter.

Very truly yours,



Robert E. Vennet

cc: David Kenin, Esq.
James T. Hendrick, Esq.
David Yelen, Esq.
William R. Hansen, Esq.



JACOBS, VISCONSI & JACOBS CO
25425 CENTER RIDGE ROAD, CLEVELAND, OHIO 44145-4122 • 2 6 871-4600

August 6, 1987

Stephen D. Stitt, Esq.
City Attorney
City of Key West
Angela and Simonton Streets
Key West, Florida 33040

Re: Key West Hand Print Fabrics Building

Dear Mr. Stitt:

The undersigned is Assistant General Counsel to Jacobs, Visconsi & Jacobs Co., an Ohio corporation the sole shareholders of which are Richard E. Jacobs, David H. Jacobs and Dominic A. Visconsi. JVJ is the fourth largest developer and manager of regional enclosed mall shopping centers in the United States. JVJ is also the owner of several hotels, including four Marriott hotels and the Pier House Inn and Beach Club, which - as one of the most successful hotel operations in Key West - enjoys an annual occupancy level of approximately 90 percent, which is substantially above the average occupancy rate of the hotel industry. JVJ is also involved in the development and ownership of office buildings and mixed-use urban developments. Enclosed herewith is an informational brochure on JVJ and its affiliated entities.

Legal title to the Pier House is vested in Pier House Joint Venture, a Florida general partnership the sole general partners of which are JVJ Key West Joint Venture and JVJ Pier House Joint Venture, each of which is an Ohio general partnership and holds a 50 percent ownership interest in Pier House Joint Venture. Collectively, Richard E. Jacobs and David H. Jacobs hold a 77 percent ownership interest in JVJ Key West Joint Venture and a 95 percent ownership interest in JVJ Pier House Joint Venture. Enclosed herewith is a letter dated August 6, 1987 from Touche Ross & Co., in which Touche Ross has certified to the City of Key West that Richard E. Jacobs and David H. Jacobs have a net worth in excess of \$10,000,000, in the aggregate.

The Pier House is managed by CSMC of Key West, Inc., which is an affiliate of The Continental Companies ("TCC"), of Miami, Florida. The Pier House is one

Stephen D. Stitt, Esq.
City Attorney
City of Key West
August 6, 1987

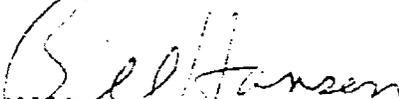
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of 60 hotels currently being operated and developed by TCC throughout the United States. Enclosed are various articles which provide background information with respect to TCC.

This letter and the enclosures hereto are being submitted to you in connection with the application of Key West Hand Print Fabrics, Inc., Debtor in Possession, for approval by the City of Key West of the assignment to Pier House Joint Venture, as the successor in interest to Six Tulips Development Corp., of that certain Lease by and between the City of Key West, as lessor, and Key West Hand Print Fabrics, Inc., as lessee, dated as of December 13, 1965, as amended.

Should you have any questions as to the above or the information which is being submitted herewith, please do not hesitate to give me a call.

Very truly yours,


William R. Hansen
Assistant General Counsel

WRH/sd

Enclosures

cc: David Kenin, Esq.
James T. Hendrick, Esq.
David Yelen, Esq.
Robert E. Venney, Esq.
(without enclosures)

RESOLUTION NO. 74-72

A RESOLUTION AMENDING A LEASE BETWEEN
THE CITY OF KEY WEST, FLORIDA AND
KEY WEST HAND PRINT FABRICS, INC.

WHEREAS, the City of Key West, Florida entered into a
Lease Agreement with Key West Hand Print Fabrics, Inc. on Decem-
ber 13, 1965, and

WHEREAS, the said Key West Hand Print Fabrics, Inc. has
requested said Indenture of Lease to be amended,

NOW, THEREFORE, BE IT RESOLVED by the City Commission of
the City of Key West, Florida, that Section One of the Lease Agree-
ment between the City of Key West, Florida and Key West Hand Print
Fabrics is hereby amended by striking and removing the following
paragraph which immediately followed the legal description of
the leased premises: "Subject to the restriction that no improve-
ments of any nature shall be constructed on the Northerly 20
feet of the above described property".

All other conditions and provisions of the original
lease dated December 13, 1965, shall remain in full force and
effect.

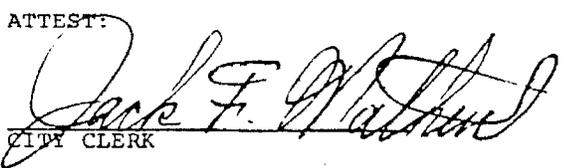
This Resolution shall go into effect immediately upon
its passage and adoption and authenticatio by the signature of
the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting
held this 20th day of May, A.D., 1974.



MAYOR

ATTEST:



CITY CLERK

THIS AMENDMENT TO INDENTURE OF LEASE, made as of the
20th day of MAY, 1974, by and between THE CITY OF KEY WEST
FLORIDA, a municipal corporation organized and existing under the
laws of the State of Florida, which may hereinafter be referred to
as "City", as Lessor, and KEY WEST HAND PRINT FABRICS, INC., a
corporation organized and existing under the laws of the State of
Florida, as Lessee,

WITNESSETH:

WHEREAS, The City of Key West, Florida and Key West Hand
Print Fabrics, Inc. entered into an Indenture of Lease dated the
13th day of December, A.D. 1965, filed the 28th day of June, 1966,
and recorded in Official Record 375, Pages 404-410, inclusive,
Monroe County, Florida Public Records, and

WHEREAS, the said Key West Hand Print Fabrics, Inc.
has requested said Indenture of Lease to be amended, removing the
restriction that no improvements of any nature shall be constructed
on the Northerly 20 feet of the above described property, and

WHEREAS, the said City is willing to grant said amendments

NOW, THEREFORE, for and in consideration of the premises
and of the mutual benefits, the Lessor and the Lessee do hereby
agree each with the other as follows:

1. That the description of the lease premises set forth
in said Indenture of Lease dated December 13, 1965, identified in
the preambles of this Amendment to Indenture of Lease, is amended
by striking and removing the following paragraph which immediately
follows the legal description of said leased premises:

"Subject to the restriction that no improvements
of any nature shall be constructed on the Northerly
20 feet of the above described property."

IN WITNESS WHEREOF, the Lessor has caused these presents
to be executed in its name by its Mayor, and its seal affixed,
attested by its City Clerk, and the Lessee has hereunto caused
these presents to be executed in its name by its President, and its
seal affixed, attested by its Secretary, all as of the day and

year first above written.

Josephine Parker
Antonia C. Vargas

THE CITY OF KEY WEST, FLORIDA

By: [Signature]
MAYOR

Attest: Jack F. Williams
CITY CLERK

Charlotte B. Smith
John A. K. [unclear]

KEY WEST HAND PRINT FABRICS, INC.

By: [Signature]
PRESIDENT

Attest: Jim Russell
SECRETARY