

GROUND LEASE AGREEMENT

LANDLORD: MONROE COUNTY, FLORIDA, a political subdivision of the State of Florida

TENANT: SPGL, LLC, a Florida limited liability company

SITE: 250 TRUMBO ROAD, KEY WEST, FL

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND BASIC TERMS	2
ARTICLE 2 TERM; USE AND OPERATION.....	5
ARTICLE 3 RENT; NET LEASE	6
ARTICLE 4 REPRESENTATIONS AND WARRANTIES	7
ARTICLE 5 PRIOR INSPECTION; APPROVAL PERIOD	7
ARTICLE 6 CONTINGENCIES	8
ARTICLE 7 "AS IS" CONDITION; ALTERATION, REPAIR, MAINTENANCE OF IMPROVEMENTS	9
ARTICLE 8 COMPLIANCE WITH LAWS AND AGREEMENTS; HAZARDOUS MATERIALS	9
ARTICLE 9 MECHANICS' LIENS	11
ARTICLE 10 TAXES, ASSESSMENTS AND OTHER CHARGES.....	12
ARTICLE 11 UTILITIES	13
ARTICLE 12 INDEMNIFICATION AND PROPERTY DAMAGE	14
ARTICLE 13 INSURANCE REQUIREMENTS.	14
ARTICLE 14 CONDEMNATION AND CASUALTY	16
ARTICLE 15 ASSIGNMENT AND SUBLETTING.....	18
ARTICLE 16 [RESERVED]	18
ARTICLE 17 PROJECT DESIGN; CONSTRUCTION	18
ARTICLE 18 DEFAULTS; REMEDIES; LANDLORD TERMINATION RIGHT	20
ARTICLE 19 HOLDING OVER.....	22
ARTICLE 20 SURRENDER.....	22
ARTICLE 21 TERMS SPECIFIC TO LANDLORD	23
ARTICLE 22 QUIET ENJOYMENT AND TITLE	24
ARTICLE 23 NOTICES.....	24
ARTICLE 24 PRORATIONS.....	25
ARTICLE 25 [RESERVED]	25
ARTICLE 26 TENANT'S USE AND CARE OF THE PROJECT	25
ARTICLE 27 MISCELLANEOUS	31
Exhibit A Legal Description of Land	
Exhibit B Permitted Title Encumbrances	
Exhibit C Memo of Ground Lease	
Exhibit D Site Plan	
Exhibit E Form of Release	
Exhibit F Construction Timeline	
Exhibit G KPI Scorecard	
Exhibit H Housing Facility Rental Terms and Leasing Plan	
Exhibit I Maintenance Standards	

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT ("Lease") is made and entered into as of the last date signed below (the "Effective Date"), between SPGL, LLC, a Florida limited liability company ("Tenant") and MONROE COUNTY, FLORIDA, a political subdivision of the State of Florida ("Landlord"); with reference to the following facts:

A. Landlord is the fee simple owner of that certain real property located at 250 Trumbo Road in the City of Key West, Monroe County, Florida, and more particularly described on **Exhibit "A"** attached hereto and incorporated herein (the "Land").

B. The Land is among the subjects addressed by that certain *Keys Overnight Temporary Shelter (KOTS) and Essential Government Employee Housing Interlocal Agreement* between Landlord and the City of Key West, Florida (the "City"), effective October 21, 2019 (the "Interlocal Agreement"), recorded in the official records of Monroe County at book 3002, page 344.

C. The Land is subject to that certain *Declaration of Affordable Housing Restrictions* by the City, effective September 17, 2019 (the "Declaration"), recorded in the official records of Monroe County at book 3002, page 336.

D. A material purpose of the Interlocal Agreement and of the Declaration was to provide for the development of Affordable Housing, as defined herein, on the Land for use by employees of the Monroe County Sheriff's Office (the "MCSO"), and other governmental employees.

E. Landlord's ownership interest in the Land is subject to advancing this purpose as reflected in that certain quit claim deed for the Land recorded in the official records of Monroe County at book 3006, page 1711.

F. In furtherance of this purpose, Tenant tendered an unsolicited proposal to collaborate with Landlord to design, build, finance and manage affordable housing on the Land (the "Improvements") for the benefit of employees of the MCSO, and to manage affordable housing for Eligible Residents, as defined herein on property owned by Tenant at 5312 Third Avenue, Stock Island, Florida (the "SI Facilities") for the benefit of employees of the MCSO (the "Tenant's Proposal").

G. The Board of County Commissioners (the "BOCC") deemed Tenant's Proposal a qualifying project under Section 255.065, Florida Statutes, deserving of further consideration as a potential public-private partnership.

H. Landlord, with MCSO review and approval, now desires to lease to Tenant, and Tenant desires to lease from Landlord, the Land in accordance with the terms and conditions of this Lease, for the purpose of Tenant undertaking to design, build, finance and manage the Improvements consistent with Tenant's Proposal, the Declaration, and the Interlocal Agreement, and to make the SI Facilities available to Landlord (collectively, the "Project").

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is mutually agreed by and between Landlord and Tenant as follows:

In consideration of the mutual agreements contained in this Lease, Landlord leases to Tenant the Land more particularly described on **Exhibit "A"**. Tenant shall construct the Improvements on the Land and may make alterations, replacements, modifications or additions thereto in accordance with the terms of this Lease, which Improvements and the SI Facilities shall be and remain the property of Tenant during the term of this Lease and thereafter the Improvements shall revert to Landlord. The Land and the

Improvements are hereinafter collectively referred to as the "Property". The SI Facilities shall not revert to the County at the expiration of this Lease.

The Land is leased hereunder subject only to the encumbrances comprising the "Permitted Title Encumbrances " (as hereinafter defined).

This Lease is made upon the following terms and conditions:

ARTICLE 1 DEFINITIONS AND BASIC TERMS

1.01. **Defined Terms.** In addition to any other terms whose definitions are fixed and defined by this Lease, each of the following defined terms, when used in this Lease with an initial capital letter, has the meaning ascribed to them in this Article 1:

Affiliate - means, with respect to any Person; (a) any other Person that, directly or indirectly, through one or more intermediaries, Controls, is controlled by or is under common control with such Person, (b) any successor to such Person by merger, consolidation or reorganization, (c) any purchaser of all or substantially all of the assets of such Person as a going concern, or (d) an entity which directly or indirectly acquires all, substantially all or a controlling interest of the stock, shares or other equity interests of such Person, whether in connection with a public offering, a private sale thereof or otherwise.

Affordable Housing – means affordable workforce housing as defined in Section 122-1465 through 122-1472 of the Land Development Code of the City, as amended from time to time.

Approval Period – means the time period beginning on the Effective Date and ending on the last Business Day of the eighteenth month thereafter, as may be extended in accordance with Paragraph 5.02.

Approvals – has the meaning set forth in Paragraph 5.02.

Business Day – means regular weekdays and does not include any Saturday, Sunday, or any day that is a federal or County holiday.

Board of County Commissioners or BOCC – means the governing body of the County.

City – means the City of Key West, Florida.

Commencement Date – means the date that is ninety days following the conclusion of the Approval Period unless this Lease has been terminated during the Approval Period.

Contractor – means Connor and Gaskins Unlimited, LLC.

Control – (including, with its correlative meanings, “controlled by” and “under common control with”) means possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise) of a Person.

County – means Monroe County, Florida.

Demolition Costs – has the meaning set forth in Paragraph 20.02.

Effective Date - has the meaning set forth in the first paragraph of this Lease.

Eligible Residents – shall have the meaning as set forth in **Exhibit “H”**.

Emergency Repairs – has the meaning set forth in Paragraph 26.08.

Force Majeure – has the meaning set forth in Paragraph 27.15.

Good Industry Practice – means those means, methods, techniques, practices and procedures generally considered industry standard in the design, development, construction, operation, maintenance,

sustainability, repair, rehabilitation, replacement and renovation of buildings, structures, facilities, systems and improvements comparable in size, use and function to the Improvements within major metropolitan areas in southeastern areas of the State (including without limitation, Miami).

Governmental Approvals – means all zoning, land use, site plan, and operational approvals from all governmental and quasi-governmental entities having jurisdiction over the Property (including Landlord), and all consents and approvals from governmental and non-governmental persons or entities, which are necessary or desirable for the development and operation of the Property for Tenant's intended use, including, but not limited to: demolition permits, building and development permits, site development permits, curb cut permits, authorization and permits, site plan approvals, water and sanitary sewer tap permits, stormwater approvals, and utility permits and approvals.

Governmental Authorities – means any federal, state, local or foreign government, department, commission, board, bureau, agency, court or other regulatory, administrative, judicial, tax, governmental or quasi-governmental authority having jurisdiction over the Project, the Tenant, the Land or the Improvements, and does not include Landlord.

Hazardous Materials – means any and all toxic, radioactive, or hazardous substances, chemicals, materials or pollutants, of any kind or nature, which are regulated, governed, restricted or prohibited by any Law currently in existence or hereafter enacted or rendered, and shall include (without limitation), all oil, gasoline, and petroleum-based substances.

Housing Facilities – means the Improvements and the SI Facilities.

Improvements – means all buildings, structures or other improvements constructed or to be constructed on the Land by Tenant, including, without limitation, all buildings, site lighting, stormwater control structures and retention, utilities and other site development improvements, or any alterations, replacements, modifications or additions thereto made by Tenant in accordance with the terms the Plans and Specifications.

Inspector – has the meaning set forth in Paragraph 26.19.

Key Performance Indicators – has the meaning set forth in Paragraph 26.18.

Land – means the real property subleased to Tenant pursuant to this Lease, as more particularly described on **Exhibit "A"** attached hereto.

Landlord Contamination – has the meaning set forth in Paragraph 8.02(e).

Landlord Indemnified Parties – has the meaning set forth in Paragraph 12.01.

Laws – means any order, writ, injunction, decree, judgment, law, ordinance, decision, principle of common law, ruling that has the force of law or any treaty, constitution, statute, code, rule or regulation of any governmental authority, applicable to the Property or Tenant.

Lease Period – means a one-year period commencing on October 1st and ending on the subsequent September 30th. The first Lease Period shall commence on October 1st of the calendar year in which the Commencement Date occurs.

Lease Term – has the meaning set forth in Paragraph 2.01.

Legal Requirements – means requirements, limitation, restrictions and conditions of Laws by Governmental Authorities, including State, County, City and other rules, regulations and standards relating to the design and construction of improvements, buildings, structures and other installations on the Land in effect at the time of construction of the initial Improvements, or as are applicable to any subsequent Improvements, whether or not presently contemplated, that are applicable to the Property or the uses conducted on the Property by Tenant.

Maintenance Standards - means and refers to the standards, specifications, protocols and conditions for maintenance of the Housing Facilities attached hereto as **Exhibit "I"** attached hereto, which may be amended from time to time by the Parties.

MCSO – means the Monroe County Sheriff's Office.

Occupancy Agreements – means, collectively, the leases, rental agreements, license agreements, or other similar agreements of no more than twelve (12) months in duration between Tenant and Eligible Residents (each, an "Occupancy Agreement").

Outside Completion Date – means the date that is twelve (12) months following the Commencement Date, subject to extension for delays resulting from Force Majeure.

Performance Standard – means the required action or service shall be performed in a prudent and efficient manner (i) consistent with Good Industry Practices; (ii) in accordance with customary management practices for well-maintained workforce housing properties of comparable size and age in major metropolitan areas in southeastern areas of the State (including without limitation, Miami); and (iii) in accordance with this Lease.

Periodic Inspection – has the meaning set forth in Paragraph 26.19.

Permitted Title Encumbrances – means all easements, rights-of-way, covenants, agreements, encumbrances, restrictions and other matters affecting the Land which are identified on **Exhibit "B"** attached hereto and made a part hereof as it may be amended.

Permitted Uses – has the meaning set forth in Paragraph 26.01.

Person - means any individual, corporation, partnership, joint venture, business trust, limited liability company, limited partnership, joint stock company, unincorporated association or other entity or any governmental authority.

Plans and Specifications – means the final construction plans, drawings and specifications for the original construction of the Improvements and any work to be done in connection with removal, relocation or installation of Utility Lines or installation, equipping and construction of the Project, as such plans, drawings and specifications may be amended from time to time with the approval of Landlord as provided herein.

Project - has the meaning set forth in Recital H.

Project Inspection Evaluation Form – has the meaning set forth in Paragraph 26.19.

Property – means, collectively, the Land and the Improvements.

Property Management Agreement – means the property management agreement by and between Tenant and a Property Manager related to the management of the Housing Facilities.

Property Manager – has the meaning set forth in Paragraph 26.05.

Rent – has the meaning set forth in Paragraph 3.01.

Resident Satisfaction Survey – has the meaning set forth in Paragraph 26.18(a).

Site Plan – means the site plan attached hereto as **Exhibit "D"**. The Site Plan is incorporated herein only for the purposes specifically stated in this Lease and does not otherwise affect the terms and conditions set forth herein.

SI Facilities – means the housing facilities located at 5312 Third Avenue, Stock Island, Florida.

State – means the State of Florida.

Taxes – has the meaning set forth in Paragraph 8.01.

Tenant Agent(s) – has the meaning set forth in Paragraph 26.07.

Tenant Asset Management Services – means the asset management services with respect to the Housing Facilities, including life-cycle maintenance, replacement, repair, rehabilitation, renovation and refitting services, including the upgrading, replacement or repair of information technology.

Tenant Contamination – has the meaning set forth in Paragraph 8.02(d).

Tenant Maintenance Services – means routine and preventative maintenance services with respect to the Housing Facilities.

Tenant Services – means, collectively, Tenant Maintenance Services and Tenant Asset Management Services.

Term – has the meaning set forth in Paragraph 2.01.

Timeline – has the meaning set forth in Paragraph 17.02(d).

Title Commitment – has the meaning set forth in Paragraph 6.01(a)

1.02. Rules of Interpretation. The headings of Articles and Paragraphs in this Lease are provided for convenience of reference only and will not affect the construction, meaning or interpretation of this Lease. All references to "Articles," "Paragraphs," or "Exhibits" refer to the corresponding Articles, Paragraphs or Exhibits of or to this Lease. All Exhibits to this Lease are hereby incorporated by reference. All words used in this Lease will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the words "include," "includes" and "including" shall be interpreted to mean "including without limitation." Unless otherwise stated, any reference to a person or entity, whether or not a party, includes its permitted successors and permitted assigns and, in the case of any governmental authority, any entity succeeding to its functions and capacities. Other grammatical forms of defined words or phrases have corresponding meanings. A reference to a writing includes any mode of representing or reproducing words, figures or symbols in a lasting and visible form. Unless otherwise provided, a reference to a specific time of day for the performance of an obligation is a reference to the time in the place where that obligation is to be performed. A reference to a document, law, code, rule, regulation, contract or agreement, including this Lease, includes a reference to that document, code, rule, regulation, contract or agreement as novated, amended, modified, revised, supplemented, replaced or restated from time to time in accordance with the relevant provisions thereof. If any payment, act, matter or thing hereunder would occur on a day that is not a business day, then such payment, act, matter or thing shall, unless otherwise expressly provided for herein, occur on the next succeeding business day. The words "hereof," "herein" and "hereunder" and words of similar import shall refer to this Lease as a whole and not to any particular provision of this Lease. The parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this Lease and, unless expressly provided otherwise in this Lease, (a) where this Lease requires the consent, approval, or similar action by a party, such consent or approval shall not be unreasonably withheld, conditioned or delayed, and (b) wherever this Lease gives a party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be reasonable.

ARTICLE 2 TERM; USE AND OPERATION

2.01. Term. This Lease shall be effective from the date of execution of this Lease through September 30th of the Lease Period in which the thirtieth (30th) anniversary of the Commencement Date occurs, as such period may be earlier terminated in accordance with the terms hereof (the "Lease Term"). From and after the date hereof, Tenant shall have and hold its leasehold interest in the Land, and have day-to-day control of the Project, subject to the terms, conditions, covenants, and agreements set forth in this Lease. Upon the request of either Party, the other Party shall execute and deliver a written

acknowledgment of the contemplated expiration date of this Lease when such date is established, provided, however, a Party's failure to execute and deliver such acknowledgment shall not affect either Party's rights or other obligations hereunder.

2.02. Renewal. The Tenant shall have the option to renew this Lease for two terms of an additional thirty (30) years and one final term of nine (9) years provided the following conditions have been satisfied in the judgment of the Landlord:

- (a) No Event of Default shall have occurred and be continuing hereunder;
- (b) Tenant delivered a Facilities Condition Report at least six (6) months prior to the expiration of the then current term of this Lease and defects and deficiencies are addressed or are being addressed as provided in Section 26.22 hereof; and
- (c) The Property Manager has not received a total point score below 2.25 in each of the last two years prior to the expiration of the then current term of this Lease.

2.03. Use and Operation. Subject to applicable zoning Laws, permits, and licenses, Tenant shall use the Land and the Housing Facilities solely and exclusively for Permitted Uses.

2.04. Rules and Regulations. Tenant shall comply with and cause all Tenant contractors and other persons within Tenant's control to comply with all Legal Requirements as may be now or hereinafter adopted or amended, which are applicable to County property generally, on a non-discriminatory and reasonable manner.

ARTICLE 3 RENT; NET LEASE

3.01. Rent. In consideration of Tenant undertaking the financing, construction, and maintenance of the Improvements Tenant shall pay Landlord rent for the Land ("Rent") in the amount of \$10.00 per year payable in advance on the Effective Date. Tenant shall submit Rent to Landlord at the address specified in Article 23.01 of this Lease, entitled "Notices" or such account or other address as Landlord may designate by notice to Tenant. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated or other amount owed to Landlord shall be deemed to be received other than on account of the earliest stipulated Rent or other amount due. No endorsement or statement on any check or any letter accompanying or transmitting any check or payment as Rent or amount due shall be deemed an accord and satisfaction, and Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such Rent or amount due and any other amounts due or pursue any other remedy provided for in this Lease or available at law or in equity.

3.02. Net Lease. This Lease is a "net" lease. The parties acknowledge and agree that Landlord would not enter into this Lease if the Rent described in this Lease were not absolutely net to Landlord or if Landlord were to incur any liability whatsoever, foreseen or unforeseen, with respect to the Property or any portion thereof, including the Land and Improvements, or Tenant's exercise of any other of its rights under this Lease. Accordingly, except as may be provided in this Lease to the contrary, Tenant shall pay all expenses, costs, Taxes, fees and charges of any nature whatsoever arising in connection with or attributable to the Property or the Improvements, including without limitation, the Property, during the Term of this Lease or in any manner whatsoever arising as a result of Tenant's exercise of, or Landlord's grant of, the rights described in this Lease, including, without limitation, all fees of Tenant's consultants, ad valorem real estate taxes, utility costs and expenses, costs of design, construction, operation, maintenance, repair, replacement and renovation of the Improvements, Tenant's accounting and attorney's fees, costs of any financing obtained by Tenant, costs of any leasehold title insurance policy obtained by Tenant, utility charges and surety bond and insurance premiums, and Tenant shall pay and be responsible for all costs, expenses, obligations, liabilities and acts necessary to and for the proper use, operation, maintenance, care and occupancy of the Property.

3.03. Use of SI Facilities. As additional consideration for Landlord's agreement to lease the Land to Tenant, Tenant shall lease the SI Facilities to Eligible Residents so long as this Lease remains in effect, in accordance with the terms specified on Exhibit "H" attached hereto.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Subject to satisfaction of conditions precedent and obtaining Governmental Approvals relating to design, construction and operation of the Improvements, the parties make these representations and warranties.

4.01. Authority and Obligations of the Parties. To induce the other party to enter into this Lease, each party represents and warrants to the other that it has the right and authority to enter in this Lease and perform all of its obligations hereunder without obtaining any consents from any public or private parties except as contemplated herein. This Lease constitutes a legal, valid, and binding obligation upon such party, which is enforceable against it in accordance with its terms, subject as to enforceability, to bankruptcy, insolvency, and other laws of general applicability relating to or affecting creditors' rights generally and to general equity principles. Neither the execution nor delivery of this Lease, nor the consummation of the transaction contemplated hereby, will conflict with or result in a breach under any agreement or instrument by which such party is bound, and will not constitute a violation of any applicable Law to which such party is subject. Tenant represents and warrants that it is not prohibited by any Laws or Legal Requirements from entering into a contract with a governmental entity.

4.02. Title to the Improvements and Land.

(a) Landlord does not hereby make any representation, warranty, covenant or guaranty regarding title, right or interest in the Land to Tenant; provided, however, that Landlord does warrant and guaranty title, right and interest in and to the leasehold estate created by this Lease in favor of Tenant. Tenant shall not encumber the fee ownership of the Property held by the Landlord, but Tenant shall have the right to encumber the leasehold estate that Tenant holds and Tenant's Improvements. Tenant acknowledges that prior to the Commencement Date it will have performed whatever due diligence is required regarding title, condition and value of the Land and the suitability of the Land for the design, construction, management, operation, use, maintenance, and repair of the Improvements, and Tenant will obtain, at its discretion, a title insurance policy or other protection concerning Tenant's leasehold interest provided in this Lease.

(b) This Lease is subject to Permitted Title Encumbrances, Legal Requirements, and the easements, agreements, instruments and documents that are executed or imposed from time to time after the date of execution of this Lease and communicated in writing to Tenant, as long as such future matters do not materially impair Tenant's rights under this Lease to construct, operate and maintain the Improvements for the Permitted Uses. Tenant acknowledges that the Land shall only be available to Eligible Residents as required by the Declaration.

ARTICLE 5 PRIOR INSPECTION; APPROVAL PERIOD

5.01. Prior Inspection. Pursuant to the Site Access Agreement dated October 1, 2020, as amended, Tenant has satisfied itself that the Land is suitable for Tenant's intended use.

5.02. Approval Period. Tenant shall have until the last Business Day of the eighteenth calendar month following the Effective Date, subject to extensions of time for Force Majeure, to obtain, to Tenant's satisfaction and at Tenant's sole cost and expense, the necessary Governmental Approvals (including permits and approvals required from the City, and Landlord's approval of the Plans and Specifications (collectively, the "Approvals"). Landlord shall cooperate with Tenant (at no cost to Landlord) in the application for any Government Approvals that require Landlord's consent or approval.

If despite its reasonable efforts Tenant has not obtained all Approvals by the end of the Approval Period, the Approval Period shall be extended for two (2) periods of thirty (30) days each. If despite its reasonable efforts Tenant has not obtained all Approvals by the end of the two extension periods, and Tenant is diligently pursuing the Governmental Approvals, in the judgement of the Landlord, the Approval Period may be extended for such period as approved by Landlord. If Tenant has not obtained all Approvals by the end of the extended Approval Period, the Landlord may elect to not proceed with the transaction contemplated by this Lease, in which event the Landlord may terminate this Lease by notifying the other party in writing on or before the expiration of the extended Approval Period, and upon such notice the parties shall be released from all further obligations under this Lease. At Tenant's costs, to the extent that Tenant is required to obtain Governmental Approvals from Governmental Authorities and agencies other than Landlord, Landlord shall cooperate with, and reasonably support, Tenant in obtaining any building and development permits, curb cut permits, site plan approvals, and water and sanitary sewer tap permits or such other permits, licenses, or approvals as may be necessary for the development of the Improvements.

5.03. No Guarantees. Tenant acknowledges that it has conducted due diligence with respect to the costs, risks, and uncertainties of developing, and constructing, the Improvements and operating and maintaining the Housing Facilities and its own evaluation of the demand for, and the financial prospects of the Housing Facilities without reliance on any statement, description or information provided by Landlord. Landlord makes no representation, warranty, or other undertaking with respect to demand for the Housing Facilities.

ARTICLE 6 CONTINGENCIES

6.01. Contingencies. The lease of the Land under this Lease shall be contingent upon satisfaction of the following conditions:

(a) Title Commitment/Permitted Title Encumbrances/Policy. Tenant may obtain a current title report, or leasehold title commitment (either the title report or the title commitment hereinafter the "Title Commitment") and copies of all title exception documents indicated thereon, for Tenant's review. Prior to the end of the Inspection Period, Landlord and Tenant shall agree to the Permitted Title Encumbrances to be listed on Exhibit "B" based on the current title report and survey.

(b) Survey. Tenant, at Tenant's sole cost and expense, shall obtain a survey of the Land, certified to Landlord, Tenant, and Tenant's title insurer, and showing any and all improvements located within the Land, if any, and all easement areas appurtenant thereto. Tenant may also require the surveyor to certify: (i) that the survey is an accurate survey of all of the real property legally described thereon; (ii) that the survey properly and accurately indicates and locates any improvements which are shown thereon; (iii) that the survey was prepared under the direct supervision and control of the surveyor from an actual survey made of the real property legally described thereon; (iv) that there are no encroachments either across property lines or zoning restrictions lines in effect as of the date of the survey other than as shown thereon; (v) that the survey properly designates and locates all visible or recorded, easements as shown on the Title Commitment; (vi) all established building and setback lines or restrictions of record (as disclosed by the Title Commitment), established by law, or known to the surveyor after inquiry are accurately indicated and located thereon; (vii) the location and existence of property for drainage, ingress or egress, or any other purpose except as is shown thereon; (viii) that utility services for electricity, water, sewer and telephone either enter the Land through adjoining public streets, or, if they pass through or are located on private land, do so in accordance with easements inuring to the owner of the property which are shown thereon; (ix) that ingress and egress to the Land is provided by Trumbo Road, upon which the property abuts, the same being paved and dedicated right-of-way maintained by the City; (x) that the property is located in Flood Zone "VE 10" and "AE 9" in accordance with the current Federal Emergency Management Agency Flood Insurance Rate Map; and (xi) that the survey meets the requirements of the

Minimum Technical Standards set forth by the Florida Board of Professional Land Surveyors in the Florida Administrative Code, pursuant to Section 472.027, Florida Statutes.

6.02. Failure to Satisfy Contingencies. If the contingencies set forth in this Article 6 are not satisfied in accordance with the terms hereof, Tenant may notify Landlord in writing prior to the expiration of the Approval Period of its election to terminate this Lease and upon giving such notice, this Lease shall be null and void and each party released and relieved of all liability under this Lease, except as specifically provided herein.

ARTICLE 7

"AS IS" CONDITION; ALTERATION, REPAIR, MAINTENANCE OF IMPROVEMENTS

7.01. As Is Condition. Tenant acknowledges and agrees that the Land shall be leased by Landlord to Tenant on the Commencement Date in an "as is" condition, and that, except as specifically set forth in this Lease, Landlord makes absolutely no representations or warranties and undertakes no indemnity or guaranty whatsoever with respect to the Land or the condition thereof.

7.02. Alteration, Repair, and Maintenance of Improvements. Tenant, at its sole expense and in its sole discretion, may make replacements, alterations, additions and improvements to the Improvements; provided such activity is done in a good and workmanlike manner in accordance with this Lease and Permitted Uses, including requirements hereof governing the original design and construction of the Improvements, and all applicable Laws, Legal Requirements, Governmental Approvals and the then-current design, engineering and construction standards and requirements of the Florida Building Code and the City of Key West Land Development Code. The Improvements and the Project shall be and remain the property of Tenant during the term of this Lease and the Improvements shall revert to Landlord at the expiration or earlier termination hereof, subject to Tenant's right to make alterations to the Improvements as allowed under this Lease.

7.03. Renovation or Remodel of Improvements. Subject to compliance with the requirements of Article 17, Tenant may renovate or remodel the Improvements now or hereafter erected on the Land.

7.04. Title to and Removal of Trade Fixtures. All trade fixtures, equipment, and personal property of any nature which may be installed or placed in or upon the Property by Tenant shall remain the property of Tenant. Tenant shall have the right, at any time during the Term, and at the end of the Term, pursuant to Article 20, to remove such trade fixtures, equipment, and personal property from the Property; provided, however, Tenant shall promptly repair any damage caused by such removal. Tenant may assign, lien, encumber, mortgage or create a security interest in or upon its trade fixtures, equipment, or other personal property in the Property without the consent of Landlord. To the extent Landlord may have a lien on or security interest in the trade fixtures, equipment, or other personal property of Tenant, pursuant to this Lease, by Law or otherwise, Landlord hereby subordinates such lien or security interest to any lender of Tenant subject to notice from Tenant of the identity of such Lender; provided that such subordination shall not waive, release or otherwise affect any unsecured claim Landlord may have against Tenant or affect Landlord's rights, interests and remedies under this Lease. Upon the request of Tenant, Landlord agrees to provide Tenant, within ten (10) days of such request, a written subordination in form reasonably satisfactory to Tenant and any lender of Tenant evidencing Landlord's subordination of any rights it has or may have in Tenant's trade fixtures, equipment, and other personal property. If Landlord unreasonably fails to execute such subordination of rights, any lender of Tenant may enforce the provisions of this Paragraph 7.04 as a third-party beneficiary hereof.

ARTICLE 8

COMPLIANCE WITH LAWS AND AGREEMENTS; HAZARDOUS MATERIALS

8.01. Compliance with Laws. During the Term of this Lease, Tenant shall comply with and cause the Housing Facilities to be in compliance with all Laws and Legal Requirements; provided, however, in no event shall Tenant be responsible for the presence of any Hazardous Materials existing on

the Land as of the Effective Date. During the Term of this Lease, Tenant is responsible for any violations of applicable Laws or Governmental Approvals at or relating to the Housing Facilities and the payment of all fines, penalties, sanctions, assessments, and other costs, expenses or fees, including reasonable attorney's fees (unless such violation is the direct result of actions or omissions of Landlord, or Landlord's employees, contractors, agents or representatives). If Tenant becomes aware of any such violations, the presence of Hazardous Materials in violation of Laws or other circumstance or condition which presents a reasonably foreseeable risk of injury or harm to persons or damage to property on the Property, it shall promptly notify Landlord in writing. Tenant shall prepare and submit to Landlord a remedial plan to address any such violation or condition and prevent the re-occurrence of similar violations. To the extent that Tenant through its actions or the actions of its employees or contractors (acting within the scope of their employment or contract) causes Hazardous Materials to be placed or released on, under or within the Property in violation of applicable environmental Laws or causes damage to natural resources, Tenant shall be fully responsible and liable for clean-up and remedial work at its costs and expense and payment of all penalties, fines, sanctions or assessments relating thereto.

8.02. Hazardous Materials.

(a) Landlord's Representation and Warranty. Landlord represents and warrants to Tenant as of the Effective Date that to its actual knowledge, Landlord: has not used, discharged, dumped, spilled, or stored any Hazardous Materials on or about the Land in violation of Law which would have a material adverse effect on the use of the Land by Tenant hereunder, and except as has been disclosed in writing to Tenant in the Phase II Subsurface Investigation Report dated December 10, 2020, and Additional Soil Assessment & Groundwater Sampling Report dated April 23, 2021, both prepared by Partner Engineering and Science Inc., Project Number 20-296710.1 (the "Existing Landlord Contamination") has received no notice of any Hazardous Materials on or about the Land in violation of applicable Law, or there does not exist on or about the Land any Hazardous Materials in violation of applicable Laws which would have a material adverse effect on the use of the Land by Tenant hereunder. During the Term, Landlord shall have an ongoing obligation to disclose to Tenant any and all information which Landlord has regarding any Hazardous Materials affecting the Land, and without limitation, Landlord shall promptly deliver to Tenant copies of any environmental reports that it currently has or later obtains with respect to the Land.

(b) Use, Storage and Sale of Hazardous Materials. Tenant, or its employees, agents, licensees, or contractors shall not use, generate, manufacture, refine, treat, process, produce, store, deposit, handle, transport, release, or dispose of Hazardous Materials in, on or about the Housing Facilities, in violation of any federal, state or local laws currently in existence or during the Term enacted or rendered including United States export compliance regimes (including International Trade in Arms Regulations, Office of Foreign Assets Control, and Export Administration Regulations). Notwithstanding the foregoing, Tenant may use normal quantities of Hazardous Materials customarily used in the conduct of Tenant's business, provided that Tenant's activities at or about the Housing Facilities and the handling by Tenant of all Hazardous Materials shall comply at all times with all applicable Laws. Tenant shall at Tenant's expense promptly take all actions required by any Governmental Authorities or entity in connection with or as a result of the handling by Tenant of Hazardous Materials at or about the Housing Facilities, including inspection and testing, performing all cleanup, removal and remediation work required with respect to those Hazardous Materials, complying with all closure requirements and post-closure monitoring, and filing all required reports or plans.

(c) Notice by Tenant. Tenant shall promptly notify Landlord of any actual or alleged release of Hazardous Materials or violation of any environmental Laws relating to the Housing Facilities or the release or suspected release of Hazardous Materials in, under or about the Housing Facilities potentially in violation of environmental Laws or applicable Governmental Approvals, and Tenant shall promptly deliver to Landlord a copy of any notices, filings or permits sent or received by Tenant, or on behalf of Tenant, with respect to any of the foregoing events, occurrences, conditions or circumstances. In connection with the investigation, clean-up, removal, remediation, resolution or other disposition of any

claims regarding actual or alleged release of Hazardous Materials, in no event is Tenant entitled to agree to any lesser clean-up standard than is required by applicable Law or to any limitation on use of the Land or Improvements that would be binding on Landlord or the State without Landlord's consent in its sole and absolute discretion.

(d) Indemnification by Tenant. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect, and hold Landlord, its employees, agents, attorneys, officers, successors and assigns, free and harmless from and against any and all claims, actions, causes of action, liabilities, penalties, forfeitures, damages, losses or expenses (including, without limitation, reasonable attorneys' fees and costs through litigation and all appeals or other review proceedings) or death of or injury to any person or damage to any property or natural resources whatsoever, arising from or caused in whole or in part, directly or indirectly by any Tenant Contamination (defined as any contamination of the Land by Hazardous Materials during the Term where such contamination is caused by the act or omission of Tenant). Tenant's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all fines, penalties, contributions and all costs of any required or necessary repair, clean-up or detoxification or decontamination of the Land, and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. For avoidance of doubt, Tenant's indemnification shall not include the Landlord Contamination, including Tenant's work associated with containing same.

(e) Landlord Costs. Landlord shall bear the cost, expenses and fees, and liabilities, penalties, forfeitures, damages, losses or expenses arising out of the death of or injury to any person or damage to any property whatsoever, to the extent caused in whole or in part, directly or indirectly by Landlord Contamination (defined as any contamination of the Land by Hazardous Materials which existed on or under the Land as of the Effective Date other than the Existing Landlord Contamination or were released on or under the Land during the Term where the existence of such contamination was not caused by any Tenant Contamination). Landlord shall, only to the extent caused by Landlord Contamination, bear the costs of any required or necessary repair, clean-up or detoxification or decontamination of the Land and repairs to the Improvements, and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. Regarding the Existing Landlord Contamination, Tenant shall prepare a remediation plan that complies with all applicable laws and submit such plan to Landlord for approval, which approval will not be unreasonably withheld, conditioned or delayed. Landlord agrees to cooperate with Tenant to implement said remediation plan, including, without limitation, recording a restrictive covenant prohibiting installation of ground water wells. The cost of remediating the Existing Landlord Contamination shall be considered a cost of the Project.

8.03. Survival and Duration of Obligations. All representations, warranties, obligations and indemnities made or given under this Article 8 shall survive the expiration or earlier termination of this Lease for a period of seven (7) years.

ARTICLE 9 MECHANICS' LIENS

9.01. No Liens. Tenant will not create or permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Property, any part thereof or upon Tenant's leasehold interest, which arises out of the use or occupancy of the Property by Tenant or by reason of any labor or materials furnished or claimed to have been furnished to Tenant or by reason of any construction, addition, alteration or repair of any part of the Property. If any such lien is filed against the Property, within sixty (60) days after Tenant's receipt of written notice of the filing thereof, Tenant shall cause such lien or claim to be released or discharged with respect to the Property by payment or bonding. Notwithstanding anything to the contrary set forth in this Lease, in no event shall the interest of Landlord in all or any part of the Property be subject to any construction, mechanics', materialmen's, laborers' or other statutory or common law lien for improvements or work made or done

by or at the instance of Tenant, whether or not the same shall be made or done with the consent of Landlord or by agreement between Tenant and Landlord. Pursuant to Florida Statutes §713.10, all persons dealing with, or contracting with Tenant or any contractor of Tenant are hereby put on notice of the foregoing provision. Tenant and Landlord agree to execute a Memorandum of Lease, in the form of **Exhibit "C"** attached hereto and by this reference incorporated herein, to be recorded in the public records of the County for the purpose of giving constructive notice of the provisions of this Paragraph 9.01.

9.02. **Contests.** Tenant shall not be required, nor shall Landlord have the right, to pay, discharge, or remove any charges, liens or encumbrances, or to comply with any Legal Requirements not governing health, safety, security, privacy or Hazardous Materials, so long as Tenant contests the existence, amount or validity of the matter in question by appropriate proceedings. This right of Tenant to withhold performances while proceedings are pending shall apply only if Tenant's proceedings effectively prevent any sale, forfeiture or loss of the Improvements or Landlord's rights under this Lease. Landlord shall not be required to join in any contest by Tenant pursuant to this Paragraph 9.02 unless Laws require that the proceeding be brought by or in the name of the Landlord. In such event, subject to reasonable assurances from Tenant, Landlord shall join the proceedings or permit them to be brought in its name; however, Landlord will not be subjected to any liability and attorney's fees for the payment of any costs, expenses or attorney's fees in connection with any contest or proceedings and Tenant shall indemnify Landlord against and save Landlord harmless from any of such costs, expenses and attorney's fees.

ARTICLE 10 TAXES, ASSESSMENTS AND OTHER CHARGES

10.01. **Taxes, Assessments and Other Charges.** Tenant shall pay, prior to delinquency, all taxes, assessments, levies, fees, fines, penalties and all other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which are due during the Term, hereof, imposed or levied upon or assessed against the Property, or any portion thereof, including the Land and any Improvements now or hereafter located on the Land (the "Taxes"). Sales and use Taxes shall be paid by Tenant on the Rent and any other amounts payable by Tenant.

10.02. **Contest.** Tenant shall have the right at its own cost and expense to initiate and prosecute in good faith any proceedings permitted by law for the purpose of obtaining an abatement or of otherwise contesting the validity or amount of any Taxes, provided Tenant's exercise of the foregoing right does not subject Landlord to any penalties or affect Landlord's interest in the Land. If required by Law, Tenant may take such action in the name of Landlord who will cooperate with Tenant at Tenant's cost to such extent as Tenant may reasonably require. If the tax proceedings result in a reduction of Taxes during the Term of this Lease, whether or not the proceeding are brought by Landlord or Tenant, any refund shall be the property of Tenant. Landlord will not be subjected to any liability for the payment of any costs, expenses or attorney's fees in connection with any contest or proceedings and Tenant shall indemnify Landlord against and save Landlord harmless from any of such costs and expenses, including without limitation, attorney's fees and costs.

10.03. **Proration.** To the extent Landlord is obligated to pay Taxes, all real estate taxes and assessments which are due and payable in the first year of the Term of this Lease or within one (1) year after the expiration of the Term of this Lease shall be prorated as of the Commencement Date or the date of expiration of the Term, whichever is applicable, on the basis of the fiscal year with respect to which such taxes or assessment are assessed and based on the maximum discount permitted by law. If any payments are made based on estimated tax bills, the parties agree to submit a final accounting based on the final tax bill and if one party paid more than its pro rata share, then the other party shall reimburse the other party within thirty (30) days after receipt of written notice and proper documentation from the other party. Tenant shall be responsible for and shall pay the portion of such taxes relating to the period beginning with the Commencement Date through and including the date of expiration of the Term and

during any holdover. Landlord and Tenant shall use reasonable efforts to cause any tax bills to be sent directly to Tenant but if such bills are sent to Landlord, Landlord shall promptly present to Tenant copies of all tax bills received.

ARTICLE 11 UTILITIES

Tenant at its sole cost and expense shall obtain and promptly pay for installation of facilities and all utility, communication and other services furnished to or consumed on the Property, including, but not limited to, electricity, cable, internet communication, gas, water, sewer, stormwater, heat, cooling, telephone, janitorial, garbage collection, and all charges related to any of these services, including any tap-in, connection or impact fees. Tenant shall have the right, at its option, to repair and restore utility service to the Property as Tenant may deem necessary to reasonably conduct its business on the Property consistent with the Permitted Use of the Land. Landlord shall cooperate with Tenant, at Tenant's expense, in all applications for utility service; and Landlord agrees to grant to utility providers and/or to Tenant, as may be applicable, any easements reasonably required for providing utility services required for Tenant's use of the Land and the Improvements. Tenant shall deliver written requests to Landlord, together with a legal description of any requested easement, and provide sufficient advance notice of the nature, scope and duration of any easements required for the use of the Land and the Improvements. Landlord will receive and process Tenant's requests for the grant of easements and invoice Tenant for all fees, costs and expenses related thereto in accordance with Landlord's then-current standards, processes and procedures for such matters. Such easements granted by Landlord shall be non-exclusive. Each easement shall (a) not materially impair the value, functionality, safety or remaining useful life of the County's property, any portion thereof, or any improvements, buildings and structures thereon, or materially increase the costs to operate, insure, maintain and repair of the foregoing; (b) be reasonably necessary for the use of the Land and the Improvements as permitted by this Lease; (c) not cause any part of the County's property, the Land or the Improvements to fail to comply with the requirements of applicable Laws, Governmental Approvals or County rules, regulations or standards; and (d) be permitted by and subject to all recorded easements and other restrictions, encumbrances and agreements affecting the Land. Landlord shall have the right to change the locations of any such easements, as it sees fit in its reasonable discretion, as long as such changes do not materially impair (provided that any reduction in quality or quantity of utility service shall be deemed material) Tenant's ability to construct, operate and maintain the Improvements for the Permitted Uses hereunder; provided, however, any costs and expenses arising from changing any such easements at Landlord's request shall be the sole responsibility of Landlord. No such easement granted to Tenant hereunder shall extend beyond the Term of this Lease.

ARTICLE 12
INDEMNIFICATION AND PROPERTY DAMAGE

12.01. Tenant's Indemnification. Except to the extent caused by the negligence or more culpable misconduct or omissions of Landlord or Landlord's employees, agents or contractors, Tenant shall defend all actions against Landlord, and any trustee officer, director, employee, agent or representative of Landlord (collectively the "Landlord Indemnified Parties"), with respect to, and shall pay, protect, indemnify, and save harmless Landlord and the other Landlord Indemnified Parties against, any and all claims, demands, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and expenses of litigation) of any nature arising from (i) injury to or death of any person, or damage to or loss of property, on the Property or connected with the use, condition or occupancy of the Property or the design, construction and operation of the Improvements; (ii) infringement or misappropriation of intellectual property of third parties; (iii) liens by contractors, vendors or other persons providing any labor, services, equipment, materials or supplies in connection with the construction, operation, maintenance or repair of the improvements; (iv) violations of applicable Laws, Legal Requirements or Governmental Approvals; or (v) any breach of any representation, warranty, covenants, obligation or agreement or violation by Tenant of this Lease.

12.02. Landlord's Obligations. Subject to all immunities (including sovereign immunity), exemptions, rights, privileges, defenses, affirmative defenses and limitations on liability at law or otherwise in favor of or benefitting Landlord, Landlord shall be responsible for claims, demands, liabilities, losses, damages, costs and expenses arising from a Landlord Default, solely to the extent caused by the negligence or fault of Landlord, or Landlord's employees or contractors.

12.03. Survival. All of the provisions of this Article 12 shall survive the termination or expiration of this Lease for a period of seven (7) years.

ARTICLE 13
INSURANCE REQUIREMENTS.

13.01. Tenant shall procure and maintain or cause to be procured and maintained the following insurance policies and coverages and Tenant shall require its contractor and subcontractors providing services in relation to this Lease to carry any and all insurance coverage that adequately covers each contractor's and subcontractor's exposure based on the type of services each will provide. All policies shall be with insurance companies authorized to do business in the State of Florida and meeting the requirements for insurance companies set forth in this Lease. Tenant agrees to furnish a current Certificate(s) of Insurance to Landlord upon execution of the Lease and thereafter upon request by Landlord.

(a) Construction Period Insurance. No less than seven (7) days prior to the commencement of construction of the Improvements ("Construction Period Insurance"), Tenant shall furnish Certificates of Insurance for the coverages shown below:

(i) Builders Risk Insurance. Completed value form in amount of protection of not less than 100% of the completed value of the Improvements covering "all risk" perils of loss that includes Windstorm and Flood as covered causes of loss. The Landlord shall be named as additional insured and Loss Payee on the Builders Risk policy

(ii) Worker's Compensation and Employer's Liability Insurance. Worker's Compensation insurance shall be obtained in accordance with Chapter 440 Florida Statutes with the prescribed limits of liability for all employees who will be working at the construction site whether working for the Tenant, any contractor or any subcontractor. In addition, the Contractor shall maintain Employers Liability coverage with limits of no less than \$1,000,000/\$1,000,000/\$1,000,000.

(iii) Commercial Liability Insurance. Commercial General Liability including products/completed operations, contractual and explosion, collapse and underground (XCU) coverages where required by the risks. The minimum limits of liability must be at least \$2,000,000.00 each occurrence for bodily injury and property damage liability. The limit may include umbrella or excess liability insurance. The required limits may be satisfied by umbrella or excess liability insurance as long as the umbrella or excess liability policy has terms and conditions no less restrictive than the Commercial General Liability policy. The Landlord shall be named as additional insured

(iv) Commercial Business Automobile Liability Insurance. All owned, hired, leased or non-owned vehicles used in connection with the construction of the Improvements. Policy limits shall be at least combined single limit of \$2,000,000 each accident, for bodily injury and property damage liability. This limit may include umbrella or excess liability insurance. The required limits may be satisfied by umbrella or excess liability insurance as long as the umbrella or excess liability policy has terms and conditions no less restrictive than the Commercial General Liability policy. The Landlord shall be named as additional insured. In the alternative, Tenant may submit Commercial General Liability policy endorsement with Non-Owned and Hired Automobile coverage.

(v) Professional Liability Insurance. With respect to design and engineering services for the construction of the Improvements, \$2,000,000 per claim and aggregate liability limit will be provided by the Contractor. Policies written on a claims made form shall continue for five (5) years following the completion of the performance or the attempted performance of the provisions of this Lease relating to the construction of the Improvements. If the coverage is cancelled or non-renewed and not replaced with another claims made policy form with a retroactive date prior to the effective date or coinciding with the effective date of this agreement the Contractor must purchase extended reporting coverage for a minimum of five (5) years following the completion of the performance or the attempted performance of the construction provisions of this Lease.

(b) After construction of the Improvements and during the balance of the Term and currently for the SI Facilities, Tenant shall obtain and maintain the following insurance policies and coverages related to the Housing Facilities and shall deliver Certificates of Insurances evidencing the following coverages:

(i) Commercial Property Insurance (Building & Personal Property). The Improvements shall be insured against loss by fire, lightning, windstorm, flood, sinkhole, vandalism, malicious mischief and other hazards customarily insured by extended coverage, all risk (now known as causes of loss-special form) coverage for their full replacement value, which shall be adjusted from time to time to reflect current replacement value. The Landlord shall be named as additional insured and loss payee on the Commercial Property Insurance policy.

(ii) Worker's Compensation and Employer's Liability Insurance. Worker's Compensation insurance shall be obtained in accordance with Chapter 440 Florida Statutes with the prescribed limits of liability for all employees who will be working on the Property whether working for Tenant, Contractor or any subcontractor. In addition, the Contractor shall maintain Employers Liability coverage with limits of no less than \$1,000,000/\$1,000,000/\$1,000,000.

(iii) Commercial General Liability Insurance. Commercial general liability insurance including property, products, completed operations and contractual liability. Limits of coverage shall be at least \$5,000,000.00 each occurrence limit for bodily injury and property damage liability. The required limits may be satisfied by umbrella or excess liability insurance as long as the umbrella or excess liability policy has terms and conditions no less restrictive than the

Commercial General Liability policy. The limit may include umbrella or excess liability insurance. The Landlord shall be named as additional insured.

(iv) Commercial Business Automobile Liability Insurance. All owned, hired, leased or non-owned vehicles used in connection with the construction of the Improvements. Policy limits shall be at least combined single limit of \$2,000,000 each accident, for bodily injury and property damage liability. The required limits may be satisfied by umbrella or excess liability insurance as long as the umbrella or excess liability policy has terms and conditions no less restrictive than the Commercial General Liability policy. The Landlord shall be named as additional insured. In the alternative, Tenant may submit Commercial General Liability policy endorsement with Non-Owned and Hired Automobile coverage.

13.02. Casualty Insurance. Tenant, at its sole cost and expense, shall keep special form property insurance and all other coverage necessary to insure against all losses to all Improvements located on the Property caused by damage or destruction by flood, fire, windstorm and all other insurable risks. All policies of insurance provided for herein shall be issued by insurance companies authorized to do business in the State of Florida and with an AM Best holder's rating of not less than A- and a financial rating of not less than Class VIII as rated in the most current available "Best's" insurance reports. If available, all policies of insurance required hereby must contain a provision that the company writing said policy will endeavor to give to Landlord thirty (30) days' notice in writing in advance of any cancellation or lapse. Tenant shall carry such additional insurance which may be required to meet any requirements of applicable Laws. In addition, the liability insurance requirements under this Article 13 shall be reviewed by Landlord and Tenant every five (5) years for the purpose of reducing or increasing (in consultation with their respective insurance advisors) the minimum limits of such insurance to limits which shall be reasonable and customary for similar facilities of like size and operation in accordance with generally accepted insurance industry standards. The replacement value of the buildings and other insurable improvements of the Housing Facilities shall be re-evaluated from time to time (but no more frequently than once every five (5) years) at the request of either Landlord or Tenant.

13.03. Requirements. All insurance maintained by Tenant pursuant to this Article 13 shall provide that (i) the rights of the insured(s) to receive and collect the proceeds thereof shall not be diminished because of any additional insurance carried by Landlord or Tenant on its own account, (ii) all losses shall be payable notwithstanding any act or negligence of Landlord or Tenant which might, absent such agreement, result in a forfeiture of all or part of such insurance payment and notwithstanding the occupation of the Property for purposes more hazardous than permitted by the terms of such policy; (iii) be written with insurance companies authorized to do business in Florida; and (iv) be written on an occurrence basis with the exception of Professional Liability coverage.

13.04. Certificates. Tenant shall cause the insurance carrier or its authorized representatives to issue to Landlord copies of the certificates evidencing the existence in full force and effect required under this Article 13. Thereafter, Tenant shall deliver to Landlord, not less than fifteen (15) days prior to the expiration of each policy of insurance, a certificate evidencing renewal or replacement of such policy of insurance effective no later than the expiration date of the current policy. True and complete copies of the Tenant's insurance policies will be provided to the Landlord upon request.

13.05. Waiver. To the extent permitted by law and to the extent that insurance is in force and collectible, Landlord and Tenant each hereby release and waive all right each of them would have against the other, by any of subrogation or otherwise, arising from or caused by any hazard covered by insurance on the Property. Tenant shall obtain such release and waiver from each insurance company issuing the policies required under this Lease with the exception of Professional Liability coverage.

ARTICLE 14 CONDEMNATION AND CASUALTY

14.01. Casualty.

(a) In case of any damage or destruction by fire or other casualty, including without limitation, natural disasters, related to the Improvements (i) if a casualty occurs within eighteen (18) months prior to the expiration of the then current Term which results in damage to the Improvements with a cost to repair in excess of twenty-five percent (25%) of the then current fair market value of the Improvements, then Tenant may terminate this Lease as it relates to the Improvements by notice to Landlord on the date for termination specified in such notice, and (ii) if the damage shall be so extensive that repairs cannot, in the opinion of Tenant's contractor, reasonably be completed within four hundred fifty-five (455) days from the date of the casualty, then Tenant may elect to terminate the Lease as of the date of such casualty to the Improvements by written notice delivered to Landlord; provided the Tenant shall continue to make the SI Facilities available to Eligible Residents on the same terms as provided in this Lease unless and until the Landlord rebuilds affordable housing facilities on the Land with capacity that takes into consideration the original unit count of the Improvements and the number of units at the SI Facilities. In the event of termination of this Lease by Tenant, the insurance proceeds payable in connection with the damage or destruction of the Improvements shall be paid in the order set forth below: (i) first, to Tenant to the extent necessary to demolish the damaged Improvements and leave the Land clean and free of debris; (ii) second, to Tenant for the interest of Tenant in the Improvements; and, (iii) third, to the extent proceeds remain, to Landlord for Landlord's residual interest in the Improvements. Upon this termination with respect to the Improvements, regardless of the amount of proceeds available, Tenant shall satisfy and cause to be released any liens or other encumbrances placed or suffered to be placed on Tenant's interest in the Property.

(b) In case of any damage or destruction by fire or other casualty, including without limitation, natural disasters, related to the SI Facilities, Tenant shall promptly commence repairs and proceed with due diligence to repair the SI Facilities.

14.02. Condemnation.

(a) If any governmental authority, utility, or other entity having the power of eminent domain acquires all or a portion of the Property by the exercise of such power, or by voluntary conveyance in lieu of the exercise of such power, and as a consequence thereof: (i) the whole or any part of the Improvements shall be taken; or (ii) portions of the Property shall be divided or separated in any manner from other portions of the Property, and as a result any of the Improvements become untenable; or (iii) any portion of the Property shall be taken and as a result of such taking the Improvements become untenable; and, in any such case, Tenant determines in its reasonable discretion that such condemnation or conveyance will have a material adverse impact on the ability of Tenant to conduct its business at the Property; then, within thirty (30) days after the date on which Tenant receives written notice that such condemnation or conveyance has occurred, Tenant shall have the right to terminate this Lease by written notice to Landlord which termination shall be effective as of the date such governmental authority, utility, or other entity having the power of eminent domain takes actual possession of such portion of the Improvements or the Property so condemned or conveyed.

(b) If any part of the Improvements shall be taken by any governmental authority, utility, or other entity under the power of eminent domain, or by voluntary conveyance in lieu of the exercise of such power, and Tenant shall not have the right to terminate this Lease, or having such right elects to continue in possession, this Lease shall continue and there shall be no abatement of the Rent; and Tenant, at its own expense, may restore the Improvements to tenantable condition, similar in physical appearance to that which existed immediately prior to the taking, pursuant to plans and specifications approved by Landlord, which approval shall not be unreasonably, conditioned, or delayed.

(c) Landlord shall be entitled to an award based on the taking of or injury to its interest in the Land and residual interest in the Improvements if any, provided such award does not reduce Tenant's award for its Improvements. Tenant shall be entitled to claim an award for loss of business, depreciation

of fixtures and equipment, loss or damage to inventory, fixtures and equipment, removal and reinstallation costs and moving expenses and Landlord shall not be entitled to any portion of such award, or to make a claim therefor. In addition, if Tenant shall have made, at its own expense, leasehold improvements, material alterations, or structural changes and repairs to the Improvements or paid for all or a portion of the cost of constructing the Improvements, Tenant, and not Landlord, shall be entitled to the award if, as and only to the extent received from such condemning authority, whether to Landlord or Tenant, for an amount equal to the unamortized balance of Tenant's original cost of such leasehold improvements, alterations, changes, repairs, and construction (including, but not limited to, the Improvements). Such unamortized costs shall be referred to as Tenant's "Book Value". The Book Value shall be determined as of the date such governmental authority, utility, or other entity having the power of eminent domain takes actual possession of such portion of the Improvements or the Land so condemned or conveyed and shall be computed using a thirty (30) year amortization period. The thirty (30) year amortization period shall be deemed to begin as of the Commencement Date of this Lease or date such improvements were placed into service if such date is after the Commencement Date. In the event Landlord actually receives an award belonging to Tenant and fails to pay said sums to Tenant within thirty (30) days following written demand by Tenant, together with supporting documentation showing the calculation of the amount of the award received by Landlord from such condemning authority, said amount may be set off and deducted by Tenant from the next or any succeeding installment payments of Rent or any other amounts due and payable hereunder by Tenant to Landlord.

ARTICLE 15 ASSIGNMENT AND SUBLETTING

In addition to subleasing the Housing Facilities to Eligible Residents, Tenant or the owners of the equity interests in Tenant may, without further consent from Landlord, assign, or transfer Tenant's interest in this Lease or interests in Tenant to any Affiliate of Tenant or the Person or Persons controlled by the Molleston family that owned interests in Tenant on the Effective Date (including transfers among members of the Molleston family by gift, devise, bequest or for estate planning purposes). Notwithstanding the previous sentence, no interest in this Lease or the equity interests in Tenant may be assigned or transferred during the period commencing on the Effective Date and ending on the sixth anniversary of the final completion of the Project without the prior written consent of Landlord.

ARTICLE 16 [RESERVED]

ARTICLE 17 PROJECT DESIGN; CONSTRUCTION

17.01. Project Design.

The following paragraphs shall be applicable to the original design and construction of the Improvements and any substantial repair, rehabilitation, replacement or renovation of the Improvements.

(a) Tenant shall select and contract with architects, engineers, and other design personnel to perform design services and produce design and construction plans, drawings, specifications and documents necessary for the construction of the Improvements. Such persons shall have experience, expertise, training and applicable licenses, certifications and registrations necessary for the design work performed by them. All design work will be performed by an architect or firm of architects licensed by the State. The cost of all professional engineering, surveying, design, and architectural services required by Tenant to prepare construction plans, drawings and specifications and oversee construction of the Improvements in accordance with the Plans and Specifications will be paid by Tenant. Landlord approves Tenant's selection of Thomas E. Pope, P.A., as architect for the Improvements.

(b) The design of the Improvements will be subject to approval by Landlord, which will not be unreasonably withheld, conditioned or delayed. Tenant shall provide its design plans and specifications to Landlord for review. If Landlord does not notify Tenant in writing within thirty (30) Business Days of any changes Landlord desires to be made to Tenant's plans and specifications, then Tenant shall deliver a second notice to Landlord requesting Landlord's approval. If Landlord does not notify Tenant in writing within twenty (20) Business Days of any changes Landlord desires to be made to the plans and specifications after such second notice has been sent to Landlord, then Landlord shall be deemed to have approved the plans and specifications. The parties shall follow the foregoing procedures for approving changes and modifications to the plans and specifications until the same are finally approved by Landlord and Tenant.

(c) Tenant agrees to comply with Florida Building Code and the City of Key West Land Development Code in the design and construction of the Improvements, including with respect to environmental sustainability, conservation and energy and water efficiency.

(d) At expiration of this Lease, the Improvements shall be in a good and operable condition, with all repair, rehabilitation, replacement and renovation thereof having been performed in a manner consistent with Good Industry Practice and the requirements of this Lease, considering ordinary wear and tear, age, casualty and condemnation excepted. Tenant acknowledges and agrees that the Improvements constituting the building and structure of the Improvements are required to be maintained by Tenant in accordance with Article 26 such that the Project is expected to have a remaining useful life of at least thirty years upon expiration of this Lease.

17.02. Construction.

(a) All construction work for the Improvements will be performed by contractors selected by Tenant who are licensed by the State and that execute a construction contract with Tenant.

(b) Landlord shall reserve for the Property, and shall assign to Tenant, the necessary entitlements to allow Tenant to construct the Improvements.

(c) Prior to commencement of construction work on the Land, Tenant shall cause its contractor to deliver to Landlord a waiver and release in the form of attached **Exhibit "E"** to this Lease.

(d) Tenant will commence initial site work and construction of the Improvements within ninety (90) days of receipt of all required Governmental Approvals and will complete construction in accordance with the timeline attached as **Exhibit "F"** to this Lease (the "Timeline"), subject to any contingencies and Force Majeure. Prior to the Commencement Date, Tenant shall deliver to Landlord documentation substantiating satisfaction of conditions precedent, insurance, waivers, releases and other items required by this Lease.

(e) No duties, obligations or responsibilities are or shall be imposed upon Landlord to monitor, inspect or test any work, service or activity by Tenant or its contractors relating to the design, construction, maintenance, repair or alteration of any Improvement. Except as expressly provided herein to the contrary, Landlord has no duty, obligation or responsibility to Tenant hereunder to perform maintenance or make any repairs whatsoever to the Improvements.

17.03. Performance and Review of Construction.

(a) All design and construction work and activities by Tenant and its contractors and subcontractors relating to the Improvements shall be performed in a good and workmanlike manner and using new materials in accordance with (i) all applicable Laws and Governmental Approvals; (ii) County rules and regulations, (iii) the Permitted Title Encumbrances; (iv) the approved Plans and Specifications; and (v) Good Industry Practice. Tenant shall cooperate and shall cause its contractors to cooperate and coordinate with Landlord and any contractor engaged by Landlord in connection with other construction work at locations near the Land. Such cooperation shall potentially include the location of areas for

parking, laydown and staging routes for access and egress to the project site, the alignment, capacity and installation of certain utility, stormwater and other infrastructure to support the Improvements and the other projects. The Timeline shall include detail regarding activities and work which require interfacing and coordinating with Landlord and its contractors. Tenant shall promptly notify Landlord in the event of the occurrence of any occurrence or circumstance reasonably likely to adversely impact the performance of work in accordance with the Timeline. Reclaimed materials may be used with express written permission of the Landlord.

(b) Tenant shall provide access, information and documents reasonably requested by Landlord to enable Landlord to monitor the performance and progress of the development and construction of the Improvements. Any access or provision of information or documents shall not in any way delay Tenant's construction, maintenance or operation of the Improvements. Additionally, Landlord acknowledges and agrees that: (i) any access by Landlord, or Landlord's consultants, employees or contractors shall be at such parties' own risk; and (ii) while on the Land, Landlord shall abide by any construction safety program of Tenant required for compliance with all local, state, and federal laws, rules, and regulations, including OSHA and NIOSH requirements.

ARTICLE 18

DEFAULTS; REMEDIES; LANDLORD TERMINATION RIGHT

18.01. Tenant Default. Any one or more of the following events shall constitute an "Event of Default" under this Lease:

(a) Tenant fails to pay when due Rent, or any other amount to be paid under this Lease by Tenant, and the failure continues for ten (10) business days after receipt by Tenant of written notice from Landlord;

(b) Tenant gives Landlord any report or other information that is knowingly and materially false or misleading, and which false or misleading information causes a material adverse effect to Landlord;

(c) Tenant fails to achieve substantial completion of the Improvements by the Outside Completion Date, subject to any cure or extension periods, including those for delays due to Force Majeure;

(d) Tenant (i) does not begin operations at the Improvements within sixty (60) days after achieving substantial completion, or (ii) thereafter Tenant or any approved assignee ceases to provide operations at the Improvements for a period of more than sixty (60) days in the aggregate during any twelve (12) month period, for reasons other than remodeling, expansion, condemnation, repairs, alterations, improvements, redevelopment, Force Majeure or other cause beyond the reasonable control of Tenant.

(e) Tenant ceases operations at the SI Facilities for a period of more than sixty (60) days in the aggregate during any twelve (12) month period, for reasons other than remodeling, expansion, condemnation, repairs, alterations, improvements, redevelopment, Force Majeure or other cause beyond the reasonable control of Tenant.

(f) Tenant ceases doing business as a going concern; makes an assignment for the benefit of creditors; is adjudicated an insolvent, files a petition (or files an answer admitting the material allegations of a petition) seeking relief under any state or federal bankruptcy or other statute, law or regulation affecting creditors' rights; all or substantially all of Tenant's assets are subject to judicial seizure or attachment and are not released within thirty (30) days, or Tenant consents to or acquiesces in the appointment of a trustee, receiver or liquidator for Tenant or for all or any substantial part of Tenant's assets; or

(g) Tenant fails, within sixty (60) days after the commencement of any proceedings against Tenant seeking relief under any state or federal bankruptcy or other statute, law or regulation affecting creditors' rights, to have such proceedings dismissed, or Tenant fails, within sixty (60) days after an appointment, without Tenant's consent or acquiescence, of any trustee, receiver or liquidator for Tenant or for all or any substantial part of Tenant's assets, to have such appointment vacated; or

(h) Tenant fails to fulfill any of the other covenants, agreements or obligations of the Lease, and such default continues for more than thirty (30) days after written notice but if the nature of such default is such that it cannot be cured within the thirty (30) day period, an Event of Default will not be deemed to have occurred if Tenant commences to cure within such thirty (30) day period and diligently proceeds to complete its cure as soon as reasonably possible but in no event shall such cure period extend beyond one hundred eighty (180) days.

18.02. Landlord Remedies. If an Event of Default is not cured within the applicable cure period as stated in Paragraph 18.01 Landlord's remedies shall include the following remedies: (i) the right, at its option, then or at any time while the Event of Default continues to give a written notice specifying a date on which this Lease shall terminate, and on that date, subject to any provisions of this Lease relating to the survival of Tenant's obligations, this Lease shall terminate and Landlord may re-enter and take complete and peaceful possession of the Property and, with process of law, remove all persons and all furniture, fixtures, equipment and other personal property located on the Property and owned or leased from third parties by Tenant, in which event Tenant shall peacefully and quietly yield up and surrender the Property to Landlord or (ii) Landlord may elect to enter the Property and re-let the same for Tenant's account. No notice from Landlord under this Lease will constitute an election by Landlord to terminate this Lease unless the notice specifically says so. Landlord may, in addition to other remedies hereunder or at Law, (w) commence proceedings against Tenant for damages and collect all sums or amounts with respect to which Tenant may then be in default and are accrued up to the date of termination of this Lease (including amounts due under the provisions which survive such termination, if Landlord elects to terminate the Lease); (x) commence proceedings against Tenant under the provisions of this Lease for holdover obligations of Tenant, if any; (y) bring an action for specific performance, including to require Tenant to document the conveyance and transfer set forth in this Lease; or (z) exercise any other right or remedy available at law or in equity.

18.03. Landlord Default. If Landlord shall fail to observe or perform any provision of this Lease and such failure shall continue for thirty (30) days after notice to Landlord of such failure, then a Landlord Event of Default shall exist under this Lease; provided, however, that in the case of any such failure that cannot with diligence be cured within such thirty (30) day period (expressly excluding any failure to pay money under this Lease), if Landlord shall commence promptly to cure the same and thereafter prosecute the curing thereof with diligence to completion, the time within which such failure may be cured shall be extended for such period as is necessary to complete the curing thereof with diligence but in no event longer than 180 days.

18.04. Tenant Remedies.

(a) If a Landlord Event of Default has occurred, Tenant shall have the following remedies: (i) terminate this Lease by delivering notice to Landlord, and upon the date set forth in such notice, this Lease shall terminate on such date as fully and completely and with the same effect as if such date were the date set herein for the expiration of the Term all obligations of Landlord and Tenant hereunder shall terminate, except for those that expressly survive termination, including surrender of the Property and Rent shall be apportioned as of such date and Landlord shall promptly refund to Tenant any Rent previously paid that is allocable to the period subsequent to such termination; (ii) cure such Landlord Event of Default for the account of Landlord, without waiving any claim for direct damages incurred by Tenant by virtue of such Event of Default, and any amount reasonably paid by Tenant in so doing shall be deemed paid or incurred for the account of Landlord, and Landlord agrees to reimburse Tenant such

amount thereof within sixty (60) days following Tenant's written demand with detailed substantiations of all amounts; or (iii) enforce Landlord's obligations hereunder by (a) an action for specific performance; (b) an action for injunctive relief; (c) an action for mandamus; and/or (d) an action for declaratory judgment. Tenant may remedy any Landlord failure to perform prior to the expiration of the period within which Landlord may cure such failure if in its notice to Landlord of the Landlord Event of Default Tenant described that the cure of such failure prior to the expiration of said cure period is reasonably necessary to protect the Property or to prevent injury to persons, or to permit Tenant to conduct its usual business operations on the Property; provided, however, Tenant shall notify Landlord of its intention to commence to cure such failure during the cure period and set forth therein Tenant's good faith estimate of the cost, expense and fees and time required for the cure. Nothing in this Article 17 shall be deemed to modify, amend or limit other Tenant remedies that expressly are provided in this Lease, including, without limitation, all termination, reimbursement and offset rights.

18.05. Except as provided in Paragraph 8.02 above, Landlord is not and shall not be liable for any claims for damage to the Property or damage to property or injuries to persons in, on or about the Property or elsewhere occurring during the Term. This limitation on liability shall apply without limitation to claims by Tenant, its lenders, affiliates, contractors, agents and representatives and its and their employees, agents, invitees, licensees, customers, guests, or related entities and successors or permitted assigns. Furthermore in no event shall Landlord or Tenant have any liability to other party or any of its lenders, affiliates, contractors, agents and representatives and its and their employees, agents, invitees, licensees, customers, guests, or related entities and successors or permitted assigns, on account of any consequential, incidental, special, punitive, exemplary or any other indirect damages, whether in contract, tort (including negligence and strict liability) or under any other legal or equitable principles whatsoever, or for any loss of profits, opportunity, reputation or revenue.

ARTICLE 19 HOLDING OVER

If Tenant remains in possession of the Property or any part thereof after the expiration or termination of the Term without any agreement in writing between Landlord and Tenant with respect thereto, then Tenant shall be deemed a tenant from month to month, and in addition to Landlord's other rights and remedies hereunder and Tenant's obligations, Tenant shall be subject to payment in advance for each month or part thereof that Tenant holds over, of an amount equal to 150% of the fair market value ground rent for the Land.

ARTICLE 20 SURRENDER

20.01. Surrender. Upon expiration of the Lease Term, without notice, demand or action by Landlord, subject to the right of Landlord to require Tenant to demolish the Improvements, remove all debris resulting therefrom and restore the Land, Tenant shall yield the Property to Landlord in "good and operable condition", normal wear and tear and damage by casualty excepted, and the Improvements and any other leasehold improvements shall become the sole property of Landlord without any compensation to Tenant free and clear of any right, title, interest, claim or demand of Tenant or of anyone claiming through or under Tenant (or certain improvements will be demolished at the sole cost or expense of Tenant in Landlord's sole discretion). Notwithstanding the foregoing to the contrary, Tenant shall have the right, at any time during the Term, and up to thirty (30) days after the expiration or earlier termination of this Lease, to remove any or all of Tenant's trade fixtures, equipment, and property from the Property. Tenant shall repair any damage which may result to the Property from such removal, normal wear and tear excepted. If Tenant fails to remove any of those items, subject to applicable Laws, the items shall be deemed abandoned and shall at the election of Landlord in its sole discretion be the property of Landlord. On or before the expiration or termination of this Lease, Tenant shall cause any mortgages, deeds of trust, liens or encumbrances created by, through or under Tenant to be fully released and discharged. Subject to

abandonment by Tenant more than thirty (30) days after the expiration or earlier termination of the Term, all trade fixtures, equipment, leasehold improvements and property of any nature which may be installed or placed in or upon the Property by Tenant shall remain the property of Tenant. At the expiration or earlier termination of this Lease, in connection with the reversion of the Land to Landlord and the transfer to Landlord of Improvements, Tenant shall execute mutually agreeable transfer documentation of transfer and assignment instruments in favor of Landlord or its designee.

20.02. Option to Demolish. Notwithstanding anything herein to the contrary, in the event that Tenant fails to maintain the Improvements in accordance with this Lease, and if the reasonable estimated cost to bring the maintenance of the Improvements into compliance with Article 26 above would be greater than the reasonable estimated cost to demolish the Improvements and remove all debris resulting therefrom (the "Demolition Costs"), then Landlord may elect, by written notice to Tenant delivered no later than the expiration or earlier termination of the then current Term, (i) to require Tenant to demolish the Improvements and remove all debris resulting therefrom at Tenant's cost or (ii) to require Tenant to pay Landlord the amount equal to the Demolition Costs and relieve tenant of the responsibility to remove the Improvements.

ARTICLE 21 TERMS SPECIFIC TO LANDLORD

21.01. Release. Prior to the commencement of any construction on the Land, Tenant's general or design/build contractor and all contractors, subcontractors and vendors contracted to provide services, products or supplies the value of which exceeds \$25,000 must deliver to Landlord a Waiver and Release, in the form of Exhibit "E" to this Lease.

21.02. Tenant's Personalty. Tenant shall store its Personalty in the Property and Tenant shall occupy and use the Property at its own risk. Landlord shall not be responsible or liable at any time and Tenant expressly releases them from any loss or damage to Tenant's Personalty. Tenant shall give prompt notice to Landlord in case of fire or accidents on the Property causing material damage thereto.

21.03. ADA. Tenant shall indemnify, defend (with counsel reasonably acceptable to Landlord) and hold Landlord harmless from and against any and all loss, cost, damage or claim arising during the Term out the failure of any portion of the Improvements to comply with all requirements (including, but not limited to, applicable terms of the Americans With Disabilities Act of 1990 (the "ADA"), as modified and supplemented from time to time) which shall impose any violation, order or duty upon Landlord or Tenant arising from, or in connection with, the Improvements, the Property, Tenant's occupancy, use or manner of use of any portion of the Property or the Improvements (including, without limitation, any occupancy, use or manner of use that constitutes a "place of public accommodation" under the ADA), or any installations in the Property, Improvements, or required by reason of a breach of any of Tenant's covenants or agreements under this Lease, whether or not such requirements shall now be in effect or hereafter enacted or issued. Tenant's indemnification obligation hereunder shall not extend to the gross negligence or willful misconduct or intentional violation of any applicable laws by Landlord or its employees, trustees, and agents.

21.04. OFAC. Without limiting the general requirements under this Lease for the parties to comply with applicable laws, to the extent applicable to each party and/or its operations, each party shall comply with all (i) regulations promulgated by the Office of Foreign Assets Control, Department of the Treasury which are applicable to Tenant or any occupant of the Property, (ii) the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et seq., (iii) the Trading with the Enemy Act, 50 U.S.C. App. I et seq., and (iv) the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism.

21.05. Sovereign Immunity. This Lease does not affect the immunities, exemptions and limitations of liability of Landlord under Florida Statute 768.28 and other Applicable Laws of the State.

Nothing in this Lease shall be deemed to affect the rights, privileges and immunities afforded Landlord, the MCSO, and the State by law. Nothing herein shall be construed consent by Landlord to be sued by third parties in any manner arising out of this Lease and no such consent is granted except as expressly provided by Florida Statutes or case law. Notwithstanding anything herein to the contrary, Landlord expressly consents to Tenant enforcing against Landlord the obligations of Landlord under this Lease pursuant to (a) an action for specific performance; (b) an action for injunctive relief; (c) an action for mandamus; and/or (d) an action for declaratory judgment.

ARTICLE 22 QUIET ENJOYMENT AND TITLE

Provided no Event of Default has occurred under this Lease, Tenant shall, during the Term, freely, peaceably, and quietly occupy and enjoy possession of the Property, together with the rights, privileges, easements, and appurtenances herein demised, without molestation or hindrance, lawful or otherwise.

ARTICLE 23 NOTICES

23.01. Notices.

(a) Notices and Payments. All payments of Rent or other amounts payable hereunder shall be delivered to the party entitled thereto at the addresses hereinafter set forth. Whenever notice is required or permitted in this Lease, it shall be in writing and shall be deemed to be properly given upon receipt or refusal on a business day or next business day after delivery if sent by U.S. Postal Service, postage prepaid, by certified or registered mail, return receipt requested, or if personally delivered by hand or sent by nationally recognized overnight courier service. For purposes of this Article 22, delivery of a payment or notice to an address from which the recipient has moved but failed to notify the other party of modification of such address as hereinafter provided shall be deemed to constitute refusal of such payment or notice by the intended recipient. All payments and notices required or permitted in this Lease shall be delivered to the party entitled thereto at the following addresses:

Landlord:

Monroe County Administrator
1100 Simonton Street
Key West, FL 33040

With a copy to:

Monroe County Attorney
1111 12th Street, Suite 408
Key West, FL 33040

Monroe County Sheriff's Office
Attn: General Counsel
5525 College Road
Key West, FL 33040

Tenant:

SPGL, LLC
1425 Lake Front Circle
The Woodlands, TX 77380

With a copy to:
Anthony Solomon
3066 Tamiami Trail North, Suite 201
Naples, FL 34103

With a copy to:
Stephen J. Szabo, III
Foley & Lardner LLP
100 N. Tampa Street, Suite 2700
Tampa, FL 33602

The foregoing addresses may be modified by delivery of written notice of such modification to the party entitled thereto, which written notice shall be delivered and deemed effective as set forth herein.

ARTICLE 24 PRORATIONS

24.01. Proration. To the extent applicable and except as otherwise provided herein, as of the Commencement Date, all Taxes and expenses shall be prorated between the Landlord and Tenant and shall include all Rent and expenses due monthly and annually.

24.02. Impact Fees. Tenant shall be responsible for all impact fees for the Improvements.

24.03. Landlord Cooperation. Landlord shall reasonably cooperate with Tenant with regard to coordination of construction activities and, upon request by Tenant, Landlord shall execute all instruments necessary to facilitate such coordination of construction activities, including but not limited to applications for licenses and permits from applicable Governmental Authorities other than Landlord, provided Landlord shall not incur any obligation, liability, expense, cost or obligation in respect thereto.

ARTICLE 25 [RESERVED]

ARTICLE 26 TENANT'S USE AND CARE OF THE PROJECT

26.01. Tenant's Use of Land.

(a) Use of Project Site and Project. Tenant shall occupy, use, and lease the Land and the Project solely and exclusively for the following "Permitted Uses" in accordance with the provisions of this Lease: (i) relocation, adjustment, construction and installation of utility, emergency, security, communication, cable and information technology and infrastructure systems, networks, lines and equipment on and/or serving the Project; (ii) developing, planning, design, permitting, financing, funding, equipping, constructing and furnishing the Project; (iii) using the Housing Facilities to house Eligible Residents, unless otherwise approved in writing by Landlord in its discretion, and entering into Occupancy Agreements with Eligible Residents in accordance with the terms specified on Exhibit "H" attached hereto; (iv) management, operation, and occupancy of the Housing Facilities; and (v) performance of the Tenant Services.

(b) Tenant Services. Tenant shall ensure that all contracts and agreements it enters into in connection with the performance of Tenant Services comply, in all material respects, with the terms of this Lease.

26.02. Nature of Use.

(a) Housing Facilities. During the Lease Term, Tenant shall at its cost and expense own, possess, use, lease and occupy the Housing Facilities and manage, repair, rehabilitate and renovate the

Housing Facilities and perform other Tenant Services in compliance with the requirements of this Lease. Tenant shall keep and maintain the Housing Facilities in a clean, orderly and safe condition at all times. Tenant shall not do or permit any intentional or negligent act or thing which would materially impair the financial performance, value, useful life, functionality, operability, maintenance and repair of the Housing Facilities, or any part thereof, or which constitutes a public or private nuisance.

(b) Challenges. Tenant, at its cost and expense, after providing Landlord written notice, shall have the right to contest or review by legal, administrative or other proceedings the validity of any applicable Laws or the application thereof to Tenant with respect to the ownership, occupancy, use, operation, maintenance, repair, rehabilitation or renovation of any Improvement owned by Tenant. Tenant may continue to prosecute a challenge, including appeals from any judgments, decrees or orders made in the proceedings, subject to the condition that (i) Landlord and Eligible Residents shall not be subject to any civil or criminal sanction, fine, penalty or liability for failure to comply therewith during the pendency of the challenge; (ii) Tenant's leasehold interest, the Improvements, and the Land shall not be subject to the imposition of any lien, encumbrance or restriction as a result of such noncompliance; (iii) the ultimate imposition of or compliance with such challenged Law shall not extend beyond the last day of the Lease Term; (iv) failure to comply with the challenged Law during the pendency of the challenge will not adversely impact Landlord's ownership of or interest in any property; and (v) the failure to comply with any such Laws does not create a nuisance, have an adverse effect on the safety and security of the Housing Facilities, or create or increase any risk of injury to person or damage to property during the pendency of the challenge. Landlord may elect in its discretion to intervene and join in such proceedings, and shall intervene and join in such proceedings if required by law in order to prosecute such proceedings. In the event Landlord's participation in such proceedings is required by law to prosecute such proceedings, Tenant shall pay to Landlord as incurred any actual costs, fees or expenses (including Landlord's reasonable legal fees and costs) and Landlord's internal costs or expenses that arise out of, relate to, or result from such challenge.

(c) Building Systems and Exterior Elements. Tenant shall perform the Tenant Services with respect to any sidewalks, roadways, alleys, service drive areas or infrastructure supporting the Housing Facilities; provided however that Tenant is not required to perform any Tenant Services with respect to any roadway, service road, driveway, parking lot or sidewalk which is not located on the Land or at the SI Facilities, except to the extent of any damage caused by Tenant or Tenant's employees, Affiliates, agents, contractors, vendors, licensees or invitees (excluding any Eligible Residents). Tenant shall keep the Housing Facilities reasonably lighted and equipped with safety and security equipment and devices at all times as required by applicable Laws, and maintain the Housing Facilities reasonably clear of waste, trash, debris and litter in accordance with the Maintenance Standards.

26.03. Aesthetic and Operational Standards. Tenant acknowledges and agrees that a material condition to Landlord's entering into this Lease is the obligation of Tenant to perform the Tenant Services in compliance with the requirements of this Lease using means, methods, techniques and procedures which meet or exceed Good Industry Practice, and Tenant agrees to perform the Tenant Services in accordance with such requirements and Good Industry Practices and applicable warranties and manufacturer's instructions. In its performance of the Tenant Asset Management Services, Tenant shall maintain the Housing Facilities in good working condition. Tenant shall not use or permit the Housing Facilities to be used for any purpose other than the Permitted Uses and shall not use the Housing Facilities for any unlawful, disreputable or other purpose or in any way which may adversely reflect upon the name, reputation or standing of the County.

26.04. Property Management Agreements. At any time during the Lease Term, Tenant shall have the right to contract with a third party for the performance of all or any portion of the Tenant Services (as such party may change from time to time, the "Property Manager") for the Housing Facilities. The initial Property Manager shall be Tenant which is also currently managing the SI Facilities. The term of each Property Management Agreement will be no more than five (5) years. Renewals of a

Property Management Agreement shall not exceed five (5) years and each renewal shall require the prior written approval of Landlord, not to be unreasonably withheld, conditioned, or delayed. Prior to a renewal of a Property Management Agreement requiring the Landlord's approval, Tenant shall provide written notice to Landlord not less than sixty (60) days prior to the date by which Tenant is required to deliver notice, to the Property Manager of its desire to exercise a renewal option and within such 60-day period, representatives of Tenant and Landlord shall meet and confer regarding such renewal and whether a replacement Property Manager should be appointed. If Landlord reasonably and in good faith objects to Tenant's exercise of a renewal option, Tenant shall not be permitted to exercise such renewal option, shall promptly provide written notice to the Property Manager of the same in accordance with the terms of the Property Management Agreement, and shall identify a replacement Property Manager, such replacement Property Manager which shall be subject to the Landlord's review and approval. In the event Landlord fails to object to the exercise of a renewal option of the Property Management Agreement within thirty (30) days of receipt of Tenant's request to exercise a renewal option the Property Management Agreement, such renewal option shall be deemed approved by Landlord and Tenant shall be permitted to exercise such renewal option in accordance with the terms of the Property Management Agreement. Tenant shall provide Landlord a copy of the Property Management Agreement and any amendments thereto within 10 Business Days of execution.

26.05. Tenant's General Duties. Tenant shall have full responsibility for leasing the Housing Facilities. Tenant shall enter into an Occupancy Agreement with each Eligible Resident occupying a unit in the Housing Facilities. The form and substance of the Occupancy Agreement shall initially be approved by Landlord, such approval not to be unreasonably withheld, conditioned, or delayed. Any subsequent modification to or replacement of the form of the Occupancy Agreements shall be reviewed and approved by Landlord.

Tenant shall be responsible for the management, operation, maintenance, and repair of the Housing Facilities, including all Tenant Services at its sole cost and expense in a manner that is in compliance with applicable Law, Good Industry Practice and APPA level II standards. Tenant may contract with qualified third-party managers, contractors, and vendors (individually, a "Tenant Agent" and collectively, "Tenant Agents"), such as an asset and property manager to perform the Services in accordance with the terms of this Lease, and such Tenant Agents may contract with qualified third-party managers, contractors and vendors, which entities shall also constitute Tenant Agents. The hiring of Tenant Agents by Tenant shall not affect the duties and obligations of Tenant hereunder. Tenant shall cause any Tenant Agent to comply with the material terms of this Lease.

Tenant shall operate the Housing Facilities generally in substantial accordance with the Performance Standard, ordinary wear and tear excepted, and maintain the Housing Facilities in accordance with the standards set forth herein and in this Lease. Tenant shall take commercially reasonable steps to keep the Housing Facilities reasonably free from obstructions, waste and debris or other conditions which would unduly deprive residents of the use and enjoyment of the Housing Facilities. Tenant shall furnish all equipment, tools, supplies, material, personnel, and resources necessary or useful to perform its duties and obligations hereunder.

All personnel of Tenant and any applicable Tenant's Agent shall possess applicable certifications, registrations, licenses, and training required by applicable Law and such employer's employment practices, including background checks (and shall be consistent with Good Industry Practice) for performance of the Tenant Services allocated to such person.

All contracts with third parties for the furnishing and performance of goods and services, and materials and supplies necessary for the performance of the Tenant Services: (i) shall be executed by Tenant (or a Tenant's Agent on behalf of Tenant) with the third party vendor or contractor; (ii) shall be within the scope of services allocated to Tenant under this Lease; and (iii) shall require that (A) the

vendor maintain appropriate insurance coverages consistent with Good Industry Practice, and (B) Tenant is named as an additional insured under such policies.

As part of the Tenant Services, Tenant (or a Tenant's Agent on behalf of Tenant) will adhere to a preventative maintenance plan which will be developed by Tenant to ensure that such Tenant's Agent is performing preventative maintenance tasks that ensure life cycle durations consistent with this Lease. The Parties acknowledge that such preventative maintenance plan will include checklists so that Tenant has the ability to track Property Manager's compliance with the preventative maintenance plan.

26.06. Repair and Maintenance.

Tenant and Landlord shall undertake an annual inspection of the Housing Facilities. The scope of Tenant's duties shall include interior and exterior cleaning, caulking, painting, decorating, system and equipment servicing, plumbing, carpentry, and other predictive, preventative, and routine maintenance and repair work. The Parties agree that no change in the character or use of the Housing Facilities or substantial alteration of any structure or component thereof or otherwise constituting a new construction program shall be made without the prior written approval of Landlord.

Tenant shall make regular periodic inspections of the Housing Facilities to verify that the Housing Facilities are safe and maintained in accordance with this Lease. Except for emergency repairs necessary for the preservation and safety of the Housing Facilities, the avoidance of the suspension of any service to the Housing Facilities, or the protection of life or property from serious injury or damage ("Emergency Repairs"), Tenant shall first confer with Landlord regarding the schedule for and scope of any material repair with an anticipated cost in excess of \$100,000 and furnish a complete written report as soon as practicable. In the event Tenant shall fail to address any Emergency Repairs promptly, Landlord shall have the right, but not the duty, to make such Emergency Repairs and to charge all reasonable costs associated therewith to Tenant, and Landlord shall give prompt notice of any such actions to Tenant.

Tenant shall give Landlord prompt notice of any material, recurring, serial, or latent defect in the Housing Facilities or any systems, equipment, components, or part thereof promptly upon discovery thereof by Tenant, including material defects in the roof, foundation, and/or walls of the Housing Facilities or any equipment system or component thereof and in the sewer, water, electrical, structural, plumbing, heating, ventilation, air conditioning, security, information technology, cables, internet communication, fire prevention or suppression, or other systems.

The Tenant will develop a capital repair and replacement plan, budget and schedule (the "R&R Plan") on a rolling five year basis for consideration by the Landlord which describes all such elements, systems, components, equipment, fixtures and furniture which are the subject of programmed maintenance, repair and replacement, together with a description of the useful life and residual life of such elements and items and the nature, scope, timing and cost of foreseeable future repairs, replacements and capital improvements through the term of this Lease for the Housing Facilities. The R&R Plan should be updated by Tenant on an annual basis and provided to Landlord by October 1st of each Lease Period. In order to assure funding to perform all capital asset repair and replacement work, the Tenant shall on an annual basis deposit funds into a repair and replacement fund (the "R&R Fund") to be held by Tenant to be utilized solely to fund such work. Funding of the reserve shall be maintained at adequate levels, established pursuant to an agreed methodology related to the life cycle periods for asset classes, to assure the availability of funds to maintain all portions of the Housing Facilities in a safe, secure, sustainable and first-class manner. The Tenant will deposit a minimum annual amount of not less than 1% in year one through three, 2% in year four, 3% in year five, and 4% in the remaining years of the gross rental income into the R&R Fund for the Housing Facilities. During the term of this Agreement, deposits into the R&R Fund will be in amounts adequate for the maintenance and repair of the Housing Facilities based on factors including the selected construction method, materials, equipment, systems, life-cycle repair and replacement program, geography and climate. Amounts on deposit in the R&R Fund may be withdrawn by Tenant from time to time to fund capital asset repair and replacement work that are included in the

R&R Plan. The prior written consent of Landlord, not to be unreasonably withheld, conditioned or delayed, is required to expend funds on capital asset repair and replacement work that is not on the R&R Plan.

26.07. Resident Complaints/Requests. Tenant shall maintain business-like relationships with Eligible Residents and receive and investigate in a timely manner all reasonable resident complaints and requests for services and to the extent necessary, take reasonable action thereon. Tenant shall keep systematic records detailing the findings of any investigations of, and action(s) taken with respect to each material complaint (including an alleged breach or non-performance by Tenant with respect to a sublease obligation). Tenant shall make such records available to Landlord upon reasonable notice for inspection, audit, and copying. Tenant shall promptly report any material complaints to Landlord with an appropriate recommendation or an itemization of alternatives for Landlord's review and comment. Representatives of the Parties shall meet quarterly and upon the request of either Party to conduct a walk-through of the Housing Facilities and review of any pending complaints or issues.

26.08. Services/Communications to Eligible Residents. Tenant shall provide to Eligible Residents the fixtures and utilities stipulated in Exhibit "H" and other services stipulated in the Ground Lease.

26.09. Notices. The Parties shall promptly (but in all events, no later than five (5) Business Days after receipt) forward to the other Party copies of all written notices, demands, summonses, subpoenas, citations, or similar written communications received by such Party that claim a violation, non-compliance, breach or default by Tenant, Landlord, or the Housing Facilities with applicable Laws or relate to claims or proceedings that might have a material adverse effect on Tenant's performance of its obligations under this Lease. The Parties shall notify the other Party promptly (which notice shall include copies of supporting documentation) of any written notice of violation of any Laws, any material defect, deficiency, or limitation in use or occupancy of the Housing Facilities, any condemnation action, rezoning, or other governmental order, and any tax assessment notices.

26.10. Parking. Tenant shall provide free parking for Eligible Residents living in the Housing Facility.

26.11. Hours of Operation. Tenant or the Property Manager shall have staff available on site or on call to manage, operate, and maintain the Housing Facilities twenty-four (24) hours a day, seven (7) days a week, and three hundred sixty-five (365) days a year.

26.12. Licenses. Tenant shall be responsible for all matters pertaining to the employment, payment, supervision, promotion, and discharge of Tenant's employees. Tenant and its personnel shall be fully licensed, certified, registered, and qualified, to the extent required by licenses, permits, or other Governmental Approvals, to perform Tenant's obligations, functions, and duties hereunder.

26.13. Leasing and Marketing Plan. Attached hereto as Exhibit "H" is the initial leasing and marketing plan for the Housing Facilities (the "Leasing and Marketing Plan"), which identifies release dates for when units within the Housing Facilities may be released to other Eligible Residents in the order of priority set forth in the definition of Eligible Residents. The Tenant shall cause the Property Manager to evaluate the marketing for the Housing Facilities on an annual basis and present recommendations to the Landlord regarding any changes to the Leasing and Marketing Plan to achieve the goal of providing affordable housing to Eligible Residents. The Landlord shall meet and confer with Tenant after receipt of such recommendations and shall make such modifications as may be mutually agreed upon. Tenant shall cause the Property Manager to use commercially reasonable efforts, in coordination with the Landlord, to implement the Leasing and Marketing Plan as modified.

26.14. Use of Key Performance Indicators. The performance of the Property Manager will be evaluated on a quarterly basis (excluding the Resident Satisfaction Surveys, which shall be evaluated on

an annual basis) using the following metrics contained and described in this Paragraph 26.18 (the "Key Performance Indicators"):

26.15. Resident Satisfaction Surveys. Landlord shall from time-to-time review and approve: (i) the form and content of a survey to be distributed to and solicited from the Eligible Residents of the Housing Facilities (the "Resident Satisfaction Survey"); and (ii) the methodologies and schedule for the distribution, collection, review and tabulation of Resident Satisfaction Survey results. Landlord shall approve the preparation and administration of Resident Satisfaction Surveys by an independent third-party surveying company experienced in performing similar reviews, such as Skyfactor, SatisFacts, or a similar company. Resident Satisfaction Surveys shall be structured to allow Eligible Residents to provide numerical responses to a series of questions pertaining to their evaluation of Tenant's performance of its Project duties and responsibilities. Such Resident Satisfaction Surveys shall be structured to allow residents to provide numerical responses and shall be similar to those used in similar "public private partnership" workforce housing facilities similar to the Project. Questions shall relate to the specific duties and responsibilities of the Property Manager hereunder. Results of all Resident Satisfaction Surveys for a given year shall be tallied, averaged, and disclosed to Tenant both on an aggregate basis and on a question-by-question basis so as to provide Tenant with constructive feedback for the future improvement of its services.

26.16. APPA Facility Condition Score. Landlord shall from time to time review and approve (a) an independent third party facility condition inspection firm (the "Inspector") to inspect and evaluate the physical condition of the Project following forty eight (48) hours prior written notice to Tenant and on a basis that is no more frequent than quarterly nor less frequently than semi-annually (the "Periodic Inspection"); (b) the form and content of an inspection form, and accompanying evaluation guidelines, to be used by the Inspector for the Periodic Inspection (each such form, together with any accompanying evaluation guidelines, a "Project Inspection Evaluation Form"); and (c) the particular timing of the Periodic Inspection. The Project Inspection Evaluation Form shall require that each Project's condition be scored according to the APPA Facilities Maintenance Performance Indicators. In the event the Project is found to meet APPA Level 1 standards the Inspector will assign a score of 1, if the Project is found to meet APPA Level 2 standards the Inspector will assign a score of 2, and so forth. The Project Inspection Evaluation Form shall not require the Inspector to assign a Project a score of only 1, 2, 3 or 4, but will also allow the Inspector to exercise its discretion, subject in all respects to the guidelines and parameters set forth in the Project Inspection Evaluation Form, to assign scores that fall in between such numbers; for example, 2.1, 2.2, and so forth. Tenant shall coordinate, facilitate and pay for the Periodic Inspection, and representatives of Landlord and Tenant shall each be entitled to accompany the Inspector on the Periodic Inspection. The scores of the Project Inspection Evaluation Form, as well as any narrative feedback provided by the Inspector, shall be tallied, averaged (on a weighted average basis based upon the number of beds in the respective Projects) and disclosed to Tenant so as to provide Tenant with constructive feedback for the future improvement of its Tenant Services. Tenant shall provide Landlord prior to the next Periodic Inspection a report detailing how Tenant addressed any deficiencies described in the preceding Quarterly Report. Tenant may include any Tenant's Agent (such as the Property Manager) in the inspections if Tenant desires.

26.17. Work Order Benchmark Performance. Tenant shall track and document timeliness of the performance of work orders on a quarterly basis using a software program to manage work orders. Work orders will be categorized and prioritized pursuant to a system to be developed with Tenant and Landlord. A work order that has been completed within the amount of time prescribed in the system for work orders of its corresponding priority code shall be deemed to have been timely completed.

26.18. Performance Standard. Tenant shall track and document the points awarded for the performance of the Property Manager's duties based on the points scoring system described in Exhibit "H". The Parties jointly may revise the point scoring system from time to time without amending the Lease. In the event the Property Manager achieves a total point score below 1.99 for two consecutive

quarters or two consecutive measuring periods, if longer than calendar quarters, then Tenant shall cause Property Manager to present to Landlord a corrective action plan to remediate the deficiencies in Property Manager's performance. If after two subsequent, consecutive calendar quarters Property Manager's performance reviews do not result in a total score of at least 2.25 then, unless otherwise agreed to by Landlord and Tenant, Landlord may cause Tenant to hire a third party property manager or to commence replacing the Property Manager, if other than the Tenant, by providing Tenant written notice of such request, or Tenant may commence replacing the Property Manager; provided, however, no termination of the Property Manager shall occur without at least one additional meeting of Landlord and Tenant to address the performance reviews and corrective action.

26.19. Facilities Condition Report. Commencing in the fifth (5th) Lease Period following the Commencement Date, then again every five (5) years thereafter, and at any time upon reasonable request by Landlord based upon evidence of a material concern regarding the physical condition of the Housing Facilities, Tenant will, as an operating expense, cause a comprehensive facilities condition assessment report (a "Facilities Condition Report") to be performed on the Housing Facilities by an independent engineer agreed upon by Tenant and Landlord. The cost of the facilities condition assessment report shall be paid from the Repair and Replacement Fund unless Landlord has requested the report without identifying a material concern, in which event the report shall be at Landlord's cost and expense. The Landlord will determine the nature and scope of services, the schedule and deliverables to be provided by the independent engineer. The Landlord, with input from the Tenant shall also determine the budget for the implementation of any remedial action in accordance with the requirements of this Lease to address any defects, non-compliances, or deficiencies identified by the independent engineer with respect to the Housing Facilities; provided, however, that defects or deficiencies identified in the report need not be addressed in the event the same (a) are scheduled to be addressed during the next Lease Period pursuant to the Repair and Replacement Schedule and (b) are non-essential items that may improve usability of the Housing Facilities but do not impact life safety, security, the welfare of residents, code compliance, or building functionality. Tenant shall, at its cost and expense, promptly fund and perform the work necessary to remedy all such defects or deficiencies, but in any event commence the work within thirty (30) days from the date recommended in the report or on a date as agreed upon by Landlord and Tenant.

ARTICLE 27 MISCELLANEOUS

27.01. Entire Agreement. This Lease and the Exhibits attached hereto and thereto contain all the agreements of the parties with respect to the subject matter herein. There have been no representations made by either party or understandings made between the parties express or implied with respect to the subject matter hereof other than those set forth in this Lease and the Exhibits attached hereto. This Lease (including the attached Exhibits) may not be modified except by a written instrument duly executed by the parties hereto. The parties have had an opportunity negotiate this Lease and to consult with counsel; accordingly, the rule of interpretation known as "construction against the drafter" will not apply to this Lease or the Exhibits. While not parts of this Lease, the Interlocal Agreement, the Declaration, Tenant's Proposal, and any Property Management Agreement shall be considered holistically and *in pari materia* whenever interpreting or applying this Lease, striving to give reasonable meaning to each term and to avoid rendering any term a nullity.

27.02. Waiver. Failure by either party to enforce any of the provisions hereof for any length of time shall not be deemed a waiver of its rights set forth in this Lease. Such a waiver may be made only by an instrument in writing signed by the party sought to be charged with the waiver.

27.03. Severability. If any covenant or provision of this Lease is held to be invalid or unenforceable by a court of competent jurisdiction, such holding shall not affect the validity of the remaining covenants and provisions, it being the intention of the parties that this Lease be so construed as

to render enforceable that portion of this Lease unaffected by such holding. The contractual provisions shall be deemed severable.

27.04. Counterparts. This Lease and any amendment made in accordance with the terms hereof may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

27.05. Successors. It is agreed that the respective rights and obligations hereunder shall inure to, and be binding upon, the respective heirs, devisees, legal and personal representatives, assigns, grantees and successors in interest of Landlord, and shall inure to, and be binding upon the permitted assigns and successors in interest of Tenant.

27.06. Third-Party Beneficiary. The MCSO is an intended third-party beneficiary of this Lease, which shall be interpreted and enforced to advance the vision and purpose of the Interlocal Agreement, the Declaration, and the Tenant's Proposal. Except as otherwise expressly set forth in this Lease, the parties agree that no other individual and/or entity is intended to have, nor shall any individual and/or entity be deemed to have, any rights, benefits, privileges, causes of action, rights of action or remedies as a third-party beneficiary to or under this Lease or otherwise.

27.07. Business Day. Should any due date hereunder fall on a Saturday, Sunday or legal holiday in the State of Florida, then such date shall be deemed timely if given on the first business day following such Saturday, Sunday or legal holiday.

27.08. Governing Law and Venue. This Lease shall be governed by the laws of the State of Florida without regard to its conflict of laws provision. The exclusive venue for any lawsuits, actions or proceedings arising in connection with this Lease shall be the state courts of Monroe County, Florida. For thirty (30) days prior to commencement of a lawsuit, the parties shall attempt to amicably resolve the dispute.

27.09. Gender. Feminine, neuter and masculine pronouns, and the plural and the singular, shall be construed to be and shall be interchangeable in any place or places in which the context may require such interchange.

27.10. Authority. The execution and performance of this Lease by each party has been duly authorized by all applicable laws and regulations and all necessary corporate action, and this Lease constitutes the valid and binding obligation of such party, enforceable in accordance with its terms.

27.11. Appropriations. Landlord's performance of its obligations and covenants under this Lease shall be subject to the appropriation of funds sufficient for such purpose. Landlord shall be relieved of such obligations and covenants if funds are not appropriated and available to Landlord. Landlord shall provide Tenant notice of the non-availability of funds necessary for Landlord to perform and comply with its obligations and covenants under this Lease promptly after Landlord has actual knowledge thereof.

27.12. No Pledge. Tenant acknowledges and agrees that it has no right, power or authority under this Lease or otherwise to pledge the credit of the Landlord, the State or any subdivision or agency thereof or other governmental authority, or to obligate the Landlord, the State or any subdivision or agency thereof or any other governmental authority as a guarantor, indemnitor, surety or insurer of the Tenant's under this Lease or other agreement in any way arising out of, relating to or in connection with the Property or the Improvements. Tenant further acknowledges and agrees that this Lease does not constitute a pledge or the credit of the Landlord, the State or any subdivision or agency thereof or of any other governmental authority.

27.13. Captions. The captions of this Lease are for convenience only, are not a part of this Lease, and do not in any way limit or amplify the terms and provisions hereof.

27.14. Radon Gas. Pursuant to Section 404.056, Florida Statutes, Landlord is required to notify Tenant of the following: "Radon is a naturally occurring radioactive gas that, when it has accumulated in

a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health department."

27.15. Force Majeure. Except as otherwise expressly set forth in this Lease, if either party hereto shall be delayed or hindered in, or prevented from, the performance of any act (other than the payment of money) required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, riots, insurrection, adverse weather conditions (including but not limited to tropical storms and hurricanes), epidemic or pandemic, war or other reasons of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease (all of such reasons or causes referred to in this Lease as "Force Majeure"), then performance of such acts shall be excused for the period of the delay, and the period within which the performance of such act may be required hereunder shall be extended by a period equivalent to the period of such delay. The exclusive relief for a Force Majeure event will be receipt of an extension of the schedule for the performance of work and activities on the critical path for the construction of the Improvements.

27.16. Rights Cumulative. Unless expressly provided to the contrary in this Lease, each and every one of the rights, remedies, and benefits provided by this Lease shall be cumulative and shall not be exclusive of any other such rights, remedies, and benefits allowed by law.

27.17. Time is of the Essence. Time is of the essence of this Lease.

27.18. Sales Tax. Tenant agrees to pay any Florida sales and use tax levied upon the Rent and other amounts payable by Tenant under this Lease.

27.19. Brokers. Landlord and Tenant warrant to each other that they have not dealt with brokers in connection with this Lease and that no brokers are entitled to any commissions as it relates to this Lease, other than Tenant's broker which will be paid by Tenant pursuant to separate agreement. Tenant hereby indemnifies Landlord against, and agrees to defend and hold Landlord harmless from, any and all claims for any real estate commissions or similar fees arising out of or in any way connected with any claimed agency relationship with the indemnitor relating to the transaction contemplated by this Lease.

27.20. No Joint Venture or Partnership. Landlord and Tenant hereby acknowledge and agree that the relationship between the parties hereto is that of landlord and tenant, and that nothing contained in this Lease shall be deemed or construed as creating the relationship of principal and agent, or of partnership, or of a joint venture between Landlord and Tenant in respect to the Land or the Improvements.

27.21. No Damages for Denied Approvals. Should the County, acting in its governmental or land development regulatory capacity (including its BOCC, its agencies, its appointed officials, or its employees with jurisdiction), not approve any required application for approval prerequisite to completion of the Project, the Lease shall not be the basis in any respect for a damages claim against the County for breach of the Lease or a basis in any respect for a damages claim against the County acting in its governmental regulatory capacity as a result of such denied approval.

27.22. No Abrogation of Governmental Authority. The making of the Lease does not constitute an abrogation of the County's governmental or land development regulatory powers, and Tenant's obligations to comply with Laws and Legal Requirements include Tenant complying with all development approvals required by the County in its capacity as a governmental authority. The Lease shall not prevent the County from enacting or seeking to enforce any Laws or Legal Requirements which may affect the Land or its vicinity, regardless of whether such Laws or Legal Requirements are the result of action by the BOCC or by initiative (petition) and referendum, or by any other applicable procedures. Whenever the County seeks to enforce any existing or future Laws or Legal Requirements as against the Land or its vicinity, or the Project, this paragraph shall not waive or affect Tenant's ability (a) to contest

the validity or application of such Laws or Legal Requirements, (b) to assert whatever defenses or avoidances as may be available for Tenant, or (c) to seek judicial review as may be available. However, the Lease shall not serve as the basis for a damages claim against the County, and Tenant shall not assert a damages claim with respect to such enforcement as to the Land or its vicinity or the Project.

[signatures on next page]

IN WITNESS WHEREOF, each party has caused this Lease to be executed by its duly authorized representatives.

LANDLORD:

(SEAL)

ATTEST: KEVIN MADOK,
CLERK OF MONROE COUNTY, FLORIDA

MONROE COUNTY BOARD OF COUNTY
COMMISSIONERS

By: _____
Date: _____, 2021

By: _____
Date: _____, 2021

Monroe County Attorney
Approved as to form:


Joseph DiNovo
Assistant County Attorney

TENANT:

WITNESS:

SPGL, LLC

By: 
Date: September 7, 2021

By: 
Date: 9/7, 2021

Acceptance by Third Party Beneficiary:

The Sheriff of Monroe County does hereby acknowledge that the Monroe County Sheriff's Office is an intended third-party beneficiary of this Lease, and that he has participated in review of and accepts the terms of this Lease.

Monroe County Sheriff's Office

By: 
Date: 09-09, 2021

Monroe County Sheriff's Office
Approved as to form:

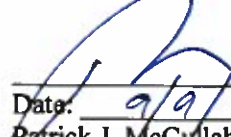

Date: 9/9, 2021
Patrick J. McCullah
General Counsel

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

A parcel of land lying in Section 31, Township 67 South, Range 25 East, Monroe County, Florida, being described as:

(POC) Commencing at the intersection of the East right-of-way line of Trumbo Road and the Northeasterly right-of-way line of Grinnell Street; thence run North along the East r/w line of Trumbo Road for a distance of 354.45 feet to the (POB) Point of Beginning; thence continue North along the Easterly right-of-way line of Trumbo Road for a distance of 250.00 feet; thence all at right angles, East for a distance of 195.00 feet; thence South for a distance of 200.00 feet; thence East for a distance of 15.00 feet; thence South for a distance of 50.00 feet; thence West along the Northerly boundary line of the "Steamplant Condo" for a distance of 210.00 feet back to the East right-of-way line of Trumbo Road and (POB) the Point of Beginning

(End of Exhibit A)

EXHIBIT "B"

PERMITTED TITLE ENCUMBRANCES

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
2. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
3. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the land.
4. Any lien, for services, labor, or materials in connection with improvements, repairs or renovations provided before, on, or after Date of Policy, not shown by the public records.
5. Any dispute as to the boundaries caused by a change in the location of any water body within or adjacent to the land prior to Date of Policy, and any adverse claim to all or part of the land that is, at Date of Policy, or was previously under water.
6. Taxes or special assessments not shown as liens in the public records or in the records of the local tax collecting authority, at Date of Policy.
7. Any minerals or mineral rights leased, granted or retained by current or prior owners.
8. Taxes and assessments for the year 2021 and subsequent years, which are not yet due and payable.
9. Any adverse ownership claim by the State of Florida by right of sovereignty to any part of the Land that is, as of the Date of Policy or was at any time previously, under water (submerged).
10. Rights of the United States Government to that portion of the Land, if any, being artificially filled in land in what was formerly navigable waters arising by reason of the United States Government control over navigable waters in the interest of navigation and commerce.
11. Covenants, conditions, restrictions, reservations and other matters contained in Quitclaim Deed by and between the United States of America, grantor, and the City of Key West, Florida, grantee, dated June 20, 1973 and recorded in Official Records Book 551, Page 218.
12. Declaration of Affordable Housing Restrictions made by the City of Key West on September 17, 2019 and recorded January 2, 2020 in Official Records Book 3002, Page 336.
13. Keys Overnight Temporary Shelter (KOTS) and Essential Governmental Employee Housing Interlocal Agreement by and between Monroe County and the City of Key West, recorded January 2, 2020 in Official Records Book 3002, Page 344.

14. Reversionary interest retained by the City of Key West, Florida, a municipal corporation, in that certain Quit Claim Deed to Monroe County, a political subdivision of the State of Florida, recorded January 13, 2020 in Official Records Book 3003, Page 879, as re-recorded January 31, 2020 in Official Records Book 3006, age 1711.

15. Reservation of a perpetual utility easement occupied by 'the Grantor' as a utility lift station and accessory related equipment as contained in that certain Quit Claim Deed from the City of Key West, Florida, a municipal corporation, to Monroe County, a political subdivision of the State of Florida, recorded January 13, 2020 in Official Records Book 3003, Page 879, as re-recorded January 31, 2020 in Official Records Book 3006, Page 1711.

(End of Exhibit B)

EXHIBIT "C"

This instrument prepared by
(and after recording return to):
KENNETH ARTIN
BRYANT MILLER OLIVE P.A
250 SOUTH ORANGE AVENUE, SUITE 1350
ORLANDO, FLORIDA 32801

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE is made and entered into as of the ____ day of _____, 2021, by and between MONROE COUNTY, FLORIDA a political subdivision of the State of Florida (hereinafter referred to as "Landlord") and SPGL, LLC a Florida limited liability company (hereinafter referred to as "Tenant"), with reference to the following facts:

A. Landlord and Tenant have entered into a certain Ground Lease Agreement (hereinafter referred to as the "Lease") of even date herewith; and

B. Landlord and Tenant desire to enter into this Memorandum of Lease to set forth certain terms and conditions of the Lease.

NOW, THEREFORE, for and in consideration of the sum of ONE AND NO/100 DOLLAR (\$1.00) in hand paid by Landlord and Tenant, each to the other, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant, intending to be legally bound, hereby set forth the following information with respect to the Lease:

1. Landlord. The name and address of Landlord are as follows:

Monroe County, Florida
1100 Simonton Street
Key West, Florida 33040
Attention: Monroe County Administrator

With a copy to:

Monroe County, Florida
Office of County Attorney
1111 12th Street, Suite 408
Key West, Florida 330400
Attention: County Attorney

2. Tenant. The name and address of Tenant are as follows:

SPGL, LLC
1425 Lake Front Circle
The Woodlands, Texas 77380

4. Date of Lease. The Lease is dated as of the ____ day of _____, 2021 ("Effective Date")

5. **Commencement Date.** The Lease shall commence on the date that is ninety days following the conclusion of the Approval Period unless this Lease has been terminated during the Approval Period. The Approval Period begins on the Effective Date and ends on the last Business Day of the eighteenth month thereafter, as may be extended in accordance with the Lease.

6. **Term.** Section 2.01 of the Lease provides the Lease shall be effective from the date of execution of this Lease through September 30th of the Lease Period in which the thirtieth (30th) anniversary of the Commencement Date occurs, as such period may be earlier terminated in accordance with the terms hereof (the "Lease Term"). Section 2.02 of the Lease provides the Tenant shall have the option to renew this Lease for two terms of an additional thirty (30) years and one final term of nine (9) years provided the following conditions have been satisfied in the judgment of the Landlord:

- (a) No Event of Default shall have occurred and be continuing hereunder;
- (b) Tenant delivered a Facilities Condition Report at least six (6) months prior to the expiration of the then current term of this Lease and defects and deficiencies are addressed or are being addressed as provided in Section 26.19 hereof; and
- (c) The Property Manager has not received a total point score below 2.25 in each of the last two years prior to the expiration of the then current term of this Lease

7. **Property.** The Property consists of that certain real property as further described on as **Exhibit A** attached hereto and by reference incorporated herein (the "Land") together with the Improvements, as defined in the Lease.

8. **Ownership of Improvements.** The Lease provides that Tenant shall construct the Improvements on the Land and may make alterations, replacements, modifications or additions thereto in accordance with the terms of this Lease, which Improvements and the SI Facilities shall be and remain the property of Tenant during the term of this Lease and thereafter the Improvements shall revert to Landlord.

9. **No Liens on Fee Interest or Landlord's Interest.** Section 9.01 of this Lease provides Tenant will not create or permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Property, any part thereof or upon Tenant's leasehold interest, which arises out of the use or occupancy of the Property by Tenant or by reason of any labor or materials furnished or claimed to have been furnished to Tenant or by reason of any construction, addition, alteration or repair of any part of the Property

[Signatures on Following Page]

LANDLORD:

(SEAL)

ATTEST: KEVIN MADOK,
CLERK OF MONROE COUNTY, FLORIDA

MONROE COUNTY BOARD OF COUNTY
COMMISSIONERS

By: _____
Date: _____, 20__

By: _____
Date: _____, 20__

Monroe County Attorney
Approved as to form:

Joseph DiNovo
Assistant County Attorney

TENANT:

SPGL, LLC

WITNESS:

By: _____
Date: _____, 20__

By: _____
Date: _____, 20__

[Signature Page | Memorandum of Ground Lease]

EXHIBIT "A" TO MEMORANDUM OF GROUND LEASE

LEGAL DESCRIPTION OF THE LAND

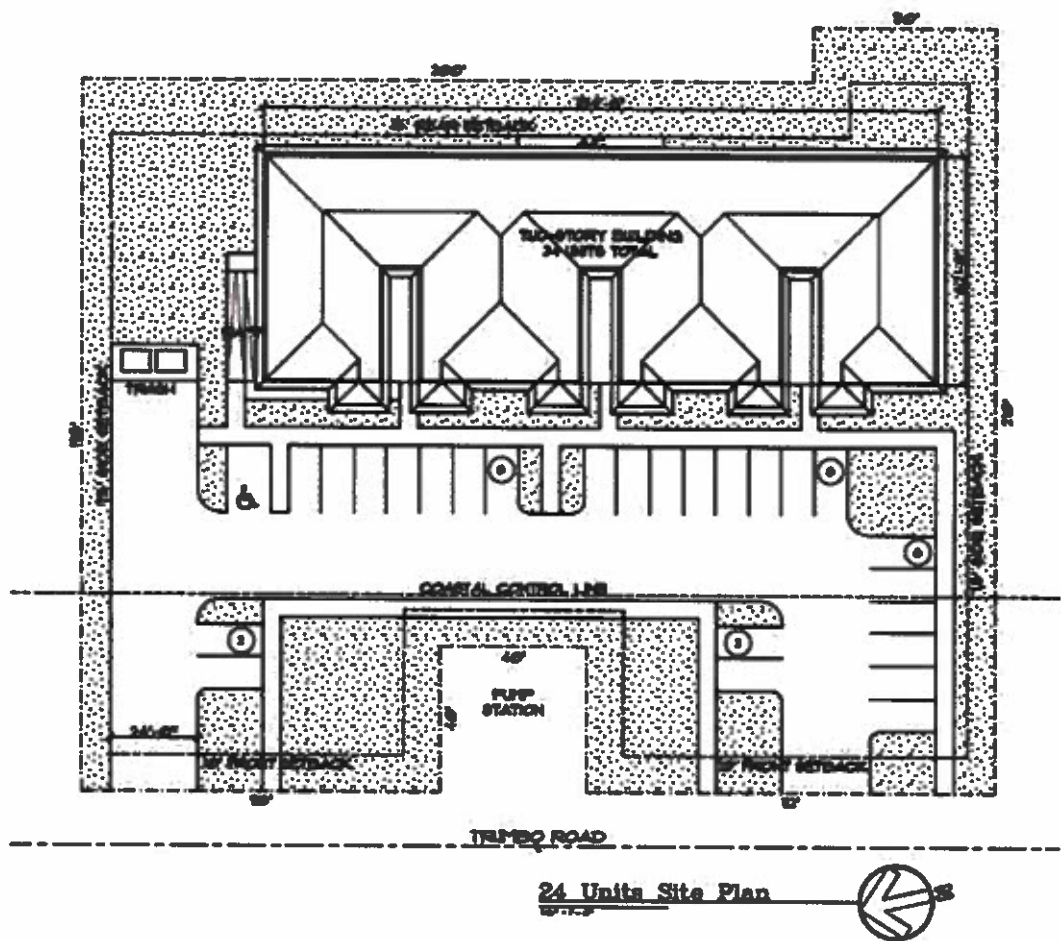
A parcel of land lying in Section 31, Township 67 South, Range 25 East, Monroe County, Florida, being described as:

(POC) Commencing at the intersection of the East right-of-way line of Trumbo Road and the Northeasterly right-of-way line of Grinnell Street; thence run North along the East r/w line of Trumbo Road for a distance of 354.45 feet to the (POB) Point of Beginning; thence continue North along the Easterly right-of-way line of Trumbo Road for a distance of 250.00 feet; thence all at right angles, East for a distance of 195.00 feet; thence South for a distance of 200.00 feet; thence East for a distance of 15.00 feet; thence South for a distance of 50.00 feet; thence West along the Northerly boundary line of the "Steamplant Condo" for a distance of 210.00 feet back to the East right-of-way line of Trumbo Road and (POB) the Point of Beginning

(End of Exhibit C)

EXHIBIT "D"

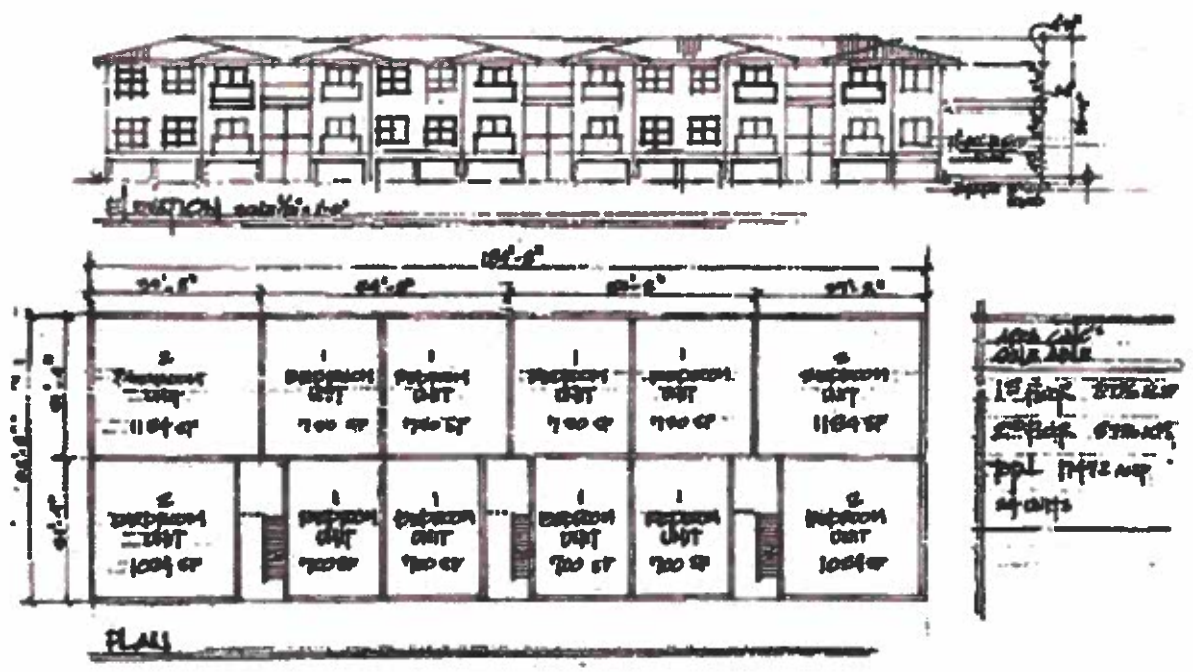
SITE PLAN



Trumbo Village
Trumbo Road
Key West, FL

THOMAS E. POPE, P.A.
POPE-SCARROVER-ARCHITECTS
(305) 288 3811 610 White St., Key West FL

A0.1



(End of Exhibit D)

EXHIBIT "E"

FORM OF RELEASE

PROJECT: 250 TRUMBO ROAD, KEY WEST, FLORIDA

The undersigned ("Contractor") hereby acknowledges that SPGL, LLC a Florida limited liability company, as "Tenant" under that certain Ground Lease Agreement dated _____, 2021 (the "Lease"), with MONROE COUNTY, FLORIDA a political subdivision of the State of Florida as "Landlord", for certain land located at 250 Trumbo Road, Key West, Florida (the "Land"), has informed Contractor that the Lease provides that:

- (a) Prior to commencement of construction work on the Land, Tenant shall cause Contractor to deliver to Landlord this waiver and release.
- (b) Tenant will not create or permit to be created or to remain any lien, encumbrance or charge upon the Land, any part thereof or upon Tenant's leasehold interest, which arises out of any labor or materials furnished or claimed to have been furnished to Tenant or by reason of any construction, addition, alteration or repair of any part of the Land.
- (c) In no event shall the interest of Landlord in all or any part of the Land be subject to any construction, mechanics', materialmen's, laborers' or other statutory or common law lien for improvements or work made or done by or at the instance of Tenant.
- (d) Pursuant to Florida Statutes §713.10, all persons dealing with or contracting with Tenant or any contractor of Tenant are hereby put on notice of the foregoing provision.

Contractor acknowledges the forgoing, and hereby waives and releases, for itself and its successors and assigns, its lien and right to claim a lien for labor, services, and materials performed and furnished on the Project on the job of Tenant, with respect to the real property described in that certain Notice of Commencement recorded in Official Records Book ____, page ____, of the public records of Monroe County, Florida.

Signed, sealed, and delivered this ____ day of _____, 20____.

[CONTRACTOR ENTITY]

By: _____
Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization this _____ day of _____, 2021 by _____, as _____ of _____. He/she ☐ is personally known to me or ☐ produced _____ as identification.

NOTARY PUBLIC

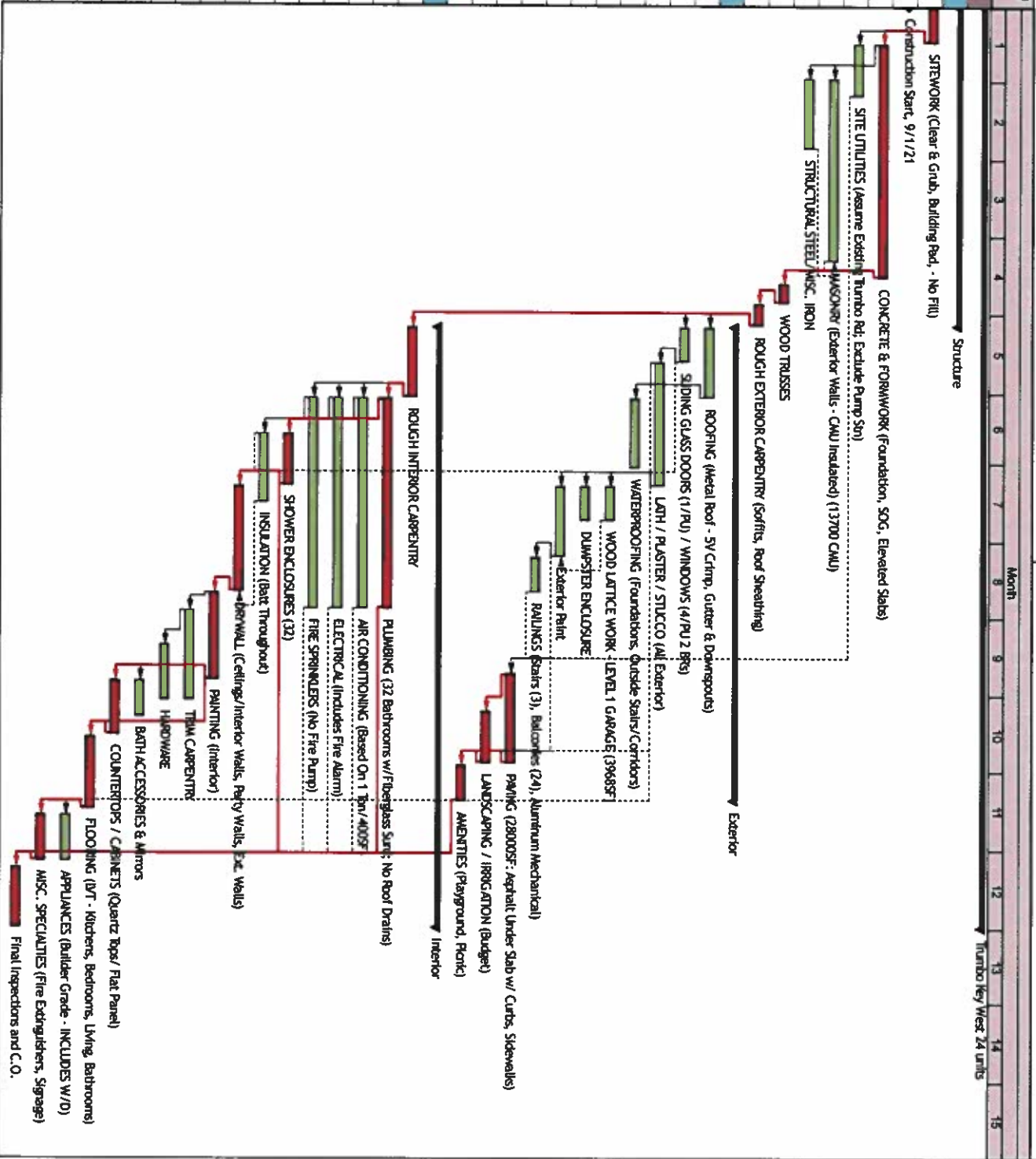
(End of Exhibit E)

EXHIBIT “F”
CONSTRUCTION TIMELINE

(See next page)

Trumbo Key West 24 units

#	Activity Name	Working Days	Month
1	Trumbo Key West 24 units	253	
2	Structure	85	
3	☐ SITEWORK (Clear & Grub, Building Pad, - No Fill)	10	
4	☐ Construction Start	0	
5	☐ CONCRETE & FORMWORK (Foundation, SOG, Elevated Slabs)	65	
6	☐ SITE UTILITIES (Assume Existing Trumbo Rd; Exclude Pump Stn)	15	
7	☐ MASONRY (Exterior Walls - CMU Insulated) (13700 CMU)	50	
8	☐ STRUCTURAL STEEL/MISC. IRON	20	
9	☐ WOOD TRUSSES	5	
10	☐ ROUGH EXTERIOR CARPENTRY (Soffits, Roof Sheathing)	5	
11	☐ Exterior	132	
12	☐ ROOFING (Metal Roof - 5V Crimp, Gutter & Downspouts)	20	
13	☐ SLIDING GLASS DOORS (1/PU) / WINDOWS (4/PU 2 BRs)	10	
14	☐ LATH / PLASTER / STUCCO (All Exterior)	35	
15	☐ WATERPROOFING (Foundations, Outside Stairs/Corridors)	20	
16	☐ WOOD LATTICE WORK - LEVEL 1 GARAGE (3968SF)	10	
17	☐ DUMPSTER ENCLOSURE	10	
18	☐ Exterior Paint	20	
19	☐ RAILINGS (Stairs (3), Balconies (24), Aluminum Mechanical)	10	
20	☐ PAINTING (28000SF: Asphalt Under Slab w/ Curbs, Sidewalks)	25	
21	☐ LANDSCAPING / IRRIGATION (Budget)	15	
22	☐ AMENITIES (Playground, Pkck)	10	
23	☐ Interior	168	
24	☐ ROUGH INTERIOR CARPENTRY	20	
25	☐ PLUMBING (32 Bathrooms w/Fiberglass Surf; No Roof Drains)	60	
26	☐ AIR CONDITIONING (Based On 1 Ton/400SF)	60	
27	☐ ELECTRICAL (Includes Fire Alarm)	60	
28	☐ FIRE SPRINKLERS (No Fire Pump)	60	
29	☐ SHOWER ENCLOSURES (32)	15	
30	☐ INSULATION (Batt Throughout)	20	
31	☐ DRYWALL (Ceilings/Interior Walls, Party Walls, Exc. Walls)	30	
32	☐ PAINTING (Interior)	25	
33	☐ TRIM CARPENTRY	25	
34	☐ HARDWARE	15	
35	☐ BATH ACCESSORIES & Mirrors	10	
36	☐ COUNTERTOPS / CABINETS (Quartz Tops/ Flat Panel)	15	
37	☐ FLOORING (VT - Kitchens, Bedrooms, Living, Bathrooms)	20	
38	☐ APPLIANCES (Builder Grade - INCLUDES W/D)	15	
39	☐ MISC. SPECIALTIES (Fire Extinguishers, Signage)	15	
40	☐ Final Inspections and C.O.	18	



(End of Exhibit F)

Exhibit “G”

KPI SCORECARD

Table 1 Resident Satisfaction Survey (1/4 of Total Available KPI Score)

Score based upon an annual residential satisfaction survey results, example below contemplates 4 ranking tiers; This should be adjusted to reflect the survey scoring methodology in effect at the time

Points Available 1.00	
Overall Survey Score	KPI Component Score
Top Ranking (Exceptional, etc..)	1.00
2 nd Tier Ranking (Superior, etc..)	0.75
3 rd Tier Ranking (Average, etc..)	0.50
4 th Tier Ranking (Warning, etc.)	0.00

Table 2 APPA Facility Condition Score (1/4 of Total Available KPI Score)

Score based on quarterly APPA (Level 2) Facility Condition scores

Points Available 1.00	
Average APPA Facility Condition Score	KPI Component Score
less than or equal to 2.00	1.00
2.01-2.50	0.75
2.49-3.00	0.50
3.01 or higher	0.00

Table 3 Work Order Responsiveness (1/4 of Total Available KPI Score)

Score based on quarterly work order completion timeliness

Points Available 1.00	
% of Work Orders Timely* Completed	KPI Component Score
90% and above	1.00
80%-89%	0.75
70%-79%	0.50
Less than 69%	0.00

* Timeliness definition TBD consistent with standard industry practice

Scoring Example								
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Resident Satisfaction Survey Score	1.00	1.00	1.00	0.75	0.75	0.75	0.75	0.75
APPA Facility Condition Score	0.75	0.50	1.00	0.75	0.75	0.75	0.50	0.75
Work Order Responsiveness Score	0.75	0.50	0.75	0.75	0.00	0.75	0.50	0.50
Total Score	2.50	2.00	2.75	2.25	1.50	2.25	1.75	2.00

(End of Exhibit G)

EXHIBIT "H"

HOUSING FACILITY RENTAL RATES AND LEASING PLAN

Rental Rates

Rental Unit	Monthly Rental Rates (2021-2022)
One Bedroom	\$1,500
Two Bedroom	\$2,100

Annual increases in rental rates are capped at the lesser of (i) the increase in the Consumer Price Index – rent of primary residence or (ii) 2%.

Monthly rental rates are inclusive of utilities (water, sewer, and trash).

Rental rates reflect unfurnished units.

Leasing Plan

The Property Manager will establish and maintain all applications and a priority list of Eligible Residents who apply to rent the Housing Facilities. This priority list shall designate, at a minimum, the tier (from the list below) each applicant falls into and the date and time the application was received. The priority list of Eligible Residents shall be provided to County and Sheriff upon request.

Eligible Residents means any individual eligible for occupancy of the Housing Facilities, which are, in order of precedence from first to last, as follows:

1. Monroe County Sheriff's Office Law Enforcement and Corrections Deputies
2. Key West Police Department Law Enforcement Officers
3. Monroe County and City of Key West Firefighters
4. Other Monroe County Sheriff's Office Employees
5. State Law Enforcement Officers, Monroe County School District Instructional Staff
6. Other Government Employees

Eligible Residents will be selected according to the order of precedence described above.

Priority for applicants in the same tier will be determined by the date/time the application is received by the Property Manager with the first in time having precedence.

Lease terms shall be for no more than (1) year.

No less than (60) days prior to the expiration of each lease term the Property Manager shall review each lease to determine if it will be renewed. No lease will be renewed if there is an applicant(s) with higher priority on the priority list. In such cases, the individual(s) with priority will be offered the unit in the order of priority described above. If no applicant with higher priority accepts the unit, the lease may be renewed for no more than (1) year.

(End of Exhibit H)

EXHIBIT "I"

MAINTENANCE STANDARDS

APPA MAINTENANCE STANDARDS

Under the Association of Physical Plant Administrators (APPA) there are five levels of maintenance. Please reference below for standards for each level.

Level 1: Showpiece Facility

Maintenance activities appear highly focused. Typically, equipment and building components are fully functional and in excellent condition. Service and maintenance calls are responded to immediately. Buildings and equipment are regularly upgraded, keeping them current with modern standards and usage.

Level 2: Comprehensive Stewardship

Maintenance activities appear to be somewhat organized, but they remain people-dependent. Equipment and building components are usually functional and in operating condition. Service and maintenance calls are responded to in a timely manner. Buildings and equipment are regularly updated, keeping them current with modern standards and usage.

Level 3: Managed Care

Maintenance activities appear to be somewhat organized, but they remain people-dependent. Equipment and building components are mostly functional, but they suffer occasional breakdowns. Service and maintenance call response time are variable and sporadic without apparent cause. Buildings and equipment are periodically upgraded to current standards and usage, but not enough to control the effects of normal usage and deterioration.

Level 4: Reactive Management

Maintenance activities appear to be somewhat chaotic and are people-dependent. Equipment and building components are frequently broken and inoperative. Service and maintenance calls are typically not responded to in a timely manner. Normal usage and deterioration continues unabated, making buildings and equipment inadequate to meet present usage needs.

Level 5: Crisis Response

Maintenance activities appear chaotic and without direction. Equipment and building components are routinely broken and inoperative. Services and maintenance calls are never responded to in a timely manner. Normal usage and deterioration continues unabated, making buildings and equipment inadequate to meet present usage needs.

- Less than 5 percent of lamps are burned out and fixtures are dingy.
- Trash containers and pencil sharpeners have old trash and shavings. They are stained and marked. Trash cans smell sour.

(End of Exhibit I)