

RESOLUTION NO. 17-273

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING THE ATTACHED "LEASE AGREEMENT" BETWEEN THE CITY AND KEY WEST COMMUNITY SAILING CENTER, INC. FOR PROPERTY LOCATED AT 705 PALM AVENUE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, pursuant to section 2-941(c) of the Code of Ordinances, the City Commission finds a public benefit to the proposed lease, supporting a below-market rental rate;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That the attached Lease Agreement, between the City and the Key West Community Sailing Center, Inc., for property located at 705 Palm Avenue, is hereby approved.

Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the Presiding Officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held
this 8th day of November, 2017.

Authenticated by the Presiding Officer and Clerk of the
Commission on 9th day of November, 2017.

Filed with the Clerk on November 9, 2017.

| | |
|------------------------------|------------|
| Mayor Craig Cates | <u>Yes</u> |
| Vice Mayor Clayton Lopez | <u>Yes</u> |
| Commissioner Sam Kaufman | <u>Yes</u> |
| Commissioner Richard Payne | <u>Yes</u> |
| Commissioner Margaret Romero | <u>Yes</u> |
| Commissioner Billy Wardlow | <u>Yes</u> |
| Commissioner Jimmy Weekley | <u>Yes</u> |



CRAIG CATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK

EXECUTIVE SUMMARY



TO: City Commission

FR: Marilyn Wilbarger RPA, CCIM

DT: October 12, 2017

RE: Key West Community Sailing Center

ACTION STATEMENT:

This is a request to enter into a lease renewal with the Key West Community Sailing Center for the demised premises located at 705 Palm Avenue.

BACKGROUND:

The City originally entered into a lease agreement for this use, at this location, in 1979. The previous lease is currently expired and a renewal is with the current organization which is a 501(c)3, classified as a public charity. The organization's mission is to teach youth and adults to sail and is more fully detailed in the attached correspondence from the Community Sailing Center. The terms of the renewal are as follows:

PREMISES: As currently occupied at 705 Palm Avenue and as shown on Exhibit "A" of the lease

TERM: Five (5) years with a ninety (90) day cancellation provision

USE: The TENANT shall be entitled to use the Premises for the continuous operation of TENANT'S after school, schools out, student elective instructional sailing programs, adult sailing instruction, sailing and equipment rental programs that are affordable and open to the public, provide a place for participation and interaction with fellow sailors, and no other purpose.

RENT: The annual rental of \$1.00 per year is a below market lease that must demonstrate a public benefit and requires approval by a super-majority vote pursuant to section 2-941 (c) of the Code or Ordinances.

EXPENSES: The Tenant will pay for operating costs including all utilities, repairs and maintenance, replacements and renovations necessary to keep the premises in good repair and condition.

RECOMMENDATION:

Staff believes that the program results clearly demonstrate a public benefit and recommends the continued support of the programs provided by the Key West Community Sailing Center through utilization of the city owned property at 705 Palm Avenue.

Lease Agreement

between

City of Key West

as Landlord

and

Key West Community Sailing Center, Inc.

as Tenant

Dated 11-13-17

THIS LEASE, made and entered into at Key West, Monroe County, Florida, this 13th day of Nov, 2017 by and between THE CITY OF KEY WEST, a Municipal Corporation whose address is P.O. Box 1409, Key West, Florida, 33041, (hereinafter "LANDLORD"), and KEY WEST COMMUNITY SAILING CENTER, INC. a Florida 501 (C)(3) Public Charity whose address is 705 Palm Avenue, Key West, Fl 33040 (hereinafter "TENANT").

WITNESSETH:

That the LANDLORD and the TENANT, for and in consideration of their respective obligations contained herein, agree as follows:

1. DEMISE. The LANDLORD does hereby lease to the TENANT, and the TENANT does hereby lease from the LANDLORD, the following described premises, at 705 Palm Avenue, Key West, Monroe County, Florida (hereinafter referred to as "Premises") pursuant to the drawing attached hereto and incorporated as **Exhibit A**. LANDLORD reserves the right from time to time with good cause, upon at least sixty (60) days advance written notice to relocate TENANT to other Demised Premises, prior to or during the term of this Lease, so long as usable area so substituted equals or exceeds the usable area of the Demised Premises and provides waterfront access; provided however that TENANT shall have the right at its sole option and as its sole remedy, to terminate the Lease upon sixty (60) days advance written notice which right must be exercised, if at all, within fifteen (15) days after receipt of LANDLORD'S relocation notice, which relocation notice may be withdrawn by LANDLORD within ten (10) days

after LANDLORD'S receipt of TENANT'S termination notice, in which event TENANT'S attempted termination shall be null and void and the lease shall continue in full force and effect in accordance with its terms. In the event LANDLORD shall relocate TENANT to other space, LANDLORD shall pay the reasonable relocation costs of TENANT in connection therewith, but LANDLORD shall not have any other liability with respect to any such relocation.

2. TERM. The term of this Lease shall be for five (5) years, which term shall commence on November 1, 2017, and shall end at midnight on October 31, 2022. Either party may terminate this lease by giving the other party ninety (90) days advance written notice by certified mail return receipt requested.

3. RENT. The TENANT agrees to pay to the LANDLORD an annual rent for the Premises of One Dollar (\$1.00) per year, which rental amount shall be paid on an annual basis each year of the term of this Lease. The TENANT additionally agrees to pay to LANDLORD any sales, use, excise, ad valorem, or other tax imposed or levied against rent or any other charge or payment which tax has been imposed or levied by any governmental agency having jurisdiction thereof, including any new taxes imposed during the term of this Lease which are in addition to or in substitution for any such tax which is presently imposed, and the TENANT agrees to make payment at the time said tax becomes due.

Pursuant to City Ordinance Sec 2-872, Audits and Inspections, any individual or organization that receives grant funds or subsidies from the city shall permit inspection of its books and records upon demand by the city as a precondition to the receipt of such

funding. The city may also conduct program results audits to determine whether the desired results or benefits are being achieved and whether objectives of funding established by the city are being met.

4. USE OF THE PREMISES. The TENANT shall be entitled to use the Premises for the continuous operation of TENANT'S after school, schools out, student elective instructional sailing programs, adult sailing instruction, sailing and equipment rental programs that are affordable and open to the public, provide a place for participation and interaction with fellow sailors, and no other purpose.

In addition, TENANT further agrees:

- A. Not to display any banners, pennants, search lights, signs, balloons, or similar temporary media on the Premises;
- B. Not to commit waste in the Premises and to keep the Premises in a safe, neat, clean and orderly condition and to maintain the Premises in good condition;
- C. Not to use the Premises or permit the same to be used in any manner that violates any law, ordinance, rules, or regulation of the LANDLORD, or other governmental agencies, as existing or promulgated during the term hereof, or in a manner that would constitute a hazardous use of the Premises or violate any insurance policy of the TENANT or the LANDLORD;
- D. To take no action that would: (i) violate the LANDLORD's contracts or (ii) cause any work stoppage or cause any manner of interference with LANDLORD;
- E. To abide by and observe all rules and regulations established from time to time by the LANDLORD and the LANDLORD's insurance carrier;

F. To obtain and maintain all licenses, permits, and other approvals necessary to conduct the TENANT's business during the Lease term.

5. COVENANT OF QUIET POSSESSION. So long as the TENANT pays all of the rent and charges due herein, TENANT shall peaceably and quietly have, hold, and enjoy the Premises throughout the term of this Lease without interference or hindrance by the LANDLORD or LANDLORD's agents.

6. INSURANCE: INDEMNIFICATION.

A. The TENANT covenants and agrees to keep in force during the lease term a comprehensive general liability policy of insurance insuring LANDLORD and TENANT against any liability whatsoever occasioned by accident on or about the Premises and agrees that LANDLORD shall be listed thereon as additional insured. Such policy or policies shall be issued by companies authorized to do business in the State of Florida and having agents upon whom service of process may be made in the State of Florida. The comprehensive general liability policy shall be in the amount of One Million Dollars (\$1,000,000.00) in respect to any one incident and in the aggregate, and shall include Three Hundred Thousand Dollars (\$300,000.00) for property damage. The original policy or certificate, together with evidence of premium payment, shall be delivered to LANDLORD. TENANT shall renew the policy not less than thirty (30) days prior to the expiration date each year, and shall furnish evidence of the renewals and payment to LANDLORD. To the extent that such a provision is obtainable, the policy shall provide that it cannot be cancelled or terminated until at least thirty (30) days prior

notice has been given to LANDLORD. If TENANT falls under the State of Florida Workers Compensation Law, worker's compensation coverage shall be provided for all employees where TENANT is obligated to do so by operation of law. This coverage shall be for statutory limits in compliance with applicable state and federal laws. Failure of TENANT to maintain the insurance in full force and effect at any time shall be deemed a material breach of this Lease, and shall entitle LANDLORD to terminate the Lease. Upon such breach, TENANT shall immediately suspend all use of the Premises and shall provide to LANDLORD written notice of its failure to maintain insurance coverage.

B. TENANT agrees to indemnify, hold harmless and defend the LANDLORD, its officers, agents, servants, and employees against any and all claims, losses, liabilities, and expenditures of any kind, including attorney's fees, court costs, and expenses, caused by the conduct, misconduct, negligent error, omission or act of TENANT, its employees agents, servants or officers, or accruing, resulting from, or related to the subject matter of this Lease, including, without limitation, any and all claims, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property, whether or not suit be brought. The provisions of this indemnification provision shall survive the expiration or earlier termination of this Lease.

7. ASSIGNMENT AND HYPOTHECATION. This Lease is not transferable or assignable, except as provided by Resolution of the Key West City Commission. The TENANT may not sublet the Premises or any part thereof. Any assignment or sub-letting, even with the LANDLORD's consent, shall not relieve the

TENANT from the obligation to keep and be bound by the agreements of this Lease. The acceptance of Rent from any other person shall not be deemed to be a waiver of any of the agreements of this Lease or to be consent to the assignment for benefit of creditors or by operation of law and shall not be effective to transfer any rights to any assignee without prior consent of the LANDLORD.

8. DEFAULT CLAUSE.

A. It is covenanted and agreed by LANDLORD and TENANT that in case at any time default shall be made in the payment of rent, or if the TENANT shall fail to pay any of the taxes or assessments herein provided for, or in case of the sale of or forfeiture of the Premises or any part thereof during the demised term for non-payment of any tax or assessment, or in case the TENANT shall fail to keep the required insurance, or shall fail to spend insurance money, as herein provided for, or if the TENANT shall fail to perform any of the covenants of this Lease, then, in any of such events, TENANT shall be subject to eviction pursuant to Chapter 83, Florida Statutes.

B. Or, the LANDLORD may have such other remedies as the law and this instrument afford, and the TENANT covenants and agrees that upon the termination of the demised term, at such election of the LANDLORD, or in any other way, the TENANT will surrender and deliver up the Premises and property (real and personal) peaceably to the LANDLORD, its agent, or attorneys, immediately upon the termination of the demised term. If the TENANT, its agents, attorneys, or tenants shall hold the Premises or any part thereof, one (1) day after the same should be surrendered according to the terms of this Lease, it shall be deemed guilty of forcible detainer of the Premises

under the applicable statute and shall be subject to eviction or removal, forcibly or otherwise.

C. Where the alleged default consists of some alleged violation of any term of this Lease, other than the payments of money, including rent and insurance premiums, the LANDLORD may not declare this Lease in default until such violation shall have continued for ten (10) days after the LANDLORD shall have given the TENANT written notice of such violation, and TENANT shall not have undertaken, during this ten (10) days notice period, to cure said violation by vigorous and affirmative action, provided, however, that nothing herein contained shall be construed as precluding the LANDLORD from having such remedy as may be and become necessary in order to preserve the LANDLORD'S right and interest of the LANDLORD in the Premises and in this Lease, even before the expiration of the grace or notice periods provided for in this paragraph, if, under particular circumstances then existing, the allowance of such grace or the giving of such notice would prejudice or endanger the rights and estate of the LANDLORD in this Lease and in the Premises. With respect to the payment of the insurance premiums, the same must be paid at least thirty (30) days prior to the time when the policies would lapse for the failure to pay premiums thereon, and evidence of such payment given to the LANDLORD without any written notice being required to be served upon the TENANT in connection therewith.

E. All default and grace periods shall be deemed to run concurrently and not consecutively.

F. It is mutually covenanted and agreed that the various rights, powers, options, elections, privileges, and remedies of the LANDLORD contained in this

Lease shall be construed as cumulative and no one of them shall be construed as being exclusive of the other or exclusive of any rights or priorities allowed by law.

G. It is further covenanted and agreed by and between the parties hereto that the right given to the LANDLORD in this Lease to collect the rent that may be due under the terms of this Lease by any proceeding under same, or the right to collect any additional rent, money, or payments due under the terms of this Lease by any proceedings under same, or the right given the LANDLORD to enforce any of the terms and provisions of this Lease shall not in any way affect the right of such LANDLORD to declare this Lease void and the terms ended hereby, as herein provided, when default is made in the payment of rent or when default is made by the TENANT in any of the terms and provisions of this Lease.

H. If at any time, by reason of the failure of the TENANT to keep and perform any covenant or agreement which, under the terms of this Lease, the TENANT is bound and obligated to keep and perform, it becomes necessary for the LANDLORD to employ an attorney to protect the rights and interests of the LANDLORD in the property demised or to enforce the Lease or proceed under it in any particular, then in any of such events, the TENANT will owe and will pay unto the LANDLORD all costs of Court and reasonable attorney's fees incurred or expended by the LANDLORD in taking such actions, including actions taken in all trial and appellate courts.

9. TENANT'S DUTY TO KEEP PREMISES IN GOOD REPAIR. The TENANT covenants and agrees with the LANDLORD that during the term of this Lease, the TENANT will keep in good state of repair and in current condition, the Premises, the HVAC equipment, and the fixtures serving the Demised Premises, and all furnishings

brought or placed upon the Premises by the TENANT; nor will the TENANT suffer or permit any strip, waste, or neglect of any such property to be committed; and the TENANT will repair, replace, and renovate the property as often as it maybe necessary in order to keep the property in good repair and condition, at TENANT'S sole cost and expense. Tenant shall only utilize licensed contractors and shall apply for all permits, as required, to complete the necessary repairs.

10. ADDITIONAL COVENANTS OF THE TENANT.

A. The TENANT shall pay for all utilities associated with the use of the Premises including, but not limited to, water, electricity, sewer gas and solid waste. In the event that a separate bill for the Premises is not available for one or more of the utility services required by the Premises, then the TENANT shall pay a pro-rated share of that particular utility based on the square footage of the Premises and/or the parties' estimated usage of that particular utility, calculation of which to be mutually agreed upon.

B. The TENANT covenants and agrees with the LANDLORD that no damage or destruction to any building or improvement by fire, windstorm, or any other casualty shall be deemed to entitle the TENANT to surrender possession of the Premises or to terminate this Lease or to violate any of its provisions or to cause any abatement or rebate in the rent then due or thereafter becoming due under the terms hereof, unless otherwise specifically provided for herein. If the Lease is canceled for the TENANT'S default at any time while there remains outstanding any obligation from any insurance company to pay for the damage or any part thereof, then the claim against the insurance company shall, upon the cancellation of the Lease, be deemed immediately to become

absolute and unconditional property of the LANDLORD. In the event of destruction of the Premises by casualty or hazard, the LANDLORD will have the option of canceling the Lease.

C. The TENANT covenants and agrees with the LANDLORD that nothing in this Lease shall ever be construed as empowering the TENANT to encumber or cause the TENANT to encumber the title or interest of the LANDLORD.

D. The TENANT covenants and agrees with the LANDLORD that, at the termination of this Lease, the TENANT will peaceably and quietly deliver unto the LANDLORD, possession of the Premises and all improvements located thereon, as well as the LANDLORD's interest in all fixtures and equipment appertaining thereto.

E. The TENANT agrees not to make any changes or alterations without written approval of the LANDLORD.

11. LANDLORD'S RIGHT OF ENTRY. The LANDLORD or its agents shall have the right to enter upon the Premises at all reasonable times to examine the condition and use thereof, provided only that such right shall be exercised in such manner as not to interfere with the TENANT in the conduct of the TENANT's business on the Premises.

12. EQUIPMENT, FIXTURES AND SIGNS. All fixtures, equipment, and signs used on the Premises by the TENANT but provided by the LANDLORD will at all times be and remain the property of the LANDLORD. Provided that this Lease is in good standing, the TENANT will have the right to remove any equipment or fixtures provided by the TENANT, or any part thereof, from the Premises during the term of this

Lease, at the expiration thereof, or within a reasonable time thereafter; provided, however, that the TENANT, in so doing, does not cause any irreparable damage to the Premises; and provided further, that the TENANT shall pay or reimburse the LANDLORD for the reasonable expense of repairing damage caused by such removal.

13. ACCEPTANCE IN AS-IS CONDITION. The TENANT accepts the Premises in an as-is condition and all improvements and additions shall be at the sole expense of the TENANT.

14. NO MECHANIC'S LIENS. It is hereby covenanted, stipulated and agreed by and between the parties hereto that there shall, during the demised term, be no mechanic's liens upon any buildings or improvements that may at any time be put upon the demised property, and that in case of any mechanic's liens the TENANT must pay off the same; and that if default in payment thereof shall continue for thirty (30) days after written notice, LANDLORD shall have the right and privilege, at its option, to pay off the same or any portion of the same, and the amount so paid, including expenses, shall at the option of the LANDLORD, be so much additional rent due from the TENANT at the next rent due after such payment, with interest thereon at the maximum rate allowed by law. Nothing herein shall be construed to admit that a mechanic's lien may be enforced against municipal property.

15. MISCELLANEOUS PROVISIONS. It is mutually covenanted and agreed by and between the parties as follows:

A. That no waiver or a breach of any of the covenants in this Lease contained shall be construed to be a waiver of all succeeding breach of the same covenant.

B. That time is of the essence in every particular and particularly where the obligation to pay money is involved.

C. That all arrearages in the payment of rent or in the repayment to the LANDLORD of any sums which the LANDLORD may have paid in order to cure a default of the TENANT (as elsewhere herein provided for), shall bear interest from the date when due and payable at the highest rate permitted by law until paid.

D. That no modification, release, discharge, or waiver of any provision hereof shall be of any force, effect, or value unless in writing and signed by the persons who are then LANDLORD and TENANT.

E. That all covenants, promises, conditions, and obligations contained herein or implied by law, or covenants running with the land, shall attach to and be binding upon the heirs, executors, administrators, successors, legal representatives, and assigns of each of the parties to this Lease.

F. That this instrument contains the entire agreement between the parties as of this date, and that the execution hereof has not been induced by either of the parties by representations, promises or understandings not expressed herein, and that there are not collateral agreements, stipulations, promises, or understandings whatsoever between the representative parties in any way touching the subject matter of this instrument which are not expressly contained in this instrument.

G. That when either of the parties desire to give notice to the other or others in connection with and according to the terms of this Lease, such notice shall be

deemed given when it shall have been deposited in the U.S. Registered or Certified mail with sufficient postage pre-paid thereon to carry it to its addressed destination. The notice shall be addressed as follows:

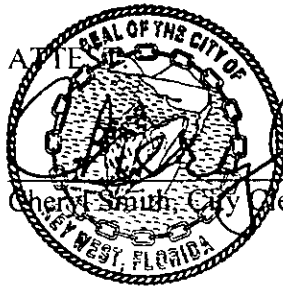
As to LANDLORD: City Manager
City of Key West
P.O. Box 1409
Key West, FL 33041

As to TENANT: Commodore
Key West Community Sailing Center
705 Palm Avenue
Key West, FL 33041

When the parties on either side (LANDLORD or TENANT) consist of more than one person, notice or default by one of the persons on that side shall constitute notice or default by all of the persons on that side.

H. This Lease and the provisions thereof shall be governed by and construed and enforced in accordance with the laws of the State of Florida; venue for any action regarding this Lease shall be in Monroe County, Florida.

IN WITNESS WHEREOF, the parties hereto have caused the foregoing Lease to be executed on the day and year first above written.



ATTEST:
Cheryl Smith
Cheryl Smith, City Clerk

CITY OF KEY WEST

By: *Jim Scholl*
Jim Scholl, City Manager

ATTEST:

Marilyn Wilbarger
MARILYN WILBARGER

KEY WEST COMMUNITY SAILING CENTER, INC.

By: *William P. Archer*
William P. Archer, Vice Commodore

Exhibit "A"

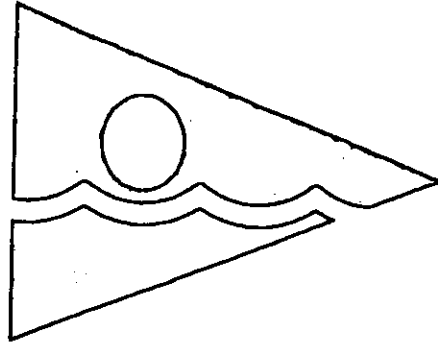
Parcel ID 00072082-000100
Account # 8757671

Property ID 8757671

Location Address 705 PALM AVE, KEY WEST



Key West Community Sailing Center



705 Palm Avenue
Key West, FL 33040

October 12, 2017

Good Morning Marilyn:

I've outlined below our Program Results and will look forward to reviewing them in person with you, at your earliest convenience.

- A.) Youth Summer Sailing Camp: This summer we had 121 young people in our program, of which 18 were on full scholarship.
- B.) Women's Free Sailing Class: We conduct these classes on Saturday's/Sundays depending on attendance. We usually average 15-25 per weekend.
- C.) Porter Place Free Sailing Class: Generally 8-10 young people from Porter Place Apartments attend classes on a full scholarship.
- D.) Montessori Charter School: Sailing classes run from September through May and our class is 8+ students.
- E.) Sigsbee Charter School Enrichment Program: Sailing classes run from August - May and class size is 8 students.
- F.) M.A.R.C.house "Come About Boating in Key West: This is one of the most rewarding activities we provide in KW. We take 6 clients out on our committee boat and tour Key West from the water and then have a barbeque at the Sailing Club.
- G.) Key West High School "SAILING CONCHS": We have developed a competitive sailing team and have traveled to Havana, Cuba in May to sail with the Cuban sailors. We will be training 3 + days a week and will be competing in southern Florida regattas.
- H.) Florida Keys Community College Club: Classes to teach college students to enjoy sailing will start in September 2017
- I.) Christmas Boat Parade: Participating with the Bahama Village Music Program on our Committee Boat decorated for the Holidays. The BVMP Choir sings Christmas carols during the parade.
- J.) Annual " Earth Day " Garrison Bight Cleanup: Montessori, Sigsbee, Boys & Girls Club, H.O.B School participate in cleaning the Garrison Bight Basin.

All of the above programs are conducted with 1 or 2 U.S.Sailing Certified Sailing Instructors, depending on class size.

Sincerely,

William P. Archer
Vice Commodore
Key West Community Sailing Center
Cell: (786) 355-5497
Email: billarcher2@gmail.com



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/28/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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|---|---|-------------------------------|
| PRODUCER Gowrie Barden & Brett, Inc. 70 Essex Road Westbrook, CT 06498 | CONTACT NAME: PHONE (A/C, No, Ext): 1 (800) 262-8911 E-MAIL ADDRESS: info@gowrie.com | FAX (A/C, No): (860) 399-3615 |
| | INSURER(S) AFFORDING COVERAGE | |
| INSURED Key West Community Sailing Center 705 Palm Avenue P. O. Box 828 Key West, FL 33041 | INSURER A: Pacific Indemnity Company | |
| | INSURER B: Federal Insurance Company | |
| | INSURER C: | |
| | INSURER D: | |
| | INSURER E: | |
| | INSURER F: | |

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE | ADDL SUBR INSD WYD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|--------------------|---------------|-------------------------|-------------------------|--|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: | X | 35397989 | 10/05/2017 | 10/05/2018 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/POP AGG \$ Included \$ |
| | AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY | | | | | COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ |
| | <input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$ | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N | N/A | | | PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$ |
| B | Marine GL | | 7317317 | 10/05/2017 | 10/05/2018 | 1,000,000 |
| B | P&I Regatta | | 7317318 | 10/05/2017 | 10/05/2018 | 1,000,000 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
City of Key West is Additional Insured respects General Liability when required by contract or agreement.

| | |
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| CERTIFICATE HOLDER City of Key West Attn: Fin. Director P.O. Box 1409 Key West, FL 33041 | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE |
|---|--|

RESOLUTION NO. 12-210

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, APPROVING A FIVE-YEAR LEASE WITH THE KEY WEST COMMUNITY SAILING CENTER, INC. FOR PROPERTY LOCATED AT 705 PALM AVENUE; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Key West Community Sailing Center, Inc. provides public sailing programs for children and adults at reasonable cost, and is a 501(c)3 tax exempt public charity; and

WHEREAS, the City Commission finds that occupancy of the property by the Key West Community Sailing Center, Inc., pursuant to the terms and conditions of the attached lease agreement, provides a public benefit and is otherwise consistent with City Code of Ordinances section 2-941(c);

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the attached five-year lease agreement is hereby approved.

Section 2: That this Resolution shall go into effect immediately upon its passage, adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 19 day of June, 2012.

Authenticated by the presiding officer and Clerk of the Commission on June 20, 2012.

Filed with the Clerk June 20, 2012.



CRAIG CATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK

EXECUTIVE SUMMARY



TO: City Commission

FR: Marilyn Wilbarger RPA, CCIM

DT: April 16, 2012

RE: Key West Community Sailing Center

ACTION STATEMENT:

This is a request to enter into a lease renewal with the Key West Community Sailing Center for the demised premises located at 705 Palm Avenue.

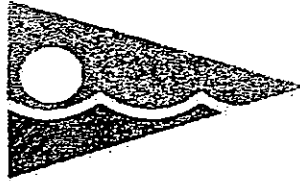
BACKGROUND:

The City originally entered into a lease agreement for this use, at this location, in 1979. The previous lease is currently expired and a renewal has been contemplated to coincide with the re-structuring of the organization to a 501(c)3, classified as a public charity. The organization's mission is to teach youth and adults to sail and is more fully detailed in the attached correspondence from the Community Sailing Center. The terms of the renewal are as follows:

- PREMISES:** As currently occupied at 705 Palm Avenue and as shown on Exhibit "A" of the lease
- TERM:** Five (5) years with a ninety (90) day cancellation provision
- USE:** The TENANT shall be entitled to use the Premises for the continuous operation of TENANT'S after school, schools out, student elective instructional sailing programs, adult sailing instruction, sailing and equipment rental programs that are affordable and open to the public, provide a place for participation and interaction with fellow sailors, and no other purpose.
- RENT:** \$1.00 per year
- EXPENSES:** The Tenant will pay for operating costs including all utilities, repairs and maintenance, replacements and renovations necessary to keep the premises in good repair and condition.
- RECOMMENDATION:** Staff recommends the continued support of the programs provided by the Key West Community Sailing Center through utilization of the city owned property at 705 Palm Avenue.

**Key West
Community
Sailing Center, Inc.**

705 Palm Avenue, PO Box 828
Key West, FL 33041-0828



Phone: 305-292-5993. Email: kwsccommodore@gmail.com

To: Marilyn Wilbarger
City of Key West

Marilyn,

Please consider this petition for a new contract for the land lease at 705 Palm Avenue occupied by the Key West Community Sailing Center since 1976. Based on our community service and especially our service to the children of Key West we believe our current (expired) contractual lease of \$ 6,460 should be considered for renewal at the rate of \$1 per year, as is done for a number of other organizations serving the the Community.

Our mission stated in layman's terms in order of priority is:

- 1) Teach youth and adults how to sail.
- 2) Provide an affordable and safe place for patrons to sail and develop their sailing skills.
- 3) Provide a place for participation and interaction with fellow sailors.

We were approved by the IRS as a 501(c)(3) organization in 2011 after reorganizing from being Key West Sailing Club to the current Key West Community Sailing Center, which reflects our true focus. We are open for all with only a small donation to defray our cost of maintaining the facilities and the boats.

We are especially proud of our Youth Programs, which covers an eight week summer program as well as weekly 'after school' and 'school out' programs. We further more have arrangements with the Sigsbee Charter School and the Montessori School to provide boats and sailing instructions for their elective classes. In 2012 we are planning to expand our sailing programs to the High School as well as the Boys and Girls Club.

Besides our Youth Programs, we provide the only place in Key West where adults can learn to sail as well as a place where stationed Navy and Coast Guard personnel can maintain their sailing skills with their families.

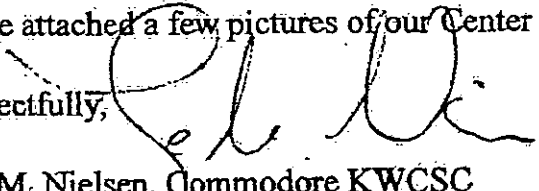
Our current Youth Programs since April 2011 have covered more than 100 children between the ages of 8 and 13 not counting the Sigsbee and Montessori students. For the same period our youth programs have a loss of \$4,500 covered by cash donations as well as donations of boats.

We believe that our service to the community is significant and should qualify us for the most favorable rate acceptable to the City.

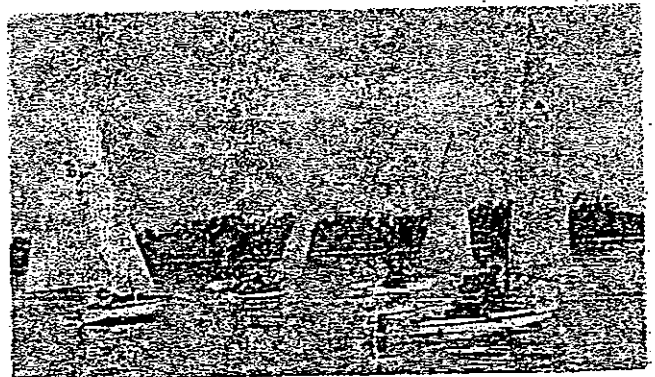
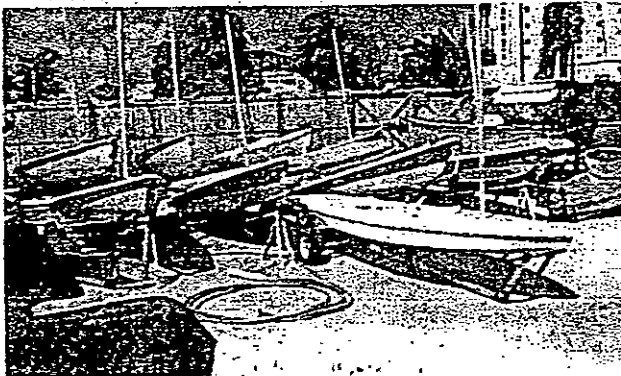
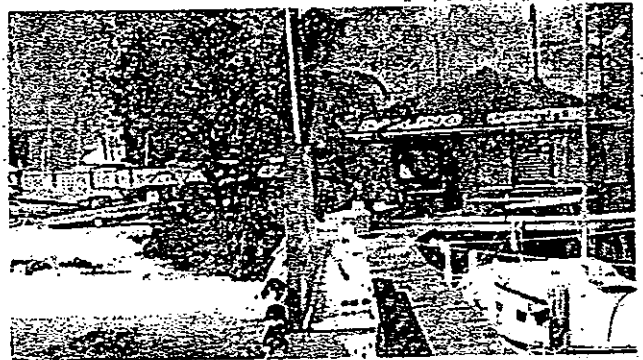
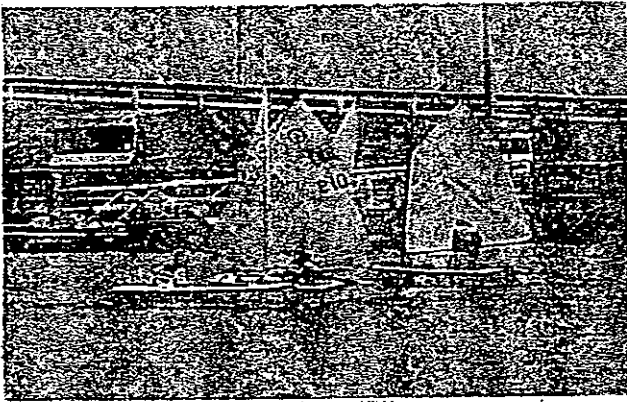
Please forward a copy of our petition to the City Manager as well as the City Council as attachment to our contract renewal.

I have attached a few pictures of our Center in case our City Council has never seen us.

Respectfully,



Jens M. Nielsen, Commodore KWCSA
CC: Mary-Lynne Schultz, Treasurer
Jeff Minalga, Secretary



INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

DEC 15 2011

KEY WEST COMMUNITY SAILING CENTER
INC
PO BOX 828
KEY WEST, FL 33041

Employer Identification Number:
59-2813351
DIN:
201203005
Contact Person:
ALICE T LI ID# 95032
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
DECEMBER 31
Public Charity Status:
509(a) (2)
Form 990 Required:
YES
Effective Date of Exemption:
MAY 31, 2011
Contribution Deductibility:
YES
Addendum Applies:
NO

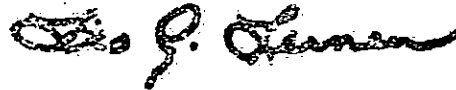
Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c) (3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c) (3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c) (3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Sincerely,



Lois G. Lerner
Director, Exempt Organizations

Enclosure: Publication 4221-PC

Letter 947 (DO/CG)

Lease Agreement

between

City of Key West

as Landlord

and

Key West Community Sailing Center, Inc.

as Tenant

Dated June 19, 2012

THIS LEASE, made and entered into at Key West, Monroe County, Florida, this 19 day of June, 2012 by and between THE CITY OF KEY WEST, a Municipal Corporation whose address is P.O. Box 1409, Key West, Florida, 33041, (hereinafter "LANDLORD"), and KEY WEST COMMUNITY SAILING CENTER, INC. a Florida 501 (C)(3) Public Charity whose address is 705 Palm Avenue, Key West, Fl 33040 (hereinafter "TENANT").

WITNESSETH:

That the LANDLORD and the TENANT, for and in consideration of their respective obligations contained herein, agree as follows:

1. DEMISE. The LANDLORD does hereby lease to the TENANT, and the TENANT does hereby lease from the LANDLORD, the following described premises, at 705 Palm Avenue, Key West, Monroe County, Florida (hereinafter referred to as "Premises") pursuant to the drawing attached hereto and incorporated as Exhibit A. LANDLORD reserves the right, from time to time with good cause, upon at least sixty (60) days advance written notice to relocate TENANT to other Demised Premises, prior to or during the term of this Lease, so long as usable area so substituted equals or exceeds the usable area of the Demised Premises and provides waterfront access; provided however that TENANT shall have the right at its sole option and as its sole remedy, to terminate the Lease upon sixty (60) days advance written notice which right must be exercised, if at all, within fifteen (15) days after receipt of LANDLORD'S relocation notice, which relocation notice may be withdrawn by LANDLORD within ten (10) days

after LANDLORD'S receipt of TENANT'S termination notice, in which event TENANT'S attempted termination shall be null and void and the lease shall continue in full force and effect in accordance with its terms. In the event LANDLORD shall relocate TENANT to other space, LANDLORD shall pay the reasonable relocation costs of TENANT in connection therewith, but LANDLORD shall not have any other liability with respect to any such relocation.

2. TERM. The term of this Lease shall be for five (5) years, which term shall commence on June 20, 2012, and shall end at midnight on June 20, 2017. Either party may terminate this lease by giving the other party ninety (90) days advance written notice by certified mail return receipt requested.

3. RENT. The TENANT agrees to pay to the LANDLORD an annual rent for the Premises of One Dollar (\$1.00) per year, which rental amount shall be paid on an annual basis each year of the term of this Lease. The TENANT additionally agrees to pay to LANDLORD any sales, use, excise, ad valorem, or other tax imposed or levied against rent or any other charge or payment which tax has been imposed or levied by any governmental agency having jurisdiction thereof, including any new taxes imposed during the term of this Lease which are in addition to or in substitution for any such tax which is presently imposed, and the TENANT agrees to make payment at the time said tax becomes due.

Pursuant to City Ordinance Sec 2-872, Audits and Inspections, any individual or organization that receives grant funds or subsidies from the city shall permit inspection of

its books and records upon demand by the city as a precondition to the receipt of such funding. The city may also conduct program results audits to determine whether the desired results or benefits are being achieved and whether objectives of funding established by the city are being met.

4. USE OF THE PREMISES. The TENANT shall be entitled to use the Premises for the continuous operation of TENANT'S after school, schools out, student elective instructional sailing programs, adult sailing instruction, sailing and equipment rental programs that are affordable and open to the public, provide a place for participation and interaction with fellow sailors, and no other purpose.

In addition, TENANT further agrees:

A. Not to display any banners, pennants, search lights, signs, balloons, or similar temporary media on the Premises;

B. Not to commit waste in the Premises and to keep the Premises in a safe, neat, clean and orderly condition and to maintain the Premises in good condition;

C. Not to use the Premises or permit the same to be used in any manner that violates any law, ordinance, rules, or regulation of the LANDLORD, or other governmental agencies, as existing or promulgated during the term hereof, or in a manner that would constitute a hazardous use of the Premises or violate any insurance policy of the TENANT or the LANDLORD;

D. To take no action that would: (i) violate the LANDLORD's contracts or (ii) cause any work stoppage or cause any manner of interference with LANDLORD;

E. To abide by and observe all rules and regulations established from time to time by the LANDLORD and the LANDLORD's insurance carrier;

F. To obtain and maintain all licenses, permits, and other approvals necessary to conduct the TENANT's business during the Lease term.

5. COVENANT OF QUIET POSSESSION. So long as the TENANT pays all of the rent and charges due herein, TENANT shall peaceably and quietly have, hold, and enjoy the Premises throughout the term of this Lease without interference or hindrance by the LANDLORD or LANDLORD's agents.

6. INSURANCE; INDEMNIFICATION.

A. The TENANT covenants and agrees to keep in force during the lease term a comprehensive general liability policy of insurance insuring LANDLORD and TENANT against any liability whatsoever occasioned by accident on or about the Premises and agrees that LANDLORD shall be listed thereon as additional insured. Such policy or policies shall be issued by companies authorized to do business in the State of Florida and having agents upon whom service of process may be made in the State of Florida. The comprehensive general liability policy shall be in the amount of One Million Dollars (\$1,000,000.00) in respect to any one incident and in the aggregate, and shall include Three Hundred Thousand Dollars (\$300,000.00) for property damage. The original policy or certificate, together with evidence of premium payment, shall be delivered to LANDLORD. TENANT shall renew the policy not less than thirty (30) days prior to the expiration date each year, and shall furnish evidence of the renewals and payment to LANDLORD. To the extent that such a provision is obtainable, the policy shall provide that it cannot be cancelled or terminated until at least thirty (30) days prior

notice has been given to LANDLORD. If TENANT falls under the State of Florida Workers Compensation Law, worker's compensation coverage shall be provided for all employees where TENANT is obligated to do so by operation of law. This coverage shall be for statutory limits in compliance with applicable state and federal laws. Failure of TENANT to maintain the insurance in full force and effect at any time shall be deemed a material breach of this Lease, and shall entitle LANDLORD to terminate the Lease. Upon such breach, TENANT shall immediately suspend all use of the Premises and shall provide to LANDLORD written notice of its failure to maintain insurance coverage.

B. TENANT agrees to indemnify, hold harmless and defend the LANDLORD, its officers, agents, servants, and employees against any and all claims, losses, liabilities, and expenditures of any kind, including attorney's fees, court costs, and expenses, caused by the conduct, misconduct, negligent error, omission or act of TENANT, its employees agents, servants or officers, or accruing, resulting from, or related to the subject matter of this Lease, including, without limitation, any and all claims, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property, whether or not suit be brought. The provisions of this indemnification provision shall survive the expiration or earlier termination of this Lease.

7. ASSIGNMENT AND HYPOTHECATION. This Lease is not transferable or assignable, except as provided by Resolution of the Key West City Commission. The TENANT may not sublet the Premises or any part thereof. Any assignment or sub-letting, even with the LANDLORD's consent, shall not relieve the

TENANT from the obligation to keep and be bound by the agreements of this Lease. The acceptance of Rent from any other person shall not be deemed to be a waiver of any of the agreements of this Lease or to be consent to the assignment for benefit of creditors or by operation of law and shall not be effective to transfer any rights to any assignee without prior consent of the LANDLORD.

8. DEFAULT CLAUSE.

A. It is covenanted and agreed by LANDLORD and TENANT that in case at any time default shall be made in the payment of rent, or if the TENANT shall fail to pay any of the taxes or assessments herein provided for, or in case of the sale of or forfeiture of the Premises or any part thereof during the demised term for non-payment of any tax or assessment, or in case the TENANT shall fail to keep the required insurance, or shall fail to spend insurance money, as herein provided for, or if the TENANT shall fail to perform any of the covenants of this Lease, then, in any of such events, TENANT shall be subject to eviction pursuant to Chapter 83, Florida Statutes.

B. Or, the LANDLORD may have such other remedies as the law and this instrument afford, and the TENANT covenants and agrees that upon the termination of the demised term, at such election of the LANDLORD, or in any other way, the TENANT will surrender and deliver up the Premises and property (real and personal) peaceably to the LANDLORD, its agent, or attorneys, immediately upon the termination of the demised term. If the TENANT, its agents, attorneys, or tenants shall hold the Premises or any part thereof, one (1) day after the same should be surrendered according to the terms of this Lease, it shall be deemed guilty of forcible detainer of the Premises

under the applicable statute and shall be subject to eviction or removal, forcibly or otherwise.

C. Where the alleged default consists of some alleged violation of any term of this Lease, other than the payments of money, including rent and insurance premiums, the LANDLORD may not declare this Lease in default until such violation shall have continued for ten (10) days after the LANDLORD shall have given the TENANT written notice of such violation, and TENANT shall not have undertaken, during this ten (10) days notice period, to cure said violation by vigorous and affirmative action, provided, however, that nothing herein contained shall be construed as precluding the LANDLORD from having such remedy as may be and become necessary in order to preserve the LANDLORD'S right and interest of the LANDLORD in the Premises and in this Lease, even before the expiration of the grace or notice periods provided for in this paragraph, if, under particular circumstances then existing, the allowance of such grace or the giving of such notice would prejudice or endanger the rights and estate of the LANDLORD in this Lease and in the Premises. With respect to the payment of the insurance premiums, the same must be paid at least thirty (30) days prior to the time when the policies would lapse for the failure to pay premiums thereon, and evidence of such payment given to the LANDLORD without any written notice being required to be served upon the TENANT in connection therewith.

D. All default and grace periods shall be deemed to run concurrently and not consecutively.

E. It is mutually covenanted and agreed that the various rights, powers, options, elections, privileges, and remedies of the LANDLORD contained in this

Lease shall be construed as cumulative and no one of them shall be construed as being exclusive of the other or exclusive of any rights or priorities allowed by law.

F. It is further covenanted and agreed by and between the parties hereto that the right given to the LANDLORD in this Lease to collect the rent that may be due under the terms of this Lease by any proceeding under same, or the right to collect any additional rent, money, or payments due under the terms of this Lease by any proceedings under same, or the right given the LANDLORD to enforce any of the terms and provisions of this Lease shall not in any way affect the right of such LANDLORD to declare this Lease void and the terms ended hereby, as herein provided, when default is made in the payment of rent or when default is made by the TENANT in any of the terms and provisions of this Lease.

G. If at any time, by reason of the failure of the TENANT to keep and perform any covenant or agreement which, under the terms of this Lease, the TENANT is bound and obligated to keep and perform, it becomes necessary for the LANDLORD to employ an attorney to protect the rights and interests of the LANDLORD in the property demised or to enforce the Lease or proceed under it in any particular, then in any of such events, the TENANT will owe and will pay unto the LANDLORD all costs of Court and reasonable attorney's fees incurred or expended by the LANDLORD in taking such actions, including actions taken in all trial and appellate courts.

9. TENANT'S DUTY TO KEEP PREMISES IN GOOD REPAIR. The TENANT covenants and agrees with the LANDLORD that during the term of this Lease, the TENANT will keep in good state of repair and in current condition, the Premises, the HVAC equipment, and the fixtures serving the Demised Premises, and all furnishings

brought or placed upon the Premises by the TENANT; nor will the TENANT suffer or permit any strip, waste, or neglect of any such property to be committed; and the TENANT will repair, replace, and renovate the property as often as it maybe necessary in order to keep the property in good repair and condition, at TENANT'S sole cost and expense. Tenant shall only utilize licensed contractors and shall apply for all permits, as required, to complete the necessary repairs.

10. ADDITIONAL COVENANTS OF THE TENANT.

A. The TENANT shall pay for all utilities associated with the use of the Premises including, but not limited to, water, electricity, sewer gas and solid waste. In the event that a separate bill for the Premises is not available for one or more of the utility services required by the Premises, then the TENANT shall pay a pro-rated share of that particular utility based on the square footage of the Premises and/or the parties' estimated usage of that particular utility, calculation of which to be mutually agreed upon.

B. The TENANT covenants and agrees with the LANDLORD that no damage or destruction to any building or improvement by fire, windstorm, or any other casualty shall be deemed to entitle the TENANT to surrender possession of the Premises or to terminate this Lease or to violate any of its provisions or to cause any abatement or rebate in the rent then due or thereafter becoming due under the terms hereof, unless otherwise specifically provided for herein. If the Lease is canceled for the TENANT's default at any time while there remains outstanding any obligation from any insurance company to pay for the damage or any part thereof, then the claim against the insurance company shall, upon the cancellation of the Lease, be deemed immediately to become

absolute and unconditional property of the LANDLORD. In the event of destruction of the Premises by casualty or hazard, the LANDLORD will have the option of canceling the Lease.

C. The TENANT covenants and agrees with the LANDLORD that nothing in this Lease shall ever be construed as empowering the TENANT to encumber or cause the TENANT to encumber the title or interest of the LANDLORD.

D. The TENANT covenants and agrees with the LANDLORD that, at the termination of this Lease, the TENANT will peaceably and quietly deliver unto the LANDLORD, possession of the Premises and all improvements located thereon, as well as the LANDLORD's interest in all fixtures and equipment appertaining thereto.

E. The TENANT agrees not to make any changes or alterations without written approval of the LANDLORD.

11. LANDLORD'S RIGHT OF ENTRY. The LANDLORD or its agents shall have the right to enter upon the Premises at all reasonable times to examine the condition and use thereof, provided only that such right shall be exercised in such manner as not to interfere with the TENANT in the conduct of the TENANT's business on the Premises.

12. EQUIPMENT, FIXTURES AND SIGNS. All fixtures, equipment, and signs used on the Premises by the TENANT but provided by the LANDLORD will at all times be and remain the property of the LANDLORD. Provided that this Lease is in good standing, the TENANT will have the right to remove any equipment or fixtures provided by the TENANT, or any part thereof, from the Premises during the term of this

Lease, at the expiration thereof, or within a reasonable time thereafter; provided, however, that the TENANT, in so doing, does not cause any irreparable damage to the Premises; and provided further, that the TENANT shall pay or reimburse the LANDLORD for the reasonable expense of repairing damage caused by such removal.

13. ACCEPTANCE IN AS-IS CONDITION. The TENANT accepts the Premises in an as-is condition and all improvements and additions shall be at the sole expense of the TENANT.

14. NO MECHANIC'S LIENS. It is hereby covenanted, stipulated and agreed by and between the parties hereto that there shall, during the demised term, be no mechanic's liens upon any buildings or improvements that may at any time be put upon the demised property, and that in case of any mechanic's liens the TENANT must pay off the same; and that if default in payment thereof shall continue for thirty (30) days after written notice, LANDLORD shall have the right and privilege, at its option, to pay off the same or any portion of the same, and the amount so paid, including expenses, shall at the option of the LANDLORD, be so much additional rent due from the TENANT at the next rent due after such payment, with interest thereon at the maximum rate allowed by law. Nothing herein shall be construed to admit that a mechanic's lien may be enforced against municipal property.

15. MISCELLANEOUS PROVISIONS. It is mutually covenanted and agreed by and between the parties as follows:

A. That no waiver or a breach of any of the covenants in this Lease contained shall be construed to be a waiver of all succeeding breach of the same covenant.

B. That time is of the essence in every particular and particularly where the obligation to pay money is involved.

C. That all arrearages in the payment of rent or in the repayment to the LANDLORD of any sums which the LANDLORD may have paid in order to cure a default of the TENANT (as elsewhere herein provided for), shall bear interest from the date when due and payable at the highest rate permitted by law until paid.

D. That no modification, release, discharge, or waiver of any provision hereof shall be of any force, effect, or value unless in writing and signed by the persons who are then LANDLORD and TENANT.

E. That all covenants, promises, conditions, and obligations contained herein or implied by law, or covenants running with the land, shall attach to and be binding upon the heirs, executors, administrators, successors, legal representatives, and assigns of each of the parties to this Lease.

F. That this instrument contains the entire agreement between the parties as of this date, and that the execution hereof has not been induced by either of the parties by representations, promises or understandings not expressed herein, and that there are not collateral agreements, stipulations, promises, or understandings whatsoever between the representative parties in any way touching the subject matter of this instrument which are not expressly contained in this instrument.

G. That when either of the parties desire to give notice to the other or others in connection with and according to the terms of this Lease, such notice shall be

deemed given when it shall have been deposited in the U.S. Registered or Certified mail with sufficient postage pre-paid thereon to carry it to its addressed destination. The notice shall be addressed as follows:

As to LANDLORD: City Manager
City of Key West
P.O. Box 1409
Key West, FL 33041

As to TENANT: Commodore
Key West Community Sailing Center
705 Palm Avenue
Key West, FL 33041

When the parties on either side (LANDLORD or TENANT) consist of more than one person, notice or default by one of the persons on that side shall constitute notice or default by all of the persons on that side.

H. This Lease and the provisions thereof shall be governed by and construed and enforced in accordance with the laws of the State of Florida; venue for any action regarding this Lease shall be in Monroe County, Florida.

IN WITNESS WHEREOF, the parties hereto have caused the foregoing Lease to be executed on the day and year first above written.

ATTEST:

CITY OF KEY WEST

Cheryl Smith By: JK Scholl
Cheryl Smith, City Clerk Jim Scholl, City Manager

ATTEST:

KEY WEST COMMUNITY SAILING CENTER, INC.

By:  4-24-2012
Jens Nielsen, Commodore

ATTEST:

By:  4-25-2012
Marilyn Schultz, Treasurer

MaryLynne

Exhibit "A"

Karl D. Borglum
Property Appraiser
Monroe County, Florida

office (305) 292-3420
fax (305) 292-3501
Website tested on
Internet Explorer

----- GIS Mapping requires Adobe Flash 10.3 or higher. -----

Property Record View

Alternate Key: 8757671 Parcel ID: 00072082-000100

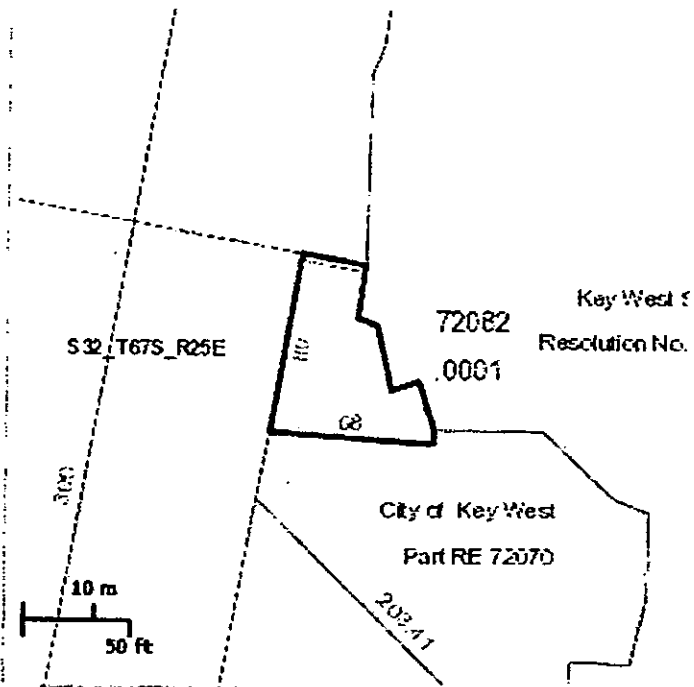
Ownership Details

Mailing Address:
CITY OF KEY WEST
PO BOX 1409
KEY WEST, FL 33041-1409

Property Details

PC Code: 77 - CLUBS, LODGES (PC/LIST)
Millage Group: 10KW
Affordable Housing: No
Section-Township-Range: 32-67-25
Property Location: 705 PALM AVE KEY WEST
Legal Description: (KEY WEST SAILING CLUB LEASE)

Parcel Map (Click to open dynamic parcel map)



Exemptions

| Exemption | Amount |
|-----------------|------------|
| 12 - NON-PROFIT | 348,389.00 |

Land Details

| Land Use Code | Frontage | Depth | Land Area |
|---------------|----------|-------|-----------|
|---------------|----------|-------|-----------|

| | | | |
|--------------------------|---|---|-------------|
| 100E - COMMERCIAL EXEMPT | 0 | 0 | 3,920.40 SF |
|--------------------------|---|---|-------------|

Building Summary

Number of Buildings: 1
 Number of Commercial Buildings: 1
 Total Living Area: 64
 Year Built: 1982

Building 1 Details

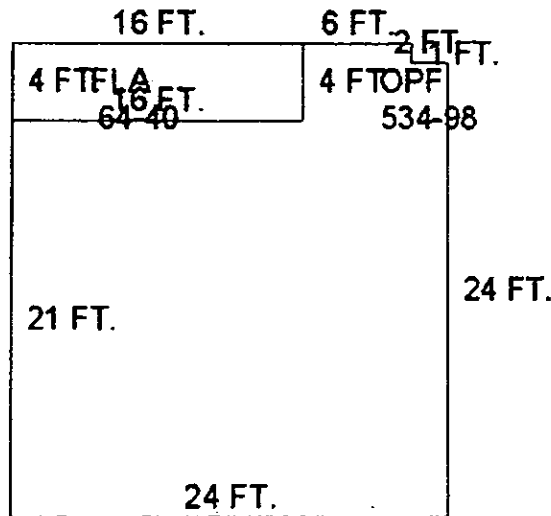
| | | |
|------------------|--------------------|--------------------|
| Building Type | Condition <u>F</u> | Quality Grade 250 |
| Effective Age 22 | Perimeter 40 | Depreciation % 27 |
| Year Built 1982 | Special Arch 0 | Grnd Floor Area 64 |
| Functional Obs 0 | Economic Obs 0 | |

Inclusions:

| | | |
|------------|------------|------------|
| Roof Type | Roof Cover | Foundation |
| Heat 1 | Heat 2 | Bedrooms 0 |
| Heat Src 1 | Heat Src 2 | |

Extra Features:

| | |
|--------------|--------------------|
| 2 Fix Bath 0 | Vacuum 0 |
| 3 Fix Bath 0 | Garbage Disposal 0 |
| 4 Fix Bath 0 | Compactor 0 |
| 5 Fix Bath 0 | Security 0 |
| 6 Fix Bath 0 | Intercom 0 |
| 7 Fix Bath 0 | Fireplaces 0 |
| Extra Fix 1 | Dishwasher 0 |



Sections:

| Nbr | Type | Ext Wall | # Stories | Year Built | Attic A/C | Basement % | Finished Basement % | Area |
|-----|------|----------|-----------|------------|-----------|------------|---------------------|------|
|-----|------|----------|-----------|------------|-----------|------------|---------------------|------|