

**THIS SUB-LEASE AGREEMENT** is made and entered into this 1st day of April, 2017 between the Housing Authority of the City of Key West, (Lessor) and Florida Keys Outreach Coalition, Inc. (Lessee).

**WHEREAS**, Lessor has entered into a Master Development /Long-Term Lease Agreement ("Master Lease") with the Key West Naval Properties Local Redevelopment Authority ("L.R.A."), obligating the Lessor to provide housing at the Poinciana Housing Site pursuant to the LRA's Base Reuse Plan developed pursuant to the Federal Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and

**WHEREAS**, the Local Redevelopment Authority has approved said sub-lease;

**NOW THEREFORE**, Lessor and Lessee desire to enter into this Sub-Lease upon mutually agreed upon the following terms and conditions:

**1. Master Lease:**

The Master Lease and addendum(s) are attached hereto as Exhibit "A" and its terms and conditions (particularly, although not exclusively. Sections V and VII) are made a part of this Sub-Lease the Lessee agrees to abide by and be bound by all conditions of said Master Lease. This Sub-Lease is subject to the approval of the LRA.

**2. Term:**

The term of this Sub-Lease shall be thirty one (31) years from the date of its execution, unless terminated pursuant to Master Lease or License Agreement or the LRA resolution approving this sub-lease. The parties may extend the term of this Sub-Lease so long as such extension is consistent with the Master Lease and the Key West City Charter. In the event of such conflict, then the term shall be twenty (20) years. The parties may extend the term of this Sub-Lease as such extensions is consistent with the Master Lease and the Key West Charter and Ordinances.

**3. Rental Amount:**

Lessor and Lessee agree that it is to the mutual benefit of the parties and to the Public benefit that Lessee operate the property under the Master Lease's Continuum of Care requirement for the annual rental amount of One Dollar \$1.00.

**4. Premises/Services:**

Lessee shall operate **Building(s) 1623-4 Spalding Court** at the Poinciana Site. In these units, Lessee shall provide services as outlined in its written operational guidelines, in accordance to the Homeless Assistance Submission portion of the Key West Base Reuse Plan, which shall be attached to this Sub-Lease as Exhibit "B" and made a part hereof.

Lessee is responsible for daily upkeep of the building(s).

Lessee will participate with Lessor in joint determinations of grounds keeping standards for the uniform grounds keeping policy. Lessee may elect to pay Lessor for grounds keeping maintenance or to perform this service itself. If agreed upon standards are not upheld by the Lessee, and upon 10 days advance written notice the Lessor may perform this function and bill the Lessee.

**5. Premise Construction:**

The parties understand and agree that the buildings may require rehabilitation. Lessee shall be solely the responsibility for accomplishing and at the Lessee's expense. Lessee shall obtain all necessary State of Florida and local government regulatory approvals and permits, and Lessor agrees to cooperate with Lessee to obtain same. See also Section V of the Master Lease (which shall govern in the event of inconsistencies, if any, between this paragraph and such Section V).

**6. Utilities:**

Lessee shall be responsible for payment of all utilities garbage, sewer and other services furnished to Building(s) 1623-4.

**7. Taxes:**

As building(s) is/are LRA-owned property sub-leased to a not-for-profit organization, the parties anticipate that no ad valorem taxes are to be paid. In the event ad valorem taxes become due for whatever reason, they shall be the responsibility of Lessee. Lessee will collect any required sales taxes and remit same to the State of Florida

**8. Right of Entry:**

Lessor may enter the leased property at any reasonable time for the purpose of inspecting to premises. Lessor shall provide advance notice to Lessee for its inspection in order to preserve the privacy of persons being treated by the Lessee.

**9. Assignment or Subletting:**

Lessee shall not assign this Sub-Lease or sublet nor permit the premises or any part thereof to be used by others without the prior written consent of the Lessor and the LRA.

**10. Responsibility for Damage:**

Lessee agrees that it shall bear full responsibility for all damage to its personal property and other contents. Lessee shall also be responsible for damage to Building(s) 1623-4 that it or its agents, employees or invitees might cause in an amount at all times equal to 100% of the true replacement value of the improvements.

Lessee may provide property damage insurance (including, but not limited to, windstorm and fire insurance) for damage to or destruction of Buildings 1623-4. Lessee shall be responsible for repairs and seeking any assistance from State and Federal Agencies if Lessee chooses to go at risk with said insurance coverage.

**11. Default/Termination:**

After commencement of this Sub-Lease, if Lessee shall fail to pay rent or any other monies due or fails to perform the terms and conditions agreed upon in this Sub-Lease the Lessor shall give the Lessee (30) days written notice detailing non-compliance. If Lessee fails to cure said default within 30 days during this period, the Housing Authority shall have the right to terminate this Lease in addition to any other remedies available at law or in equity. If this Lease is terminated the Authority shall make the property available to another not-for-profit Provider as recommended by SHAL, Inc or its successor. Unit approved by the Housing Authority. In the event that no appropriate Provider can be identified within sixty (60) days, the Housing Authority may convert the use of the building to another housing type on a temporary basis. At the time that SHAL, Inc. identifies an appropriate Provider; the building will be converted to homeless not-for-profit use within a reasonable timeframe.

**12. Insurance and Indemnification:**

Lessee shall indemnify and hold harmless the Lessor and the LRA, their employees and Agents, from all suits, claims, actions and judgments as a result of or arising from the loss of or damage to property or the injury to person by reason of any act or failure to act by the Lessee, its employers, officers, agents or invitees. Nothing contained herein is intended to be a waiver of the limitation placed upon the LRA as set forth in Section 768.28 Fla. Statutes.

Lessee agrees to provide at its expense, comprehensive liability insurance insuring itself and lessor against all claims of damages or injury to persons or property arising for any reason out of Lessee's tenancy or use of the premises, or arising out of its activities related to the lease use, or otherwise arising from its exercise of rights or failure to perform obligations pursuant to this Sub-Lease. The insurance policy shall be written by a solvent insurance company in good standing and fully licensed to do business in Florida and shall provide a minimum at \$1,000,000 coverage per occurrence combined single limit and property damage. The policy shall show Lessor and the LRA as additional named insured, and shall provide that it cannot be canceled or revoked except after a minimum of thirty (30) days written notice to the Lessor. A true copy of the insurance contract or certificate of insurance shall be filed with the Lessor and the LRA within ten (10) days prior to possession after execution of this Sub-Lease premises and shall be maintained on file throughout the lease term. Lessee's failure to maintain the insurance policy in full force and effect at any time during the lease term shall be a default hereunder, and upon such default Lessee shall immediately suspend all lease use

The insurance amounts here provided shall not in any way operate to limit or release, or be construed to limit or release Lessee from any liability to Lessor or the LRA or from any obligation to indemnify Lessor or the LRA as provided herein. Such insurance amounts are minimum requirements, and shall be supplemented by Lessee as necessary to meet its obligations, and to indemnify the Lessor and LRA fully. as provided in this Sub-Lease.

If Lessee falls under the State of Florida Workers' Compensation Law, workers' compensation coverage shall be provided for all employees where the Lessee is obligated to do so by operation of law. The coverage shall be for statutory limits in compliance with applicable state and federal laws.

Contractor's Insurance - During the entire period of the sub-lease agreement the Lessee shall require the licensed contractor performing work at the Lessee's request on the premises to carry comprehensive general liability insurance, including, but not limited to, contractors liability damage, of not less than \$1,000,000 with respect to personal injury or death, and \$1,000,000 with respect to property damage. Worker's Compensation or similar insurance in form and amounts required by law.

**13. Notices:**

Any notice which either party to this lease is required to send to the other under any statutes, decision, or rule or law, under any provision of this lease, or which either desires to send or give to the other, shall be in writing and may be served personally or be enclosed in a sealed, post-paid envelope and be sent by registered or certified United States mail to:

Lessor: The Housing Authority of the City of Key West  
1400 Kennedy Drive  
Key West, Florida 33040

Lessee: Florida Keys Outreach Coalition, Inc.  
PO Box 4767  
Key West, Florida 33041

**14. Severability:**

If any provision of this Sub-Lease shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provision shall not be impaired thereby, but such remaining provisions shall be interpreted and enforced so to achieve, as near as may be, the purpose of this Sub-Lease to the extent permitted by law.

15. Lessee acknowledges that License Agreement and Master Development/Long Term Lease Agreement together with all Addenda and Amendments thereto are binding on Lessee. Should a conflict arise between a provision of this Sub-Lease and said Agreements, the provision of the License Agreement shall first take precedence and the provision of the Master/Development Long-Term Lease Agreement shall secondly take precedence over the provisions of this Sub-Lease.
16. Common Areas – are more particularly described as the Homeless Coalition (SHAL) area.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the day and date first indicated above.

HOUSING AUTHORITY OF THE  
CITY OF KEY WEST FLORIDA

\_\_\_\_\_  
Witness

\_\_\_\_\_  
J. Manuel Castillo, Sr.,  
Executive Director

FLORIDA KEYS OUTREACH  
COALITION, INC.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Stephen Braddock  
President & CEO