

**MASTER DEVELOPMENT/LONG-TERM LEASE
AGREEMENT**

This Agreement is entered into this 28 day of April 1998, by and between the Key West Naval Properties Local Redevelopment Authority (LRA) having its principal office at 605 B Simonton Street, Key West, FL 33041, and the Housing Authority of the City of Key West herein after referred to as the Housing Authority, having its principal offices at 1400 Kennedy Drive, Key West, Florida 33045.

WITNESSETH

WHEREAS, in 1995, the Key West Naval Air Station (KWNAS) was designated for realignment by the Federal Base Realignment and Closure Commission (BRAC) pursuant to the Defense Closure and Realignment Act of 1990, Public Law 101-510, as amended; and

WHEREAS, the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (the Redevelopment Act) was designed to accommodate the overall needs of communities impacted by the closure of a Military base, while still addressing the needs of homeless individuals and families; and

WHEREAS, on September 27, 1995, certain land and facilities at the Key West Naval Air Station were declared "excess" by the Department of the Navy for use by non-federal public agencies, eligible non-profit groups, and homeless providers for public benefit purposes; and

WHEREAS, in 1996 the City of Key West established the Key West Local Redevelopment Authority (LRA), among other things, to develop a Base Reuse Plan for the properties "excessed" by the Navy; and

WHEREAS, the Redevelopment Act requires the local LRA to develop a Plan that "appropriately balances the needs for economic redevelopment, other development and homeless assistance"; and

WHEREAS, in accordance with the federal regulations governing the BRAC process, the LRA solicited Notices of Interest (NOI's) from public agencies, homeless providers, and other persons interested in the surplus federal property; and

WHEREAS, the citizen participation process used to evaluate the Notices of Interest (NOI's),

establish the needs, and determine the proposed uses of the surplus Naval property, was one of the most extensive public processes ever conducted in the City of Key West; and

WHEREAS, this process culminated in the preparation of a Base Reuse Plan/Homeless Assistance Submission (HAS) that reflects the needs and desires of the Key West citizenry; and

WHEREAS, short-term, transitional, and permanent housing were identified for the Poinciana Housing Site, with specific units allocated to homeless persons with special needs; and

WHEREAS, the Base Reuse Plan/ Homeless Assistance Submission (HAS) recognized the Housing Authority as the primary provider of affordable housing, possessing extensive experience managing both permanent and transitional housing; and

WHEREAS, the Base Reuse Plan/HAS stipulated that the Key West LRA enter into a Legally Binding Agreement with the Housing Authority with the stipulation that the Housing Authority, in conjunction with the "Homeless Coalition", provide as set forth in this agreement, for the "gaps" in the Key West Continuum of Care for the Homeless; and

WHEREAS, the Base Reuse Plan/Homeless Assistance Submission were unanimously adopted by the Key West Local Redevelopment Agency on September 16, 1997; and

WHEREAS, the Housing Authority has a close working relationship with the City of Key West and both parties mutually desire to enter into this Agreement in order to address the City's affordable housing and homeless needs; and

WHEREAS, the intent of both parties to this Agreement is to undertake a community-wide effort with financial contributions from other entities, both public and private, to meet the needs and fill the "gaps" in the Key West Continuum of Care as outlined in the adopted short-term, transitional, and permanent housing which were identified for the Poinciana Housing Site; and

WHEREAS, the parties to this agreement acknowledge that not every "gap" identified in the Base Reuse Plan/HAS can be achieved through the BRAC process; rather, the LRA and the Housing Authority view this effort as a part of the overall Monroe County Continuum of Care, in that the needs of the Homeless can

not be addressed solely as a local effort, and cannot fall solely on the shoulders of the City Government. This initiative is viewed as the beginning of a process that must be developed over time and with resources beyond that which are currently available.

NOW THEREFORE, the parties mutually enter into this Agreement and agree to the following terms and conditions:

SECTION I - DEFINITIONS:

Definitions pertinent to this Master Development/Long-Term Lease Agreement are attached as Exhibit #1, and are incorporated as a legally binding part of this Agreement.

SECTION II - POINCIANA HOUSING SITE:

The parties agree that the Poinciana Housing site, a 36.2 acre site bounded on the north by Donald Avenue, on the east by 19th Street, on the south by Duck Avenue, and on the west by other residential development, and which includes 50 multi-family residential buildings (212 units ranging from two to four bedrooms), totaling approximately 252,000 square feet, as well as a mangrove-intrusive lake, as shown on the attached map and as legally described in Exhibit #2, attached hereto and expressly made a part hereof, shall be developed as affordable housing, both rental and home ownership, as well as housing and related services to serve the homeless special needs populations identified in the Base Reuse Plan/Homeless Assistance Submission as adopted by the Key West Local Redevelopment Agency on September 16, 1997, incorporated by reference as a legally binding part of this Agreement. It is understood between the parties that Homeless Coalition is to be responsible for the funding and implementation of the housing and related services to serve the homeless as identified in said submission.

SECTION III - ROLE OF THE LRA:

The City of Key West LRA will negotiate with the Military for the transfer of the Poinciana Housing Site, contemplating a "Homeless Assistance Conveyance" at no cost, for those buildings outlined in the Base Reuse Plan/HAS which are designed to serve the Key West Continuum of Care for the Homeless. Upon completion of this property transfer, the LRA will hold title to the entire site in fee simple. The LRA herewith

designates the Housing Authority as the Master Developer/Lessee of the entire Poinciana Housing site. The LRA will maintain sufficient involvement throughout the development process, in order to ensure that the provisions of the Base Reuse Plan/HAS regarding use of the "excessed" property by the non-profit homeless service providers, are fully met. It is the intent of the LRA to conform to the Key West Continuum of Care for the Homeless as identified in the Base Reuse Plan/HAS.

The Housing Authority understands and agrees that the LRA is entering into this Master Development/Long-Term Lease Agreement in its capacity as a property owner with a proprietary interest in the premises and not as a regulatory agency with police powers. Nothing in this Agreement shall limit in any way the Housing Authority's obligation to obtain any required approvals from City departments, boards, or commissions having jurisdiction over the site. By entering into this Agreement the LRA is in no way modifying or limiting the Housing Authority's obligation to cause the premises to be used and occupied in accordance with all applicable laws.

SECTION IV - ROLE OF THE HOUSING AUTHORITY:

The Housing Authority shall serve as the Master Developer and Lessee of the Poinciana Site. This Agreement contemplates the management and administration of affordable housing, both rental and homeownership, by the Housing Authority. The Housing Authority will be responsible for bringing those buildings which it intends to utilize and/or operate for affordable rental and/or homeownership opportunities (i.e. those units not designated for use by the "Homeless Coalition"), up to current building codes by renovation, if possible, or replacement, if necessary. The Housing Authority will also undertake the new construction of an additional 16 infill housing units on the Poinciana site. The Housing Authority shall utilize those building permits that it currently has in its possession as authorized by the City's ROGO Ordinance, for the development of the new affordable housing units to be constructed on the Poinciana site. The number and type of units are specified in Exhibit # 3, and are a legally binding part of this Agreement.

The Housing Authority will obtain all necessary occupancy permits and perform any and all work necessary to obtain occupancy permits including utility metering, renovations and improvements to the

premises at its own sole expense. The exteriors of the facilities, including paint colors and overall appearance, shall be maintained in a manner that is acceptable to the LRA.

The Housing Authority must make available the prescribed number of units identified in Section IX of this Agreement, to serve the homeless, either at the Poinciana site, or at some other appropriate location, using its own housing stock or other acceptable facilities. This will be accomplished through sub-leases with homeless service providers, which are subject to the prior review and approval of the LRA. All sub-leases will be subordinate to, and be required to comply with, the terms of this Master Development/Long-Term Lease Agreement.

The LRA and the Authority agree to use their best efforts to identify, obtain and provide the Authority with the initial funding necessary to implement the terms of this agreement. At such time as the Authority receives income, loans, grants or other funding the Authority agrees to reimburse the LRA to the extent allowed by law and its budget. It is the intent of this paragraph to acknowledge that on the turnover date there will be expenses such as insurance, security and initial repairs to the units to put them in a condition to rent that neither the authority or the LRA have budgeted funds to cover.

The Housing Authority will be responsible for maintaining or obtaining security (subject to the terms of Section V below) for the entire Poinciana site.

SECTION V - ROLE OF THE "HOMELESS COALITION":

The following "Homeless Coalition" provider members, listed in alphabetical order, will participate in the Key West Continuum of Care for the Homeless:

- * AIDS Help, Inc.
- * David Nolan Memorial Foundation
- * Domestic Abuse Shelter (DAS)
- * Easter Seals Society
- * Florida Department of Children and Families (Sub-Area 11-B)
- * Florida Keys Outreach Coalition (FKOC)

- * Florida Keys Children's Shelter
- * Good Samaritan Ministries (Glad Tidings Tabernacle)
- * Healthy Start Coalition
- * Helpline
- * Key West Alliance of Mental Health
- * Monroe Association of Retarded Citizens (MARC House)
- * Monroe County Health Department
- * Substance Abuse Center
- * The Salvation Army
- * U.S. Fellowship of Florida (The Heron)
- * Veterans Assistance Foundation
- * Wesley House

The "Homeless Coalition" shall select the specific service providers from among its member agencies listed above, to address the needs of the homeless populations as identified in Section IX of this Agreement. The "Homeless Coalition" will ensure that such providers are properly licensed and/or certified for the provision of the applicable service to the homeless special-needs populations. Since the specific units and services designed to address the Key West Continuum of Care for the Homeless as identified in Section IX of this Agreement, was adopted as a component of the Base Reuse Plan/HAS following formal public hearings, no such amendment to this Plan shall be made without formal approval of the Key West LRA.

The Housing Authority shall then enter into sub-leases with those homeless providers designated by the "Homeless Coalition", in conformance with the Base Reuse Plan/HAS. The "Homeless Coalition" will also ensure that the agencies selected to render services at the Poinciana site under a sub-lease with the Housing Authority, submit a financial/operational plan for review by the LRA and Housing Authority prior to the execution of such sub-lease.

The "Homeless Coalition" shall be required to provide adequate services designed to break the cycle of homelessness and economic dependence and make the transition toward economic independence. Services to be offered shall include, but are not limited to: short-term, transitional and permanent housing as specified in Section IX of this Agreement; affordable child day care; job training and referral; stabilization of

personal affairs; and psychological counseling. The specific terms of the services to be provided shall be spelled out in the individual sub-lease agreements between the Housing Authority and the "Homeless Coalition's" service providers.

The "Homeless Coalition's" service providers shall be responsible under the terms of their sub-leases, for any applicable rehabilitation/modification/construction costs necessary to retrofit the Poinciana buildings for their intended use. The homeless providers may elect to engage the Housing Authority to undertake such renovations on their behalf, or may choose to undertake such actions on their own. Should, however, the homeless providers choose to undertake such renovations independently, the Housing Authority shall have the right to review and approve all applicable plans and specifications, in order to maintain consistency and overall design control of the Poinciana site. The Housing Authority shall not however, be arbitrary in imposing any restrictions or requirements that are construed as onerous on the service providers, or that could cause an undue economic hardship on such providers. In any case, the individual homeless service providers must bear all costs associated with renovating their leased space, in a manner that is consistent with all applicable building and related codes and ordinances.

Additionally, the homeless service providers may either compensate the Housing Authority for their proportionate share of the actual certified maintenance/upkeep(which includes the cost of security) costs of the leased property, or may retain their own independent maintenance and/or security services. If selected to undertake this responsibility, the Housing Authority must allocate reasonable maintenance and security costs based on actual audited expenditures, that will not impose an unreasonable economic hardship on the homeless providers.

If any homeless assistance provider cannot gain funding to operate the project as proposed herein, or if a homeless provider disbands prior to the transfer of the property to the Housing Authority the "Homeless Coalition" shall within 90 days recommend, in writing, an alternative "service plan" for the use of the affected building or facility, and shall evidence a potential source of funding for operations. The LRA and the Housing Authority must mutually agree as to the terms of any subsequent sub-lease not now contemplated under this

Agreement. If the LRA and Housing Authority determine that the subsequent reuse of the facility is not feasible to serve the homeless, it may convert the use of the building to another affordable housing type, either rental or home ownership.

SECTION VI - TERMS OF AGREEMENT:

This Agreement shall be deemed effective upon being duly executed by both parties. The LRA herein leases the entire Poinciana housing site, less building numbers #1644 and #1655 to be occupied by the National Parks Service, to the Housing Authority for fifty (50) years (subject to compliance with the City of Key West Charter and Ordinances) at the nominal rate of one dollar (\$1.00) per year. As time is of the essence in providing critically needed affordable housing, the Housing Authority must initiate renovations of the affordable housing units slated for rental and homeownership, within nine (9) months from the date the LRA obtains possession property and gives possession to the Authority (herein referred to as the turnover date) and shall complete such renovations within eighteen (18) months from the date construction/renovation is initiated. The parties recognize and agree that these operative dates may need to be adjusted due to affordable housing financing requirements. The units slated for homeownership, which are to be newly constructed, are intended to be available for eligible first-time home buyers within 3 years from the turnover date . The LRA shall provide the necessary documentation to release the homeownership and rental units from this lease, as required by financing.

SECTION VII- POINCIANA HOUSING SITE - AS IS CONDITION:

The Housing Authority acknowledges and agrees that the premises are being leased and accepted in their "as is" condition, without representation or warranty of any kind, and subject to all applicable laws, rules and ordinances governing their use, occupancy and possession. The Authority shall have six (6) months from the turnover date (the inspection period) to conduct the investigations contemplated by this paragraph. It shall be the Housing Authority's obligation to investigate and inspect the premises (either independently or through agents of its choosing) the condition of the premises and the suitability of the premises for the Housing Authority' s intended use. The Housing Authority acknowledges and agrees that neither the LRA nor

any of its agents have made, and the LRA hereby disclaims, any representations or warranties, expressed or implied, concerning the premises, the physical or environmental condition of the premises or the property, the present or future suitability of the premises for the KWHA's intended use, or of any matter whatsoever relating to the premises, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose. In the event the Housing Authority determines that the property is not suitable for its intended use because of physical conditions, lack of funding, or that the project is not feasible, the Authority may terminate this agreement. In this event each party shall be released from any further liability hereunder.

SECTION VIII- POINCIANA HOUSING SITE - USE AND CONFIGURATION:

The central goal of the Poinciana Plan is the reuse of existing structures located on the site, introducing moderate infill development where appropriate, creating essential affordable housing, addressing homeless needs, and creating a liveable neighborhood that is well integrated into the surrounding community. The total number of proposed dwelling units for the Poinciana site is 228 units (including buildings #1644 and #1655 which are dedicated to the Parks Service), of which 16 are new infill units.

The buildings that will be dedicated to the Homeless Continuum of Care are primarily located east of Dunlap Drive (excluding the child day care center), and include the Truesdale Court and Spaiding Court housing complex's. The specific buildings requested under the "Homeless Assistance Conveyance", and which the Housing Authority shall make available to the Homeless Coalition service providers, follow:

- | | | |
|-----|----------------|-----------------------|
| * | Building #1614 | transitional housing |
| * | Building #1615 | transitional housing |
| * | Building #1616 | transitional housing |
| (*) | Building #1617 | transitional housing |
| * | Building #1618 | transitional housing |
| * | Building #1619 | transitional housing |
| * | Building #1620 | transitional housing |
| * | Building #1621 | transitional housing |
| * | Building #1622 | transitional housing |
| * | Building #1623 | transitional housing |
| (*) | Building #1624 | transitional housing |
| * | Building #1625 | transitional housing |
| * | Building #1626 | transitional housing |
| * | Building #1661 | child day care center |

- * Building #1662 child day care center

In addition to the above, and consistent with the base Reuse Plan, the Housing Authority shall provide the space for the following facilities that will contribute to the Key West Continuum of Care for the Homeless, on the Poinciana site:

- * A new human services facility, with a separate point of ingress, to be provided in the southwest portion of the site;
- * A recreation center which will provide administrative office space for the KWHA and meeting space for the non-profit service providers and other organizations (and which could also serve as a hurricane center), to be located near the center of the site (adjacent to the ecological preserve);
- * A church is contemplated for the vacant parcel southwest of the community center.
- * A Police sub-station is contemplated for Building #1663.

Nothing in this Agreement shall be construed so that the Housing Authority is obligated to develop and/or maintain the above described support facilities and/or services with its own funds; but rather, the Housing Authority shall ensure that sufficient space is allocated and available for use by those entities selected by the LRA to develop such supportive facilities on the Poinciana site. The Housing Authority agrees to coordinate its efforts in this regard.

The balance of the Poinciana site will be used as both rental and homeownership affordable housing opportunities. The number and type of such units is specified in Exhibit # 3 of this Agreement. In compliance with Florida Statute Chapter 421 and federal fair housing initiatives, the Housing Authority will develop written tenant and home buyer selection procedures that are acceptable to the LRA, to be used in providing rental or home ownership units at the Poinciana site.

SECTION IX - PROPOSED SHORT-TERM/TRANSITIONAL AND PERMANENT HOUSING:

A total of fifty (50) units of short-term and transitional housing for homeless persons with special needs is to be provided either at the Poinciana site as identified in Sec. VIII above, or, if available, at some

other appropriate location, using the Housing Authority's own housing stock or other facilities that are mutually acceptable to the "Homeless Coalition" and the LRA, as follows:

Housing Type	Proposed Clients to Be Served	Proposed Number of units and Unit Configuration
Transitional/ short-term housing	24 men with alcohol/ substance abuse	10 units - two dormitories, each for 8 men (16 total); 4 two-bedrooms (8 men); 3 staff bedrooms.
Transitional housing	10 women and 6 women/children	8 units - one dormitory to serve 8 women, and 4 two-bedrooms units to serve 8 women/children.
Transitional/ permanent housing	18 units to serve 12-24 men/ women with mental illness and alcohol/substance abuse	18 units - Three 4-bedroom units (12), two 2-bedrooms (4-8) and 1-staff unit (This facility meets the needs of veterans with PTS)
Transitional housing for women and women/children	9 families/victims of domestic abuse	10 units (family) each 2/3 bedroom, and 1 staff unit
Transitional housing for disabled persons	4-8 physically disabled clients	4 units - Two 2-bedroom apartments (note also needs occupational therapy space)

Note: If property yet to be identified off-base is to be offered, the Master Development Agreement must adequately describe the requirements for the property (size, zoning, etc.,) when it will be transferred, and what will happen if suitable property is not found within a specific period of time.

If the Housing Authority proposes to offer sites to the homeless providers other than at Poinciana, the LRA must concur that the units are "comparable" for the purposes of fulfilling the Key West Continuum of Care for the Homeless. The sub-leases will be comparable in both length/duration and cost, to this Master Development/Long-Term Lease Agreement between the LRA and the Housing Authority i.e. the leases with the homeless providers shall also be long-term, nominal leases.

SECTION X- ASSISTANCE TO THE HOMELESS:

To the extent feasible, the Housing Authority through it's own programs, will provide homeless individuals and families with assistance in obtaining appropriate supportive services, including permanent

housing, and other services essential for achieving independent living e.g. Project Safeport.

SECTION XI - CONDITIONS OF SERVICE:

The KWA hereby agrees to the following:

- A. The rental housing developed on the Poinciana site shall serve income-eligible persons living within the City of Key West, in accordance with the guidelines established by the U.S. Department of Housing and Urban Development (HUD), or other Local, Federal and State agencies that provide financial assistance and/or financial inducements for the provision of affordable housing initiatives and in accordance with an Occupancy and Administration Policy to be developed by the Authority and approved by the LRA.. The homeownership housing shall be governed by the Housing Authority's "Homeownership Affordability Policy" attached hereto as Exhibit # 4, and made a fully binding part of this Agreement.
- B. The Housing Authority shall maintain in its files, the documentation on how it determines that the assisted housing benefits income-eligible persons according to the policies referred to in Paragraph A above.
- C. The Housing Authority shall certify that no person shall be denied the benefits of the housing programs provided at the Poinciana Housing site, on the grounds of race, color, sex, or national origin.

SECTION XII - ENVIRONMENTAL:

In the event that an environmental review conducted under 92.45 (a), subsequent to HUD approval, indicates that the Poinciana housing site is not suitable for the intended purposes, the LRA may terminate this agreement. The LRA acknowledges that the number of units necessary to meet the needs of the homeless special needs populations is fifty (50) short term, transitional and permanent units as identified in Section IX of this agreement. The LRA agrees in "good faith" to seek replacement dwellings suitable to the "Homeless Coalition" which can address the "gaps" in the Continuum of Care. The Authority agrees to furnish

technical assistance to the LRA ,at no cost to the Authority.

SECTION XIII - FIRST AMENDMENT CHURCH/STATE PRINCIPLES:

The Housing Authority shall include in its sublease with the "Homeless Coalition" the covenant set forth in this Section, and the "Homeless Coalition" Service Providers entering into sub-leases for the Poinciana site, shall comply with First Amendment Church/State principles, as follows:

1. Will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion.
2. Will not discriminate against any person applying for housing assistance or public services related to the Poinciana housing site on the basis of religion, and will not limit such services or give preference to persons on the basis of religion.
3. Will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services.

SECTION XIV- COMPLIANCE WITH LOCAL, STATE, AND FEDERAL LAWS:

The Housing Authority agrees to comply with all federal regulations as they may apply to the administration of the housing programs to be developed at the Poinciana site. Additionally the Housing Authority will comply with all Federal, State and local laws and ordinances hereto applicable.

SECTION XV - CONFLICT OF INTEREST:

The parties to this Agreement covenant that no person under their employ who personally exercises any functions or responsibilities in connection with the housing programs to be provided at the Poinciana housing site, has any personal interests, direct or indirect, in this Agreement. The Parties further covenant that in the performance of this Agreement, no person having such conflicting interest shall be employed. The Housing Authority covenants that it will comply with the State Statutes governing conflicts of interest and must disclose, in writing, to the LRA, any possible conflicting interest or apparent impropriety that is covered

by the above provisions. This disclosure shall occur immediately upon knowledge of such possible conflict. The LRA and/or the City of Key West will then render an opinion that shall be binding on both parties.

SECTION XVI - AUDIT AND INSPECTIONS:

Upon reasonable notice, during normal business hours and as often as the LRA and/or federal government representatives may deem reasonably necessary, there shall be made available to the LRA to review, inspect or audit, all records, documentation, and any other data relating to all matters covered by the Agreement.

SECTION XII- TERMINATION:

If the Housing Authority fails to develop the housing and related services contemplated in this Master Development/Long-Term Lease Agreement, the LRA shall give the Housing Authority 30 days written notice detailing non-compliance, and shall provide a reasonable cure-period to the Housing Authority. If the Housing Authority fails to cure during this reasonable period, the LRA shall be entitled to terminate the Housing Authority's interest in the property and the Housing Authority's interest shall revert to the LRA. Upon reversion of the property to the LRA, if the Homeless Providers are continuing operation within the context of their individual sub-leases, the LRA shall continue to allow the service providers to operate their facilities for the term of their applicable sub-lease. It is understood between the parties that the Authority is a body politic under F.S. 421 with no funding sources other than revenues from operating public housing and therefore the LRA's sole remedy is to terminate this agreement or for non-monetary breaches the LRA may sue for specific performance.

No new initiatives may be undertaken during the termination period.

SECTION XIII - REVERSION OF ASSETS:

If at any time, the LRA determines that the needs of the homeless have been met in a manner which would render a service provider sub-lease unnecessary, or if the sub-lessee wishes to terminate the lease for any cause, the property will revert to the Housing Authority as the Master Developer/ Lessee and will be added to the inventory of affordable housing, and may not be used as market rate housing. No building will

be taken out of use within the "Continuum of Care" without the prior approval of the Key West LRA.

SECTION XIX- INSURANCE:

The Housing Authority, at its sole cost, shall procure and keep in effect at all times during the terms of this Agreement, public liability insurance in an amount not less than \$500,000 per occurrence and \$1,000,000 aggregate and shall further keep the improvements and buildings (which are being utilized and operated by the Authority) insured for their full insurable value with companies acceptable to the LRA.

Nothing contained in this subparagraph or elsewhere in this Agreement is in any way intended to be a waiver of the limitation placed upon the LRA' s liability as set forth in Florida Statutes, Section 768.28.

SECTION XX- VENUE:

This Agreement shall be enforceable in Monroe County, Florida, and if legal action is necessary by either party with respect to the enforcement of any or all the terms or conditions herein, exclusive venue for the enforcement of same shall lie in Monroe County, Florida.

SECTION XXI - CONDITION PRECEDENT:

This Agreement is conditioned upon the LRA' s successful completion of the transfer of ownership of the Poinciana housing site from the United States Navy to the Key West LRA. As a condition precedent to the obligations of the LRA set forth in this Agreement, the parties agree that the LRA must become the title holder of the Poinciana property. Should the LRA not receive such, this agreement shall become null and void.

SECTION XXII- NOTICES:

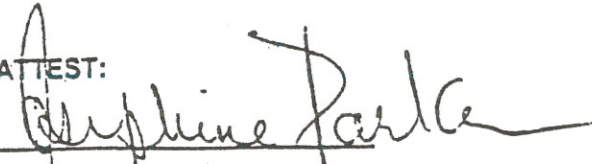
All notices required under this Agreement shall be sent to the parties at the following address; with copies to the Office of the City Attorney:

LRA: William Harrison, Director
Redevelopment Agency
City of Key West
P.O. Box 1409
Key West, Florida 33041

KWHA: Henry Haskins, Executive Director
Key West Housing Authority
P.O. Box 2476
1400 Kennedy Drive
Key West, Florida 33045

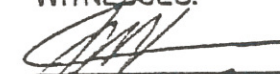
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the day and date first indicated above.

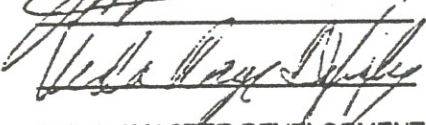
ATTEST:



City Clerk

WITNESSES:





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CITY OF KEY WEST, FLORIDA



Sheila K. Mullins, Chairman
Local Redevelopment Agency

KEY WEST HOUSING AUTHORITY



Henry Haskins, Executive Director

KEY WEST HOUSING AUTHORITY



Frank P. Toppino
Chairman

EXHIBIT #1

Definitions

Affordable Housing - housing where the occupants pay rent consistent with the City of Key West Affordable Housing Ordinance and formulas.

Assisted Housing - housing whose initial construction or rehabilitation cost and/or overall financing is supplemented/assisted in order to make the housing affordable. (The financial assistance goes to the building/property owner not the occupants).

BRAC - Federal Base Realignment and Closure Commission pursuant to the Defense Closure and Realignment Act of 1990, Public Law 101-510, as amended.

Continuum of Care - A comprehensive homeless assistance system that includes: a system of outreach and assessment (to determine the needs and conditions of the homeless); emergency shelters and transitional housing with appropriate supportive services; housing with, or without supportive services that has no established limitation on the amount of time in residence; and any other activity that clearly meets an identified need of the homeless and fills a gap in services.

Dwelling - any building, structure, or portion thereof which is occupied as, or designed to be occupied as, a residence by one or more families.

Emergency Housing - generally refers to housing used to alleviate an immediate housing crisis, where the individual or family resides for 30 days or less.

Emergency Shelter - means any facility with sleeping accommodations, the primary purpose of which is to provide temporary shelter for the homeless in general, or for specific populations of the homeless e.g. persons with alcohol and other substance abuse problems and/or mental illness.

Environmental review - a review conducted under the federal regulations at CFR 92.45 (a).

First Time Homebuyer - An individual or family who has not owned a home during the three year period preceding the assisted purchase of a home that must be used as the principal residence of

the Homebuyer, except that the individual is a displaced homemaker or a single parent.

Florida Statute Chapter 421 - That section of the Florida Statutes that enables the creation of Housing Authority's and dictates their roles and responsibilities under Florida law.

Gaps - Those service areas identified in the Key West Continuum of Care for the Homeless that are needed, but are not currently being provided.

HAS - Homeless Assistance Submission (HAS) component of the Base Re-Use Plan for the Key West LRA as adopted on September 16, 1997.

Homeless - An individual or family which has a primary nighttime residence that is: (1) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for persons with mental illness); (2) an institution that provides a temporary residence for individuals intended to be institutionalized; or (3) a public or private place not designed for, or ordinarily used as, regular sleeping accommodations for human beings. The term does not include any individual imprisoned or otherwise detained.

Homeless Assistance Conveyance - That method of conveying Military property at no cost, to Local Redevelopment Authorities (LRA's) or homeless providers, in order to address the needs of homeless individuals as identified in a Continuum of Care Program.

Homeless Coalition - The Southernmost Homeless Assistance League formerly known as the "Plan 1999" Homeless Coalition.

Homeless Persons With Special Needs - A homeless person that has special physical, mental, or other social needs such as: (but not limited to) persons with alcohol and/or drug addiction, mental illness, single women with children, abused individuals, etc.

Homeownership Program - the assisted purchase of a home that must be used as the buyer's principal residence, and may not be used for rental purposes.

Household - One or more persons occupying a housing unit.

Housing Authority - The Housing Authority of the City of Key West a/k/a the Key West Housing Authority.

Housing Unit - An occupied or vacant house, apartment, or a single room occupied by one individual, known as single-room occupancy (SRO), that is intended as separate living quarters.

HUD - U. S. Department of Housing and Urban Development

Key West Continuum of Care for the Homeless - The proposed strategy for addressing the needs of the Key West homeless population, as outlined in the Base Reuse Plan/HAS adopted by the Key

West LRA on September 16, 1997.

KWNAS - Key West Naval Air Station.

LRA - Key West Naval Properties Local Redevelopment Authority established in 1996.

Low Income - households whose income does not exceed 50 percent of the median income for the area, with adjustments made for family size, adjusted annually.

Master Developer/Lessee - the entity responsible for the overall development of the Poinciana Housing site, and for entering into sub-leases with applicable homeless service providers to render services to homeless persons with special needs, as identified in the Key West Base Reuse Plan/Homeless Assistance Submission adopted by the Key West Local Redevelopment Authority on September 16, 1997.

Moderate Income - Households whose gross incomes do not exceed 80 percent of the area median income, as adjusted by family size.

Monroe County Continuum of Care - The county-wide strategy designed to address homelessness, as identified in the Monroe County SuperNOFA Supportive Housing Program (SHP) Application submitted to HUD in August of 1997.

NOI's - Notices of Interest that were submitted to the Key West LRA in response to an advertisement regarding the potential availability of surplus Naval property to be used for public benefit purposes.

Overcrowded - A housing unit which does not comply with HUD occupancy requirements as it relates to family composition.

Payment In Lieu of Property Taxes? (PILOT) - a payment, permitted under State Statute 421, that allows Housing Authorities to reimburse municipal entities for costs associated with the provision of services to residents of Housing Authority property, in lieu of municipal property taxes, from which Housing Authority's are exempt.

Permanent housing - Affordable and/or assisted housing that is expected to be available to low/moderate income and/or homeless persons, for an indefinite period of time.

Plan - The Base Reuse Plan/Homeless Assistance Submission (HAS) adopted by the Key West LRA on September 16, 1997.

Poinciana Housing site - a 36.2 acre site bounded on the north by Donald Avenue, on the east by 19th Street, on the south by Duck Avenue, and on the west by other residential development, and which includes 50 multi-family residential buildings (212 units ranging from one to four bedrooms), totaling approximately 252,000 square feet, as well as a mangrove-intrusive lake.

Redevelopment Act - the Base Closure Community Redevelopment and Homeless Assistance Act of 1994.

Rental housing - Affordable and/or assisted rental housing that is expected to be available to low/moderate income and/or homeless persons at rents that do not exceed the established Fair Market Rent (FMR) as determined by the U.S. Department of Housing and Urban Development (HUD).

Sheltered - families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter, including emergency shelters, transitional housing for the homeless, domestic violence shelters, residential shelters for runaway and homeless youth, and any hotel/motel/apartment voucher arrangements made because the person is homeless. The term does not include persons living doubled-up or in overcrowded or substandard conventional housing.

Short-term housing - generally refers to housing that accommodates the immediate needs of individuals (up to six (6) months), and provides both housing and supportive services to homeless persons to facilitate movement to transitional or permanent housing.

Sub-leases - those legal instruments contemplated to convey property to "HomelessCoalition" Service Providers on the Poinciana Housing site, that are comparable in both length, duration and cost, to the Master Development/Long-Term Lease Agreement between the LRA and the Housing Authority.

Subsidized housing - housing in which the individual receives a rental supplement to help make their housing affordable e.g. Section 8 Rental Assistance Program.

Supportive Housing - Housing which includes housing units and group quarters, that have a supportive environment and include a planned supportive service component.

Supportive Services - Services that include (but are not limited to): case management, housing counseling, job training and placement, primary health care, mental health services, alcohol/drug abuse treatment, emergency food, domestic violence and family services, child care, veterans services, etc.

Transitional Housing - generally refers to housing that accommodates the needs of individuals coming out of emergency shelter situations or short-term housing, and transitioning into permanent housing. Transitional housing provides both housing and supportive services to homeless persons to facilitate movement to independent living within 24 months.

Unsheltered - families and individuals whose primary nighttime residence is a public or private place that is not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

ADDENDUM

THIS ADDENDUM to the Master Development/Long-Term Lease Agreement is entered into this 28 day of July, 1998, by and between the Key West Naval Properties Local Redevelopment Authority (LRA) and the Housing Authority of the City of Key West.

WITNESSETH

WHEREAS, in April of 1998 the LRA and the Housing Authority entered into a Master Development/Long Term Lease Agreement for the Poinciana Housing project; and

WHEREAS, the parties now desire to amend their Agreement to add to its terms the U.S. Navy's License to use the Poinciana Housing property;

NOW, THEREFORE, the parties agree to this Addendum, as follows:

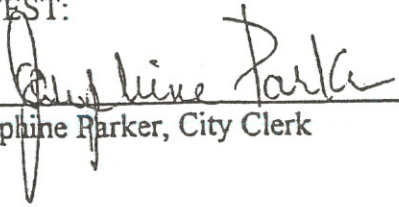
Section 1: The LRA and the Housing Authority agree that its Master Development/Long Term Lease Agreement is deemed a Sublicense for the purposes of the LRA's License with the U.S. Navy for the Poinciana Housing project (the "Premises").

Section 2: Incorporation of Navy License.

The License between the Navy and the LRA, as extended from time to time, a copy of which is attached hereto and incorporated herein by reference, specifically requires that all sublicenses of the LRA, including sublicensee, be subject to all of the terms, conditions, responsibilities and obligations contained in the License including, without limitation, the termination provisions set forth in Paragraph 14 of the License. Sublicensee hereby acknowledges that as to the Premises and during the term of its occupancy and/or use of the Premises or each part thereof as herein provided, it will be bound by all applicable terms, conditions, responsibilities and obligations of the License with respect to said Premises as if it were the Licensee/Sublicensee thereof notwithstanding anything in the License to the contrary. Should a conflict arise between a provision of this Sublicense and a provision of the License, the provision of the License shall take precedence. Nothing herein shall be deemed to grant to Sublicensee any rights or privileges greater than the LRA has received under the License. Notwithstanding the foregoing, nothing in this Sublicense shall be construed to limit or modify the responsibilities and obligations of the United States under Paragraph 14 of the License. Sublicensee shall indemnify and save harmless the LRA against any and all claims by the United States or any other person(s), firm(s) or corporation(s) arising out of Sublicensee's failure to perform all of the terms, conditions, responsibilities and obligations contained in the License as to the Premises.

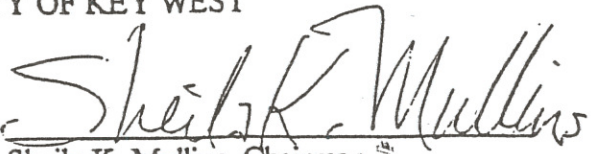
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the day and date first indicated above.

ATTEST:



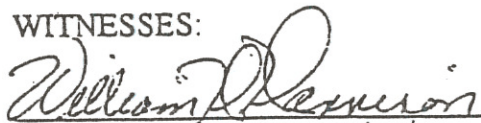
Josephine Parker, City Clerk

CITY OF KEY WEST


By: 

Sheila K. Mullins, Chairman
Local Redevelopment Authority

WITNESSES:

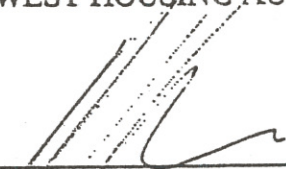


Printed Name: William H. Harrison



Printed Name: Robyn L. Wells

KEY WEST HOUSING AUTHORITY

By: 

Henry Haskins, Executive Director