

**LAND AUTHORITY GOVERNING BOARD  
AGENDA ITEM SUMMARY**

**Meeting Date:** January 16, 2008

**Division:** Land Authority

**Bulk Item:** Yes  No

**Contact / Phone #:** Mark Rosch / 295-5180

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**Agenda Item Wording:** Approval of a resolution authorizing modification of the mortgage loan and deed restrictions encumbering the Roosevelt Sands Housing Complex in Key West.

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**Item Background:** This resolution is proposed to assist the Key West Housing Authority (KWHHA) in upgrading an existing affordable housing development.

In 2001 the Land Authority issued a 30-year, zero-interest mortgage loan in the amount of \$1,500,000 to the KWHHA to fund the purchase of the 44-unit Roosevelt Sands Housing Complex located at 105 Truman Avenue in Key West. The housing is 67 years old and is functionally obsolete. The KWHHA proposes to demolish and rebuild the units to Energy Star standards using a \$5 million loan from the Florida Housing Finance Corporation's Community Workforce Housing Innovation Pilot Program (CWHIP) and a conventional loan from an institutional lender of approximately \$3,750,000. To support this effort the KWHHA requests authorization to:

- 1) modify the property's existing affordability restrictions to reflect the Land Authority's new statutory income limit of 160% of area median income (section 380.0666(3), Florida Statutes);
- 2) subordinate the Land Authority's existing loan to an institutional loan not to exceed \$3,750,000; and
- 3) extend the term of the Land Authority's existing loan to run concurrently with the proposed 50-year CWHIP loan.

These actions are needed to meet the subordination requirement of institutional lenders, meet the income requirement of the CWHIP program, and to submit a competitive CWHIP application.

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**Advisory Committee Action:** The Advisory Committee will consider this resolution on January 24, 2008. Due to the January 28, 2008 CWHIP application deadline, this resolution is being considered by the Governing Board prior to consideration by the Advisory Committee.

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**Previous Governing Board Action:** The Board approved issuing a \$1.5 million loan to KWHHA to fund the purchase of this property on March 23, 2001.

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**Contract/Agreement Changes:** See item background above.

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**Staff Recommendation:** Approval, subject to approval by the Advisory Committee on 1/24/08.

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**Total Cost:** \$500

**Budgeted:** Yes  No .

**Cost to Land Authority:** \$500

**Source of Funds:** Land Authority  
(Tourist Impact Tax and State Park Surcharge)

**Approved By:** Attorney  County Land Steward .

**Documentation:** Included:  To Follow:  Not Required: .

**Disposition:** \_\_\_\_\_

Agenda Item \_\_\_\_\_

A brown rectangular sign with white text, mounted on two wooden posts. The sign is positioned in the foreground on a grassy area next to a sidewalk. The background shows a multi-story tan building and trees.

Roosevelt C. Sands, Jr.  
**Housing  
Complex**  
KEY WEST HOUSING AUTHORITY



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MONROE COUNTY  
COMPREHENSIVE PLAN LAND AUTHORITY AUTHORIZING  
MODIFICATION OF THE MORTGAGE LOAN AND DEED  
RESTRICTIONS ENCUMBERING THE ROOSEVELT SANDS  
HOUSING COMPLEX IN KEY WEST.

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WHEREAS, section 380.0666(3), Florida Statutes and section 9.3-2, Monroe County Code, empower the Monroe County Comprehensive Plan Land Authority (hereinafter "Land Authority") to acquire and dispose of interests in real property for the purpose of providing affordable housing; and

WHEREAS, in 2001 the Land Authority issued a 30-year, zero interest mortgage loan in the amount of \$1,500,000 to the Key West Housing Authority to fund the purchase of the 44-unit affordable housing site known as the Roosevelt Sands Housing Complex (hereinafter "subject property") located at 105 Truman Avenue in Key West; and

WHEREAS, the Key West Housing Authority desires to demolish and rebuild the housing on the subject property by obtaining a \$5,000,000 mortgage loan from the Florida Housing Finance Corporation's Community Workforce Housing Innovative Pilot (CWHIP) program together with a mortgage loan from an institutional lender of approximately \$3,750,000; and

WHEREAS, to enhance the project's financial feasibility and make the project's CWHIP application more competitive, the Key West Housing Authority has requested the Land Authority's approval to modify the existing mortgage loan and deed restrictions encumbering the subject property's title; and

WHEREAS, the CWHIP application deadline is January 28, 2008 and the Land Authority Advisory Committee will consider this resolution on January 24, 2008; NOW, THEREFORE,

BE IT RESOLVED BY THE MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY:

Section 1. This resolution shall only take effect if approved by the Land Authority Advisory Committee.

Section 2. If the Key West Housing Authority's CWHIP application is approved by the Florida Housing Finance Corporation, the Chairman of the Land Authority Governing Board is hereby authorized to execute the necessary documents to:

- a) modify the restrictions on the warranty deed recorded in Official Records Book 1697 at Page 2074 to implement the revisions shown in Attachment A; and
- b) subordinate the Land Authority's \$1,500,000 mortgage loan recorded in Official Records Book 1697 at Page 2076 to an institutional first mortgage in an amount not to exceed \$3,750,000; and
- c) extend the term of said Land Authority mortgage loan from the existing 30-year term that commenced in 2001 to a term of 50 years commencing from the date of the CWHIP note and mortgage; and

d) modify the restrictions on said Land Authority mortgage loan to implement the revisions shown in Attachment B.

PASSED AND ADOPTED by the Monroe County Comprehensive Plan Land Authority at a regular meeting on this \_\_\_\_\_ day of \_\_\_\_\_ 2008.

(Seal)

ATTEST:

MONROE COUNTY COMPREHENSIVE  
PLAN LAND AUTHORITY

\_\_\_\_\_  
Mark J. Rosch  
Executive Director

\_\_\_\_\_  
Charles "Sonny" McCoy  
Chairman

Approved for Legal Sufficiency

\_\_\_\_\_  
Larry R. Erskine

ATTACHMENT A

Revisions to Restrictions Attached to the Warranty Deed Recorded  
in Official Records Book 1697 at Page 2074  
Roosevelt Sands Housing Complex

THIS DEED IS MADE AND IS TO BE ACCEPTED WITH THE UNDERSTANDING THAT USE OF THE PROPERTY CONVEYED IS RESTRICTED BY THE FOLLOWING:

~~THE PROPERTY SHALL BE DEVELOPED WITH AFFORDABLE HOUSING FOR VERY LOW, LOW, OR MODERATE INCOME PERSONS AS DEFINED IN SECTION 420.0004 IN ACCORDANCE WITH SECTION 380.0666(3), FLORIDA STATUTES, CONSISTENT WITH THE FOLLOWING POLICIES OF THE KEY WEST HOUSING AUTHORITY:~~

1. Income targeting shall be 80% of median adjusted for family size. Income targeting may increase to 120% to maintain occupancy level and financial feasibility but not to exceed 40% of project units. Income targeting for workforce housing units may increase to 150% of median but may not exceed 20% of the project units.
2. Rental rates shall be calculated using the same methodology as the low income housing tax credit program as adjusted annually.
3. The compliance requirements shall be the same of the Low Income Housing Tax Credit (LIHTC) Program as contained in the Florida Housing Finance Corporation (FHFC) Compliance Manual and shall be the responsibility of the developer to insure compliance annually.
4. The program requirements for the LIHTC, Mortgage Revenue Bond (MRB), State Apartment Incentive Loan (SAIL), and HOME programs when competitively obtained require lower income targeting (rents), which take precedence when utilized.
5. The US Department of Housing and Urban Development occupancy requirements (family composition) shall be adhered to, as they pertain to maximum occupancy only.

The above restrictions shall not expire and may only be released by the Monroe County Comprehensive Plan Land Authority.

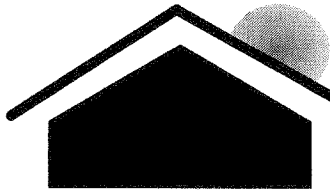
These restrictions are for the benefit of the present owner and its successors and assigns and may be enforced by them in every lawful manner.

ATTACHMENT B

Revisions to Restrictions Attached to the Mortgage Deed Recorded  
in Official Records Book 1697 at Page 2076  
Roosevelt Sands Housing Complex

In reference to the Mortgage Deed dated the 21st day of May, 2001, between the **HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA, A PUBLIC BODY CORPORATE AND POLITIC**, Mortgagor, and **MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY, A LAND AUTHORITY UNDER SECTION 380.0663(1), FLORIDA STATUTES AND MONROE COUNTY ORDINANCE NO. 031-1986**, the Mortgagee, the parties further covenant and agree as follows:

1. Mortgagor's use of the property shall be limited to the provision of affordable housing ~~to very low income, low income, or moderate income persons, as defined in S.420.0004 in accordance with section 380.0666(3), Florida Statutes.~~
2. Mortgagor is responsible for developing and managing the property as affordable housing and ensuring compliance with the affordability requirement of 1 above.
3. Mortgagor shall obtain Mortgagee's written consent prior to conveying the real property and said conveyance shall be made subject to this mortgage.



## Housing Authority of the City of Key West, Florida

1400 Kennedy Drive, Key West, FL 33040  
Phone: (305) 296-5621 Fax: (305) 296-0932

### Board of Commissioners

Frank Toppino  
Bob Dean  
Juanita Mingo  
John G. Parks, Jr.  
Roosevelt Sands, Jr.

Executive Director  
J. Manuel Castillo, Sr.

December 14, 2007

Mr. Mark J. Rosch  
Executive Director  
Monroe County Comprehensive Land Authority  
1200 Truman Avenue, Suite 207  
Key West, FL 33040

Dear Mr. Rosch,

The purpose of this letter is to request the Monroe County Comprehensive Land Authority's (MCCLA) assistance to modify certain terms and conditions for affordability and term as contained on that certain warranty deed dated May 21, 2001 and mortgage deed of the same date attached.

### **BACKGROUND:**

The MCCLA provided purchase financing to the Housing Authority of the City of Key West, Florida (Housing Authority) to acquire a 44 unit affordable rental complex then named Key Plaza Apartments. The transaction took place on May 21, 2001 and the Housing Authority has operated the property as affordable housing since then.

The improvements are 67 years old and are functionally obsolete. One building containing 6 units has been demolished due to its deteriorated condition. The remaining 4 buildings containing 38 units sustained damage from Hurricane Wilma and their useful life is unknown. The buildings continue to maintain high occupancy levels based on the affordable rents charged.

### **PROPOSED REDEVELOPMENT PLAN**

The Housing Authority intends to demolish the exiting four buildings and rebuild 44 affordable rental units and a free standing structure to provide daycare for residents. The units will be energy star which will substantially reduce electric, water and sewer costs. The first two buildings will be built prior to any demolition and existing residents will be moved into the new

units before their buildings are demolished. The Housing Authority does not anticipate any displacement of exiting tenants since they will all be offered a new unit.

**COMMUNITY WORKFORCE HOUSING INNOVATIVE PILOT PROGRAM (CWHIP):**

The State of Florida Legislature created the CWHIP Program last year and funded it again during this legislative session. Total funding available to eligible communities is \$60,000,000 with a cap on funding of \$5,000,000 per applicant. The awards are in the form of a loan with interest accruing at 1% for those applicants agreeing to maintain the rental properties as affordable for a period of fifty years. At the end of fifty years of affordability, the loan and interest are forgiven.

CWHIP defines affordability as up to 150% of the median for workforce housing residents of our community. This group includes teachers, postal workers, policemen, firemen, city and county employees, courier drivers, etc. CWHIP will fund up to \$5,000,000 per applicant or 50% of the total project cost whichever is less. This means the applicant must secure a first mortgage from a financial institution to make up the balance of any cost above \$5,000,000. CWHIP will subordinate its position to an institutional first mortgage and the MCCLA as a second mortgage.

**REQUESTS:**

1. The recorded mortgage deed is a purchase money first mortgage.

We would request that the MCCLA agree to subordinate their \$1,500,000 mortgage to an institutional first mortgage.

2. The promissory note shall be due and payable in full on the same date as the inferior mortgage anticipated between the mortgagor and its grantee for thirty years from the date of execution of this note whichever comes first.

We would request that this note be modified and be due and payable fifty years from the date of the execution of a CWHIP note and mortgage. This action would relieve the institutional first mortgagee's concerns regarding the difference in loan expiration dates and permit the Housing Authority to maximize the local contribution as a result of this transaction.

3. The affordability provisions contained in the warranty deed do not provide for amending the income levels to be served.

We would request strikethrough changes to language in the deed as follows:

“The property shall be developed with affordable housing ~~for very low, low or moderate income persons as defined in Section 420.0004~~ in accordance with Section 380.0666(3), Florida Statutes, consistent with the following policies of the Key West Housing Authority:

1. Income targeting shall be 80% of median adjusted for family size. Income targeting may increase to 120% to maintain occupancy level and financial feasibility but not to exceed 40% of project units. Income targeting for workforce housing units may increase to 150% of median but may not exceed 20% of the project units.
2. Rental rates shall be calculated using the same methodology as the low income housing tax credit program as adjusted annually.

If you should have any questions regarding this request, please feel free to contact me or John O'Brien at your earliest convenience. As I indicated to you yesterday, the application due date is January 29, 2008. You and your Board's continued assistance in providing affordable housing opportunities for the residents of Monroe County is sincerely appreciated.

Sincerely,



J. Manuel Castillo, Sr.  
Executive Director

PC: Mayor Morgan McPherson, City of Key West  
John E. O'Brien, Consultant

Prepared by: John M. Spottswood, Jr.  
SPOTTSWOOD, SPOTTSWOOD & SPOTTSWOOD  
500 Fleming Street  
Key West, FL 33040

Parcel ID Number:  
Grantee #1 TIN:  
Grantee #2 TIN:

DEED DOC STAMPS 10500.00  
05/23/2001 DEP CLK

# Warranty Deed

This Indenture, Made this **21st** day of **May**, 2001 A.D., Between  
**KEY PLAZA APARTMENTS-II, LTD.,** a Florida limited partnership

of the County of **Monroe**, State of **Florida**, grantor, and  
**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST**, a public corporation  
and a public body corporate and politic, a corporation existing under  
the laws of the State of Florida  
whose address is: **1400 Kennedy Drive, Key West, FL 33040**

of the County of **Monroe**, State of **Florida**, grantee.

**Witnesseth** that the GRANTOR, for and in consideration of the sum of

-----**TEN DOLLARS (\$10)**----- DOLLARS,  
and other good and valuable consideration to GRANTOR in hand paid by GRANTEE, the receipt whereof is hereby acknowledged, has  
granted, bargained and sold to the said GRANTEE and GRANTEE'S heirs, successors and assigns forever, the following described land, situate,  
lying and being in the County of **Monroe** State of **Florida** to wit:

**All of Lots 8 and 12 and a portion of Lot 11, Tract 3 described as follows:**

**BEGINNING** at the intersection of the Westerly line of Division Street (Truman Avenue) with the Southerly line of Emma Street thence Westerly along the Southerly line of Emma Street a distance of 155.52 feet; thence in a Southerly direction parallel with the Westerly boundary of Division Street (Truman Avenue) for a distance of 113.33 feet to a point; thence in a Westerly direction parallel with the Southerly boundary of Emma Street for a distance of 82.46 feet to a point; thence in a Southerly direction parallel with the Westerly boundary of Division Street (Truman Avenue) for a distance of 89.34 feet to a point; thence in a Westerly direction parallel with the Southerly boundary of Emma Street for a distance of 82.46 feet to a point; thence in a Southerly direction parallel with the Westerly boundary of Division Street (Truman Avenue) for a distance of 89.33 feet to a point on the Northerly line of Fort Street. Said point being 41.23 feet Easterly from the Easterly boundary of Olivia Street; thence in an Easterly direction along the Northerly boundary of Fort Street for a distance of 320.44 feet to the Westerly boundary of Division Street (Truman Avenue) thence Northerly along the  
(Continued on Attached)

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

**In Witness Whereof**, the grantor has hereunto set its hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

**KEY PLAZA APARTMENTS-II, LTD.**

By: \_\_\_\_\_ (Seal)

Printed Name: John Spottswood  
Witness

**JOHN O'BRIEN, General Partner**  
P.O. Address: P.O. Box 129, Key West, FL 33041

Printed Name: LINDA ARNOLD  
Witness

(Corporate Seal)

STATE OF **Florida**  
COUNTY OF **Monroe**

The foregoing instrument was acknowledged before me this **21st** day of **May**, 2001 by  
**JOHN O'BRIEN, General Partner**, on behalf of **KEY PLAZA APARTMENTS-II, LTD.,** a Florida limited partnership

he is personally known to me or he has produced his **Florida driver's license** as identification.



Linda Kay Arnold  
Commission # CC 894627  
Expires Jan. 22, 2004  
Bonded Thru  
Atlantic Bonding Co., Inc.

Linda Kay Arnold  
Printed Name: LINDA KAY ARNOLD  
Notary Public  
My Commission Expires:

# Warranty Deed - Page 2

Parcel ID Number:

FILE #1236662  
BK#1697 PG#2075

Westerly boundary of Division Street (Truman Avenue) for a distance of 292 feet to a point of beginning.

THIS DEED IS MADE AND IS TO BE ACCEPTED WITH THE UNDERSTANDING THAT USE OF THE PROPERTY CONVEYED IS RESTRICTED BY THE FOLLOWING:

THE PROPERTY SHALL BE DEVELOPED WITH AFFORDABLE HOUSING FOR VERY LOW, LOW, OR MODERATE INCOME PERSONS AS DEFINED IN SECTION 420.0004, FLORIDA STATUTES, CONSISTENT WITH THE FOLLOWING POLICIES OF THE KEY WEST HOUSING AUTHORITY:

1. Income targeting shall be 80% of median adjusted for family size. Income targeting may increase to 120% to maintain occupancy level and financial feasibility but not to exceed 40% of project units.
2. Rental rates shall be the same as the low income housing tax credit program as adjusted annually.
3. The compliance requirements shall be the same as the LIHTC Program as contained in the FHFC Compliance Manual and shall be the responsibility of the developer to insure compliance annually.
4. The program requirements for the LIHTC, MRB, SAIL, and HOME programs when competitively obtained require lower income targeting (rents), which take precedence when utilized.
5. The US Department of Housing and Urban Development occupancy requirements (family composition) shall be adhered to, as they pertain to maximum occupancy only.

The above restrictions shall not expire and may only be released by the Monroe County Comprehensive Plan Land Authority.

These restrictions are for the benefit of the present owner and its successors and assigns and may be enforced by them in every lawful manner.

MONROE COUNTY  
OFFICIAL RECORDS

RCD May 23 2001 08:45AM  
DANNY L KOLHAGE, CLERK

[Space Above This Line for Recording Data]

**THIS MORTGAGE DEED**

(Wherever used herein, the terms "mortgagor" and "mortgagee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations; and the term "note" includes all the notes herein described if more than one. Wherever used the singular number shall include the plural and the plural the singular, and the use of any gender shall include all genders.)

Executed the 21 day of May A.D. 2001 by

**THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA, a Public Body Corporate and Politic ("Mortgagor"), to**

**MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY, a land authority under Section 380.0063(1), Florida Statutes and Monroe County Ordinance No. 031-1986, ("Mortgagee"),**

Witnesseth, that for good and valuable considerations, and also in consideration of the aggregate sum named in the promissory note of even date herewith, hereinafter described, the said Mortgagor, does grant, bargain, sell, alien, remise, release, convey, and confirm unto the said Mortgagee, in fee simple, all that certain tract of land, of which the said Mortgagor is now seized and possessed, and in actual possession, situated in **Monroe** County, State of Florida, described as follows:

**SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A"**

**THIS IS A PURCHASE MONEY FIRST MORTGAGE.**

**THE CONDITIONS, STIPULATIONS AND AGREEMENTS CONTAINED IN EXHIBIT "B", ATTACHED TO THIS MORTGAGE, ARE INCORPORATED HEREIN BY REFERENCE.**

**To Have and to Hold** the same, together with the tenements, hereditaments and appurtenances thereto belonging, and the rents, issues and profits thereof, unto the said Mortgagee in fee simple.

**AND** the Mortgagor covenants with the Mortgagee that the Mortgagor is indefeasibly seized of said land in fee simple; that the Mortgagor has good right and lawful authority to convey said land as aforesaid, that the Mortgagor will make such further assurances to perfect the fee simple title to said land in the Mortgagee as may reasonably be required; that the Mortgagor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever, and that said land is free and clear of all encumbrances except those of record.

**THIS NOTE AND MORTGAGE ARE EXEMPT FROM DOCUMENTARY STAMP TAX AND INTANGIBLE TAX.**

Provided always, that if said Mortgagor shall pay unto the said Mortgagee the certain promissory note, hereinafter substantially copied or identified, to wit:

PROMISSORY NOTE

\$1,500,000.00

Key West, Monroe County, Florida

Date May 31, 2001

For the value received the undersigned promises to pay to the order of MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY the sum of ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,500,000.00) in legal and lawful money of the United States of America, with interest from date at the rate of 0% (zero percent) per annum on the balance from time to time remaining unpaid. The said principal and interest shall be payable in lawful money of the United States of America at: 1200 Truman Avenue, Suite 207, Key West, FL 33040 or at such place as may hereafter be designated by written notice from the holder to the maker hereof, on the date and in the manner following:

This Note shall be due and payable in full on the same date as the inferior mortgage anticipated between the Mortgagor and its Grantee or thirty (30) years from the date of execution of this Note, whichever occurs first. This note shall bear deferred interest from the date of maturity until paid in full at the highest rate allowed by law. It is further agreed if any Grantee of the Mortgagor shall convey any part of the subject real property without the prior written consent of the Mortgagee, then, at the option of the Mortgagee, the whole sum of the principal payable under the note shall become immediately due and payable together with a sum equal to interest from date until paid in the amount of 9.5% per annum.

This Note with interest is secured by a mortgage on real estate, of even date herewith, made by the maker hereof in favor of the said payee, and shall be construed and enforced according to the laws of the State of Florida.

If default be made in the payment of any of the sums or interest mentioned herein or in said mortgage, or in the performance of any of the agreements contained herein or in said mortgage, then the entire principal sum and accrued interest shall at the option of the holder hereof become at once due and collectable without notice, time being of the essence, and said principal sum and accrued interest shall both bear interest from such time until paid at the highest rate allowable under the laws of the State of Florida. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

Each person liable hereon whether maker or endorser, hereby waives presentment, protest, notice, notice of protest, and notice of dishonor, and agree to pay all costs, including a reasonable attorney's fee, whether suit be brought or not, if, after maturity of this note or default hereunder, or under said mortgage, counsel shall be employed to collect this note or to protect the security of said mortgage.

Whenever used herein the terms "holder", "maker", and "payee" shall be construed in the singular or plural as the context may require or admit.

THE HOUSING AUTHORITY OF  
THE CITY OF KEY WEST,  
FLORIDA, A PUBLIC BODY  
CORPORATE AND POLITIC

BY: Frank Toppino  
FRANK TOPPINO, CHAIRMAN

and shall perform, comply with and abide by each and every the stipulations, agreements, conditions and covenants thereof and of this mortgage, then this mortgage and the estate hereby created shall cease determine and be null and void.

**And the said Mortgagor hereby covenants and agrees:**

to pay promptly when due the principal and interest and other sums of money provided for in said note and this mortgage, or either, to pay all and singular the taxes, assessments, levies, liabilities, obligations, and encumbrances of every nature on said property; to permit, commit or suffer no waste, impairment or deterioration of said land or the improvements thereon at any time; to keep the buildings now or hereafter on said land fully insured in a sum of not less than the highest insurable value in a company or companies acceptable to the Mortgagee, the policy or policies to be held by, and payable to, said Mortgagee, and in the event any sum of money becomes payable by virtue of such insurance the Mortgagee shall have the right to receive and apply the same to the indebtedness hereby secured, accounting to the Mortgagor for any surplus, to pay all costs, charges and expenses, including lawyers fees and title searches, reasonably incurred or paid by the Mortgagee because of the Mortgagor to promptly

and fully comply with the agreements, stipulations, conditions, and covenants of said note and this mortgage, or either, to perform, comply with and abide by each and every one of the agreements, stipulations, conditions, and covenants set forth in said note and this mortgage or either. In the event the Mortgagor fails to pay when due any tax, assessment, insurance premium, or other sum of money payable by virtue of said note and this mortgage, or either, the Mortgagee may pay the same, without waiving or affecting the option to foreclose or any other right hereunder, and all such payments shall bear interest from date thereof at the highest lawful rate then allowed by the laws of the State of Florida.

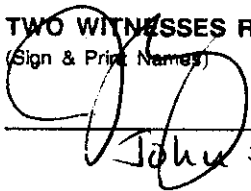
If any of said sums of money herein referred to be not promptly paid within **THIRTY (30)** days next after the same becomes due, and payable, or if each and every one of the agreements, stipulations, conditions and covenants of said note and this mortgage, or either, are not fully performed, complied with and abided by, then the entire sum mentioned in said note, and this mortgage, or the entire balance unpaid thereof, shall forthwith or thereafter, at the option of the Mortgagee, become and be due and payable, anything in said note or herein to the contrary notwithstanding. Failure by the Mortgagee to exercise any of the rights or options herein provided shall not constitute a waiver of any rights orations under said note or this mortgage accrued or thereafter accruing.

In Witness Whereof, The said Mortgagor hereunto sets his hand and seal the day and year first above written.


Signed, Sealed and Delivered in Our Presence:

**TWO WITNESSES REQUIRED**

(Sign & Print Names)

  
\_\_\_\_\_  
John S. Hswood

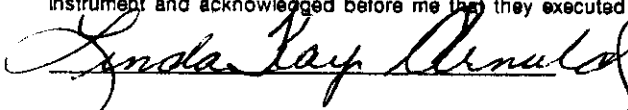
\_\_\_\_\_  
**THE HOUSING AUTHORITY OF THE  
CITY OF KEY WEST, FLORIDA, A  
PUBLIC BODY CORPORATE AND POLITIC**

  
\_\_\_\_\_  
LINDA ARNOLD

  
\_\_\_\_\_  
BY: FRANK TOPPINO, CHAIRMAN

STATE OF FLORIDA  
COUNTY OF MONROE

I HEREBY CERTIFY that on this 31<sup>st</sup> day of May, 2001, before me, an officer duly qualified to take acknowledgements, personally appeared: FRANK TOPPINO, CHAIRMAN, The Housing Authority of the City of Key West, Florida, a Public Body Corporate and Politic to me known to be the persons described in and who executed the foregoing instrument and acknowledged before me that they executed the same. Driver's License shown as identification.

  
\_\_\_\_\_  
NOTARY PUBLIC  
COMMISSION EXPIRATION:

Prepared by: S. Sapp  
Meyer & Erskine, P.A.  
31211 Avenue A  
Big Pine Key, FL 33043



Linda Kay Arnold  
Commission # GO 894627  
Expires Jan. 22, 2004  
Bonded Thru  
Atlantic Bonding Co., Inc.

**EXHIBIT A**

All of Lots 8 and 12 and a portion of Lot 11, Tract 3 described as follows: BEGINNING at the intersection of the Westerly line of Division Street (Truman Avenue) with the Southerly line of Emma Street; thence Westerly along the Southerly line of Emma Street a distance of 155.52 feet; thence in a Southerly direction parallel with the Westerly boundary of Division Street (Truman Avenue) for a distance of 113.33 feet to a point; thence in a Westerly direction parallel with the Southerly boundary of Emma Street for a distance of 82.64 feet to a point; thence in a Southerly direction parallel with the Westerly boundary of Division Street (Truman Avenue) for a distance of 89.34 feet to a point; thence in a Westerly direction parallel with the Southerly boundary of Emma Street for a distance of 82.46 feet to a point; thence in a Southerly direction parallel with the Westerly boundary of Division Street (Truman Avenue) for a distance of 89.33 feet to a point on the Northerly line of Fort Street, said point being 41.23 feet Easterly from the Easterly boundary of Olivia Street; thence in an Easterly direction along the Northerly boundary of Fort Street for a distance of 320.44 feet to the Westerly boundary of Division Street (Truman Avenue); thence Northerly along the Westerly boundary of Division Street (Truman Avenue) for a distance of 292 feet to the point of beginning.

## EXHIBIT B TO MORTGAGE

In reference to the Mortgage Deed dated the \_\_\_\_\_ Day of \_\_\_\_\_ 2001, between **THE HOUSING AUTHORITY OF THE CITY OF KEY WEST, FLORIDA, A PUBLIC BODY CORPORATE AND POLITIC**, Mortgagor, and **MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY**, a land authority under Section 380.0063(1), Florida Statutes and Monroe County Ordinance No. 031-1986, the Mortgagee, the parties further covenant and agree as follows:

1. Mortgagor's use of the property shall be limited to the provision of affordable housing to very low income, low income, or moderate income persons, as defined in S.420.0004, Florida Statutes.
2. Mortgagor is responsible for developing and managing the property as affordable housing and ensuring compliance with the affordability requirement of 1 above.
3. Mortgagor shall obtain Mortgagee's written consent prior to conveying the real property and said conveyance shall be made subject to this mortgage.

MONROE COUNTY  
OFFICIAL RECORDS