

RESTRICTIVE COVENANT

This agreement entered into between the City of Key West and Key West Seaside, LLC
this 30 day of April 2005.

Whereas, Key West Seaside, LLC a florida limited liability company hereinafter
"OWNER" is the owner of real property located in Key West Florida and ;legally described as
follows:

See Exhibit A attached hereto

WHEREAS, the City of Key West, hereinafter "CITY" distributes building permits for housing
units which are allocated to it by the State of Florida; and

WHEREAS, the City and Owner entered into a Development Agreement dated March 4, 1998
recorded in Official Records of Monroe County Florida at OR 1504 Page 570 and as amended
thereafter, which required the Owner to construct 29 Affordable Housing units as part of the
overall development ; and

WHEREAS, the OWNER has designated in the Declaration of Covenants, Conditions and
Restrictions and already constructed 29 unit(s) on the above described
property as affordable ; and

WHEREAS, the building permits granted by the CITY pursuant to the Development Agreement are
for housing units designated as
"affordable" by the CITY under its Affordable Housing Regulations;

NOW, THEREFORE, the OWNER agrees to the following:

1. The housing built and designated affordable as a result of this award shall be restricted in its
rental and sale and resale prices, as well as by the income and other eligibility limitations on
tenants and ownership, by the restrictions in CITY'S affordable housing regulations and
ordinances as defined in the Land Development Regulations in the Code of Ordinances of the
City of Key West, including but not limited to Section 122-1466, *et.seq.*, as it is currently
written or as it is amended or codified.
2. The above described real property may be mortgaged. In the event of a foreclosure,
the lender may sell the property for the greater of :
 - a) a price which includes the loan amount, plus the cost of foreclosure, interest due until time
of sale, legal costs and expenses, and the cost of emergency repairs to restore the property to a
condition suitable for resale; or
 - (b) the sales price as defined in Section 122-1466, *et seq.* of the Code of Ordinances of the
City of Key West as no more than three and one-half times the annual median household income
(adjusted for family size) for Monroe County, or as determined if the section is amended.

The lender may notify the CITY's Planning Department by letter to the City Planner of the proposed foreclosure. The purpose of the notification is to allow the City Planner to propose purchasers who are qualified under the terms of the Code of Ordinances of the City of Key West.

- 3. The above restrictions shall be a restrictive covenant, which shall run with the land and remain in full force and effect for a period of 30 years from the date of the original purchase date from the Owner to the first subsequent owner. In the event of a violation or breach of these restrictions, CITY and any person aggrieved by a violation or breach shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent the violation or breach of any of them. The failure to enforce any right, reservation, restriction or condition contained herein, however long continued, shall not be deemed a waiver of the right to do so thereafter as to the same breach.

Made and executed on the 26 day of April, 2005

[Signature]
Witness

[Signature]
Key West Seaside LLC
PRESIDENT

[Signature]
Witness

by: _____ (Title)

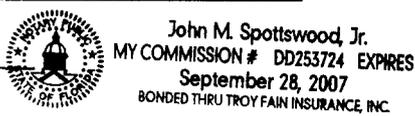
[Signature]
Witness
[Signature]
Witness
MARCIA KNAPKE

City of Key West

by: [Signature]
(Title)
Ty Symroski, City Planner

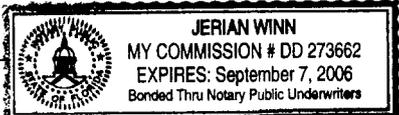
Subscribed and sworn to (or affirmed) before me on 4-26-05 (date) by Ty Symroski (name). He/She is personally known to me or has presented as identification.

[Signature]
Notary's Signature and Seal



Subscribed and sworn to (or affirmed) before me on April 26, 2005 (date) by Robert A. Butler (name). He/She is personally known to me or has presented as identification.

[Signature]
Notary's Signature and Seal



Prepared by:
John M. Spottswood Jr., Esq.
500 Fleming St.
Key West, FL 33040

[Signature]

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BK# 2108 P# 326

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EXHIBIT "A"

Townhomes 2 through 24, inclusive and Townhomes 54 through 59, inclusive as described in the Declaration of Covenants and Restrictions of Seaside Key Residences dated February 24, 2005 and being recorded on March 8, 2005 in Official Records Book 2091 at Page 1709 of the Public Records of Monroe County, Florida, as Exhibit "G"

MONROE COUNTY
OFFICIAL RECORDS