

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: August 21, 2007 [] Consent [X] Regular [] Public Hearing

Department: Housing and Community Development

Submitted By: Housing and Community Development

Submitted For: Commission on Affordable Housing

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends a motion to approve: an Assignment and Assumption Agreement with the Hamlet, Ltd. and Boynton Bay, Ltd.; for the assignment to and assumption of by Boynton Bay, Ltd. all obligations of the Hamlet Ltd. pursuant to the County loan agreement (R 90-1842 D) approved by the Board of County Commissioners.

Summary: On June 23, 1990, the Board of County Commissioners approved a loan agreement in the amount of \$1,000,000 to the Hamlet, Ltd. for the construction and permanent financing of 240 units of multifamily affordable rental housing. This Assignment and Assumption agreement will require the new general partner Boynton Bay, Ltd. to comply with all the requirements of the original County loan agreement. District 7 (TKF).

Background and Justification: The Board of County Commissioners on June 23, 1990 approved a cash flow dependent loan for \$1,000,000 for the construction and permanent financing of 240 multifamily affordable rental housing units. This agreement originally had a maturity date of February 28, 2007. However on August 20, 1996, the Board of County Commissioners approved extending the original loan agreement with a new maturity date of August 28, 2011. The Hamlet, Ltd. is now seeking to sell its general partnership interest to Boynton Bay, Ltd., and requests the Board of County Commissioners to approve an extension of the current loan agreement with a new maturity date of December 31, 2045. This new maturity date will match that of the original state SAIL loan which has already been extended to December 31, 2045 by the Florida Housing Finance Corporation. The Hamlet, Ltd. is also requesting the release of two (2) vacant parcels from the current county encumbrance. This will permit the new general partner (Boynton Bay Ltd.) to develop an affordable home ownership project and an assisted living facility project on the sites. The original funding source of the \$1,000,000 was Palm Beach County's Affordable Housing Trust Fund utilizing general fund dollars. The existing 240 rental housing units will be maintained for the use of households earning sixty percent (60%) of the county's median family income.

- Attachments:
A. Assignment and Assumption Agreement
B. Agenda R-90-1842 D

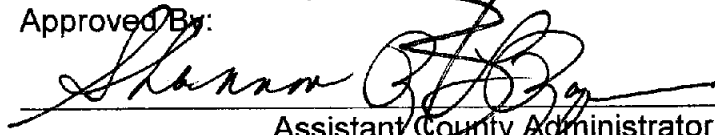
**AGENDA ITEM
CONTAINS MORE THAN 50 PAGES
IT MAY BE VIEWED IN
COUNTY ADMINISTRATION**

Recommended By:


Department Director

8/2/07
Date

Approved By:


Assistant County Administrator

8/14/07
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes ___ No ___ Budget Account No.:
 Fund _____ Agency _____ Org. _____ Object _____ Program Code/Period _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

No fiscal impact.

C. Departmental Fiscal Review: Shariette Major 8-8-07
 Shariette Major, Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:
Elizabeth Claeser 8/13/07 OFMB
John J. Jowers 8/14/07 Contract Dev. and Control
 8/13/07 8/14/07

B. Legal Sufficiency: [Signature] 8/14/07
 Assistant County Attorney
 This Contract complies with our contract review requirements.

C. Other Department Review:
Edward B. [Signature]
 Department Director

This summary is not to be used as a basis for payment.

Attachment A

THIS INSTRUMENT PREPARED
BY AND RETURN TO:
Heather M. Conger, P.L.
Broad and Cassel
390 North Orange Avenue, Suite 1400
Orlando, Florida 32802

ABOVE SPACE RESERVED FOR
RECORDING PURPOSES ONLY

ASSIGNMENT AND ASSUMPTION AGREEMENT

(Boynton Bay Apartments)

Dated as of _____, 2007

Among

THE HAMLET, LTD.
("Seller")

AND

BOYNTON BAY, LTD.
("Purchaser")

AND

PALM BEACH COUNTY
("Lender")

ASSIGNMENT AND ASSUMPTION AGREEMENT

(Boynton Bay Apartments)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "*Agreement*") is dated as of _____, 2007, by and among THE HAMLET, LTD., a Florida limited partnership (the "*Seller*"), BOYNTON BAY, LTD., a Florida limited partnership (the "*Purchaser*"), and PALM BEACH COUNTY, a political subdivision of the State of Florida ("*Lender*").

WITNESSETH:

WHEREAS, on December 17, 1990, Lender issued a loan to Seller in the original principal amount of ONE MILLION AND NO/100 DOLLARS (\$1,000,000) (the "*Original Loan*") for the construction and permanent financing of a multi-family residential project located on property in Palm Beach County, Florida, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "*Land*") known as Boynton Bay Apartments (and formerly known as The Hamlet) (the "*Development*"); and

WHEREAS, as evidence of the Original Loan, Seller executed and delivered to Lender that certain Promissory Note, dated December 17, 1990 (the "*Original Note*"), which Original Note was secured by that certain Mortgage and Security Agreement dated December 17, 1990 and recorded on January 9, 1991 in O.R. Book 0933, Page 226, of the Public Records of Palm Beach County, Florida (the "*Original Mortgage*"); and

WHEREAS, on August 20, 1996, the Seller and the Lender executed a Mortgage and Note Modification Agreement extending the maturity date from February 28, 2007 to August 28, 2011 (the "*Original Loan Extension*"); and

WHEREAS, on or prior to the Effective Date, the Seller expects to convey to the Purchaser the fee simple interest in the Land and the Development; and

WHEREAS, the Purchaser intends to rehabilitate the Development, and fund part of the acquisition and rehabilitation with acquisition and rehabilitation federal low income housing tax credits and a loan by Florida Housing Finance Corporation from the proceeds of the issuance and sale of tax-exempt bonds (the "*Bonds*") in an amount not to exceed \$17,690,000 (the "*Bond Financing*"); and

WHEREAS, the Purchaser intends to assume certain existing obligations of the Seller, including a State Apartment Incentive Loan (the "*SAIL Loan*") from the Florida Housing Finance Corporation (f/k/a the Florida Housing Finance Agency), and the Original Loan; and

WHEREAS, the Original Loan is subordinate to the SAIL Loan; and

WHEREAS, Florida Housing Finance Corporation will require that the Original Loan be subordinate to the Bond Financing; and

WHEREAS, Purchaser has requested Lender to permit an extension of the maturity date of the Original Loan to be co-terminus with the Bond Financing, to a date not later than December 31, 2045 (the "*Additional Loan Extension*"), which Additional Loan Extension would be contingent upon, among other things, Purchaser closing on the Bond Financing, as more particularly set forth in this Agreement; and

WHEREAS, the Seller shall retain, in connection with the sale of the Development to the Purchaser, a certain approximately one-acre tract of land on which a day care center currently exists (the "*One-Acre Tract*"); and

WHEREAS, the Seller may purchase from the Purchaser (or retain in connection with the sale of the Development to the Purchaser) a certain approximately two-acre tract of land located in the center of the Land (the "*Two-Acre Tract*"), for construction of certain additional residences, a portion of which, if constructed, would be reserved for workforce housing under the Workforce Housing Ordinance of the City of Boynton Beach, Ordinance No. 07-007, adopted April 3, 2007 (as such ordinance may be amended from time to time the "*Workforce Housing Ordinance*");

WHEREAS, the Seller has requested that the Lender release the One-Acre Tract from the lien of the Original Mortgage, and in the event Seller proceeds with the construction of additional residences on the Two-Acre Tract in accordance with the Workforce Housing Ordinance, Seller is requesting that Lender release the Two-Acre Tract from the lien of the Original Mortgage; and

WHEREAS, this Agreement is being delivered pursuant to a Purchase Agreement dated April 6, 2007, as amended, between the Seller and Purchaser, (collectively, the "*Purchase Contract*"), that certain Amended and Restated Option Agreement dated effective as of _____ between the Seller and Purchaser (the "*Option Agreement*"), and the requirements of the Lender to effect the transfer of the Development to the Purchaser and the assignment of the Seller's title, rights and obligations in the Original Note, the Original Mortgage and all other documents, guarantees, indemnities and agreements relating to the issuance of the Original Loan, all as may have been assigned, amended or supplemented from time to time, and specifically as amended by the Loan Extension (collectively, the "*Original Loan Documents*"), the agreement by the Purchaser to assume the indebtedness, obligations and liabilities of the Seller under the Original Loan Documents, as listed on Exhibit "B" attached hereto, and the agreement by the Purchaser to be bound by and comply with all covenants, agreements, conditions, representations, warranties, restrictions and limitations contained in the loan documents to be executed by the Purchaser in connection with the Additional Loan Extension, all as more particularly set forth below; and

NOW, THEREFORE, for and in consideration of the mutual covenants, promises and agreements set forth herein, the receipt and sufficiency of which the parties hereby acknowledge, the Purchaser, the Seller and the Lender agree as follows:

Section 1. Definitions. All capitalized terms used in this Agreement and not otherwise defined herein shall have the same meanings as set forth in the Original Loan Documents, unless the context clearly requires otherwise. For purposes of this Agreement, the term "Effective Date" shall mean the date of the issuance of the Bonds.

Section 2. Assignment of Original Loan Documents. The Seller assigns to the Purchaser, without representation or warranty of, or recourse to, the Seller, all of the Seller's right, title and interest in and to the Original Loan Documents, including, without limitation, all of the benefits, duties, liabilities and obligations of the Seller under the Original Loan Documents, which assignment shall be effective as of the Effective Date.

Section 3. Assumption of Obligations under Original Loan Documents. From and after the Effective Date, the Purchaser hereby covenants and agrees as follows: (a) to pay and perform all indebtedness, obligations and liabilities of the Seller as the owner of the Development, accruing from and after the Effective Date, whether designated in the Loan Documents as the "Principal," the "Developer," the "Grantor," the "Trustor," the "Maker," the "Debtor," the "Owner," the "Assignor", the "Borrower" or otherwise as and when due under, and in accordance with the terms of, the Original Loan Documents, whether now or hereafter existing, fixed or contingent, as amended and restated by the Renegotiated Loan Documents; and (b) to be bound by and comply with all covenants, agreements, conditions, restrictions and limitations now or hereafter made by or applicable to the owner of the Development, whether designated therein as the "Principal," the "Developer," the "Grantor," the "Trustor," the "Maker," the "Debtor," the "Owner," the "Assignor," the "Borrower" or otherwise, pursuant to the Original Loan Documents, as modified by the Additional Loan Extension documents, accruing from and after the Effective Date, including, without limitation, the restrictions concerning the operation of the Development and the leasing of apartment units therein. The Purchaser's agreement to pay, perform, be bound by and comply with, all of the indebtedness, obligations, liabilities, covenants, agreements, conditions, representations, warranties, restrictions and limitations referred to above shall have the same force and effect as though the Purchaser had executed and delivered the Original Loan Documents as the "Principal," the "Developer," the "Grantor," the "Trustor," the "Maker," the "Debtor," the "Owner," the "Assignor," the "Borrower" or otherwise thereunder, as modified by the Additional Loan Extension documents, as of the Effective Date. Subject to the provisions of Section 16 hereof, the Purchaser hereby assumes all indebtedness, liabilities and other obligations of the Seller under the Original Loan Documents, as modified by the Additional Loan Extension documents, and agrees to comply with and be bound by, all the covenants, agreements, conditions, representations, warranties, restrictions and limitations contained in the Original Loan Documents, as modified by the Additional Loan Extension documents. Lender acknowledges that any documentation necessary to evidence the assignment by Seller and the assumption by Purchaser of the Original Loan will need to be in place on or before closing of the Bond Financing, and Purchaser, Seller and Lender shall cooperate to execute such documents as are necessary to evidence Seller's assignment and Purchaser's assumption of the Original Loan so that the documents are in place upon closing of the Bond Financing. The Chairperson of the Board of County Commissioners is authorized to execute such documentation without further action of the Board of County Commissioners, provided that the form of such has been approved by the County Attorney's Office.

Section 4. Release of One-Acre Tract; Conditional Release of Two-Acre Tract.

(a) Lender hereby releases the One-Acre Tract from the lien of the Mortgage and any other Original Loan Documents, and agrees to execute such documentation for recordation in the Public Records of Palm Beach County, Florida, as is necessary to effectuate such release.

The Chairperson of the Board of County Commissioners is authorized to execute such documentation without further action of the Board of County Commissioners, provided that the form of such has been approved by the County Attorney's Office.

(b) In the event Seller repurchases the Two-Acre Tract from Purchaser pursuant to the Option Agreement (or retains the Two-Acre Tract in connection with the sale of the Development to the Purchaser pursuant to the Purchase Agreement), and agrees to construct on such Two-Acre Tract certain residences, a portion of which will be reserved for workforce housing under the Workforce Housing Ordinance, Lender shall release the Two-Acre Tract from the lien of the Original Mortgage and any other Original Loan Documents, and agrees to execute such documentation for recordation in the Public Records of Palm Beach County, Florida, as is necessary to effectuate such release. The Chairperson of the Board of County Commissioners is authorized to execute such documentation without further action of the Board of County Commissioners, provided that the form of such has been approved by the County Attorney's Office.

Section 5. Release of Seller. Lender hereby releases the Seller from all indebtedness, obligation, liabilities, covenants, agreements, conditions, restrictions and limitations pursuant to the Original Loan Documents, accruing on and after the Effective Date which arise from events, actions or omissions which occur on and after the Effective Date. The Seller acknowledges and agrees that it shall remain liable for all of its obligations under the Original Loan Documents which accrued prior to the Effective Date or which arise from events, actions or omissions which occurred before the Effective Date.

Section 6. Conditional Approval of Additional Loan Extension; Subordination of Original Loan.

(a) Lender hereby approves the Additional Loan Extension, which approval is expressly contingent upon the following events occurring: (i) Purchaser purchasing the Development from Seller (other than the One-Acre Tract and, if applicable, the Two-Acre Tract), (ii) Purchaser and Lender entering into an agreement (to be effective on the Effective Date) to extend the affordability restrictions placed on the Development (as such affordability restrictions are set forth in the Original Loan Documents), with such affordability restrictions terminating simultaneously with the repayment of the Original Loan, and (iii) Purchaser closing on the Bond Financing. Lender acknowledges that the Additional Loan Extension documentation will need to be in place on or before closing of the Bond Financing, and Purchaser and Lender shall cooperate to execute such documents as are required to evidence the Additional Loan Extension so that the documents are in place upon closing of the Bond Financing. The Chairperson of the Board of County Commissioners is authorized to execute such documentation without further action of the Board of County Commissioners, provided that the form of such has been approved by the County Attorney's Office.

(b) Lender hereby agrees to execute such documentation as may be required by Florida Housing Finance Corporation to subordinate the Original Loan to the Bond Financing and, if necessary, the SAIL Loan. The Chairperson of the Board of County Commissioners is authorized to execute such documentation without further action of the Board of County Commissioners, provided that the form of such has been approved by the County Attorney's Office.

Section 7. Representations and Warranties of Seller. The Seller hereby represents and warrants, as of the date hereof, to the Purchaser and the Lender as follows:

(a) The Seller (i) is a limited partnership, duly organized and validly existing, (ii) is in good standing under the laws of the State of Florida, and (iii) has all requisite power and authority to enter into this Agreement and perform its obligations hereunder.

(b) The Original Loan Documents are in full force and effect, and no material breaches, defaults or defenses have been asserted in writing to Seller.

(c) The execution and delivery by the Seller of this Agreement, and the compliance by the Seller with all of the provisions hereof and of the Original Loan Documents (i) are within the power of the Seller, (ii) will not conflict with or result in any breach of any of the provisions of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property of the Seller under the provisions of, Seller's governing documents or any other agreement or instrument to which the Seller is a party or by which it may be bound, or any license, judgment, decree, law, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Seller or any of its activities or properties, and (iii) have been duly authorized by all necessary partnership, corporate or partner action on the part of the Seller.

Section 8. Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants, as of the date hereof, to the Seller and the Lender as follows:

(a) Executed counterparts or photocopies of executed counterparts of all of the Original Loan Documents have been received and reviewed by the Purchaser and its counsel. The Purchaser is knowledgeable about the Development and has made an independent investigation of all facts and circumstances deemed relevant to it in connection with the acquisition of the Development and the assumption of the Original Loan (as modified by the Original Loan Extension) and has reviewed and is familiar with all of the terms, provisions and conditions of the Original Loan Documents and all of the obligations thereunder which have been assumed in their entirety by the Purchaser under this Agreement, as modified by the Additional Loan Extension documents.

(b) The Purchaser has obtained all consents, authorizations and approvals from all governmental agencies and other authorities necessary for its acquisition of the Development.

(c) The Purchaser represents to the Lender that:

(i) it is a limited partnership duly organized under the laws of the State of Florida, is validly existing and in good standing under the laws of the State of Florida, has all requisite power and authority to enter into this Agreement and perform its obligations hereunder, and has (or will timely obtain) all abilities and necessary licenses and permits to own and operate its properties and to carry on its

business as now conducted, including, without limitation, its acting as owner of the Development;

(ii) it has full power, authority and legal right to enter into, execute and deliver this Agreement and to assume the obligations under the Original Loan Documents, and to execute and perform the obligations under the Original Loan Documents, as modified by the Additional Loan Extension documents, and to engage in the transactions contemplated thereby;

(iii) it has the creditworthiness and the management ability to operate the Development in the manner contemplated by the Original Loan Documents, as modified by the Additional Loan Extension documents;

(iv) approval of this transfer and the Additional Loan Extension by the Lender will not impair the security for repayment of the Original Loan (as modified by the Original Loan Extension and the Additional Loan Extension) and the performance of the obligations thereunder, nor will approval impair the ability of the Lender to enforce its rights, remedies and recourses with respect to such security;

(v) the correct legal name of the Purchaser is BOYNTON BAY, LTD., and it has been properly organized under the laws of the State of Florida, and is in good standing in the State of Florida as of the date hereof; and

(vi) any balance sheets and financial information of the Purchaser delivered to the Lender prior to or simultaneously with the execution of this Agreement fairly present the financial condition of the Purchaser, the results of operation of the business described therein as of the respective dates and for the periods of said balance sheets or financial statements. Said financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, in the various statements throughout the periods involved, and show all known material liabilities and unusual commitments. Since the date of the most recent financial statement, there has been no adverse material change in the financial condition of the Purchaser. All other information submitted by the Purchaser or any related entity, or on behalf of the Purchaser, to the Lender in support of the Purchaser's request for the Lender's consent to the Purchaser's purchase of the Development and in connection with the Purchaser's request to renegotiate the terms of the Original Loan is true and correct in all material respects as of the date of this Agreement and no material adverse change has occurred.

Section 9. Representations and Warranties of the Lender. Lender hereby represents and warrants, as of the date hereof, as follows:

(a) Each of the Original Loan Documents to which the Lender is a party has not, to the knowledge of the Lender without inquiry, been altered, supplemented, assigned,

modified or amended in any respect except as specifically described in Exhibit "B" attached hereto.

(b) Lender has full power, authority and legal right to enter into, execute and deliver any documentation required to be executed by it in connection with the release of the One-Acre Tract, and, if applicable, the Two-Acre Tract, and any documentation required to be executed by it in connection with the assignment and assumption of the Original Loan (as modified by the Original Loan Extension), the Additional Loan Extension and the subordination of the Original Loan to the Bond Financing and, if applicable, the SAIL Loan;

(d) To the Lender's knowledge without inquiry, there exists no pending or threatened action, suit, proceeding or investigation (and the Lender is not aware of any basis therefore) in any way related to or affecting the Original Loan Documents in any court or before any arbitrator of any kind or before or by any federal, state or local governmental entity, agency, bureau or other body.

Section 10. Assumption of Fees, Costs, Etc. The Purchaser acknowledges that from and after the Effective Date, the Purchaser will be responsible for the payment of all fees, costs and payments due in accordance with the Original Loan Documents, as modified by the Additional Loan Extension documents, including, without limitation, all fees due and payable to the Lender.

Section 11. Authorization by the Lender. Based upon the representations, warranties and agreements set forth herein, and in material reliance thereon by the Lender, the Lender has authorized the execution of this Agreement and hereby consents to the transfer of the Development to the Purchaser, and such other matters as described in this Agreement. By executing this Agreement, the Lender acknowledges that all conditions necessary for the approval by the Lender of the transfer have been satisfied.

Section 12. Authority. The signatories to this Agreement represent that they have the requisite capacity and authority to execute this Agreement and to assume the obligations referenced herein.

Section 13. Notices. Any notices regarding this Agreement or the underlying Original Loan Documents, as modified by the Additional Loan Extension documents, as the case may be, will be provided to:

Seller: The Hamlet, Ltd.
 1301 S.W. 10th Ave. Bldg. J
 Delray Beach, FL 33444
 Tele: (561) 278-0053
 Fax: (561) 276-7002
 Email: Tom@fahi.net

Purchaser: Boynnton Bay, Ltd.
 1301 S.W. 10th Ave. Bldg. J
 Delray Beach, FL 33444

Tele: (561) 278-0053
Fax: (561) 276-7002
Email: Tom@fahi.net

with a copy to: Broad and Cassel
390 N. Orange Avenue, Suite 1400
Orlando, Florida 32801
Attention: Randal M. Alligood, P.A.
Tele: (407) 839-4200
FAX: (407) 650-0914

Lender: Palm Beach County
Housing and Community Development
160 Australian Avenue, Suite 500
West Palm Beach, Florida 33406
Attention: Director of Housing and Community Development
FAX: (561) 233-3651

with a copy to: Palm Beach County Attorney's Office
301 North Olive Avenue, Suite 601
West Palm Beach, Florida 33401
Attention: Tammy K. Fields, Sr. Assistant County Attorney
Tele: (561) 355-2592
FAX: (561) 355-4398

Any party may change said address by giving the other parties hereto written notice of such change of address in accordance with the foregoing provisions.

Section 14. Non-Recourse Provisions. Notwithstanding anything contained herein to the contrary, Purchaser's assumption of the Original Loan Documents, as effected hereby, is expressly made subject to all exculpatory and non-recourse provisions contained in the Original Loan Documents, as modified by the Additional Loan Extension documents, which provisions shall also be deemed incorporated herein and shall apply to and cover the representations, warranties, covenants and agreements of the Seller and the Purchaser set forth in this Agreement.

Section 15. Further Assurances. The parties hereto hereby agree to execute and deliver, record and file, at any time and from time to time such additional documents, instruments and agreements deemed necessary or desirable for more fully amending and supplementing the Original Loan Documents to reflect the assignment and assumption of the obligations, indebtedness duties and liabilities thereunder and consistent with the provisions of this Agreement and the Original Loan Documents, as modified.

Section 16. Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and the other parties to the Original Loan Documents, as modified by the Additional Loan Extension documents, and their respective successors and permitted assigns.

Section 17. Counterparts. This Agreement may be executed in multiple counterparts, and all counterparts together shall be construed as one document.

Section 18. Governing Law. The law governing this Agreement shall be the same law which governs the individual Original Loan Documents being assumed hereunder.

Section 19. Severability. If any covenant, condition, term, or provision contained in this Agreement is held to be invalid by final judgment of any court of competent jurisdiction, the invalidity of such covenant, condition, term, or provision shall not in any way affect any other covenant, condition, term, or provision contained in this Agreement.

[COUNTERPART SIGNATURE PAGES TO FOLLOW]

COUNTERPART SIGNATURE PAGE FOR
ASSIGNMENT AND ASSUMPTION AGREEMENT

(Boynton Bay Apartments)

IN WITNESS WHEREOF, the Purchaser, the Seller and the Lender have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

PURCHASER:

WITNESSES:

BOYNTON BAY, LTD., a Florida limited partnership

By: Boynton Bay GP, LLC, a Florida limited liability company, as general partner

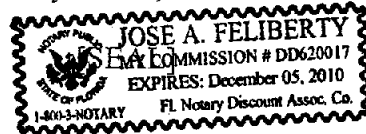
Eric Weiner
Print: Eric Weiner

By: *Tom Hinners*
Name: Thomas Hinners
Title: CEO

Carol Gibson
Print: Carol Gibson

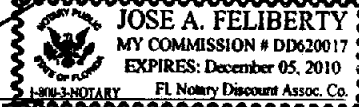
Address: 1301 S.W. 10th Ave. Bldg. J
Delray Beach, FL 33444

STATE OF Florida
COUNTY OF Palm Beach



The foregoing instrument was acknowledged before me this 24 day of July, 2007 by Tom Hinners as CEO of BOYNTON BAY GP, LLC, a Florida limited liability company, the general partner of BOYNTON BAY, LTD., a Florida limited partnership, on behalf of the limited liability company and the limited partnership. Said person is personally known to me or has produced a valid driver's license as identification.

Jose A. Feliberty
Notary Public; State of Florida
Print Name: Jose A. Feliberty
My Commission Expires: 12/5/2010
My Commission No.: DD620017
My Commission No.:



COUNTERPART SIGNATURE PAGE FOR
ASSIGNMENT AND ASSUMPTION AGREEMENT

(Boynton Bay Apartments)

IN WITNESS WHEREOF, the Purchaser, the Seller and the Lender have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

SELLER:

WITNESSES:

THE HAMLET, LTD., a Florida limited partnership

By: The Hamlet Joint Venture, its general partner

Eric Weiner
Print: Eric Weiner
Carol Gibson
Print: CAROL GIBSON

By: Tom Hinners
Print: THOMAS HINNERS
Title: CEO

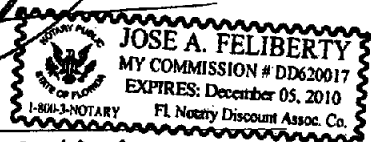
Address: 1301 S.W. 10th Ave. Bldg. J
Delray Beach, FL 33444

[CORPORATE SEAL]

STATE OF FLORIDA
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 24 day of JULY, 2007, by TOM HINNERS, as CEO of THE HAMLET JOINT VENTURE, the general partner of THE HAMLET, LTD., a Florida limited partnership, on behalf of the joint venture and the limited partnership. Said person is personally known to me or has produced a valid driver's license as identification.

Jose A. Feliberty
Notary Public; State of FLORIDA
Print Name: Jose A. Feliberty
My Commission Expires: DD620017 12/5/2010
My Commission No.: DD620017



**COUNTERPART SIGNATURE PAGE FOR
ASSIGNMENT AND ASSUMPTION AGREEMENT**

(Boynton Bay Apartments)

IN WITNESS WHEREOF, the Purchaser, the Seller and the Lender have caused this Agreement to be executed and delivered on their behalf by their duly authorized representatives as of the date first set forth above.

LENDER:

ATTEST:

PALM BEACH COUNTY, a political
subdivision of the State of Florida

SHARON R. BOCK, Clerk and Comptroller

By: _____
Addie L. Greene, Chairperson

Deputy Clerk

(COUNTY SEAL)

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:

APPROVED AS TO TERMS AND
CONDITIONS:

Tammy K. Fields
Senior Assistant County Attorney



Department Director

Address: 160 Australian Avenue, Suite 500
West Palm Beach, Florida 33406

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT "B"

ORIGINAL LOAN DOCUMENTS

1. Original Mortgage, as amended by a Mortgage and Note Modification Agreement dated August 20, 1996.
2. Original Note, as amended by a Mortgage and Note Modification Agreement dated August 20, 1996.

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

R-90
H/P 3-0 E/P-000

Consent () Regular Ordinance () Public Hearing ()

1. EXECUTIVE BRIEF

Request Submitted By: Department of Community Services/
Housing & Community Development

Motion and Title: Staff Recommends Motion to Approve: An agreement to lend upto \$1,000,000 to The Hamlet Ltd. from the Palm Beach County Housing Trust Fund to create 240 rental apartments on 23.8 acres in the northeast quadrant of the City of Boynton Beach as proposed by "Hamlet Ltd.". SUMMARY: Palm Beach County is to lend upto \$1,000,000 to The Hamlet Ltd. for hard costs of construction on the same terms and conditions as utilized by the State's SAIL Loan Program.

1. 9% stated interest rate, with 3% interest only payments for 15 years, with the 6% balance reduced to 1.5% in return for a land use restriction agreement specifying 95% low-income set aside for 15 years and at least 40% set aside in perpetuity;
2. Principal plus the 1.5% deferred interest payable after 15 years;
3. Rents restricted to rents affordable by HUD standards to households earning less than 60% of the yearly median income for Palm Beach County, adjusted for household size;
4. Corresponding income limits for 95% of the tenants at the time they initially rent at The Hamlet, with no restrictions on their income after initial tenancy; (HCD) (TF)

Background and Justification: Policy 1-C of the Housing Element of the Comprehensive Plan of Palm Beach County encourages public/private partnerships to improve co-operation among participants involved in housing production to enhance feasibility of producing and delivering specific projects. The Board of County Commissioners has established a revolving Housing Trust Fund to participate in affordable housing. \$1,000,000 from said Housing Trust Fund is requested to be contributed during FY 90/91. Hamlet Ltd., private partnership of Delray Beach, Florida are proposing to produce 240 rental apartment units on a 23.8 acre parcel in the northeast quadrant of the City of Boynton Beach with a development cost of \$13,270,000.

A qualified financial institution acceptable to the County will be committed to the first mortgage loan of \$4,700,000.

This project contains: 60 1 BR units at \$390.00 per month
 132 2 BR units at \$470.00 per month
 48 3 BR units at \$540.00 per month

Attachments:

- A. Agreement
- B. Income limits for West Palm Beach, Boca Raton, Delray, FL
- C. Map showing site of Hamlet
- D. School Board Comments
- E. Project Appraisal (Available County Attorney's Office)

Recommended by: William P. Watson 10/16/90
 Department Director Date

Reviewed by: Marcus Seltch 10/17/90
 OFMB Signature Date

Legal Sufficiency: Jimmy Phillips 10/18/90
 County Attorney Date

Approved by: William E. Hill 10/18/90
 Assistant County Administrator Date

Ref: AISSAIL2

BOOK 0933 PAGE 270

R90 1842 D

RECORDER'S MEMO: Legibility of Writing, Typing or Printing unsatisfactory in this document when received.

P-ES-1

II. FISCAL IMPACT ANALYSIS

Five Year Summary of Fiscal Impact:

Fiscal Years	1991	1992	1993	1994	1995
Capital Expenditures	1,000,000	-0-	-0-	-0-	-0-
Operating Costs					
Operating Revenues					
Is Item Included in Current Budget?				Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Budget Account No.:	Fund 001	Agency 740	Org. 7160	Object 8201	Reporting Category

Recommended Sources of Funds/Summary of Fiscal Impact:

Upon approval of this agenda item one million (\$1,000,000) will be appropriated to Hamlet Ltd. to create 240 rental apartments on 23.8 acres in the northeast quadrant of Boynton Beach from the 90-91 budget. Source of funds will come from the Housing Trust account, established for affordable housing within the county.

III. Review Comments:

OFMB Comments

Fiscal: Refer to Page 3 for OFMB comments.

Contract Administration:

This agreement complies with our contract requirements. See page 3 for further discussion.

PREM: Real Estate Transactions Only:

OTHER:

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

RECORDER'S MEMO: Legibility of Writing, Typing or Printing unsatisfactory in this document when received.

Revised 9/89
REF: AISSAIL2

BOOK C933 PAGE 271

R90 1842 D

OFMB Comments on Hamlet.

The original Hamlet proposal brought to the Board of County Commissioners for consideration called for 75% of the units to be reserved for low income tenants. This set aside of 75% was to continue in perpetuity. Subsequently, during the review process for the SAIL loan, the Florida Housing Finance Agency (FHFA) authorized a revision in the set aside requirements in their agreement which allowed 95% of the units to be reserved for low income tenants during the first 15 years of the project, and 40% in perpetuity after that 15 year period. According to the FHFA this change was approved to improve potential project cash flow and to make the project more feasible to potential equity investors. Over the life of the project, this change could result in a significant reduction in the number of low income housing units that will be made available.

The set aside could remain at 95% after 15 years, depending upon a possible sale of the project at the end of the first 15 years under the low income Tax Credit Law.

When this item first came before the Board of County Commissioners, staff indicated that we would endeavor to negotiate with the state to hold a co-second mortgage position rather than a third mortgage. This request was denied. Attached exhibit F is a letter from the Florida Housing Finance Agency denying the County's request to participate as a co-second with the SAIL Loan. In lieu of holding a co-second position our agreement now allows the County's loan to be drawn after the Bank and SAIL loans have been disbursed, and after a determination has been made that sufficient equity and County funds are committed to complete the project.

R90 18420

CONSTRUCTION LOAN AGREEMENT

THIS AGREEMENT, dated as of this 23 day of October, 1990, by and between The Hamlet, Ltd., a Florida limited partnership, ("Borrower"), R.C. Boos, Inc./Felner Construction, Inc., a Joint Venture ("Contractor") and Palm Beach County, a political subdivision of the State of Florida, (the "County").

1. RECITALS.

(a) Borrower is the Owner of certain real property (the "Land") situated in Palm Beach County, Florida, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

(b) Borrower has applied to the County for a third mortgage loan in the principal amount of \$1,000,000.00 (the "Loan") to be used by Borrower to finance Hard Costs only, for construction of improvements (the "Improvements") upon the Land in accordance with certain plans and specifications reviewed and initialed by the County (the Improvements and Land, collectively, the "Premises").

(c) Home Savings Bank, F.S.B., 1720 Harrison Street, Hollywood, Florida 33020, has agreed to finance \$4,700,000.00 of the construction of the Improvements (the "First Proceeds") pursuant to a separate construction loan to Borrower, secured by a separate mortgage, encumbering the Land (the "First Mortgage").

(d) Florida Housing Finance Agency, 2740 Centerview Drive, Tallahassee, Florida 32399-2100, under the State Apartment Incentive Loan program ("SAIL"), has agreed to finance \$2,655,000 of the construction of the Improvements (the "Second Proceeds") pursuant to a separate loan to Borrower, secured by a separate mortgage, encumbering the Land (the "Second Mortgage"), which loan will be serviced and monitored by First Housing Development Corporation as agent for Florida Housing Finance Agency.

(e) Upon satisfaction of all funding requirements as stated herein, Borrower desires the County to fund Loan proceeds to Contractor.

(f) Borrower and the County have negotiated the terms and conditions of, and wish to enter into, this Agreement in order to set forth the terms and conditions of the disbursement of the Loan.

NOW, THEREFORE, in consideration of the Premises, and of the mutual covenants and agreements set forth below, Borrower and the County agree as follows:

2. DEFINITIONS. As used in this Agreement the terms listed below shall have the following meanings unless otherwise required by the context:

(a) Disbursement: A disbursement by the County of a portion of the proceeds of the Loan to Home Savings Bank on behalf of Borrower to provide funds for the payment of Hard Costs supported by paid invoices or current bills.

(b) Assignment of Leases, Rents and Contract Rights: A Collateral Assignment of Leases, Rents and Contract Rights of even date herewith from Borrower assigning to the County all of its right, title and interest in and to all agreements for the leasing of the Premises or any part thereof, if any, and all rents, issues and profits derived or to be derived from the Premises, subject to the rights of the First Mortgage.

(c) Assignment of Permits, Agreements, Approvals, Fees and Deposits: An Assignment of Permits, Agreements, Approvals, Fees and Deposits of even date herewith from Borrower assigning to the County all contract rights, sewer tap rights, utility commitments, licenses and agreements pertaining directly or indirectly to the Land and the development thereof, subject to the rights of the First Mortgage and the Second Mortgage.

(d) Primary Construction Loan Agreement: The agreement between R.C. Boos, Inc./Felner Construction, Inc., a Joint Venture ("Contractor") and Home Savings Bank setting forth the requirements for and terms of disbursing the Primary Proceeds.

(e) Total Project Cost: "Hard Costs" are defined as the actual cost of labor, materials, demolition, land improvements, utility installation, and other work to be

performed and costs to be incurred in connection with the construction and completion of the Improvements in accordance with the Standard Form of Agreement between Owner and Contractor set forth in Exhibit C, the Final Plans and this Agreement, not to exceed the \$9,976,000 total in the "Allocated Hard Costs Funding" schedule attached hereto as Exhibit B, Page 1. The actual cost of "Hard Costs" shall be further broken down in the "Contractor's Cost Breakdown" to be received and approved by the County prior to the first Disbursement (sometimes called the "Breakdown of Costs"). "Soft Costs" are defined as the cost items specified as such in the attached Exhibit B, Page 3.

(f) Final Plans: The plans and specifications for the construction of the Improvements as prepared by the Contractor and reviewed and initialed by the County prior to the first Disbursement and all amendments and modifications thereto as approved by the County.

(g) General Contract: The general construction contract between Borrower and Contractor for construction of the Improvements. The general contract shall be for a fixed guaranteed price of \$9,976,000.

(h) Improvements: All work accomplished on the Land in accordance with the Final Plans, which shall consist of 240 multi-family 1, 2 and 3 bedroom units, a child care center for up to 150 children, a recreation building, administration building, laundry building and guardhouse.

(i) Inspector: The inspector employed by the County and any successor inspecting engineer or architect appointed or employed by the County from time to time in its sole discretion, shall inspect and review requests for Disbursement for County Financial Management (OFMB), and prepare quarterly status reports for the County Engineer. The costs of the inspector shall be paid by the Borrower as a Soft Cost.

(j) Mortgage: Mortgage and Security Agreement from Borrower to the County, securing Note in the amount of \$1,000,000.00 and which is a valid third mortgage lien on the Land, the Premises and all Improvements, fixtures and personal property owned by Borrower to be located on or used in connection with the Land.

(k) Note: Promissory Note of even date herewith from Borrower to the order of the County in the principal amount of \$1,000,000.00 evidencing the Loan.

(l) Premises: The Land and all Improvements, fixtures and personal property now or hereafter located on the Land.

(m) Title Company: Sun Title and Abstract Co. or a title insurance company accepted by the County in writing.

(n) Use of Proceeds: Borrower is obligated to utilize the proceeds of the Loan committed for completion of the construction on the Premises.

(o) Terms Defined in Regulations: Any term defined in Rule 9I-28.002 of the regulations of the Florida Housing Finance Agency not otherwise defined in this Agreement shall have the meaning set forth in said Rule.

3. THE LOAN. The County shall make the Loan to Borrower in an amount equal to the sum of the Construction Cost shown on the Use of Proceeds, but not to exceed the defined amount of the Loan, in Disbursements, upon the terms and conditions set forth herein, and Borrower shall take the Loan and expressly agrees to comply with and perform all of the terms and conditions of this Agreement, the Note, and the Mortgage and the Loan Documents evidencing and securing the Loan. The Loan shall be evidenced by the Note and secured by the Mortgage and other Loan Documents as provided.

4. CONSTRUCTION OF IMPROVEMENTS.

(a) Commencement and Completion. Borrower shall cause construction of the Improvements to begin on or before December 15, 1990, and cause such construction to be prosecuted with diligence and dispatch so that the Improvements, including, but not limited to, main buildings, parking, paving, landscaping, city water and sewer lines and electrical lines are erected on the Land fully complete in accordance with the Final Plans and ready for occupancy on or before April 1, 1992, free and clear of all liens or claims for materials, labor, services, or other items furnished in the construction of the Improvements, and in full compliance with all building, zoning and other applicable local, state and federal ordinances and regulations. Completion shall be evidenced by issuance of a Certificate of Occupancy on all of the Improvements by the governmental authorities having jurisdiction. A complete set of the Final Plans shall have been delivered to the County, prior to beginning any work on the Improvements.

(b) Compliance with and Changes to the Final Plans. All changes in the Final Plans, including without limitation change orders under the General Contract, must be requested in writing by Borrower and shall be conditioned upon the written consent of the County, which consent may be subject to such conditions and qualifications as the County in its sole discretion may prescribe, it being understood that the County at all times shall have the right to require compliance with the original Final Plans, except where modified as herein provided.

(c) Right of the County to Inspect. The County, Inspector, and any other agent or representative of the County shall have the right to enter the Premises for the purpose of inspection of the construction and the Improvements thereon and Inspector shall provide the County with periodic written reports at Borrower's expense. Borrower shall cause the Contractor and all subcontractors to cooperate with the County, Inspector, and such agents and representatives in the exercise of their rights and performance of their duties hereunder. This provision shall not impose on the County any obligation to inspect or to correct any defects discovered or to notify any person with respect thereto.

(d) Right to Audit. The Borrower shall maintain adequate records to justify all charges, expenses and costs incurred for completion of the project for at least three (3) years after completion. The County shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the Borrower's place of business.

5. CONDITIONS TO THE EXECUTION OF THIS AGREEMENT BY THE COUNTY. The conditions listed below are a condition precedent to the County's execution hereof and shall be complied with in form and substance satisfactory to the County prior to the County's execution hereof:

(a) Title Insurance: Borrower shall deliver the County an original policy of title insurance issued by the Title Company, in an amount equal to the principal amount of the Note, which title insurance policy (i) shall insure the County against loss of damage on account of mechanics liens upon the Premises (ii) shall insure that the Mortgage is a valid third lien on the Premises at the time of each disbursement, (iii) shall insure that title to the Land is good and marketable and free and clear of all liens, encumbrances, easements, exceptions, reservations and restrictions except for those approved by the County, and (iv) shall provide that upon completion of the foundation of the building or buildings the policy of title insurance shall include the following affirmative coverage;

"Survey prepared by O'Brien, Suiter & O'Brien, dated August 3, 1990, a copy of which is attached, shows buildings located on the subject property which do not encroach upon any building setback lines. This policy insures against any loss or damage by reason of said building not being wholly located on the subject property or wholly within the applicable building setback requirements imposed by the local governing body," and

(b) Survey: Borrower shall deliver to the County a current survey prepared by a surveyor acceptable to the County of the Premises showing the following:

(i) the location of the perimeter of the Land by courses and distances and perimeter footings in place, and by reference to Township, Range, Section;

(ii) the location of and the identification by reference to recording data of all easements, rights-of-way, conditions and restrictions on or appurtenant to the Premises;

(iii) the location of all building setback lines;

(iv) the lines of the streets abutting the Premises and the width thereof;

(v) all encroachments, and the extent thereof in feet and inches upon the Premises;

(vi) the Improvements, to the extent constructed, and the relation of the Improvements by distances to the perimeter of the Premises, the building setback lines and the street lines;

(vii) if the Premises are described as being on a filed map, a legend relating the plat of survey to such map;

(viii) flood zone certification; and

(ix) any other requirements requested by the County.

(c) Contracts: Borrower shall deliver to the County an executed copy of the General Contract which General Contract shall specify a guaranteed fixed price for all the Improvements and, if requested, executed copies of the Contractor's contracts with all subcontractors for the construction of the Improvements, and any amendments or change orders thereto;

(d) Contractor's Agreement: A contractor's agreement in the form of Exhibit "C" attached hereto shall be executed and delivered to the County whereby Contractor agrees that, in the event of default by Borrower under the terms of this Agreement or the Loan documents, Contractor will, at the request of the County, continue performance pursuant to the General Contract until completion of construction of the Improvements, provided Contractor is paid for all necessary labor, materials and equipment furnished in accordance with the General Contract;

(e) Title Company's Agreement: An agreement by the Title Company in the form of Exhibit "D" attached hereto shall be executed and delivered to the County;

(f) Assignment of Construction Contract: Borrower has delivered to the County the Assignment of Construction Contract executed by Contractor and in the form attached hereto as Exhibit "E".

(g) Note: The Note shall be duly authorized, executed and delivered to the County;

(h) Mortgage: The Mortgage shall be duly authorized, executed, acknowledged, delivered to the County, and recorded, which shall be a valid third mortgage lien on the Premises and on all fixtures and personal property owned by Borrower to be used in connection with the Improvements, and which shall become a valid third mortgage lien upon the execution by Borrower of the First and Second Mortgage;

(i) Assignments: The Assignment of Leases, Rents and Contract Rights and the Assignment of Permits, Agreements, Approvals and Deposits shall be duly authorized, executed, acknowledged, and delivered to the County;

(j) Mortgagor's Affidavit: An affidavit of Borrower shall be executed and delivered to the County certifying that no liens exist on the Premises for taxes not yet due and payable and that no other parties are entitled to possession except as otherwise provided herein.

(k) Public Requirements: Borrower shall deliver to the County:

(i) letters from local utility companies or municipal authorities stating that electricity, gas, telephone, sewer and water facilities will be available to the Premises upon the completion of the Improvements,

(ii) a letter from the appropriate Zoning Department certifying as to compliance with all zoning and land use regulations including but not limited to compliance with parking requirements, a copy of the applicable zoning ordinances certified by an appropriate official to be a complete and accurate statement thereof, and an up-to-date zoning map similarly certified,

(iii) evidence satisfactory to the County that all roads necessary for the full utilization of the Improvements for their intended purposes have either been acquired by the appropriate governmental authorities or have been dedicated to public use and accepted by such governmental authorities and that all necessary steps have been taken by Borrower and such governmental authorities to assure the complete construction and installation thereof,

(iv) copies of subdivision plats, restrictive covenants, plans of developments, and all other documents required by the local zoning and subdivision ordinances, and such other documents required by and satisfactory to the County; and evidence satisfactory to the County and its counsel that the Final Plans conform to all federal, state, and local laws, ordinances, rules and regulations, including, but not limited to, laws of the State of Florida regulating air and water pollution and land use,

(v) copies of all necessary approvals from appropriate environmental protection agencies, and

(vi) satisfactory soil test report;

(l) Corporate and Partnership Documents: Borrower shall deliver to the County the following documents:

(i) The Certificate of Limited Partnership of the Borrower and all amendments thereof, certified by the appropriate official of the State where filed.

(ii) The certificate of incorporation of the Borrower's General Partner and all amendments thereof, certified by the appropriate official of the State of its incorporation, together with a certificate of such official to the effect that such corporation is in good standing therein,

(iii) a good standing certificate of Borrower's General Partner and Contractor from the Secretary of the State of Florida,

(iv) articles of incorporation and by-laws of Borrower's General Partners and Contractor certified by the Secretary of such corporations,

(v) incumbency certificates specifying by name and title the officers and directors of the Borrower's General Partners and Contractor, certified by the Secretary of such corporations, and

(vi) certified resolutions of the members of the corporation and the Board of Directors of Borrower's General partners and Contractor authorizing the execution and delivery of this Agreement, the Mortgage, Note and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement;

(m) Flood Insurance: Borrower shall deliver to the County evidence satisfactory to the County either that the Premises are not within a hazardous flood area as designated by the Department of Housing and Urban Development and any other governmental authority, or if the Premises are within such a hazardous area, that the Premises are covered by flood insurance supplied by the Federal Insurance Administration to the maximum amount available, all as provided in the Flood Disaster Protection Act of 1973, as amended, together with appropriate endorsements thereto providing for the County's interests in the same manner as the Builder's Risk Insurance, including without limitation that such insurance will not be cancelled without 30 days notice to the County. Borrower agrees that the County shall have the right to take any action necessary to continue said insurance in full force and effect including, but not limited to, paying premiums. Any funds disbursed to continue said policies in full force and effect shall be considered as Disbursements hereunder and shall bear interest from the date of disbursement at the same rate as other Disbursements and payment of said funds and interest shall be secured by the Mortgage. Satisfactory evidence of flood area designation shall be a certification from the Surveyor appearing on the survey drawing;

(n) Opinion of Borrower's Counsel: Prior to execution hereof, Borrower shall deliver to the County an opinion of counsel for Borrower and addressed to the County, such counsel to be reasonably satisfactory to the County, to the effect that:

(i) this agreement and all instruments and documents required to be delivered hereunder have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms, subject to any applicable

bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the right of creditors generally,

(ii) that Borrower is a limited partnership in good standing under the laws of the State of Florida and has all the necessary power and authority to undertake its obligations hereunder,

(iii) that Borrower is in compliance with all laws, regulations, ordinances and orders of all governmental authorities, including, but not limited to, if applicable, the Interstate Land Sales Full Disclosure Act, all applicable federal and state securities laws, and all laws of the State of Florida, applicable to the type of developments contemplated hereunder,

(iv) that the proposed construction of the Improvements and proposed use of the Premises comply with all applicable zoning and building laws and regulations, and all other applicable federal, state and local laws, ordinances and regulations, and that all permits and approvals required by all governmental agencies regulating air and water pollution have been obtained, and Florida Statute Chapter 380 pertaining to Development of Regional Impact (including the Aggregation Rule) as it relates to the Premises is not applicable,

(v) that there is no charter, partnership agreement or bylaw of Borrower and no provision of any existing mortgage, indenture, contract or agreement known to such counsel binding on Borrower or affecting its property which would conflict with or in any way prevent the execution, delivery and carrying out of the terms of this Agreement,

(vi) that to counsel's knowledge there are no proceedings pending or threatened before any court or administrative agency which will materially adversely affect the financial condition or operation of Borrower or the Premises, including but not limited to bankruptcy, reorganization or insolvency proceeding or any other debtor-creditor proceedings under the Bankruptcy Code or any similar statute, nor to counsel's knowledge are there any finance circumstances within counsel's knowledge which could lead to such proceedings,

(vii) that the lien of the Mortgage is a valid third lien on the Premises and the security interests described in the mortgage are good and valid security interests subject to any purchase money security interests, and the liens in favor of First Mortgage and Second Mortgage,

(viii) that the Note and the interest provided for therein does not violate any usury or other laws of the State of Florida, and

(ix) such other matters as the County may reasonable require;

(o) Expenses: Borrower shall have paid all those fees and charges due and payable or ordered paid by the County as provided herein under Paragraph 11 of this Agreement entitled Expenses;

(p) Easements and Parking Agreements: All necessary drainage and ingress/egress easements and cross parking agreements which have been approved in writing by the County shall have been executed and recorded prior to recordation of the County's Mortgage;

(q) Public Liability and Worker's Compensation Insurance: Borrower shall deliver evidence satisfactory to the County of the existence of public liability and worker's compensation insurance relating to the Premises in amounts and issued by companies approved by the County; Borrower agrees that the County shall have the right to take any action necessary to continue said insurance in full force and effect including, but not limited to, paying premiums. Any funds disbursed to continue said policies in full force and effect shall be considered as Disbursements hereunder and shall bear interest from the date of disbursement at the same rate as other Disbursements and payment of said funds and interest shall be secured by the Mortgage;

(r) Other Documents: Borrower shall deliver to the County such other documents and information as the County, First Mortgagee or Second Mortgagee may reasonably require; and

(s) Representations and Warranties: The representations and warranties of Borrower as set forth in this Agreement and the Loan documents shall be true and correct.

6. CONDITIONS TO THE COUNTY'S OBLIGATION TO FUND FIRST DISBURSEMENT AND FUTURE DISBURSEMENTS. The conditions listed below as well as in Paragraph 7 hereof are a condition precedent to any obligation of the County and shall be complied with in form and substance satisfactory to the County prior to the first Disbursement:

(a) Construction Lenders' Funding: Home Savings Bank and Borrower shall have executed in a form satisfactory to the County a Construction Loan Agreement to finance \$4,700,000.00 of the construction of the Improvements pursuant to a separate Construction Loan to Borrower.

(b) S.A.I.L. Funding: Florida Housing Finance Agency and Borrower shall have executed in a form satisfactory to the County a Construction Loan Agreement to finance \$2,655,000.00 of the construction of the Improvements pursuant to a separate Construction Loan to Borrower.

(c) Use of Proceeds: Borrower shall deliver to the County for its approval the Use of Proceeds, Contractor's Cost Breakdown, and the Final Plans.

(d) First Mortgage: Borrower shall deliver to the County a copy of the executed First Mortgage encumbering the Premises for which Loan proceeds are requested.

(e) Second Mortgage: Borrower shall deliver to the County a copy of the executed Second Mortgage encumbering the Premises for which Loan proceeds are requested.

(f) Equity Funds: The sum of \$4,715,000.00 shall be considered to be Borrower Equity. In the event the Total Project Cost of increases in any amount exceeding \$13,270,000, Borrower's Equity requirement shall increase equal to the total cost of such increase, and Borrower shall deliver to the County satisfactory evidence of payment in an amount equal to such increase. There shall be at all times undisbursed funds sufficient (collectively held by the County, Florida Housing Finance Agency, Home Savings Bank and Borrower's Equity) to complete the Project, otherwise the County has the option to require expenditures of such additionally required funds by Borrower prior to any subsequent disbursement by the County;

(g) Cost Certification and Design Review: Borrower's consulting engineer shall cost certify and review plans and specifications, and Inspector shall review and approve such cost certification for the County's benefit, and shall have the right to review the reports of the Florida Housing Finance Agency's inspector.

(h) Servicing Agreement: The County and its Inspector have executed a Servicing Agreement regarding the Loan in a form approved by the County.

(i) Notice of Commencement: The Notice of Commencement required by Section 713.13, Florida Statutes, shall have been properly executed, recorded and posted at the job site subsequent to the date of and time recording of the Mortgage and prior to, but within thirty (30) days of, the commencement of any work or construction on the Parcel of Land (unless otherwise specifically consented to by the County) and a copy thereof furnished to the County. The Notice of Commencement shall designate Title Company and the County as additional persons upon whom notices shall be served.

(j) Builder's Risk and Hazard Insurance: Borrower shall deliver to the First Mortgagee the original policy of Builder's Risk and Hazard Insurance, and a copy to the County in completed value form with extended coverage in the amount of the full insurable value of the Improvements as completed, issued by a company satisfactory to the County, duly endorsed to show the interest of the County under a standard non-contributing mortgagee clause addressed to Board of County Commissioners, Palm Beach County Attorney's Office, 301 N. Olive Avenue, Suite 601, West Palm Beach, Florida 33401. The policy shall also provide that such policy will not be cancelled without 30 days notice to the County. Borrower agrees that the County shall have the right to take any action necessary to continue said insurance in full force and effect including, but not limited to, paying premiums. Any funds disbursed to continue the policies in full force and effect

shall be considered as Disbursements hereunder and shall bear interest from the date of disbursement at the same rate as other Disbursements and payment of said funds and interest shall be secured by the Mortgage;

(k) Public Requirements: Borrower shall deliver to the County:

(i) a copy of the building permit authorizing construction of the Improvements together with a certificate from the public official issuing the building permit that the Improvements will conform to existing zoning laws and specified variances, if any,

(ii) all other authorizations, permits or approvals, if any, required by any governmental authorities for the construction of the Improvements and operation of the Premises for the purposes contemplated by the Final Plans, which are presently procurable,

(l) No Default: The warranties and representations contained in this Agreement are correct and true, all the covenants, terms and conditions of this Agreement remain satisfied, all conditions contained in Sections 4, 5 and 6 herein have been satisfied, and no Event of Default (hereinafter defined), or circumstances or events which upon the lapse of time, the giving of notice, or both, could become an Event of Default, has occurred as of the date of the Disbursement;

(m) Other Documents: Borrower shall deliver to the County such other documents and information as the County, First Mortgagee or Second Mortgagee may reasonably require; and

(n) Representations and Warranties: The representations and warranties of Borrower as set forth in this Agreement and the Loan documents shall be true and correct.

(o) Borrower shall have entered into a Developer's Agreement with the School Board of Palm Beach County, Florida, to address the issue of racial balance in public schools.

(p) Borrower shall have received a commitment from a low-income housing tax credit syndicating agent assuring the availability of at least the aforementioned \$4,715,000.00 Borrower Equity, and shall have delivered to the County an assignment of such low-income housing tax credit syndication proceeds in the Event of Default by Borrower, which assignment shall be in substantially the form attached hereto as Exhibit F.

(q) Borrower's Contractor, in lieu of a performance or payment bond, shall provide Certificates of Deposit combined with bonding from subcontractors totalling \$824,000, to be released at such time as the last Certificate of Occupancy is issued on the apartment buildings. In addition, Contractor will provide evidence to County that all subcontractors for plumbing, air conditioning, electrical and concrete are capable of being bonded.

(7) CONDITIONS TO EACH DISBURSEMENT. Disbursements hereunder shall be made not more than once a month on a day mutually agreeable to the County, First Housing Development Corporation, Florida Housing Finance Agency and Home Savings Bank and in accordance with the Use of Proceeds upon compliance with the following conditions in form and substance satisfactory to the County:

(a) Certification: The Borrower and the Contractor shall have each certified to First Housing Development Corporation, as agent for the Florida Housing Finance Agency, and the County's Inspector, that, taking into account any retainage under the First Loan Agreement, there will be sufficient funds to complete the Improvements, and the premises are free of all liens.

(b) Request and Evidence of Construction and Payment: Ten (10) business days prior to each Disbursement, Borrower shall supply First Housing Development Corporation, as agent for the Florida Housing Finance Agency and the County's Inspector, with a written request executed by Borrower for an Disbursement, which request shall set forth the amount sought, the Model Type, and shall constitute a covenant and affirmation of Borrower that the warranties and representations in this Agreement are correct and true, that all covenants, terms, and conditions of this Agreement are being complied with, and that no Event of Default has occurred as of the date of the Disbursement. Each request for an Disbursement shall be accomplished by a form approved by and provided by Home Savings Bank and the County or First Housing Development Corporation, fully executed,

and such other evidence as may be required by this Construction Loan Agreement or by the County:

The request for an Disbursement shall contain claims for labor and materials to the date of the last inspection by Inspector and not for labor and materials rendered thereafter. On or about the 25th day of each month, the Inspector will inspect the Premises to determine the percentage of completion for purposes of the next request for an Disbursement;

(c) **Off-Site Materials:** The County shall from time to time make, upon the request of Borrower, Disbursements for major building materials (the "Materials") which are to be incorporated into the Improvements but which, at the time of the Disbursement, are stored at the manufacturing or a warehouse storage site and are not yet affixed to or incorporated into the Improvements, provided that:

(i) all conditions for an Disbursement under this Agreement are satisfied;

(ii) if not yet delivered to the Premises, the Materials are fully manufactured, stored in a designated area in Palm Beach County which effectively segregates the Materials from all other materials or equipment of whatever kind located at the manufacturing or warehouse storage site (and the storer thereof) shall be satisfactory to the County, and clearly marked to show that they are the subject of a security interest held by the County;

(iii) the storer shall have agreed with the County that the County and/or its Construction Inspector/Advisor may inspect the Materials at any time and shall have further agreed not to permit the removal thereof without the County's prior authorization, which authorization shall not be unreasonably withheld.

(d) **Subcontractors:** If requested by the County or First Housing Development Corporation, Borrower shall furnish copies, certified by Borrower to be true and correct, of all subcontracts and purchase orders for the provision of labor and materials for the construction of the Improvements, and statements from each subcontractor and supplier:

(i) stating the amount of its contract and the amount paid to date;

(ii) acknowledging full payment (less retainage) for all work done and materials supplied;

(e) **Title Insurance:** First Housing Development Corporation, as agent for the Florida Housing Finance Agency and the County, shall receive an endorsement to the policy of title insurance updating the policy to the date of the current Disbursement in increasing the insurance coverage to an amount equal to the sum of all prior Disbursements and the current Disbursement, with additional exceptions or objections, except those specifically approved in writing by the County;

(f) **Survey:** Until the foundation of the Improvements is completed, a survey of the Premises shall be furnished the County and First Housing Development Corporation, as agent for the Florida Housing Finance Agency, showing the Improvements to be within lot lines and building setback lines, and also showing easements, roads, etc. After completion of each foundation, a foundation survey shall be furnished the County if requested by the County and/or Title Company.

(g) **Proof of Availability of Materials:** If requested by the County or First Housing Development Corporation, Borrower shall furnish to the County evidence reasonably satisfactory to the County that Borrower and Contractor have obtained or can obtain all necessary materials as and when required for the completion of the Improvements in accordance with the Final Plans. The County shall be the sole but reasonable judge of the sufficiency of such evidence.

(h) **No Default:** The warranties and representations contained in this Agreement are correct and true, all the covenants, terms and conditions of this Agreement remain satisfied, and no Event of Default (hereinafter defined), or circumstances or events which upon the lapse of time, the giving of notice, or both, could become an Event of Default, has occurred as of the date of the Disbursement;

8. RIGHT TO WITHHOLD FUNDS. In addition to the right to require Equity Funds under Sections 6 and 12 hereof, the County may elect to withhold any Disbursement, notwithstanding the substance of any report of the Inspector, or any documentation submitted to the County in connection with a request for an Disbursement, if the County determines at any time that the actual cost budget or progress of construction differs materially from that as shown on the request for an Disbursement for the period in question. Furthermore, if any instrument or document submitted by Borrower in connection with any Disbursement request shall not, in the reasonable exercise of the County's discretion, comply in all respects with the conditions and requirements of this Agreement then the County may amend, reduce or withhold funding of an Disbursement request, as the County, in its reasonable and timely discretion, shall deem proper under the circumstances.

9. PAYMENT OF DISBURSEMENTS. If all conditions precedent to the County's obligations hereunder and to the Disbursement have been performed to the satisfaction of the County, and Home Savings Bank is prepared to and shall fund simultaneously with the Disbursement, Borrower hereby directs the County to make the Disbursement, in accordance with this Construction Loan Agreement, payable jointly to Borrower and Contractor, or as the County may elect, and shall make each Disbursement in the amount justified by the applications, affidavits, certificates and other evidence submitted to the County under Sections 5, 6 and 7 above; but the County may retain until completion such amount of the Construction Cost which Borrower or Contractor may retain under the General Contract or any subcontracts, and further, the County shall have the right to withhold an amount of the Loan sufficient to cover the unpaid balance of the Construction Cost and to complete construction. Notwithstanding the foregoing, the amount so requested shall not exceed the total amount of the Construction Cost, multiplied by the percentage of completion then attained less the aggregate of all amounts theretofore disbursed. The proceeds of each Disbursement hereunder shall be applied solely and exclusively to payment, or to reimbursement of Borrower for payment, of Hard Costs, and Borrower and Contractor agree at any time and from time to time, upon request of the County, to exhibit to the County receipts, vouchers, statements, bills of sale or other evidence satisfactory to the County of actual payment of such Hard Costs. Each Disbursement shall be deemed to be an Disbursement under the Note. Notwithstanding the foregoing, the County may apply any amounts due Borrower hereunder toward satisfaction of any of the terms or conditions of the Agreement, and amounts so applied shall be part of the Loan and shall be secured by the lien of the Mortgage, and all disbursements from any "contingency" categories shall be made at the County's sole and absolute discretion.

10. FINAL HARD COST DISBURSEMENT. When the Improvements have been completed, Borrower shall supply the County with the following documents in addition to satisfying all of the conditions and supplying all of the documents required under Paragraph 6 prior to payment of the Final Hard Cost Disbursement and retainage held by the County:

- (a) Certificates from the Inspector that the Improvements have been completed in accordance with the Final Plans, in a good and workmanlike manner, and in accordance with all laws, ordinances, rules and regulations of all governmental authorities having, or purporting to have, jurisdiction over the Premises;
- (b) A certificate from Borrower stating the total Construction Cost;
- (c) A photocopy of an executed final certificate of occupancy issued by the appropriate official of the jurisdiction in which the Premises are located, and any other governmental certificates necessary to evidence that the completed Improvements comply with all zoning and land use ordinances and building regulations;
- (d) A certified survey, acceptable to the County, Title Company, the First Mortgagee and the Second Mortgagee, showing the Improvements as completed to be within the lot lines and building setback lines, and also showing easements, roads, curb cuts, etc.;
- (e) Contractor's and Owner's Final Affidavit as to payment and release of liens for all lienors named therein, and a final release of mechanics' liens executed by the Contractor and each subcontractor giving Statutory Notice to Owner in form and substance satisfactory to the County and the Title Company;
- (f) Policies of fire, lightning and extended coverage insurance, and such other types of insurance as may be required by the County, the First Mortgagee and the Second Mortgagee in such amounts and containing such terms as required in the Mortgage or as otherwise required by the County, the First Mortgagee and the Second Mortgagee, endorsed to show the interest of the County, the First Mortgagee and the Second

Mortgagee and in form and substance written by companies satisfactory to the County, the First Mortgagee and the Second Mortgagee;

(g) Prior to final Disbursement, a policy of title insurance containing no exceptions reasonably unacceptable to the County, and issued by Title Company in the name of the County in the amount of the Note;

(h) All other instruments and documents required by the County.

11. **EXPENSES:** Borrower shall pay fees and charges incurred in the procuring and making of the Loan, if applicable, and other expenses incurred by the County during the term of the Loan, including Title Company's fees and premiums, charges for examination of title to the Premises, expenses of surveys, Florida Documentary Stamp Taxes, recording expenses, fees of the Inspector and Disbursing Agent, including specifically an inspection fee not to exceed \$500.00 per each disbursement and a processing fee, not to exceed \$100.00 per each disbursement at \$50.00 per hour, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon the Premises, any other expenses shown as part of the Total Project Cost, and any other amounts necessary for the payment of the cost of Improvements. Such amounts, unless sooner paid, shall be paid from time to time as the County shall request either to the person to whom such payments are due or to the County if the County has paid the same, or the County may, at its option, deduct from any Disbursement any amounts necessary for the payment of these items, and apply such amounts in making such payments, and all sums so applied shall be deemed Disbursements under this Agreement.

12. **EQUITY FUNDS:** Any Equity Funds which are Additional Security for the Note and Mortgage requested by the County to be deposited by Borrower shall be held in a separate account to be disbursed to fund all costs which exceed the Total Project Cost, it being agreed that no Disbursements of Loan proceeds shall be made until such Equity Funds have been exhausted unless the County otherwise agrees in writing. The County may at any time and from time to time require Borrower to deposit additional Equity Funds whenever it shall appear to the County that the remaining proceeds to be disbursed by the First Mortgagee, Second Mortgagee and the County and remaining Equity Funds will be insufficient to pay the remaining portion of the Construction Cost not already paid and to otherwise complete construction of the Improvements in accordance with the Final Plans, and Borrower hereby covenants and agrees to make such a deposit upon the County's request. If the County does not require a deposit of Equity Funds, Borrower shall pay and deliver to the County satisfactory evidence of the payment of any portion of the Construction Cost in excess of the amount of the Loan which remains to be disbursed, together with lien waivers satisfactory to the County and Title Company.

13. **SPECIAL PROVISIONS.** Borrower expressly agrees to the following terms and conditions:

(a) Borrower is utilizing (taxable) financing for the first mortgage and second mortgage. The Land Use Restriction Agreement to be entered into by Borrower per the requirement of the second mortgage lender, specifies that at least ninety-five percent (95%) of the units during the 15-year term of the Note and 40% of the units in perpetuity in the project are set aside for persons or families who have incomes below sixty percent (60%) of the state or local median income, which ever is higher, which shall be adjusted for family size.

(b) Borrower is utilizing the Low-Income Housing Tax Credit Program administered by the Internal Revenue Service and the Florida Housing Finance Agency, which program, in addition to the restrictions set forth in subparagraph (a) above, provides that at the end of fifteen years of operation of the Premises, Borrower has the following options:

(i) Borrower could elect to continue as owner of Premises in which event at least 95% of the units must continue to be set aside for low-income households for at least an additional fifteen years, and after thirty years the Borrower is required to lease at least 40% of the units to low-income households; or

(ii) Borrower could offer to sell the Premises for a price equal to the balance of Borrower's mortgages at that point in time, plus the equity money invested by Borrower, with one of two scenarios resulting from such offer:

(aa) If Premises are purchased for such price, the purchaser would be obligated to set aside at least 95% of the units for low-income

households for an additional fifteen years, and after thirty years the purchaser would be required to lease at least 40% of the units thereafter to low-income households in perpetuity; or

(bb) If the Premises are not purchased at the aforementioned price, then Borrower would be required to lease to existing low-income household tenants for an additional three years, and at the end of eighteen years Borrower would be required to lease at least 40% of the units thereafter to low-income households in perpetuity.

(c) The Borrower shall not discriminate on the basis of race, creed, religion, color, sex, marital status, familial status, sexual orientation, national origin or handicap in the lease, use, or occupancy of any housing Project hereunder. Age discrimination and discrimination on the basis of familial status against minor dependents is also not permitted, except when units are specifically being held for older persons as required by S.A.I.L.

(d) The Loan shall not be subject to any prepayment penalty.

(e) The Loan shall become immediately due and payable upon sale, transfer, or refinancing except that County shall approve permanent first mortgage financing in an amount not to exceed \$4,700,000.00 prior to maturity of the First Mortgage and further agrees to subordinate to said permanent financing.

(f) The Mortgage shall be nonassumable.

14. WARRANTIES AND REPRESENTATIONS OF BORROWER. The Hamlet, Ltd. represents and warrants (which representations and warranties shall be deemed continuing) as follows:

(a) Organization Status. Borrower (i) is duly certified, and (ii) is in good standing as a limited partnership under the laws of the State of Florida;

(b) Construction and Compliance with Laws. All construction, if any, heretofore performed on the Improvements has been performed in accordance with the Final Plans as approved by the County; and to Borrower's knowledge there are no structural defects in the Improvements and no violation of any applicable zoning, building or any other local, state or federal laws, ordinances and regulations existing with respect to the anticipated use and construction thereof; and Borrower shall obtain all licenses, permits and approvals required by all local, state and federal agencies regulating such construction and use; and Borrower is in compliance with all laws, regulations, ordinances and orders of all Governmental Authorities;

(c) Financial Statements. The Financial statements of Borrower heretofore reviewed with the County are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles, and fairly present the respective financial conditions of the subjects thereof as of the respective dates thereof, and no material adverse change has occurred in the financial conditions reflected therein since the respective dates thereof and no additional borrowings have been made by Borrower since the date thereof other than the borrowing contemplated hereby and from the First Mortgagee and the Second Mortgagee;

(d) Authority to Enter into Loan Documents. The Borrower has full power and authority to enter into the Loan Documents and consummate the transactions contemplated hereby, and the facts and matters expressed or implied in the opinions of its legal counsel are true and correct;

(e) Validity of Loan Documents. The Loan Documents have been approved by those persons having proper authority, and to the best of Borrower's knowledge are in all respects legal, valid and binding according to their terms;

(f) Priority of Lien on Personalty. Except as previously disclosed in writing to the County, no chattel mortgage, bill of sale, security agreement, financing statement or other title retention agreement (except those executed in favor of the County and First Mortgagee and Second Mortgagee) has been or will be executed with respect to any personal property, chattel or fixture used in conjunction with the construction, operation, or maintenance of the Improvements as described;

(g) Conflicting Transactions of Borrower. The consummation of the transaction hereby contemplated and the performance of the obligations of Borrower under and by

virtue of the Loan documents will not result in any breach of, or constitute a default under, any lease, bank loan or credit agreement, or other instrument to which Borrower is a party or by which it may be bound or affected;

(h) Pending Litigation. There are no actions, suits or proceedings pending against Borrower or the Premises, or, to the knowledge of Borrower, circumstances which could lead to such action, suits or proceedings against or affecting Borrower or the Premises, or involving the validity or enforceability of any of the Loan documents, before or by any government authority, except actions, suits and proceedings who have been specifically disclosed to and approved by the County in writing; and to Borrower's knowledge it is not in default with respect to any order, writ, injunction, decree or demand of any court or any governmental authority;

(i) Availability of Utilities. All utility services necessary for the construction of the Improvements and the operation thereof for their intended purposes are available at the boundaries of the Premises, including water supply, storm and sanitary sewer facilities, and gas, electric and telephone facilities, and Borrower has obtained all necessary permits and permissions required from governmental authorities for unrestricted access to and use of such services in connection with the construction and use of the Improvements;

(j) Condition of Premises. The Premises are not now damaged or injured as a result of any fire, explosion, accident, flood or other casualty, and there are no soil conditions which would interfere with the construction of the Improvements;

(k) Construction Contracts. Borrower has not made any contract or arrangement of any kind the performance of which by the other party thereto would give rise to a lien on the Premises except for the contracts with the Contractor. There have been no amendments or modifications to the General Contract, or any other contract approved by the County, except as approved by the County; there is in existence no default or grounds for default thereunder; and the General Contract is in full force and effect;

(l) Availability of Roads. All roads necessary for the full utilization of the Improvements for their intended purposes have either been completed or the necessary rights of way therefor have either been acquired by the appropriate local authorities or have been dedicated to public use and accepted by such local authorities and all necessary steps have been taken by Borrower and such local authorities to assure the complete construction and installation thereof;

(m) No Default. There is no default on the part of the Borrower under this Agreement, the Note or the Mortgage, and no event has occurred and is continuing which with notice, or the passage of time, or either, would constitute a default under any provision thereof; and

(n) Advertising. During the period of the construction of the Improvements, the County shall have the right to install and maintain on the Premises one or more signs identifying the County, or to be identified on such signs installed by others, as one of the institutions financing the Premises. Sign or signs will be provided by the County and erected at Borrower's expense.

(o) Hazardous Waste. Borrower is in compliance with all provisions of the federal Water Pollution Control Act, Comprehensive Environmental Response, Compensation and Liability ("Superfund") Act of 1980 and Solid Waste Disposal Act, Florida Statutes, Ch. 376, and other similar federal, state and local statutory schemes imposing liability on Borrower or Guarantor or both relating to the generation, storage, impoundment, disposal, discharge, treatment, release, seepage, emission, transportation or destruction of any sewage, garbage, effluent, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), toxic, hazardous or radioactive materials, petroleum products, pesticides, smoke, dust, or any other form of pollution as such laws are in effect as of the date of this Agreement and with any rules, regulations and order issued by any federal, state or local governmental body, agency or authority thereunder and with any orders or judgments of any courts or competent jurisdiction with respect thereto, and no assessment, notice of (primary or secondary) liability or notice of financial responsibility, or the amount thereof, or to impose civil penalties has been received by the Borrower. Borrower and Guarantor have paid any environmental excise taxes imposed pursuant to Sections 4611, 4661 or 4681 of the Internal Revenue Code of 1986, as from time to time amended.

15. WARRANTIES AND REPRESENTATIONS OF CONTRACTOR. Contractor represents and warrants (which representations and warranties shall be deemed as continuing) as follows:

(a) Organization Status. Contractor is a Florida general partnership;

(b) Construction and Compliance with Laws. All construction, if any, heretofore performed on the Improvements has been performed in accordance with the Final Plans as approved by the County; and to Contractor's knowledge there are no structural defects in the Improvements and no violation of any applicable zoning, building or any other local, state or federal laws, ordinances and regulations existing with respect to the anticipated use and construction thereof; and Contractor shall obtain all licenses, permits and approvals required by all local, state and federal agencies regulating such construction and use; and Contractor is in compliance with all laws, regulations, ordinances and orders of all Governmental Authorities;

(c) Authority to Enter into Loan Documents. The Contractor has full power and authority to enter into the Loan documents and consummate the transactions contemplated hereby.

16. ADDITIONAL COVENANTS OF BORROWER. Borrower covenants and agrees with the County as follows:

(a) Mechanics' Liens. Borrower (i) will allow no work or construction to be commenced on the Land, or goods specially fabricated for incorporation therein, which has not been fully paid for prior to the recording of the Mortgage and Notice of Commencement or which could constitute a lien on the Premises (ii) will cause a certified copy of the Notice of Commencement to be posted as required by Chapter 713, Florida Statutes, as soon as possible after recording the Notice of Commencement, (iii) shall notify the County of any and all Notices to Borrower as Owner as that term is defined in Chapter 713, Florida Statutes, within five (5) days of receipt thereof, and (iv) will comply with all provisions of the Florida Mechanics' Lien Law, including but not limited to, payment and notice provisions contained therein. Borrower shall save and hold the County harmless from the claims of any mechanics' lien or equitable lien and pay promptly upon demand any loss or losses which the County may incur as a result of the filing of any such lien, including the reasonable cost of defending same and the County's reasonable attorneys' fees in connection therewith.

In addition, Borrower agrees, at its sole cost and expense, to have any mechanics' lien or equitable lien which may be filed against the Premises or undisbursed funds of this Loan released or bonded within thirty (30) days of the date of filing same, time being of the essence. The County shall be under no obligation to make further disbursements while any such lien remains outstanding against the Premises. If Borrower fails, after demand, to cause said lien or liens to be released or bonded as aforesaid the County may take such steps as it deems necessary and any funds expended shall be charged to Borrower's Loan Account and shall bear interest as provided by the Loan Documents.

Borrower hereby authorizes the County to demand, on Borrower's behalf, the statement of account referred to in Section 713.16(2) of the Florida Statutes, or any potential lienor filing a Notice to Owner. It is specifically understood and agreed, however, that the County's right to request such statements of account will in no way impose any obligation on the County to use such authority, and the exercise of such authority on one or more occasion shall not create or imply any obligation on such party to exercise such authority on subsequent occasions.

(b) No Transfer of Premises. Except as specifically set forth in the Mortgage or herein, the Premises or any part thereof shall not be sold, leased, conveyed, mortgaged or encumbered in any way without the prior written consent of the County except as provided elsewhere herein or in the Mortgage, it being understood and agreed that part of the consideration for the Loan is the personal obligation of Borrower. All contracts, deeds, easements or other agreements affecting the Premises shall be submitted to the County for its written approval prior to the execution thereof by Borrower, accompanied by an appropriate survey showing the portion of the Premises affected, and any other information requested.

(c) Compliance with Laws. Borrower will comply promptly with all federal, state and local laws, ordinances and regulations relating to the construction, use, and leasing of the Premises, and will obtain and keep in good standing all necessary licenses, permits and approvals required or desirable for construction and use of the Improvements.

(d) Brokerage Commissions. Borrower will not knowingly engage in any activity or enter into any relationship which will give rise to any loan or brokerage commission with regard to the Loan, and Borrower will indemnify the County from the claims of brokers arising by reason of the execution hereof or the consummation of the transactions contemplated hereby.

(e) Title to Personalty. Borrower will deliver to the County, on demand, any contracts, bills of sale, statements, receipted vouchers or agreements under which

Borrower claims title to any materials, fixtures or articles incorporated in the Improvements or subject to the lien of the Mortgage.

(f) Correction of Defects and Satisfaction of Conditions. Borrower will, upon demand of the County or Inspector, correct any structural defect in the Improvements or any departure from the Final Plans not approved by the County, or perform any Condition to the County's Obligations hereunder not satisfied or no longer satisfied. The Disbursement of any Loan proceeds shall not constitute a waiver of the County's right to require compliance with this covenant with respect to any such defects or departures from the Final Plans not theretofore discovered by, or called to the attention of the County and the Inspector, or with respect to Borrower's failure to satisfy or continue to satisfy any condition under this Agreement, whether or not the County required performance thereof.

(g) Financial Statements to be Furnished. Borrower shall furnish to the County:

(i) Upon the County's request, a complete and current financial statement of all assets and liabilities, contingent or otherwise, prepared in accordance with generally accepted accounting principles and verified by affidavit of Borrower and its principal executive officer, and, at the request of the County, certified (in form satisfactory to the County) by an independent certified public accountant acceptable to the County;

(ii) within ninety (90) days after the end of each fiscal year of Borrower, a balance sheet and statements of income, surplus, and cash flow, together with schedules, all compiled and presented by an independent accounting firm in accordance with standard and uniform accounting practices showing the financial condition of Borrower at the close of each year and the results of operations of Borrower during each year;

(iii) with the statements submitted under (ii) above, a certificate signed by the General Partner and the principal financial officer of Borrower to the effect that no event of default specified herein, nor any event which upon notice or lapse of time or both, would constitute such an event of default, has occurred; and

(iv) promptly, from time to time, such other information regarding the operations, business, affairs and financial condition of Borrower as the County may reasonably request.

(h) Borrower to Maintain Bookkeeping System. Borrower shall, if required by the County, maintain a bookkeeping system to the construction project in form and content sufficient for the County and Inspector to conduct reviews, inspections, certifications and reports required by this Agreement. The County shall have full (but confidential) access, as allowed under the Public Records Law, at any reasonable time to the books, records and contracts pertaining to the Premises, Borrower and Contractor to determine the accuracy, correctness and reasonableness of the sums in each Disbursement.

(i) Collection of Insurance Proceeds. Borrower will cooperate with the County in obtaining for the County the benefits of any insurance or other proceeds lawfully or equitably payable to it in connection with the transaction contemplated hereby and the collection of any indebtedness or obligation of Borrower to the County incurred hereunder (including the payment by Borrower of the expense of an independent appraisal on behalf of the County in case of fire or other casualty affecting the Premises).

(j) Indebtedness. With respect to the Premises encumbered by the Mortgagor of even date herewith, Borrower will not incur, create, assume or permit to exist any indebtedness or liability on account of disbursements or deposits, and indebtedness or liability for borrowed money for the premises, (except for First Mortgages) and indebtedness constituting the deferred purchase price of any property or assets, or any indebtedness owed under any conditional sale or title retention agreement, or any other indebtedness or liability evidenced by notes, bonds, debentures or similar obligations without the written approval of the County, except:

(i) indebtedness owed the County;

(ii) indebtedness incurred on open accounts for materials, equipment and supplies purchased in the ordinary course of business, payment for which shall be made promptly when due.

(k) Consolidation, Merger, Limited Partnership Status. Borrower shall not consolidate with or merge into any other partnership, or permit another partnership to merge into it, or voluntarily or involuntarily fail to maintain its limited partnership status.

(l) Further Assurances and Preservation of Security. Borrower will do all acts and execute all documents for the better and more effective carrying out of the intent and purposes of the Agreement, as the County shall reasonably require from time to time, and will do such other acts necessary or desirable to preserve and protect the collateral at any time securing or intending to secure the Note, as the County may require.

(m) Utilization of Loan Proceeds. Borrower will utilize the proceeds of the Loan solely for the Hard Costs, making withdrawals thereof at regular intervals, and Borrower will not hereafter procure a loan or loans from other sources for the work contemplated under this Agreement, except from First Mortgagee and Second Mortgagee.

(n) No Assignment. Borrower shall not assign this Agreement or any interest therein and any such assignment is void and of no effect.

(o) Liabilities. Borrower with respect solely to the Land and the operation of the Premises thereon shall not incur new or additional liabilities other than as expressly provided herein.

18. DEFAULT. Upon the occurrence of any of the following events (the Events of Default) all obligations on the part of the County to make further Disbursement hereunder shall, if the County elects, terminate, and the County may at its option exercise any of its remedies set forth herein, but the County may make any Disbursements or parts of Disbursements after the happening of any Events of Default without thereby waiving the right to exercise such remedies without becoming liable to make any further Disbursement:

(a) Failure to Satisfy Conditions to an Disbursement. If Borrower fails to, or is unable to, satisfy or keep satisfied any condition to an Disbursement under Sections 5, 6, 7, 8, 9, or 10 of this Agreement for a period in excess of thirty (30) days; or

(b) Bankruptcy. If there is filed by or against Borrower or Contractor a petition in bankruptcy or a petition for the appointment of a receiver or trustee of the property of Borrower or Contractor, and any such petition not filed by Borrower or Contractor is not dismissed within sixty (60) days of the date of filing, or if Borrower or Contractor files a petition for reorganization under any of the provisions of the Bankruptcy Code or of any similar law, state, federal, or foreign, or if Borrower or Contractor makes a general assignment for the benefit of creditors or makes any insolvency assignment or is adjusted insolvent by any court of competent jurisdiction; or

(c) Improper Construction. If for any cause whatsoever the construction of the Improvements is at any time discontinued for more than ten (10) consecutive business days or for more than fifteen (15) days in any thirty (30) day period, or not carried on with diligence and dispatch, in the reasonable judgment of the County, or if the Improvements, in the reasonable judgment of the County, are not being constructed or have not been completed in a good and workmanlike manner in accordance with the Final Plans, this Agreement and all laws, rules, regulations and requirements of all governmental authorities having or claiming jurisdiction, now existing or hereafter enacted, adopted or promulgated, or if the certificates of compliance with zoning ordinances and building regulations have not been issued within thirty (30) days after the completion date specified; or

(d) Breach of Covenants, Warranties and Representations. If any warranty or representation made by Borrower or Contractor in the Agreement or pursuant to the terms hereof shall at any time be false or misleading in any material respect, or if Borrower or Contractor shall fail to keep, observe or perform any of the terms, covenants, representations or warranties contained in this Agreement, the Note, the Mortgage, the First Mortgage, the Second Mortgage, any other document given in connection with the Loan or development of the Premises (provided, that with respect to nonmonetary defaults, the County shall give written notice to Borrower, who shall have fifteen (15) days to cure), or is unable or unwilling to meet its obligations thereunder; or if the First Mortgagee terminates or gives notice of termination or of its intention to terminate its Commitment for any reason whatsoever; or if any event occurs which will make it impossible for Borrower to comply with the requirements of the First Mortgagee's or the Second Mortgagee's Commitment; or

(e) Material Adverse Change of Borrower. If any material adverse change shall occur in the financial condition of Borrower at any time during the term of the Loan from the financial condition revealed in statements already presented to and accepted by the County.

17. REMEDIES OF LENDER. Upon the happening of an Event of Default, then the County may, at its option, upon written notice to Borrower:

- (a) Cancel the Agreement;
- (b) Commence an appropriate legal or equitable action to enforce performance of the Agreement;
- (c) Accelerate the payment of the Note and the Loan and any other sums secured by the Mortgage, and commence appropriate legal and equitable action to foreclose the Mortgage and collect all such amounts due the County;
- (d) Exercise all rights under the Agreements with the General Contractor and Architect, or employ others to complete the construction, and thereafter lease or let the Premises; and take such action as may be reasonable to preserve and protect the Premises and any construction materials stored thereon; or
- (e) Exercise any other rights or remedies the County may have under the Mortgage or other Loan documents referred to in this Agreement or executed in connection with the Loan or which may be available under applicable law.

18. GENERAL TERMS. The following shall be applicable throughout the period of this Agreement or thereafter as provided herein:

- (a) Rights of Third Parties. All conditions of the County hereunder are imposed solely and exclusively for the benefit of the County and its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or be entitled to assume that the County will make Disbursements in the absence of strict compliance with any or all thereof, and no other person shall, under any circumstances, be deemed to be a beneficiary of this Agreement or the Loan documents, any provisions of which may be freely waived in whole or in part by the County at any time if, in its sole discretion, it deems it desirable to do so. In particular, the County makes no representations and assumes no duties or obligations as to third parties concerning the quality of the construction by Borrower of the Improvements or the absence therefrom of defects.
- (b) Borrower is not the County's Agent. Nothing in this Agreement, the Note, the Mortgage or any other Loan Document shall be construed to make the Borrower the County's agent for any purpose whatsoever, or the Borrower and the County partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.
- (c) The County Not Liable for Damage or Loss. All inspections and other services rendered by or on behalf of the County shall be rendered solely for the protection and benefit of the County. Neither Borrower nor other third persons shall be entitled to claim any loss or damage against the County or against its agents or employees for failure to properly discharge their duties.
- (d) The County Not Obligated to Insure Proper Disbursement of Funds to Third Parties. Nothing contained in this Agreement, or any Loan documents, shall impose upon the County any obligation to oversee the proper use or application of any disbursements and disbursements of funds made pursuant to the Loan.
- (e) Indemnification from Third Party Claims. Borrower shall indemnify the County from any liability, claims or losses resulting from the disbursement of the Loan proceeds to Borrower or Contractor or from the condition of the Premises, whether related to the quality of construction or otherwise, and whether arising during or after the term of the Loan. This provision shall survive the repayment of the Loan and shall continue in full force and effect so long as the possibility of such liability, claims, or losses exists.
- (f) Rights of Subcontractors, Laborers and Materialmen. In no event shall this Agreement be construed to make the County, Title Company or any agent of the County liable to Contractor or any subcontractors, laborers, materialmen, craftsmen, or others for labor, materials, or services delivered to the Premises or goods specially fabricated for incorporation therein, or for debts or claims accruing or arising to such persons or parties against Borrower or Contractor. It is distinctly understood and agreed that there is no relation of any type whatsoever, contractual or otherwise, with express or implied, between the County and Contractor, any materialman, subcontractor, craftsman, laborer or any other person or entity supplying any labor, materials or services to the Premises or specially fabricating goods to be incorporated therein. Except as otherwise specifically provided herein, no such persons or entities are intended to be third party beneficiaries of

this Agreement or any document or instrument related to the Loan or to have any claim or claims in or to any undisbursed or retained Loan proceeds.

(g) Evidence of Satisfaction of Conditions. The County shall, at all time, be free independently to establish to its good faith and satisfaction, and in its absolute discretion, the existence or nonexistence of a fact or facts which are disclosed in documents or other evidence required by the terms of this Agreement.

(h) Headings. The headings of the sections, paragraphs and subdivisions of this Agreement are for the convenience of reference only, and shall not limit or otherwise affect any of the terms hereof.

(i) Invalid Provisions to Affect No Others. If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

(j) Application of Interest to Reduce Principal Sums Due. In the event that any charge, interest or late charge is above the maximum rate provided by law, then any excess amount over the lawful rate shall be applied by the County to reduce the principal sum of the Loan or any other amounts due the County hereunder.

(k) Governing Law. The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement.

(l) Number and Gender. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the others and shall apply jointly and severally.

(m) Prior Agreement. To the extent necessary, this Agreement shall be deemed to be an amendment to any prior loan agreement between Borrower and the County, and in the event of a conflict between the terms of this Agreement and of any such prior agreement, the terms of this Agreement shall govern.

(n) Waiver. If the County shall waive any provisions of the Loan documents, or shall fail to enforce any of the conditions or provisions of this Agreement, such waiver shall not be deemed to be a continuing waiver and shall never be construed as such; and the County shall thereafter have the right to insist upon the enforcement of such conditions or provisions. Furthermore, no provision of this Agreement shall be amended, waived, modified, discharged or terminated, except by instrument in writing signed by the parties hereto.

(o) Notices. All notices from the Borrower to the County and the County to Borrower required or permitted by any provision of this agreement shall be in writing and sent by registered or certified mail and addressed as follows:

TO LENDER:

Board of County Commissioners
c/o Palm Beach County Attorney's
Office
Suite 601
301 N. Olive Avenue
West Palm Beach, FL 33401

TO BORROWER:

The Hamlet, Ltd.
625 Auburn Circle West
Delray Beach, FL 33444
Attn: Thomas G. Hinners

Such addresses may be changed by written notice to the other party.

(p) Successors and Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their heirs, legal representatives, successors and assigns; but nothing herein shall authorize the assignment hereof by the Borrower.

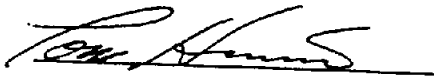
(q) Counterparts. This Agreement may be executed in one or more counterparts, all of which shall constitute collectively but one and the same instrument.

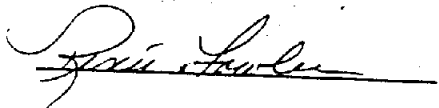
BOOK 0933 PAGE 223

(r) Waiver of Jury Trial. BORROWER WAIVES ITS RIGHT TO A TRIAL BY JURY IN ANY ACTION, WHETHER ARISING IN CONTRACT OR TORT, BY STATUTE OR OTHERWISE, IN ANY WAY RELATED TO THIS LOAN. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE COUNTY'S EXTENDING CREDIT TO BORROWER AND NO WAIVER OF LIMITATION OF THE COUNTY'S RIGHTS UNDER THIS PARAGRAPH SHALL BE EFFECTIVE UNLESS IN WRITING AND MANUALLY SIGNED ON THE COUNTY'S BEHALF.

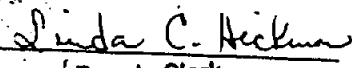
IN WITNESS WHEREOF, Borrower and the County have caused this Agreement to be executed on the date first above written.

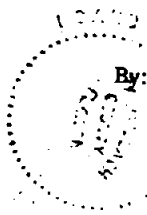
Signed, sealed and delivered in the presence of:







Attest: John B. Dunkle,
Clerk of the Court
Palm Beach County, Florida

By: 
Deputy Clerk

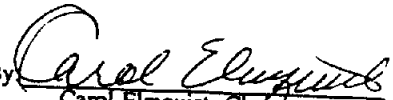


THE HAMLET, LTD., a Florida limited partnership
By Felner Development Corp.
a Florida Corporation as
Managing Partner of the
General Partner,
The Hamlet Joint Venture

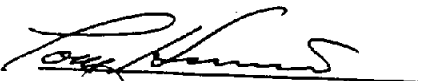
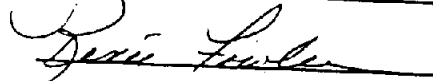
By: 
Jay Felner, President
(Corporate Seal)





PALM BEACH COUNTY

By: 
Carol Elmquist, Chairman
of the Board of County
Commissioners of Palm
Beach County, Florida

OCT 23 1990

R.C. BOOS, INC./FELNER
CONSTRUCTION, INC.
A Joint Venture
Contractor

By: 
Jay Felner
By: 
Roger C. Boos

Approved as to Form and Legal Sufficiency

By: 
County Attorney

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 1st day of November, 1990, by Jay Felner, President of Felner Development Corporation, a Florida Corporation as General Partner of THE HAMLET, LTD., a Florida limited partnership.

[Signature]
Notary Public, State of Florida
at Large

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. JAN. 29, 1994
~~BOUNDED THRU GENERAL TNS. UAD.~~

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1990, by Carol Elmquist, as Chairman of the Board of County Commissioners of Palm Beach County.

Notary Public, State of Florida
at Large

My Commission Expires:

STATE OF FLORIDA
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 1st day of November, 1990 by Jay Felner as Partner of R.C. Boos, Inc./Felner Construction, Inc., a Joint Venture.

[Signature]
Notary Public, State of Florida
at Large

My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. JAN. 29, 1994
~~BOUNDED THRU GENERAL TNS. UAD.~~

BOOK 0933 PAGE 225

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W/C/35

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MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE INDENTURE, executed this 17th day of December, 1990, by THE HAMLET, LTD., a Florida limited partnership (the "Mortgagor"), as party of the first part, and PALM BEACH COUNTY, a political subdivision of the State of Florida (the "Mortgagee") (which term as used in every instance shall include the Mortgagee's successors and assigns), as party of the second part;

WITNESSETH:

That for valuable considerations, and also in consideration of the aggregate sum of money described in that certain Note of even date herewith, hereinafter referred to as the "Note", the Mortgagor does grant, bargain, sell, alien, remise, release, convey and confirm unto the Mortgagee, in fee simple a lien upon and security interest in that certain real property located in Palm Beach County, Florida, which is described in Exhibit A attached hereto and made a part hereof. Hereinafter said real estate, buildings, improvements (including improvements to be made hereafter) fixtures hereinbelow described and located on said real estate are sometimes collectively referred to as the "Premises".

TOGETHER with all of Mortgagor's gas and electrical fixtures, heaters, space heaters, engines and machinery, boilers, ranges, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other air conditioning, plumbing and heating fixtures, drapes, mirrors, mantles, refrigerating plants, dishwashers and appurtenances, and all building material and equipment now or hereafter delivered to the Premises and intended to be installed therein; such other goods, furnishings, equipment now or hereafter delivered to the Premises and intended to be installed therein; such other furniture, fixtures, goods, equipment, chattels and personal property as are usually furnished by landlords in the letting of all or any portion of the Premises of the character currently owned by Mortgagor (or as hereafter improved) and all renewals or replacements thereof or articles in substitution thereof and all of the estate, right, title and interest of the Mortgagor in and to all property of any nature whatsoever, now or hereafter situated on the Premises or intended to be used in connection with the operation thereof all of which shall be deemed to be fixtures and an accession to the freehold and a part of the realty as between the parties hereto and all persons claiming by, through or under them and shall be deemed to be a portion of the security for the indebtedness herein mentioned and secured by this Mortgage.

TOGETHER with all and singular the rights, interests and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Premises hereinabove mentioned or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor including but not limited to all of Mortgagor's sewer capacity rights, and Mortgagor's rights under contracts, permits, licenses and all other documents and payments affecting the Premises, and all rents, profits, issues and revenues of the Premises from time to time accruing, whether under leases or tenancies now existing or hereafter created, including the Assignment of Leases and Rents of even date herewith between Mortgagor and Mortgagee (hereinafter the "Assignment"), reserving only the right to the Mortgagor to collect the same so long as the Mortgagor is not in default hereunder (subject to the qualification set forth in that certain Assignment) and so long as the same are not subjected to garnishment levy, attachment or lien. In addition, the Mortgagor hereby assigns, transfers and conveys to Mortgagee, its successors and assigns, all of the Mortgagor's right, title and interest in, to and under all leases now or hereafter leasing or affecting the Premises or any part hereof.

This instrument prepared by
and to be returned to:
Tammy Fields, Esq.
Palm Beach County Attorney's Office
301 North Olive Avenue...
Suite 601
West Palm Beach, Florida 33401

and
Thomas G. Hanners
Florida Affordable Housing, Inc.
625 Auburn Circle West
Delray Beach, Florida 33444

TO HAVE AND TO HOLD the Premises and all parts, rights, members and appurtenances thereof, to the use, benefit and behalf of the Mortgagee, its successors and assigns in fee simple forever, and the Mortgagor covenants that the Mortgagor is lawfully seized and possessed of the Premises in fee simple and has good right to convey the same, that the same are unencumbered excepting taxes accruing subsequent to 1989, and those certain

exceptions appearing on the Mortgagee's Title Insurance Policy given in connection herewith and specifically approved by Mortgagee, and that the Mortgagor will warrant and defend the title thereto against the claims of all persons whomsoever, except as hereinafter expressly provided. Notwithstanding the foregoing, this Mortgage shall be subject and subordinate to a separate Mortgage and Security Agreements and related loan documents encumbering the Premises upon their execution by Mortgagor in favor of Home Savings Bank, F.S.B. in an original aggregate principal amount not to exceed \$4,700,000.00 as the First Mortgage, and in favor of Florida Housing Finance Agency in an original aggregate principal amount not to exceed \$2,655,000.00 as the Second Mortgage.

PROVIDED ALWAYS that if the Mortgagor shall pay unto the Mortgagee all sums required under the terms of the Note, which Note is in the original principal amount of \$1,000,000.00 and has a maturity date of February 28, 2007, unless such maturity is accelerated as set forth in the Note, and shall comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Loan Documents (as such term is defined in subparagraph 2.2(b) hereof), then in such event this Mortgage and Security Agreement and the estate hereby created shall cease and be null and void.

The Mortgagor covenants with the Mortgagee as follows:

1.1 Payment of Indebtedness. The Mortgagor will pay the Note according to the tenor thereof and all other sums secured hereby promptly as the same shall become due.

1.2 Taxes, Liens and Other Charges.

(a) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of debts secured by mortgages or the manner of collecting taxes so as to affect adversely the Mortgagee, the Mortgagor will promptly pay any such tax; if the Mortgagor fails to make such prompt payment or if any such state, federal, municipal or other governmental law, order, rule or regulation prohibits the Mortgagor from making such payment or would penalize the Mortgagee from making such payment or would penalize the Mortgagee if the Mortgagor makes such payment, then the entire balance of the principal sum secured by this Mortgage and all interest accrued thereon shall, without notice, immediately become due and payable at the option of the Mortgagee

(b) The Mortgagor will pay, before the same become delinquent, all taxes, liens, assessments and charges of every character already levied or assessed or that may hereafter be levied or assessed upon or against the Premises and all utility charges, whether public or private; and upon demand will furnish the Mortgagee receipted bills evidencing such payment.

(c) The Mortgagor will not suffer any mechanic's, materialmen's, laborer's, statutory or other lien which might or could be prior to or equal to the security interest and mortgage liens of this Mortgage to be created or to remain outstanding upon any part of the Premises.

1.3 Insurance. The Mortgagor will keep all buildings and improvements whether now standing on the Premises or hereafter erected and all fixtures and personal property located in and on the Mortgaged Premises, continuously insured in an amount no less than full insurable value which coverage shall insure the Premises against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the Mortgagee, in its sole discretion, shall from time to time require, for the benefit of the Mortgagee. All such insurance at all times will be in an insurance company or companies in such amounts and with terms acceptable to the Mortgagee, with loss, if any, payable to the Mortgagee as its interest may appear, pursuant to a noncontributory mortgagee clause which shall be satisfactory to the Mortgagee; and forthwith upon the issuance of such policies the Mortgagor will deliver to the Mortgagee receipts for the premiums paid thereon and certificates of insurance and certified copies of such policies. Any policies furnished the Mortgagee shall become its property in the event the Mortgagee becomes the owner of the Premises by foreclosure or otherwise. The Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Premises, and to collect and receive the proceeds from any such policy or policies, subject to the superior interests, if any, of Home Savings Bank, F.S.B. under the First Mortgage and Florida Housing Finance Agency under the Second

Mortgage. Each insurance company is hereby authorized and directed to make payment for all such losses to the Mortgagor and the Mortgagee jointly. In case of loss under any such policy of insurance, the Mortgagee may apply the net proceeds to the payment of the indebtedness hereby secured, whether due or not, or the Mortgagee may require all buildings and improvements to be repaired or replaced by the use of said net proceeds, subject to the superior interests, if any, of Home Savings Bank, F.S.B. under the First Mortgage and Florida Housing Finance Agency under the Second Mortgage.

1.4 Care of Premises.

(a) The Mortgagor will keep the improvements now or hereafter erected on the Premises in good condition and repair, will not commit or suffer any waste and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Premises or any part thereof.

(b) The Mortgagor will not remove or demolish nor alter the design or structural character of any building (now or hereafter erected), fixture or chattel which are part of the security or other part of the Premises without the prior written consent of the Mortgagee.

(c) If the Premises or any part thereof is damaged by fire or any other cause, the Mortgagee will give immediate written notice of the same to the Mortgagee.

(d) The Mortgagee or its representative is hereby authorized to enter upon and inspect the Premises at any time during normal business hours.

(e) The Mortgagor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Premises or any part thereof.

(f) If all or any part of the Premises shall be damaged by fire or other casualty, the Mortgagor will, upon request of the Mortgagee, promptly restore the Premises to the equivalent of its condition immediately prior to such damage, and if a part of the Premises shall be damaged through condemnation, the Mortgagor will, upon request of Mortgagee, promptly restore, repair or alter the remaining part of the Premises in a manner satisfactory to the Mortgagee.

1.5 Further Assurances; Modifications. At any time, and from time to time, upon request by the Mortgagee, the Mortgagor will make, exercise and deliver or cause to be made, executed and delivered, to the Mortgagee, any and all other further instruments, certificates and other documents as may, in the opinion of the Mortgagee, be necessary or desirable in order to effectuate, complete, or perfect or to continue and preserve (i) the obligations of the Mortgagor under the Note, (ii) the security interest of this Mortgage, and (iii) the mortgage lien hereunder. Upon any failure by the Mortgagor so to do the Mortgagee may make, execute and record any and all such instruments, certificates and documents for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Mortgagee the agent and the attorney in fact of the Mortgagor so to do.

1.6 Leases Affecting the Premises. Mortgagor shall not make any lease covering all or any part of the Premises without first submitting the proposed lease to the Mortgagee and obtaining the Mortgagee's approval of the form and substance thereof. The Mortgagor shall perform all covenants to be performed by the landlord under any and all leases now or hereafter on the Premises or any part thereof and shall not, without the prior written consent of the Mortgagee, cancel, surrender or modify any such lease. The Mortgagor will furnish the Mortgagee signed copies of all leases on the Premises or any part thereof promptly after their execution. Upon request of the Mortgagee, the Mortgagor shall, by written instrument in form and substance satisfactory to the Mortgagee, assign to the Mortgagee, subject to any future right of Home Savings Bank, F.S.B., the Florida Housing Finance Agency, the landlord and lessor interest in each and every lease hereafter entered into by the Mortgagor leasing all or any part of the Premises. The terms "lease" and "leases" as used in this paragraph 1.6 shall include all tenancies.

1.7 Expenses. In addition to the expenses described in subparagraph 2.5(b) hereof, the Mortgagor will pay or reimburse the Mortgagee for all reasonable attorney's fees, costs and expenses, including those in connection with appellate proceedings, incurred by the Mortgagee in any proceedings involving the estate of a decedent or an insolvent, or in any action, legal proceeding or dispute of any kind in which the Mortgagee is a plaintiff or defendant, affecting the indebtedness secured hereby, this Mortgage or the interest created herein, or the Premises, including but not limited to the exercise of the power of sale of this Mortgage, any condemnation action involving the Premises or any action to protect the security hereof; and any such amounts paid by the Mortgagee shall be secured by this Mortgage.

1.8 Estoppel Affidavits. The Mortgagor, upon ten days' prior written notice, shall furnish the Mortgagee a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not any off-sets or defenses exist against such principal and interest.

1.9 Subrogation. The Mortgagee shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured hereby.

1.10 Performance by Mortgagee of Defaults by Mortgagor. If the Mortgagor shall default in the payment of any tax, lien, assessment or charge levied or assessed against the Premises; in the payment of any utility charge, whether public or private; in the payment of any insurance premium; in the procurement of insurance coverage and the delivery of the insurance policies required hereunder; in the performance of any covenant, term or condition of any leases affecting all or any part of the Premises; or in the performance or observance of any covenant, condition or term of this Mortgage; then the Mortgagee, at its option, may perform or observe the same, and all payments made or costs incurred by the Mortgagee in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by the Mortgagor to the Mortgagee with interest thereon at the maximum rate provided by law. The Mortgagee shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim, premium and obligation, of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The Mortgagee is hereby empowered to enter and to authorize others to enter upon the Premises or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Mortgagor or any other person in possession holding under the Mortgagor.

1.11 Condemnation. If all or any part of the Premises shall be damaged or taken through condemnation (which term when used in the Mortgage shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall, at the option of the Mortgagee, become immediately due and payable. The Mortgagee shall be entitled to all compensation, awards, and other payments or relief thereof and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or the Mortgagor's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith, subject to the superior interest, if any, of Home Savings Bank, F.S.B. under the First Mortgage and Florida Housing Finance Agency under the Second Mortgage. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Mortgagor to the Mortgagee, who after deducting therefrom all its expenses, including attorney's fees, may release any monies so received by it without affecting this Mortgage and may apply the same in such manner as the Mortgagee shall determine, to the reduction of the sum secured hereby and any balance of such monies then remaining shall be paid to the Mortgagor. The Mortgagor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds as the Mortgagee may require.

1.12 Hazardous Waste Storage. The Mortgagor covenants with the Mortgagee that the Premises have not been used and will not be used in whole or in part for the storage of hazardous waste.

ARTICLE II

2.1 Due on Sale or Further Encumbrance Clause. In determining whether or not to make the loan secured hereby, Mortgagee examined the credit-worthiness of Mortgagor, found it acceptable and relied and continues to rely upon the same as the means of repayment of the loan. Mortgagee also evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found it acceptable and relied and continues to rely upon same as the means of maintaining the value of the Premises which is Mortgagee's

security for the loan. Mortgagor is a business person or entity well-experienced in borrowing money and owning and operating property such as the Premises, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress or any kind for all of the terms and conditions of the loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchase by a party other than the original Mortgagor. Mortgagor further recognizes that any secondary or junior financing placed upon the Premises (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrance which would force Mortgagee to take measures and incur expenses to protect its security; (c) could detract from the value of the Premises should Mortgagee come into possession thereof with the intention of selling same; and (d) impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security both of repayment by Mortgagor and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and/or collect assumption fees; and (iv) keeping the Premises free of subordinate financing liens, Mortgagor agrees that if this paragraph be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises or any interest therein (whether voluntarily or by operation of law) without the Mortgagee's prior written consent, which may be withheld for any reason, shall be an event of default hereunder. For the purpose of and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the Premises and therefore an event of default hereunder.

(a) any sale, conveyance, assignment or other transfer of or the grant of a security interest in, all or any part of the title to the premises.

(b) any new or additional liabilities without the prior written consent of Mortgagee.

Any consent by the Mortgagee, or any waiver of an event of default, under this Paragraph shall not constitute a consent to, or waiver of any right, remedy or power of the Mortgagee upon a subsequent event of default under this Paragraph.

2.2 Default. A default shall have occurred hereunder if:

(a) The Mortgagor shall fail to pay in full within fifteen (15) days from the date due and payable any installment of principal, interest, late charges or escrow deposits as required by the Note, this Mortgage and otherwise; or

(b) The Mortgagor shall fail to duly observe on time any other covenant, condition or agreement of this Mortgage or of any other instrument evidencing security or executed in connection with the indebtedness secured hereby, including but not limited to, leases as specifically required in accordance with Section 1.6 hereof (herein this Mortgage and said other instruments are sometimes collectively called the "Loan Documents") and such failure continues for a period of fifteen (15) days following written notice by the Mortgagee; or

(c) Any warranties or representations made or agreed to be made in any of the Loan Documents shall be breached by the Mortgagor or shall prove to be false or misleading; or

(d) Any lien for labor or material or otherwise shall be filed against the Premises, and such lien is not cancelled, removed or transferred within thirty (30) days; or

(e) Any suit shall be filed against the Mortgagor which, if adversely determined, could substantially impair the ability of the Mortgagor to perform each and every one of its obligations under and by virtue of the Loan Documents; or

(f) A levy shall be made under any process on, or a receiver be appointed for, the Premises or any other property of the Mortgagor; or

(g) The Mortgagor shall file a voluntary petition in bankruptcy, or any other petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation or similar relief for the Mortgagor under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtor; or

(h) The Mortgagor shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Mortgagor or of all or any part of the Premises or of any or all of the rents, revenues, issues, earnings, profits or income thereof; or

(i) The Mortgagor shall made any general assignment for the benefit of creditors; or

(j) In any legal proceeding the Mortgagor shall be alleged to be insolvent or unable to pay the Mortgagor's debts as they become due; or

(k) The Mortgagor shall do, or shall omit to do, any act, or any event shall occur, as a result of which any obligation of the Mortgagor, not arising hereunder, may be declared immediately due and payable by the holder thereof; or

(l) A breach by Mortgagor of any covenant, representation, or warranty set forth in the Construction Loan Agreement, or an Event of Default occurs under the terms of the Construction Loan Agreement or any of the other Loan documents pertaining to the Note and Mortgage; or

(m) The Mortgagee shall reasonably suspect the occurrence of any one or more of the above said defaults and the Mortgagor, upon the request of the Mortgagee, shall fail to provide evidence reasonably satisfactory to the Mortgagee that such default has not in fact occurred.

For the purposes of this paragraph 2.2 the term "Mortgagor" shall be construed as any one or more of the parties comprising Mortgagor.

2.25 Special Conditions.

(a) Upon sale, transfer, or refinancing of the subject property and/or Project, all available proceeds of the sale shall be applied to pay the following items in order of priority:

- (1) First Mortgagor debt in full including fees;
- (2) Second Mortgage debt in full including fees;
- (3) Expenses of the sale;

(4) Any base interest payment due in the current year and full unpaid principal balance of loan;

(5) Any base payment of interest deferred from previous years;

(6) The 1-1/2% interest per annum deferred from previous years.

(b) All of the principal and interest of the indebtedness secured hereby shall be due and payable upon sale, transfer, or refinancing except Mortgagee shall approve permanent First Mortgage financing in an amount not to exceed \$4,700,000.00 prior to maturity of the First Mortgage and further agrees to subordinate to said permanent financing.

(c) The indebtedness secured hereby shall be serviced by the Mortgagee or by a lending institution selected by Mortgagee.

(d) The discrimination provision of s.420.516, Florida Statutes, shall apply to the loan secured hereby.

(e) Rent controls shall not be allowed except as required in conjunction with the issuance of tax-exempt bonds or federal low-income housing credits.

(f) If the Mortgagor fraudulently reports Project income or tenant income or if Mortgagor negligently under reports Project income so as to obtain a deferral of interest, the loan secured hereby shall be considered to be in default.

(g) If interest is deferred for the loan secured hereby and if at the time of sale of the Project there is not adequate Project income nor proceeds from the sale, the loan secured hereby and this Mortgage shall not be satisfied until the Agency has received:

(1) An appraisal from an MAI appraiser selected by the Agency indicating that the purchase price for the Project is reasonable and consistent with existing market conditions;

(2) A certificate from the Mortgagor or Seller that the purchase price reported is the actual price paid for the Project and that no other consideration passed between the parties and that the income reported to the Mortgagee during the life of the loan was true and accurate; and

(3) A certificate from the Mortgagor or Seller that there are no Project funds available to repay the loan secured hereby and that Mortgagor or Seller knows of no source from which funds could or would be forthcoming to pay said loan.

(h) The proceeds of the loan secured hereby shall only be used for new construction which creates affordable, safe and sanitary rental housing units.

(i) Mortgagors shall annually certify the adjusted gross income of all persons occupying units set aside pursuant to the SAIL program. All persons or families qualified under the provisions of this program to occupy set aside units may continue to qualify if the adjusted gross income of said persons or families at the time of annual recertification meets the requirements established in s.142(3)(B) of the Internal Revenue Code of 1986, as amended. Should the

annual recertification result in noncompliance with income occupancy requirements, the next available unit must be rented to a person or family qualifying under the provision of s.420.5087(2), Florida Statutes.

A violation of any of the above stated Special Conditions by Mortgagor shall constitute a default hereunder.

2.3 Acceleration of Maturity. If a default shall have occurred hereunder, then the whole unpaid principal sum of the indebtedness secured hereby with interest accrued thereon shall, at the option of the Mortgagee, become due and payable without notice or demand, time being of the essence of this Mortgage and of the Note secured hereby; and no omission on the part of the Mortgagee to exercise such option when entitled so to do shall be considered as a waiver of such right.

2.4 Right of Lender to Enter and Take Possession.

(a) If any default shall have occurred and be continuing, the Mortgagor, upon demand of the Mortgagee, shall forthwith surrender to the Mortgagee the actual possession of the Premises and if, and to the extent permitted by law, the Mortgagee may enter and take possession of the Premises and may exclude the Mortgagor and the Mortgagor's agents and employees wholly therefrom. In the event Mortgagee exercises its rights pursuant to this subparagraph (a), the Mortgagee shall be deemed to be acting as agent of Mortgagor and not as owner of the Premises.

(b) For the purpose of carrying out the provisions of this paragraph 2.4, the Mortgagor hereby constitutes and appoints the Mortgagee the true and lawful attorney in fact of the Mortgagor to do and perform, from time to time, any and all actions necessary and incidental to such purpose and does, by these presents, ratify and confirm any and all actions of said attorney in fact in the Premises.

(c) Whenever all such defaults have been cured and satisfied, the Mortgagee shall surrender possession of the Premises to the Mortgagor, provided that the right of the Mortgagee to take possession, from time to time, pursuant to subparagraph 2.4(a) shall exist if any subsequent default shall occur and be continuing.

2.5 Appointment of a Receiver and Foreclosure.

(a) If a default shall have occurred hereunder, then the whole debt secured by this Mortgage, with all interest thereon, and all other amounts hereby secured shall, at the option of Mortgagee, become immediately due and payable, and may forthwith or at any time thereafter be collected by suit at law, foreclosure of or other proceeding upon this Mortgage or by any other proper, legal or equitable procedure without declaration of such option and without notice.

(b) In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication cost and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional debt secured hereby and shall be immediately due and payable with interest thereon at the maximum rate provided by law, when paid or incurred by Mortgagee in connection with (i) any proceeding, including foreclosure, probate and bankruptcy proceedings, to which it shall be a party, either as plaintiff, claimant, or defendant, by reason of

this Mortgage, or any indebtedness hereby secured, (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced, or (iii) preparations for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.

(c) Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit, and in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period.

(d) Mortgagor shall deliver to Mortgagee at any time on its request, all agreements for deed, contracts, leases, abstracts, title insurance policies, muniments of title, surveys and other papers relating to the Premises, and in case of foreclosure thereof and failure to redeem, the same shall be delivered to and become the property of the person obtaining a deed to the Premises by reason of such foreclosure.

2.6 Discontinuance of Proceedings and Restoration of the Parties. In case the Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage by receiver, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adverse to the Mortgagee, then in every such case the Mortgagor and the Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Mortgagee shall continue as if no such proceeding had been taken.

2.7 Remedies Cumulative. No right, power or remedy conferred upon or reserved by the Mortgagee by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.8 Stamp and Excise Tax. It is contemplated that the Mortgagor will pay documentary stamp taxes applicable to the full face amount of the Note. If any additional stamp or excise tax shall become applicable with respect to this Mortgage, the Note, any loan or credit extended hereunder, or any security agreement, guaranty, the loan agreement or other document, the Mortgagor shall promptly pay such tax in full (including interest and penalties, if any) and shall hold the Mortgagee harmless with respect thereto. The Mortgagor's liability under this paragraph 2.8 will survive the repayment of indebtedness under the Note.

ARTICLE III.

3.1 Successors and Assigns Included in Parties. Whenever in this Mortgage one of the parties hereto is named or referred to, the heirs, legal representatives, successors and assigns of such parties shall be included and all covenants and agreements contained in this indenture by or on behalf of the Mortgagor and by or on behalf of the Mortgagee shall bind and inure to the benefit of their respective heirs, legal representatives, successors and assigns, whether so expressed or not. Provided, however, that the Mortgage shall have no right to assign its obligations hereunder without the prior written consent of the Mortgagee.

3.2 Headings. The headings of the sections, paragraphs and subdivisions of this Mortgage are for the convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

3.3 Invalid Provisions to Affect No Others. If fulfillment of any provision hereof or any transaction related hereto or to the Note, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Mortgage in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect. Notwithstanding any provision contained herein, the total liability of Mortgagor for payment of interest, including service charges, penalties or any other fees pursuant to paragraph 1.11, subparagraph 2.5(b) or otherwise shall not exceed the maximum amount of such interest permitted by applicable law to be charged, and if any payments by Mortgagor include interest in excess to the reduction of the unpaid principal amount due and pursuant hereto.

3.4 Number and Gender. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the other.

ARTICLE IV.

4.1 Notice. Any notice or other communication required or permitted to be given hereunder shall be sufficient if in writing and delivered in person or sent by United States Certified Mail, postage prepaid, to the parties being given such notice at the following addresses:
Mortgagor:

The Hamlet, Ltd.
625 Auburn Circle West
Delray Beach, Florida 33444

Mortgagee:

Palm Beach County
c/o County Attorney's Office
Room 601
301 North Olive Avenue
West Palm Beach, Florida 33401

Any party may change said address by giving the other parties hereto notice of such change of address. Notice given as hereinabove provided shall be deemed given on the date of its deposit in the United States Mail and, unless sooner received, shall be deemed received by the party to whom it is addressed on the third calendar day following the date on which said notice is deposited in the mail, or if a courier system is used, on the date of delivery of the notice.

ARTICLE V.

5.1 Future Advances. It is agreed that this Mortgage shall also secure such future or additional advances as may be made by the Mortgage at its option to the Mortgagor, or its successor in title, for any purpose, provided that all those advances are to be made within fifteen (15) years from the date of this Mortgage, or within such lesser period of time as may be provided hereafter by law as a prerequisite for the sufficiency of actual notice or record notice of the optional future or additional advances as against the rights of creditors or subsequent purchasers for valuable consideration. The total amount of indebtedness secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured at any one time shall not exceed twice the principal amount of the Note, plus interest, and any disbursements made for the payment of taxes, levies or insurance on the Premises with interest on those disbursements. If, pursuant to Florida Statutes Section 697.04, Mortgagor files a notice specifying the dollar limit beyond which future advances made pursuant to this Mortgage will not be secured by this Mortgage, then Mortgagor shall, within one (1) year of day of filing such notice, notify Mortgagee and its counsel by certified mail pursuant to Section 4.1 of this Mortgage. In addition, such a filing shall constitute a default hereunder.

5.2 Lien Priority. The lien priority of this Mortgage shall not be affected by any changes in the Note including, but not limited to, an increase in the interest rate charged pursuant to the Note. Any parties acquiring an interest in the Premises subsequent to the date of this Mortgage is recorded shall acquire such interest in the Premises with notice that Mortgagee may increase the interest rate charged pursuant to the Note or otherwise modify the Note and the Note, as modified, and the Mortgage shall remain superior to the interest of any Party in the Premises acquired subsequent to the date of this Mortgage is recorded.

5.3 Assignment of Rents and Leases. As further security for payment of principal interest and other amounts due Mortgagee now or hereafter secured hereby, Mortgagor hereby transfers, assigns and sets over unto Mortgagee all leases, if any, now or hereafter entered into by Mortgagor with respect to all or any part of the Premises, and all renewals, extensions, subleases or assignments thereof, and all other written or oral occupancy agreements, by concession, license or otherwise, together with all of the rents, income, receipts, revenues, issues and profits arising therefrom. This Assignment and Mortgagee's rights hereunder shall be subject and subordinate to the rights of Home Savings Bank, F.S.B. and the Florida Housing Finance Agency but only subject and subordinate to that portion of the Premises subject to the First and Second Mortgages. Mortgagee shall have, in addition to all other rights and remedies hereunder, those rights of a mortgagee under Florida Statutes Section 697.07, as now or hereunder in effect.

5.4 Security Agreement. This instrument also creates a security interest in any and all equipment and furnishings as are considered or determined to be personal property or fixtures, together with all replacements, substitutions, additions, products and proceeds thereof, in favor of the Mortgagee under the Florida Uniform Commercial Code to secure payment of principal, interest and other amounts due Mortgagee now or hereafter secured hereby, and Mortgagee shall also have all the rights and remedies of a secured part under the Florida Uniform Commercial code, and without limitation upon or in derogation of the rights and remedies created and accorded to the Mortgagee by this Mortgage pursuant to the common law or any other laws of the State of Florida or any other jurisdiction, it being understood that the rights and remedies of Mortgagee under the Florida Uniform Commercial Code shall be cumulative and in addition to all other rights and remedies of Mortgagee arising under the common law or any other laws of the State of Florida or any other jurisdiction.

5.5 Choice of Law. This Mortgage is to be construed in all respects and enforced according to the laws of the State of Florida.

5.6 Binding Effect. This Mortgage shall be binding upon and insure to the benefit of the Mortgagor and Mortgagee hereto, and their respective heirs, successors and assigns.

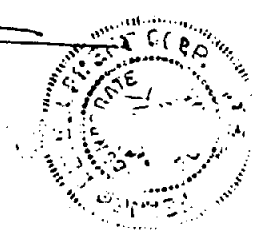
IN WITNESS WHEREOF, the Mortgagor has executed and sealed this Mortgage, the day and year first above written.

Witnesses:

THE HAMLET, LTD., a Florida limited partnership, By The Hamlet Joint Venture, a Florida Partnership, as General Partner, By Felner Development Corp, Management Partner

By: *Jay Felner*
Jay Felner, President

Linda W. Bellamy
Linda W. Bellamy
STATE OF FLORIDA
COUNTY OF PALM BEACH



The foregoing Mortgage and Security Agreement was acknowledged before me this 17th day of December, 1990 by Jay Felner, as President of Felner Development Corp., a Florida Corporation, as Managing Partner of The Hamlet Joint Venture, the General Partner of The Hamlet, Ltd., a Florida limited partnership.

Linda W. Bellamy
Notary Public, State of Florida
at Large

My Commission Expires: _____



COMM. EXP. 12 29-90

EXHIBIT A

PARCEL 1

That part of Section 15 and Section 16, Township 45 South, Range 43 East, Palm Beach County, Florida, described as follows:

All that part of Lots 22 through 26, inclusive, of Sam Brown Jr.'s Hypoluxo Subdivision, according to the Plat thereof, as recorded in Plat Book 1, Page 81, Public Records, Palm Beach County, Florida, lying Westerly of the West line of the East 340 feet of Section 16, Township 45 South, Range 43 East, Palm Beach County, Florida.

Less, however, the South 60 feet of Lot 22:

Also less, the following described parcel of land:

From the Southwest corner of Lot 20 lying in said Sam Brown, Jr.'s Hypoluxo Subdivision run North 02 degrees 02 minutes 25 seconds West, along the West lines of Lots 20, 21 and 22, a distance of 379.12 feet to a line 60 feet Northerly of and as measured at right angles to, the South line of said Lot 22; thence South 89 degrees 56 minutes 48 seconds East, along said line, a distance of 25.02 feet to the point of beginning; thence North 02 degrees 02 minutes 25 seconds West, along a line that lies 25 feet Easterly of the West line of said Lot 22, a distance of 61.08 feet; thence South 89 degrees 57 minutes 23 seconds East, a distance of 364.25 feet; thence North 00 degrees 02 minutes 37 seconds East, a distance of 58.89 feet; thence South 89 degrees 57 minutes 23 seconds East, a distance of 20.0 feet; thence North 00 degrees 02 minutes 37 seconds East, a distance of 24 feet; thence South 89 degrees 57 minutes 23 seconds East, a distance of 8 feet; thence North 00 degrees 02 minutes 37 seconds East, a distance of 70.6 feet; thence South 89 degrees 57 minutes 23 seconds East, a distance of 159.6 feet; thence South 00 degrees 02 minutes 37 seconds West, a distance of 70.6 feet; thence South 89 degrees 57 minutes 23 seconds East, a distance of 20 feet; thence South 00 degrees 02 minutes 37 seconds West, a distance of 29.95 feet; thence due East, along the line that is 602 feet Southerly of and as measured at right angles to the North line of Lot 26 of said Sam Brown Jr.'s Hypoluxo Subdivision, a distance of 377.17 feet to a point in a line that is 365 feet Westerly of and perpendicular to the East line Section 16, Township 45 South, Range 43 East; thence South 01 degrees 53 minutes 20 seconds East, along said line, a distance of 114.06 feet to the North line of said South 60 feet of Lot 22; thence North 89 degrees 56 minutes 48 seconds West, along said line, a distance of 950.13 feet to the point of beginning.

R90 1842 D

PARCEL 2

The East 340 feet of that part of Lots 20 to 26, inclusive, of Sam Brown Jr.'s Hypoluxo Subdivision lying in said Section 16, as recorded in Plat Book 1, page 81, Public Records of Palm Beach County, Florida.

PARCEL 3

That part of Section 15, Township 45 South, Range 43 East, Palm Beach County, Florida, described as follows:

That part of Lots 20 to 26, inclusive, lying in said Section 15, of Sam Brown, Jr.'s Hypoluxo Subdivision, as recorded in Plat Book 1, page 81 of the Public Records of Palm Beach County, Florida, being the South 332 feet of the West 165 feet (as measured along the South and West lines thereof) of said Lots 20 to 26, inclusive.

R90 1842 D

THE MARLET
PROJECTED FUNDING

	EQUITY		FIRST MORTGAGE LOAN	SAIL	PALM BEACH COUNTY	BOYNTON BEACH	TOTALS
	OTHER COSTS	HARD COSTS					
PRECONSTRUCTION	250,000						250,000
NOVEMBER	1,825,000						1,950,000
DECEMBER	25,000		186,000	114,000		125,000	350,000
JANUARY	25,000		186,000	114,000		50,000	375,000
FEBRUARY	50,000		186,000	114,000			350,000
MARCH	75,000		620,000	380,000			1,075,000
APRIL	100,000		620,000	380,000			1,100,000
MAY	100,000		620,000	380,000			1,100,000
JUNE	100,000		620,000	380,000			1,100,000
JULY	100,000		620,000	380,000			1,100,000
AUGUST	100,000		620,000	380,000			1,100,000
SEPTEMBER	100,000	386,650	422,000	33,000	158,350		1,100,000
OCTOBER	100,000	365,406			234,594		700,000
NOVEMBER	70,000	365,406			234,594		670,000
DECEMBER	30,000	243,604			156,396		430,000
JANUARY	25,000	182,703			117,297		325,000
FEBRUARY	19,000	77,231			98,769		195,000
TOTALS	3,094,000	1,621,000	4,700,000	2,655,000	1,000,000	200,000	13,270,000

(1) LAND, SOFT COSTS, FURNITURE AND EQUIPMENT

BOOK 0933 PAGE 239

RECORDERS MEMO: Legibility
of Writing, Typing or Printing
unsatisfactory in this document
which record ved.

R90 1842 D

EXHIBIT B
USE OF PROCEEDS

Apartment Buildings Construction:

213,408 Square feet x \$29.68 estimated cost per square foot per attached line item analysis.

\$6,333,949

Child Care Center - 7,440 sq. ft. x \$45 per sq. ft.	334,800
Recreation Building - 3,025 sq. ft. x \$45 per sq. ft.	136,125
Laundry Building - 1,225 sq. ft. x \$45 per sq. ft.	55,125
Management Building - 2,304 sq. ft. x \$45 per sq. ft.	103,680

Sitework per attached Breakdown 1,414,397

County Impact Fees	349,000
City Sewer & Water Fees	275,000

Construction Overhead Per Attached Schedule (4.6%)	414,928
General Contractor Profit (5.6%)	<u>558,996</u>

Full Construction Budget \$9,976,000

Land	1,150,000
Boynton Beach Offsite Improvements	<u>200,000</u>

Soft Costs:

Architect	\$ 75,000	
Engineering	65,000	
Inspector Fees	12,000	
Ad Valorem Taxes	65,000	
Feasibility, Appraisals, Surveys	25,000	
Legal and Consulting	330,000	
Title Policy and Closing Costs	90,000	
Interest Reserve	500,000	
Rent Up Reserve	122,000	
Accounting; Office	48,000	
Lender/Broker Finance Fees	242,000	
Tax Credit Fee	50,000	
Insurance	60,000	
Contingency	<u>100,000</u>	
		1,784,000

Personal Property:		
Maintenance Equipment	\$ 25,000	
Office Equipment	20,000	
Laundry Machines	40,000	
Furniture	50,000	
Recreation/Playground Equipment	<u>25,000</u>	160,000

Total Project Cost \$13,270,000

R 90 1842 D

PROMISSORY NOTE

\$1,000,000.00

West Palm Beach, Florida
December 17, 1990

FOR VALUE RECEIVED the undersigned THE HAMLET, LTD., a Florida limited partnership ("Maker"), promises to pay to the order of PALM BEACH COUNTY, a political subdivision of the State of Florida, together with any other holder hereof ("Holder"), at 301 North Olive Avenue, West Palm Beach, Florida 33401, or such other place as Holder may from time to time designate in writing, the principal sum of One Million (\$1,000,000.00) Dollars, plus accrued interest, to be paid in lawful money of the United States of America, as follows:

- 1) This Note shall bear interest computed at the stated rate of Nine percent (9%) per annum on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement, but such rate shall be reduced to Four and One-Half percent (4-1/2%) per annum (3% annually and 1-1/2% deferred) in consideration of execution by Holder of a Land Use Restriction Agreement with the Florida Housing Finance Agency with respect to rental of apartments to low income households.
- 2) Repayment hereunder shall be limited to the actual cash flow of the Project which shall be determined annually on a calendar year basis, and certified by an independent Certified Public Accountant acceptable to the County, prior to the annual payment due date. The first annual payment due date hereunder shall be on February 28, 1992, with respect to all payments due under subparagraph 4) below for the preceding calendar year. Subsequent annual payments shall be due on the 28th day of February for each preceding calendar year thereafter through February 28, 2007 (Maturity Date), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon shall be due and payable, unless acceleration is made by Holder pursuant to the provisions hereof.
- 3) Maker agrees to provide annually to Holder a certification of Project income and expenses, and certified by an independent Certified Public Accountant acceptable to the County, which shall be used by Holder to determine payments due hereunder. Said certification shall be provided prior to each annual due date.
- 4) Each year payments from Project income as determined by Holder shall be applied to pay the following items in order of priority:
 - (a) First and Second mortgage fees and debt service, and Project expenses;
 - (b) Base interest payment on principal balance equal to three percent (3%) per annum; and
 - (c) Any such base payment of interest hereunder deferred from previous years.
- 5) Any payments of current or deferred base interest due annually hereunder shall be deferred until the next annual due date to the extent that Project income is insufficient to make said payments pursuant to the payment priority schedule in paragraph (4) above and as determined by Maker.
- 6) This Note may be prepaid in whole or in part at any time, without penalty or premium. Any prepayment hereunder shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to accrued, deferred and unpaid interest and the balance, if any, to the principal balance.
- 7) After maturity or acceleration, this Note shall bear interest at the Default Interest Rate until paid in full.
- 8) All terms hereunder shall be as construed and defined in Chapter 91-28, Florida Administrative Code.

PALM BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA IS EXEMPT FROM PAYMENT OF EXCISE TAX ON DOCUMENTS. STAMPS HAVE BEEN AFFIXED TO THE MORTGAGE AND CANCELED AS REQUIRED BY LAW.

R90 1842 D

This Note is executed pursuant to the terms and conditions of that certain Construction Loan Agreement of even date herewith between Maker, As Borrower, and Holder, as Lender, is secured by a Mortgage and Security Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"), and by a Collateral Assignment of Leases, Rents and Contract Rights, all of even date herewith. The foregoing and all other agreements, instruments and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents."

This Note has been executed and delivered in, and is to be governed by and construed under the laws of, the State of Florida, as amended, except as modified by the laws and regulations of the United States of America.

Maker shall have no obligation to pay interest or payments in the nature of interest in excess of the maximum rate of interest allowed to be contracted for by law, as changed from time to time, applicable to this Note (the "Maximum Rate"). Any interest in excess of the Maximum Rate paid by Maker ("excess sum") shall be credited as a payment of principal, or, if Maker so requests in writing, returned to Maker, or if the indebtedness and other obligations evidenced by this Note have been paid in full, returned to Maker together with interest at the same rate as was paid by Maker during such period. Any excess sum credited to principal shall be credited as of the date paid to Holder. The Maximum Rate varies from time to time and from time to time there may be no specific maximum rate. Holder may, without such action constituting a breach of any obligations to Maker, seek judicial determination of the applicable rate of interest, and its obligation to pay or credit any proposed excess sum to Maker.

The "Default Interest Rate" and, in the event no specific maximum rate is applicable, the Maximum Rate shall be eighteen percent (18%) per annum.

Holder shall have the right to declare the total unpaid balance hereof to be immediately due and payable in advance of the Maturity Date upon the failure of Maker to pay when due any payment of principal or interest or other amount due hereunder; or upon the occurrence of an event of default pursuant to any other Loan Documents now or hereafter evidencing, securing or guarantying payment of this Note. Exercise of this right shall be without notice to Maker or to any other person liable for payment hereof, notice of such exercise being hereby expressly waived.

Any payment hereunder not paid when due (at maturity, upon acceleration or otherwise) shall bear interest at the Default Interest Rate from the due date until paid.

Provided Holder has not accelerated this Note, Maker shall pay holder a late charge of five percent (5%) of any required payment which is not received by Holder when said payment is due. The parties agree that said charge is a fair and reasonable charge for the late payment and shall not be deemed a penalty.

Time is of the essence hereunder. In the event that this Note is collected by law or through attorneys at law, or under advice therefrom, Maker agrees, to pay all costs of collection including reasonable attorneys' fees, whether or not suit is brought, and whether incurred in connection with collection, trial, appeal, bankruptcy or other creditors proceedings or otherwise.

Acceptance of partial payments or payments marked "payment in full" or "in satisfaction" or words to similar effect shall not affect the duty of Maker to pay all obligations due hereunder, and shall not affect the right of Holder to pursue all remedies available to it under any Loan Documents.

The remedies of Holder shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of Holder, and may be exercised as often as occasion therefor shall arise. No action or omission of Holder, including specifically any failure to exercise or forbearance in the exercise of any remedy, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing or as constituting a cause of dealing, nor shall it be construed as a bar to, or as a waiver or release of, any subsequent remedy as to a subsequent event.

Any notice to be given or to be served upon any party hereto in connection with this Note, whether required or otherwise, may be given in any manner permitted under the Loan Documents.

The term "other person liable for payment hereof" shall include any endorser, guarantor, surety or other person now or hereafter primarily or secondarily liable for the payment of this Note, whether by signing this or another instrument.

R90 1842 D

Whenever the context so requires, the neuter gender includes the feminine and/or masculine, as the case may be, and the singular number includes the plural, and the plural number includes the singular.

Maker and any other person liable for the payment hereof respectively, hereby (a) expressly waive any valuation and appraisal, presentment, demand for payment, notice of dishonor, protest, notice of nonpayment or protest, all other forms of notice whatsoever, and diligence in collection; (b) consent that Holder may, from time to time and without notice to any of them or demand, (i) extend, rearrange, renew or postpone any or all payments, (ii) release, exchange, add to or substitute all or any part of the collateral for this Note, and/or (iii) release Maker (or any co-maker) or any other person liable for payment hereof, without in any way modifying, altering, releasing, affecting or limiting their respective liability or the lien of any security instrument; and (c) agree that Holder, in order to enforce payment of this Note against any of them, shall not be required first to institute any suit or to exhaust any of its remedies against Maker (or any co-maker) or against any other person liable for payment hereof or to attempt to realize on any collateral for this Note.

MAKER WAIVES ITS RIGHT TO A TRIAL BY JURY IF ANY ACTION, WHETHER ARISING IN CONTRACT OR TORT, BY STATUTE OR OTHERWISE, IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER'S EXTENDING CREDIT TO MAKER AND NO WAIVER OR LIMITATION OF HOLDER'S RIGHTS UNDER THIS PARAGRAPH SHALL BE EFFECTIVE UNLESS IN WRITING AND MANUALLY SIGNED ON HOLDER'S BEHALF.

IN WITNESS WHEREOF, Maker has executed this Note on the day and year first above written.

THE HAMLET, LTD., a Florida limited partnership
By Felner Development Corp.,
a Florida Corporation as Managing Partner of the General Partner,
The Hamlet Joint Venture

By: Jay Felner
Jay Felner, President

(CORPORATE SEAL)

"MAKER"

Not a certified copy

RECORD VERIFIED
PALM BEACH COUNTY, FLA
JOHN B. DUNKLE
CLERK CIRCUIT COURT

R90 1842 D

**THE HAMLET
SITEWORK**

Sewer, water, paving & drainage	\$601,097
Trash	30,000
Clearing & grubbing	58,000
Fence	76,000
Construction compound	15,700
Lighting	56,600
Tennis court, basketball court	46,000
Pool	63,000
Rental equipment, fine grading	40,000
Site testing & surveying	126,000
Temporary electric & water	14,400
Landscaping & irrigation	287,600
	<u>\$1,414,397</u>

R 90 1842 D

Construction Overhead Estimate

The Hamlet of Boynton Beach

Building Construction: (13-1/2 months)

Salaries:

Construction Personnel	\$145,950
Management Allocation	40,000

Payroll Taxes(6%)	\$ 185,950
Hosp. Insurance (3%)	11,157
Utilities (including inventory units)	5,579
Telephone	12,000
Office Trailer Rent	10,000
Field Office Maintenance	6,000
Office Supplies	6,000
Equipment Rental	7,200
Fees/Licenses	1,500
Dues/Subscriptions	1,000
Postage/Freight	7,000
Outside Services (Port-o-lets)	5,000
Travel/Entertainment	10,000
Auto Leases	12,000
Gas/Oil/Repairs	2,400
Miscellaneous	5,000
Total Building Construction Overhead	\$302,786
Land Development (Five Months)	\$112,143
Total Building & Land Development Overhead	\$414,928

ACCOUNT TYPE: G STAGE ONE BUILDING CONSTRUCTION PRELIMINARY COST ESTIMATE FORM DTE:3/1/87 REV: 2/6/88

PROJECT: HAMLET RENTAL APARTMENTS BUILDING TYPE: 16 UNIT BLDG
 DATE: 5-10-90 UNIT TYPE: A
 BLDG. SQ. FT.: 15568

CODE: E=ESTIMATE P=PROPOSAL C=CONTRACT
=DATA ENTRY REQ'D. TOT. REVISED BLDG. COST: \$461,986.62 \$/SF: \$29.68

CODE	FUNC	SUB	DESCRIPTION	1800-DELRAY 25184 SF	COST /SF	HAMLET 15568 SF	COST /SQ FT	REMARKS
01 GRADING								
[]	A		PAD PREPARATION	\$1,316.00	\$0.05	\$897.51	\$0.06	
[]	B		MECHANICAL BACKFILL	\$600.00	\$0.02	\$409.20	\$0.03	
[]	C		SWALE/WALK/PATIO	\$400.00	\$0.02	\$272.80	\$0.02	
[]	D		FINAL GRADING	()	\$0.00	()	\$0.00	
[]	P		FINAL	()	\$0.00	()	\$0.00	
23 TOTAL GRADING								
				\$2,316.00	\$0.09	\$1,579.51	\$0.10	
02 PERMITS & FEES								
[]	A		STATE	NIC	\$0.00	NIC	\$0.00	
[]	B		LOCAL	NIC	\$0.00	NIC	\$0.00	
[]	C		PLUMBING	NIC	\$0.00	NIC	\$0.00	
[]	D		ELECTRICAL	NIC	\$0.00	NIC	\$0.00	
[]	E		MECHANICAL	NIC	\$0.00	NIC	\$0.00	
[]	Z		OTHER FEES	NIC	\$0.00	NIC	\$0.00	
34 TOTAL PERMITS & FEES								
				\$0.00	\$0.00	\$0.00	\$0.00	
04 MASONRY/CONCRETE								
[]	A		SLAB	\$28,487.00	\$1.13	\$24,865.08	\$1.60	
[]	B		MASONRY 1ST FLOOR	\$20,160.00	\$0.80	\$35,200.00	\$2.26	TUNNEL FORM
[]	C		MASONRY 2ND FLOOR	\$20,160.00	\$0.80	\$35,200.00	\$2.26	TUNNEL FORM
[]	D		MASONRY 3RD FLOOR	()	\$0.00	()	\$0.00	
[]	E		CONCRETE TESTING	()	\$0.00	()	\$0.00	
[]	F		WEATHERPROOFING	()	\$0.00	()	\$0.00	
[]	G		PATCH & GRIND	\$550.00	\$0.02	()	\$0.00	
[]	H		COLUMNS & TIE BEAMS	\$10,928.00	\$0.43	\$6,611.44	\$0.42	
[]	I		MONOLITHIC FOUNDATION	()	\$0.00	()	\$0.00	
[]	J		CONVENTIONAL FOUNDATION	()	\$0.00	()	\$0.00	
[]	K		PILING & GRADE BEAMS	()	\$0.00	()	\$0.00	
[]	L		PORCHES	\$3,333.00	\$0.13	\$1,833.15	\$0.12	
[]	M		BREEZEWAYS	\$2,046.00	\$0.08	()	\$0.00	
[]	P		FINAL	()	\$0.00	()	\$0.00	
[]	Q		RETAIL	()	\$0.00	()	\$0.00	
54 TOTAL MASONRY/CONCRETE								
				\$85,664.00	\$3.40	\$103,709.67	\$6.66	
05 MISCELLANEOUS								
[]	A		MISCELLANEOUS PURCHASES	\$300.00	\$0.01	\$200.00	\$0.01	
[]	B		EQUIPMENT RENTAL	\$450.00	\$0.02	\$300.00	\$0.02	
[]	C		MISCELLANEOUS LUMBER	()	\$0.00	()	\$0.00	
62 TOTAL MISCELLANEOUS								
				\$750.00	\$0.03	\$500.00	\$0.03	
06 TRUSSES								
[]	A		TRUSSES	\$18,180.00	\$0.72	\$11,271.60	\$0.72	
[]	B		TRUSS INSTALLATION	\$3,994.00	\$0.13	\$2,104.28	\$0.14	
[]	P		FINAL	()	\$0.00	()	\$0.00	
70 TOTAL TRUSSES								
				\$21,574.00	\$0.86	\$13,375.88	\$0.86	
07 CARPENTRY								
[]	A		FRAMING FIRST FLOOR	\$670.00	\$0.03	\$415.40	\$0.03	

75

R90 1842 D

[]	B	FRAMING SECOND FLOOR	\$670.00	\$0.03	\$415.40	\$0.03
[]	C	FRAMING THIRD FLOOR	[]	\$0.00	[]	\$0.00
[]	D	ROOF SHEATHING	\$33,705.00	\$1.34	\$20,897.10	\$1.34
[]	F	EXTERIOR WALL SHEATHING	[]	\$0.00	[]	\$0.00
[]	G	PREFAB EXTERIOR PANELS	[]	\$0.00	[]	\$0.00
[]	I	ARCHES	\$464.00	\$0.02	[]	\$0.00
[]	J	WOOD SUB-FLOOR	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
85		TOTAL CARPENTRY	\$35,509.00	\$1.41	\$21,727.90	\$1.40
	08	ROOFING		\$0.00		\$0.00
[]	A	ROOFING (COMP ASPH)	\$11,500.00	\$0.46	\$7,843.00	\$0.50
[]	B	UNDERLAYMENT	\$3,850.00	\$0.15	\$2,374.60	\$0.15
[]	C	FLASHING	\$2,097.00	\$0.08	\$1,300.14	\$0.08
[]	D	DRYER VENTILATOR	[]	\$0.00	[]	\$0.00
[]	E	ATTIC VENTILATOR	[]	\$0.00	[]	\$0.00
[]	F	SKYLIGHTS (INSTALL)	[]	\$0.00	[]	\$0.00
[]	G	ROOFING (CEM TILE)	[]	\$0.00	[]	\$0.00
[]	H	ROOFING (CLAY TILE)	[]	\$0.00	[]	\$0.00
[]	I	ROOFING (CEDAR SHAKE)	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
101		TOTAL ROOFING	\$17,627.00	\$0.69	\$11,517.74	\$0.74
	09	INSULATION		\$0.00		\$0.00
[]	A	INSUL (WALL/CEILING)	\$8,909.00	\$0.35	\$5,523.58	\$0.35
[]	B	INSULATION (PARTY WALL)	\$1,120.00	\$0.04	\$1,556.50	\$0.10
[]	C	ACOUSTICAL TREATMENT	\$240.00	\$0.01	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
110		TOTAL INSULATION	\$10,269.00	\$0.41	\$7,080.08	\$0.45
	10	DRYWALL		\$0.00		\$0.00
[]	A	STEEL STUDS 1ST FLOOR	\$12,843.00	\$0.51	\$7,962.66	\$0.51
[]	B	STEEL STUDS 2ND FLOOR	\$10,451.00	\$0.41	\$7,962.66	\$0.51
[]	C	STEEL STUDS 3RD FLOOR	[]	\$0.00	[]	\$0.00
[]	D	DRYWALL 1ST FLOOR	\$23,104.00	\$0.92	\$11,552.00	\$0.74
[]	E	DRYWALL 2ND FLOOR	\$24,854.00	\$0.99	\$11,552.00	\$0.74
[]	F	DRYWALL 3RD FLOOR	[]	\$0.00	[]	\$0.00
[]	G	ATTIC FIREWALL	\$7,632.00	\$0.30	\$4,731.84	\$0.30
[]	P	FINAL	[]	\$0.00	[]	\$0.00
123		TOTAL DRYWALL	\$78,884.00	\$3.13	\$43,761.16	\$2.81
	11	MILLWORK		\$0.00		\$0.00
[]	A	INTERIOR TRIM 1ST FLOOR	\$1,674.00	\$0.07	\$1,037.88	\$0.07
[]	B	INTERIOR TRIM 2ND FLOOR	\$1,674.00	\$0.07	\$1,037.88	\$0.07
[]	C	INTERIOR TRIM 3RD FLOOR	[]	\$0.00	[]	\$0.00
[]	D	SHUTTERS (NOT ALUMINUM)	[]	\$0.00	[]	\$0.00
[]	E	WOOD STAIRS/RAILS	[]	\$0.00	[]	\$0.00
[]	F	SHELVING	\$2,256.00	\$0.09	\$1,398.72	\$0.09
[]	H	HARDWARE	\$3,120.00	\$0.12	\$3,120.00	\$0.20
[]	I	INTERIOR DOORS	\$5,306.00	\$0.21	\$3,306.00	\$0.34
[]	J	BIFOLD DOORS	\$1,200.00	\$0.05	\$3,200.00	\$0.21
[]	K	MIRROR BIFOLDS	[]	\$0.00	[]	\$0.00
[]	L	MIRROR BY-PASS	\$7,421.00	\$0.29	[]	\$0.00
[]	M	ENTRANCE DOOR	\$2,087.00	\$0.08	\$2,087.00	\$0.13
[]	N	EXTERIOR TRIM	[]	\$0.00	[]	\$0.00
[]	O	EXTERIOR DOORS	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
144		TOTAL MILLWORK	\$24,738.00	\$0.98	\$17,187.48	\$1.10
	12	WINDOWS & SCREENS		\$0.00		\$0.00
[]	A	WINDOWS, FIRST FLOOR	\$1,610.24	\$0.06	\$3,800.00	\$0.24

R90 1842 D

[]	B	WINDOWS, SECOND FLOOR	\$1,610.24	\$0.06	\$3,800.00	\$0.24
[]	C	WINDOWS, THIRD FLOOR	[]	\$0.00	[]	\$0.00
[]	D	SKYLIGHTS (MATERIAL)	---	\$0.00	---	\$0.00
[]	E	WINDOWS, SPECIAL	\$2,816.00	\$0.11	[]	\$0.00
[]	F	GLASS SLIDING DOORS	\$10,842.24	\$0.43	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
157		TOTAL WINDOWS & SCREENS	\$16,878.72	\$0.67	\$7,600.00	\$0.19
13		PLUMBING		\$0.00		
[]	A	FIRST ROUGH	\$16,634.00	\$0.66	\$10,313.08	\$0.66
[]	B	SECOND ROUGH & TUBS	\$21,678.00	\$0.86	\$13,440.36	\$0.86
[]	C	FINISH	\$9,900.00	\$0.39	\$6,138.00	\$0.39
[]	D	SLAB PENETRATIONS	\$1,040.00	\$0.04	\$800.00	\$0.05
[]	E	WATER HEATERS	\$3,120.00	\$0.12	\$3,120.00	\$0.20
[]	F	GARBAGE DISP. INSTALL	\$48.00	\$0.00	\$48.00	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
170		TOTAL PLUMBING	\$52,420.00	\$2.08	\$33,859.44	\$2.17
14		SIDING		\$0.00		
[]	A	SIDING (NOT ALUMINUM)	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
177		TOTAL SIDING	\$0.00	\$0.00	\$0.00	\$0.00
15		LATERALS		\$0.00		
[]	A	WATER (YARD PIPING)	\$800.00	\$0.03	\$640.00	\$0.04
[]	B	SEWER (YARD PIPING)	\$800.00	\$0.03	\$640.00	\$0.04
[]	C	W/S HOOK-UP	[]	\$0.00	\$900.00	\$0.06
[]	P	FINAL	[]	\$0.00	[]	\$0.00
186		TOTAL LATERALS	\$1,600.00	\$0.06	\$2,180.00	\$0.14
16		ELECTRICAL		\$0.00		
[]	A	ROUGH (THROUGH SLAB)	\$9,720.00	\$0.39	\$6,629.04	\$0.43
[]	B	SVC-2ND ROUGH (FRAMING)	\$46,800.00	\$1.86	\$31,917.60	\$2.05
[]	C	FINISH (TRIM)	\$9,726.00	\$0.39	\$6,633.13	\$0.43
[]	D	FAN PREWIRE W/O FANS	\$2,880.00	\$0.11	\$2,880.00	\$0.18
[]	G	GARBAGE DISPOSAL HOOK-UP	[]	\$0.00	[]	\$0.00
[]	H	EXTERIOR WIRING	\$180.00	\$0.01	\$180.00	\$0.01
[]	J	FIRE ALARM SYSTEM	\$6,714.00	\$0.27	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
200		TOTAL ELECTRICAL	\$76,020.00	\$3.02	\$48,239.77	\$3.10
17		ELECTRICAL FIXTURES		\$0.00		
[]	B	BATHROOM FANS	\$1,036.00	\$0.04	\$1,036.00	\$0.07
[]	F	FANS, CEILING	\$0.00	\$0.00	\$0.00	\$0.00
[]	I	FLUORESCENT LIGHTING	\$1,944.00	\$0.08	\$1,944.00	\$0.12
[]	J	INCANDESCENT LIGHTING	\$540.00	\$0.02	\$620.00	\$0.04
[]	K	SMOKE DETECTORS	[]	\$0.00	[]	\$0.00
[]	L	DOOR BELL/CHIMES	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
213		TOTAL ELECTRICAL FIXTURE	\$3,520.00	\$0.14	\$3,600.00	\$0.23
18		COVE CEILINGS		\$0.00		
[]	A	COVE CEILINGS	\$720.00	\$0.03	\$432.00	\$0.03
[]	P	FINAL	[]	\$0.00	[]	\$0.00
220		TOTAL COVE CEILINGS	\$720.00	\$0.03	\$432.00	\$0.03
19		HEAT, VENTILATING, A/C		\$0.00		

R90 1842 D

				\$0.00			
[]	A	FIRST FOUGH	\$800.00	\$0.03	\$800.00	\$0.05	
[]	B	SECOND ROUGH	[]	\$0.00	[]	\$0.00	
[]	C	FINISH	[]	\$0.00	[]	\$0.00	
[]	D	HEATING/AIR COND. UNIT	\$14,400.00	\$0.57	\$14,400.00	\$0.92	
[]	E	HEAT PUMPS	[]	\$0.00	[]	\$0.00	
[]	F	DRYER VENTING	\$1,520.00	\$0.06	[]	\$0.00	
[]	G	DUCTWORK	\$12,400.00	\$0.49	\$17,688.00	\$0.49	
[]	P	FINAL	[]	\$0.00	[]	\$0.00	
[]	R	RETAIL	[]	\$0.00	[]	\$0.00	
234		TOTAL HVAC	\$29,120.00	\$1.16	\$22,868.00	\$1.47	
20		APPLIANCES		\$0.00			
[]	A	RANGE/STOVE (STANDARD)	\$4,132.00	\$0.24	\$4,932.00	\$0.32	
[]	B	DISHWASHER	\$3,404.00	\$0.14	\$3,404.00	\$0.22	
[]	C	HOOD (STANDARD)	[]	\$0.00	[]	\$0.00	
[]	D	DISPOSAL (MATERIAL ONLY)	\$660.00	\$0.03	\$660.00	\$0.04	
[]	E	MICROWAVE	\$0.00	\$0.00	\$0.00	\$0.00	
[]	F	REFRIGERATOR	\$8,648.00	\$0.34	\$7,448.00	\$0.48	
[]	G	WASHER	[]	\$0.00	[]	\$0.00	
[]	H	DRYER	[]	\$0.00	[]	\$0.00	
[]	P	FINAL	[]	\$0.00	[]	\$0.00	
[]	R	RETAIL	[]	\$0.00	[]	\$0.00	
249		TOTAL APPLIANCES	\$18,844.00	\$0.75	\$16,444.00	\$1.06	
21		CABINETS/VANITIES		\$0.00			
[]	A	1ST FL KITCHEN CABINETS	\$10,698.00	\$0.42	\$9,898.00	\$0.64	
[]	B	2ND FL KITCHEN CABINETS	\$10,698.00	\$0.42	\$9,898.00	\$0.64	
[]	C	3RD FL KITCHEN CABINETS	[]	\$0.00	[]	\$0.00	
[]	D	1ST FLOOR BATH VANITIES	\$3,098.00	\$0.12	\$1,498.00	\$0.10	
[]	E	2ND FLOOR BATH VANITIES	\$3,098.00	\$0.12	\$1,498.00	\$0.10	
[]	F	3RD FLOOR BATH VANITIES	[]	\$0.00	[]	\$0.00	
[]	G	CULT. MARBLE COUNTER TOPS	\$0.00	\$0.00	\$0.00	\$0.00	
[]	P	FINAL	[]	\$0.00	[]	\$0.00	
[]	R	RETAIL	[]	\$0.00	[]	\$0.00	
[]	V	WET BAR CABINETS	[]	\$0.00	[]	\$0.00	
264		TOTAL CABINETS/VANITIES	\$27,592.00	\$1.10	\$22,792.00	\$1.46	
22		PRECAST CONCRETE PROD.		\$0.00			
[]	A	2ND FLOOR SLABS	\$42,357.00	\$1.68	[]	\$0.00	SEE CONCRETE
[]	B	3RD FLOOR SLABS	[]	\$0.00	[]	\$0.00	
[]	C	BEAMS, ETC.	\$1,900.00	\$0.08	[]	\$0.00	
[]	D	CONC. STAIRS/LANDINGS	\$3,764.00	\$0.15	\$3,764.00	\$0.24	
[]	P	FINAL	[]	\$0.00	[]	\$0.00	
274		TOT. PRECAST CONC. PROD.	\$48,021.00	\$1.91	\$3,764.00	\$0.24	
23		CERAMIC TILE & MARBLE		\$0.00			
[]	A	CERAMIC FLOORS & WALLS	\$11,496.00	\$0.46	\$6,000.00	\$0.39	BATH FLOORS
[]	B	SILLS	\$624.00	\$0.03	\$650.00	\$0.04	
[]	C	SILL LABOR	[]	\$0.00	[]	\$0.00	
[]	D	MARBLE (NOT COUNTERTOP)	\$10,840.00	\$0.43	[]	\$0.00	
[]	P	FINAL DRAW	[]	\$0.00	[]	\$0.00	
[]	R	RETAIL	[]	\$0.00	[]	\$0.00	
285		TOTAL CERAMICS	\$23,160.00	\$0.92	\$6,650.00	\$0.43	
24		FLOORING		\$0.00			
[]	A	STANDARD CARPETING	\$18,534.00	\$0.74	\$11,491.08	\$0.74	
[]	B	OUTSIDE CARPET (COMMON)	\$1,688.00	\$0.07	[]	\$0.00	
[]	C	VINYL	\$3,980.00	\$0.16	\$1,500.00	\$0.10	KITCHEN
[]	D	PATIO CARPET	[]	\$0.00	[]	\$0.00	
[]	E	WOOD FLOORING (FINISH)	[]	\$0.00	[]	\$0.00	
[]	P	FINAL	\$4,721.00	\$0.19	\$2,927.00	\$0.19	
[]	R	RETAIL	[]	\$0.00	[]	\$0.00	

R90 1842 D

RECORDER'S MEMO: Legibility
of Writing, Typing or Printing
unsatisfactory in this document
when received.

297		TOTAL FLOORING	\$28,923.00	\$1.15	\$15,918.08	\$1.02
	25	ACCESSORIES		\$0.00		
[]	A	MEDICINE CABINETS	\$590.00	\$0.02	\$590.00	\$0.04
[]	B	MIRRORS	\$3,010.00	\$0.12	\$2,210.00	\$0.14
[]	E	BRIGHT WORK	[]	\$0.00	[]	\$0.00
[]	G	SHOWER ENCLOSURE	\$3,480.00	\$0.14	\$2,880.00	\$0.18 FIBERGLASS
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
300		TOTAL ACCESSORIES	\$7,088.00	\$0.28	\$5,600.00	\$0.36
	26	FINISHES		\$0.00		
[]	A	EXTERIOR PAINT 1ST DRAW	\$3,171.00	\$0.13	\$1,966.02	\$0.13
[]	B	EXTERIOR PAINT 2ND DRAW	\$3,171.00	\$0.13	\$1,966.02	\$0.13
[]	C	STUCCO	\$24,817.00	\$0.99	\$15,386.54	\$0.99
[]	D	INTERIOR PAINT 1ST DRAW	\$5,540.00	\$0.22	\$3,434.80	\$0.22
[]	E	INTERIOR PAINT 2ND DRAW	\$5,540.00	\$0.22	\$3,434.80	\$0.22
[]	F	PRE-C.O. CAULK	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	\$6,700.00	\$0.43 INTERIOR
320		TOTAL FINISHES	\$42,239.00	\$1.68	\$32,858.18	\$2.11
	27	ALUMINUM		\$0.00		
[]	A	ALUM SOFFIT & FACIA	\$1,750.00	\$0.07	\$1,085.00	\$0.07
[]	B	CUTTERS & LEADERS	\$1,150.00	\$0.05	\$715.00	\$0.05
[]	C	ALUM SIDING/TRIM	[]	\$0.00	[]	\$0.00
[]	P	FINAL	\$300.00	\$0.01	[]	\$0.00
329		TOTAL ALUMINUM	\$3,200.00	\$0.13	\$1,798.00	\$0.12
	28	CAULKING		\$0.00		
[]	A	CAULKING	\$560.00	\$0.02	\$300.00	\$0.02
[]	P	FINAL	[]	\$0.00	[]	\$0.00
336		TOTAL CAULKING	\$560.00	\$0.02	\$300.00	\$0.02
	29	CLEANING		\$0.00		
[]	A	INSIDE BEFORE LAYOUT	\$400.00	\$0.02	\$200.00	\$0.01
[]	B	INSIDE BEFORE FRAME INSP	\$400.00	\$0.02	\$200.00	\$0.01
[]	C	INSIDE AFTER DRYWALL	[]	\$0.00	[]	\$0.00
[]	D	INSIDE BEFORE PAINT	\$400.00	\$0.02	\$200.00	\$0.01
[]	E	INSIDE BEFORE WALK-THRU	\$400.00	\$0.02	\$200.00	\$0.01
[]	F	INSIDE (FINAL) AFTER C.O	\$3,000.00	\$0.12	\$1,000.00	\$0.04
[]	G	OUTSIDE AFTER BLOCK	\$480.00	\$0.02	\$200.00	\$0.01
[]	H	OUTSIDE AFTER SHINGLES	\$480.00	\$0.02	\$200.00	\$0.01
[]	I	OUTSIDE AFTER STUCCO	\$480.00	\$0.02	\$200.00	\$0.01
[]	J	OUTSIDE BEFORE WALKMATS	\$480.00	\$0.02	\$200.00	\$0.01
[]	K	OUTSIDE (FINAL) REF. SCO	[]	\$0.00	[]	\$0.00
[]	P	FINAL DRAW	\$160.00	\$0.01	\$160.00	\$0.01
353		TOTAL CLEANING	\$6,680.00	\$0.27	\$2,760.00	\$0.18
	30	MAILBOX & HOUSE NUMBER		\$0.00		
[]	A	MAILBOX & NUMBER	\$239.00	\$0.01	\$239.00	\$0.02
359		TOTAL MAILBOX & HOUSE #	\$239.00	\$0.01	\$239.00	\$0.02
	31	FIRE PROTECTION		\$0.00		
[]	A	SPRINKLER SYSTEM	\$4,632.00	\$0.18	[]	\$0.00
[]	B	FIRE EXTINGUISHERS	\$358.00	\$0.01	\$358.00	\$0.02
366		TOTAL FIRE PROTECTION	\$4,990.00	\$0.20	\$358.00	\$0.02
	34	SCREENS, RAILS & PORCHES		\$0.00		
[]	A	SCREEN ENCLOSURES	\$4,968.00	\$0.28	[]	\$0.00

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[]	B	RAILING	\$1,900.00	\$0.08	\$3,000.00	\$0.19
[]	C	FENCE & GATE	[]	\$0.00	[]	\$0.00
[]	D	LUMITE	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
377		TOT. SCREENS, RAILS	\$8,868.00	\$0.35	\$3,000.00	\$0.19
42		PRIVATE POOLS/SPAS		\$0.00		
[]	A	SWIMMING POOLS	[]	\$0.00	[]	\$0.00
[]	B	SPAS	[]	\$0.00	[]	\$0.00
384		TOTAL PRIVATE POOLS	\$0.00	\$0.00	\$0.00	\$0.00
43		YARDWORK-SINGLE FAMILY		\$0.00		
[]	A	SOD & SEED	[]	\$0.00	[]	\$0.00
[]	B	TREES & SHRUBS	[]	\$0.00	[]	\$0.00
[]	C	MULCH	[]	\$0.00	[]	\$0.00
[]	D	DECORATIVE ROCK	[]	\$0.00	[]	\$0.00
[]	E	EDGING	[]	\$0.00	[]	\$0.00
[]	F	FENCING	[]	\$0.00	[]	\$0.00
[]	G	BERMS	[]	\$0.00	[]	\$0.00
[]	H	WATER SERVICE	[]	\$0.00	[]	\$0.00
[]	I	SEWER SERVICE	[]	\$0.00	[]	\$0.00
[]	J	WATER/SEWER HOOK-UP	[]	\$0.00	[]	\$0.00
[]	K	LANDSCAPE ARCHITECT	[]	\$0.00	[]	\$0.00
[]	L	LANDSCAPE ENHANCEMENT	[]	\$0.00	[]	\$0.00
[]	M	ELECTRICAL SERVICE	[]	\$0.00	[]	\$0.00
[]	N	SPLASH BLOCK	[]	\$0.00	[]	\$0.00
[]	O	CONCRETE WORK	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	Q	EXTERIOR STEPS/RAILS	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
[]	T	IRRIGATION SYSTEM	[]	\$0.00	[]	\$0.00
[]	U	MISCELLANEOUS	[]	\$0.00	[]	\$0.00
[]	V	DRIVEWAYS	[]	\$0.00	[]	\$0.00
410		TOTAL YARDWORK-SING. FAM.	\$0.00	\$0.00	\$0.00	\$0.00
44		TELEPHONE		\$0.00		
[]	A	TELEPHONE PREWIRE	\$960.00	\$0.04	\$454.72	\$0.04
[]	B	TELEPHONE JACKS	\$320.00	\$0.01	\$160.00	\$0.01
[]	C	CABLEVISION PREWIRE	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
419		TOTAL TELEPHONE	\$1,280.00	\$0.05	\$484.72	\$0.05
45		PRE-TITLE		\$0.00		
[]	A	APPLIANCE INSTALLATION	\$2,406.00	\$0.10	\$2,406.00	\$0.15
[]	B	PUNCH-OUT	\$2,800.00	\$0.11	\$1,736.00	\$0.11
426		TOTAL PRE-TITLE	\$5,206.00	\$0.21	\$4,142.00	\$0.27
46		MODELS		\$0.00		
[]	A	FURNITURE/DECOR.	[]	\$0.00	[]	\$0.00
[]	S	SALES	[]	\$0.00	[]	\$0.00
433		TOTAL MODELS	\$0.00	\$0.00	\$0.00	\$0.00
47		GARAGES		\$0.00		
[]	A	CONCRETE/MASONRY	[]	\$0.00	[]	\$0.00
[]	B	CARPENTRY	[]	\$0.00	[]	\$0.00
[]	C	TRUSSES	[]	\$0.00	[]	\$0.00
[]	D	ROOFING	[]	\$0.00	[]	\$0.00
[]	E	SIDING	[]	\$0.00	[]	\$0.00
[]	F	ELECTRICAL	[]	\$0.00	[]	\$0.00
[]	G	DRYWALL	[]	\$0.00	[]	\$0.00
[]	H	GUTTERS & LEADERS	[]	\$0.00	[]	\$0.00

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[]	I	GARAGE DOORS	[]	\$0.00	[]	\$0.00
[]	J	PAINTING	[]	\$0.00	[]	\$0.00
[]	K	SOIL TREATMENT	[]	\$0.00	[]	\$0.00
[]	L	LUMBER	[]	\$0.00	[]	\$0.00
[]	M	INSULATION	[]	\$0.00	[]	\$0.00
[]	N	PRE-TITLE	[]	\$0.00	[]	\$0.00
[]	O	CLEANING	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
[]	Q	GARAGE DOOR OPENER	[]	\$0.00	[]	\$0.00
[]	R	RETAIL	[]	\$0.00	[]	\$0.00
				\$0.00		\$0.00
456		TOTAL GARAGE		\$0.00	\$0.00	\$0.00
				\$0.00		\$0.00
48		CARPORTS		\$0.00		\$0.00
		-----		\$0.00		\$0.00
[]	A	CONCRETE/MASONRY	[]	\$0.00	[]	\$0.00
[]	B	CARPENTRY	[]	\$0.00	[]	\$0.00
[]	C	TRUSSES	[]	\$0.00	[]	\$0.00
[]	D	ROOFING	[]	\$0.00	[]	\$0.00
[]	E	SIDING	[]	\$0.00	[]	\$0.00
[]	F	ELECTRICAL	[]	\$0.00	[]	\$0.00
[]	G	CEILING FINISH	[]	\$0.00	[]	\$0.00
[]	H	GUTTERS & LEADERS	[]	\$0.00	[]	\$0.00
[]	J	PAINTING	[]	\$0.00	[]	\$0.00
[]	K	SOIL TREATMENT	[]	\$0.00	[]	\$0.00
[]	L	LUMBER	[]	\$0.00	[]	\$0.00
[]	M	PRE-TITLE	[]	\$0.00	[]	\$0.00
[]	O	CLEANING	[]	\$0.00	[]	\$0.00
[]	P	FINAL	[]	\$0.00	[]	\$0.00
				\$0.00		\$0.00
475		TOTAL CARPORT		\$0.00	\$0.00	\$0.00
				\$0.00		\$0.00
98		CONTINGENCY		\$0.00		\$0.00
		-----		\$0.00		\$0.00
[]	A	CONTINGENCY		\$5,200.00	\$0.21	\$5,200.00 \$0.33
				\$0.00		\$0.00
481		TOTAL CONTINGENCY		\$5,200.00	\$0.21	\$5,200.00 \$0.33
				\$0.00		\$0.00
				\$0.00		\$0.00
		TOTAL BUILDING COSTS		\$489,499.72	\$27.38	\$481,986.62 \$29.62
				-----	-----	-----

0-2

R90 1842 D

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EXHIBIT C
CONTRACTOR'S AGREEMENT

The Agreement made this 1st day of November, 1990.

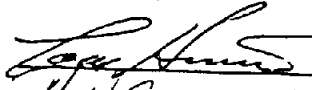
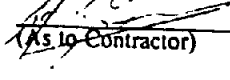
Recitals: THE HAMLET, LTD., a Florida limited partnership, ("Borrower") has entered into a Construction Loan Agreement and certain other Loan Documents with Palm Beach County (the "County") in connection with the development of certain real property in Palm Beach County, Florida (the "Property"). The undersigned ("Contractor") has a direct contract with Borrower.

In consideration of the agreement of the County to loan certain sums to Borrower in accordance with the Construction Loan Agreement, and other good and valuable consideration, Contractor agrees.

1. The attached Contract ("Construction Contract") is a true and correct copy of the contract between Contractor and Borrower, is unmodified and is in full force and effect. All rights, liens and claims of the undersigned, as Contractor, are hereby subordinated to the lien, operation and effect of the Mortgage of the County.
2. Contractor agrees not to undertake or perform any extra work or furnish extra materials or change the construction from the Final Plans and Specifications unless the same is agreed to in writing by the County, pursuant to the terms of the Construction Loan Agreement.
3. Contractor agrees to perform all work and furnish all materials to complete the construction of the Improvements in accordance with the Final Plans and Specifications and the Construction Contract, to notify the County of any breach (including non-payment) or attempted termination of the Construction Contract by Borrower, and, in the event of such default or attempted termination, to permit the County to cure the default, if the County in its sole discretion determines to cure same, or at the County's request, continue to so perform notwithstanding Borrower's default or attempted termination under such Construction Contract or the Construction Loan Agreement, provided that Contractor is brought current on payments due from the Borrower and is paid for such remaining work and materials in accordance with the Construction Contract.
4. Contractor covenants and agrees with the County that any monies disbursed by the County to Contractor on account of the Construction Loan Agreement shall be utilized solely for the purposes set forth in any payment request and for no other purpose. There shall be no reallocation between cost categories without the express approval of the County.
5. Nothing contained herein shall be deemed to alter or modify the County's rights under the Construction Loan Agreement, including all conditions to funding. All definitions therein shall apply to this Agreement.

IN WITNESS WHEREOF, Contractor has executed this Agreement on the date above written.

Signed in the presence of:



(As to Contractor)

R.C. BOOS, INC./FELNER CONST.,
INC., A Joint Venture, a Florida General
Partnership

By: 
Jay Felner
(CONTRACTOR)

BOOK 0933 PAGE 250

R 90 1842 D

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A101

**Standard Form of Agreement Between
Owner and Contractor**

where the basis of payment is a
STIPULATED SUM

1977 EDITION

*THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH
AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION*

Use only with the 1976 Edition of AIA Document A201, General Conditions of the Contract for Construction.

This document has been approved and endorsed by The Associated General Contractors of America.

AGREEMENT

made as of the 27th day of April in the year of Nineteen
Hundred and Ninety

BETWEEN the Owner: The Hamlet, Ltd.

and the Contractor: R.C. Boos, Inc./Felner Construction, Inc. A Joint Venture

The Project: The Hamlet, a 240 unit garden apartment development with a day care facility in Boynton Beach, Florida.

The Architect: Slattery & Root

The Owner and the Contractor agree as set forth below.

R90 1842 D

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ARTICLE 1
THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, the Conditions of the Contract (General, Supplementary and other Conditions), the Drawings, the Specifications, all Addenda issued prior to and all Modifications issued after execution of this Agreement. These form the Contract, and all are as fully a part of the Contract as if attached to this Agreement or repeated herein. An enumeration of the Contract Documents appears in Article 7.

ARTICLE 2
THE WORK

The Contractor shall perform all the Work required by the Contract Documents for
(Here insert the caption descriptive of the Work as used on other Contract Documents.)

All site improvements, including sewer, water, streets, parking, drainage, landscaping, swimming pool, basketball, tennis courts, tot lots and perimeter and interior walls; as well as construction of the 240 residential units contained in 17 buildings, recreation building, administration building, laundry building, maintenance building, guardhouse and day care building. The contract sum includes County impact fees, water and sewer fees, permits, surveys, signage, structural engineering fees and installation of playground equipment. The contract sum does not include costs incurred prior to the date of this contract, architectural fees nor personal property to be used by the completed development, such as maintenance equipment, office equipment and furniture, and playground equipment, nor the estimated \$200,000.00 cost of the lift station and new N.E. 4th Street to be paid for by the City of Boynton Beach.

ARTICLE 3
TIME OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

The Work to be performed under this Contract shall be commenced at construction loan opening, and, subject to authorized adjustments, Substantial Completion shall be achieved not later than February 28, 1992.
(Here insert any special provisions for liquidated damages relating to failure to complete on time.)

R90 1842 D

ARTICLE 4

CONTRACT SUM

The Owner shall pay the Contractor in current funds for the performance of the Work, subject to additions and deductions by Change Order as provided in the Contract Documents, the Contract Sum of Nine Million, Nine Hundred and Seventy-Six Thousand Dollars (\$9,976,000.00)

The Contract Sum is determined as follows:

(State here the base bid or other lump sum amount, accepted alternates, and unit prices, as applicable.)

On site and off site improvements including sewer, water, streets, parking, drainage, earthwork, perimeter walls, landscaping, irrigation, tennis court, two basketball courts, swimming pool and tot lots	\$1,400,000
240 apartment units in 17 Buildings (213,408 sq. ft.)	7,804,000
Day Care Building (7,500 sq. ft.)	412,500
Other Buildings (6,554 sq. ft.)	360,000
	<hr/>
	\$9,976,000

ARTICLE 5

PROGRESS PAYMENTS

Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided in the Contract Documents for the period ending the 25th day of the month as follows:

Not later than 10 days following the end of the period covered by the Application for Payment ninety percent (90%) of the portion of the Contract Sum properly allocable to labor, materials and equipment incorporated in the Work and ninety percent (90%) of the portion of the Contract Sum properly allocable to materials and equipment suitably stored at the site or at some other location agreed upon in writing, for the period covered by the Application for Payment, less the aggregate of previous payments made by the Owner; and upon Substantial Completion of the entire Work, a sum sufficient to increase the total payments to One hundred percent (100%) of the Contract Sum, less such amounts as the Architect shall determine for all incomplete Work and unsettled claims as provided in the Contract Documents.

(If not covered elsewhere in the Contract Documents, here insert any provision for limiting or reducing the amount retained after the Work reaches a certain stage of completion.)

When a building has received its Certificate of Occupancy, and is accepted by Owner, the 10% retainage on that building shall be paid to Contractor.

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate entered below, or in the absence thereof, at the legal rate prevailing at the place of the Project.

(Here insert any rate of interest agreed upon.)

R90 1842 D

Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Specific legal advice should be obtained with respect to deletion, modification, or other requirements such as written disclosures or waivers.)

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ARTICLE 6
FINAL PAYMENT

Final payment, constituting the entire unpaid balance of the Contract Sum, shall be paid by the Owner to the Contractor when the Work has been completed, the Contract fully performed, and a final Certificate for Payment has been issued by the Architect.

ARTICLE 7
MISCELLANEOUS PROVISIONS

7.1 Terms used in this Agreement which are defined in the Conditions of the Contract shall have the meanings designated in those Conditions.

7.2 The Contract Documents, which constitute the entire agreement between the Owner and the Contractor, are listed in Article 1 and, except for Modifications issued after execution of this Agreement, are enumerated as follows:
(List below the Agreement, the Conditions of the Contract (General, Supplementary, and other Conditions), the Drawings, the Specifications, and any Addenda and accepted alternates, showing page or sheet numbers in all cases and dates where applicable.)

This Agreement entered into as of the day and year first written above.

OWNER THE HAMLET, LTD.

BY: Jay Felner
Jay Felner, Managing Partner

CONTRACTOR R.C. BOOS, INC./FELNER
CONSTRUCTION, INC., A JOINT VENTURE

BY: Roger Boos
Roger Boos

R90 1842 D

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BOOK 0933 PAGE 254

EXHIBIT E

ASSIGNMENT OF CONSTRUCTION CONTRACT

THIS ASSIGNMENT made this 1st day of November, 1990 between THE HAMLET, LTD., A Florida limited partnership ("Borrower") and Palm Beach County (the "County").

In consideration of the agreement of the County to loan certain sums to Borrower in accordance with the Construction Loan Agreement between the parties, and other good and valuable consideration, Borrower agrees as follows:

1. Borrower has entered into a contract with R.C. Boos, Inc./Felner Const., Inc., a Joint Venture, (the "Contract") for certain of the Improvements to be constructed under the Construction Loan Agreement. Borrower represent and warrants that upon execution it will furnish to the County a true and complete copy of such Contract, that Borrower's interest in such Contract is or will be upon execution, in full force and effect and not have been amended or modified in any way. As security for the payment and performance of the obligations under the Construction Loan Agreement and other Loan Documents, Borrower hereby grants a security interest in and transfers and assigns to the County, its successors and assigns, all of its right, title and interest in and to the Contract.

2. Borrower hereby covenants and agrees that it will not, without the prior written consent of the County: (i) modify, amend or in any way change the Contract; (ii) tender or accept a surrender or cancellation of the Contract; or (iii) further assign or create any other encumbrance or hypothecation of Borrower's interest under the Contract.

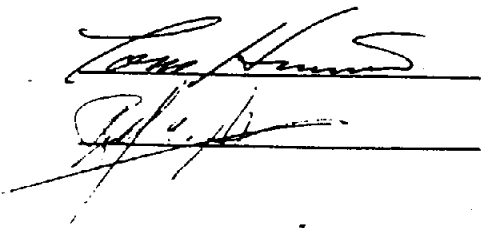
3. Borrower hereby further assigns to the County, subject to all conditions of this Assignment, all of Borrower's present and future interest in all Payment Bonds and Performance Bonds, now or hereafter issued to Borrower or on its behalf in order to insure payment and performance of the Contract.

4. This Assignment and the rights of the County hereunder are supplemental to and in furtherance of all rights of the County under the Construction Loan Agreement. The definitions therein shall apply to this Assignment.

This Assignment is secondary to the rights of Home Savings Bank, as First Mortgagee, and Florida Housing Finance Agency as Second Mortgagee.

IN WITNESS WHEREOF, Borrower has executed this Assignment on the date above written.

Witnesses:



THE HAMLET, LTD., a Florida limited partnership

By Felner Development Corp.,
a Florida Corporation, as Managing Partner
of the General Partner,
The Hamlet Joint Venture

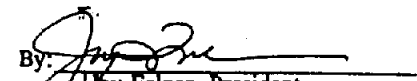
By: 
Jay Felner, President
(CORPORATE SEAL)

EXHIBIT F

ASSIGNMENT OF LOW INCOME HOUSING
TAX CREDIT SYNDICATION PROCEEDS

THIS ASSIGNMENT is made the 1 day of October, 1990 between THE HAMLET, LTD., a Florida limited partnership ("Borrower"), and the PALM BEACH COUNTY (the "County").

In consideration of the agreement of the County to loan certain sums to Borrower in accordance with the Construction Loan Agreement and other Loan Documents between the parties of even date herewith, and other good and valuable considerations, Borrower agrees as follows:

1. Boston _____ or its assigns ("Syndicator"), has issued to Borrower a firm commitment to syndicate the Low Income Housing Tax Credit allocated to Borrower. A copy of said commitment is attached hereto. As security for the payment and performance of the obligations under the Construction Loan Agreement and other Loan Documents, Borrower hereby grants a security interest in, and transfers and assigns to the County, its successors and assigns, all of its right, title and interest in and to the firm commitment stated above and to the Syndication Proceeds hereto until completion of construction.

2. The Syndication Proceeds as defined in the attached commitment may be used by the County in the event of default by the Borrower under the provision of the Construction Loan Agreement or other Loan Documents, for any purpose relating to the Premises and Improvements, including, without limitation, the completion of the construction, maintenance, protection and improvement of the Premises and Improvements.

3. At the time of execution of the Syndication Agreement, as defined in the commitment attached hereto, Borrower hereby covenants and agrees that it will use its best effort to secure the written consent of Syndicator to this assignment.

4. Borrower hereby covenants and agrees to facilitate in all reasonable ways the County's exercise of its rights under this assignment.

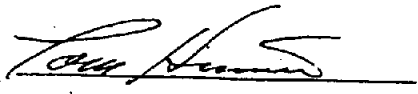
5. This assignment and the rights of the County hereunder are supplemental to and in furtherance of all rights of the County under the Construction Loan Agreement and other Loan Documents. The definitions therein shall apply to this Assignment.

6. Notwithstanding anything to the contrary set forth herein, the County acknowledges that while this Assignment is an absolute assignment the County will not exercise any right to any of its rights assigned hereby until an Event of Default occurs under the Loan Documents.

This Assignment is subordinate to the rights of Home Savings Bank, F.S.B., as First Mortgagee and The Florida Housing Finance Agency, as Second Mortgagee.

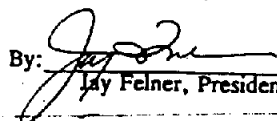
IN WITNESS WHEREOF, Borrower has executed this Assignment on the date above written.

Signed, sealed and delivered in the presence of:



THE HAMLET, LTD., a Florida limited partnership

By Felner Development Corp.,
a Florida Corporation, as
Managing Partner of the
General Partner, The Hamlet
Joint Venture

By: 
Jay Felner, President

(Corporate Seal)

Attachment D

FROM: Palm Beach Community SUCS RCC TO:

OCT 9. 1990 4:55PM #891 P.03



THE SCHOOL BOARD
OF PALM BEACH COUNTY, FLORIDA
3910 RCA BOULEVARD
SUITE 1011
PALM BEACH GARDENS, FL 33410-4213

THOMAS J. MILLS
SUPERINTENDENT
OF SCHOOLS

LYNDA M. JOHNSTON
CHAIRMAN
WILLIAM D. GRAHAM
VICE CHAIRMAN
ARTHUR W. ANDERSON
CLERK
HUGH MCKELLIAM, JR.
SUSAN A. PELL
SANDRA NORMOND

October 4, 1990

Board of County Commissioners
For Palm Beach County, Florida
301 North Olive Avenue
West Palm Beach, Florida 33401

RE: The Hamlet, Boynton Beach

Dear Mrs/Madamam:

On June 8, 1990, the Board of County Commissioners of Palm Beach County requested that the Developer(s) of the Hamlet enter into an Agreement with the School Board of Palm Beach County to address the issue of racial balance in public schools. This is to notify you that the Developer(s) and the School Board have reached an accord on this issue. The purpose of this letter is to provide you with the specific information regarding this Agreement.

Please note that the School Board's current racial balance policy designates a goal to achieve a public school population in each school East of Twenty Mile Bend in Palm Beach County that reflects the total school population of the area.

Because the Hamlet development will be located East of Twenty Mile Bend, the School Board is asking the Developer to attempt to obtain a residential population with school-aged children that is representative of the public school population in that area of the County. This population is in the approximate range of 20%-30% black (non-Hispanic) and 70%-80% other. In exchange for the Developer achieving this goal, the School Board warrants that it will provide the development with an attendance boundary for the children to attend Citrus Cove Elementary School or the New "Q" Elementary School; Christa McAuliffe Middle School; and, Lake Worth High School because such a population will improve the racial balance in those schools.

If the Developer cannot achieve the goal as stated within the allotted time frame, the School Board will designate attendance boundaries for those students who live within the development to the schools where the students will assist the School Board in attaining its racial balance goals. A copy of the Agreement is enclosed for your review.

R90 1842 D

PROPOSED RACIAL BALANCE PLAN

The Developer is planning to build a 240-unit affordable apartment complex plus an 18-hour Child Care Center in Boynton Beach, Florida. The 24-acre site is located two blocks South of 22nd Avenue between Saacrest Boulevard and Federal Highway. There will be 60 one-bedroom units, 132 two-bedroom units and 48 three-bedroom units.

Provisions of a loan agreement between the Developer and the Florida Housing Finance Agency require the Developer to make a good faith effort through a marketing plan to rent 40% of the units to elderly households where at least half of the members of the household are age 62 years or older. With respect to the remaining 60% of the units, to achieve a favorable racial mix in the development and eliminate the need to transport children further than other wise necessary as a means to achieve racial balance in Palm Beach County schools, the Developer proposes the following plan:

PLAN:

The Developer will make a good faith effort to rent apartment units to tenants with the specific goal of achieving a racial balance in public school students generated by the development in the approximate range of 20%-30% black (non Hispanic) and 70%-80% other. Advertising will be placed in newspapers favored by white readers informing them of the program. Direct mailings will be made to white neighborhoods in Palm Beach County announcing the benefits of The Hamlet's affordable housing program.

It is the Developer's plan to allocate at least 50% of the advertising and promotional budget to achieve the required racial balance in the development. The Developer will report quarterly as to the affirmative marketing action taken with respect to advertising placed, direct contacts made, mailings circulated and the percentage of white tenants in occupancy.

R90 1842 D

EXHIBIT
A

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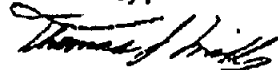
BOOK 0933 PAGE 258

OCT 9 1990 4:30pm #891 P.05

Board of County Commissioners
October 4, 1990
Page Two

The School Board believes that the Developer(s) will proceed in good faith in carrying out the terms and conditions of the Agreement. I thank all of the County Commissioners for acknowledging the concerns of the School Board with respect to racial balancing public schools in the County. Your continued actions to ensure that the concerns of the School Board are appropriately addressed in this area will be most appreciated.

Sincerely,



Thomas J. Mills
Superintendent of Schools

TJM:arj

cc: All School Board Members
James Daniels, Deputy Supt.
J. Kenneth Schrimsher, Associate Supt.
William V. Hukill, Asst. Supt.
Abbey O. Hairston, Esquire
Jan Winters, County Administrator
Clifford Hertz, Esquire

Attachment

THE HAMLET JOINT VENTURE

Felner Development Corp.
Account: *Jay Felner, Managing Partner*
GENERAL PARTNER

R90 1842 D

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DEVELOPER'S AGREEMENT

THIS AGREEMENT is made and entered into as of the 3rd day of October, 1990, by and between the School Board of Palm Beach County, Florida, (the "Board") and The Hamlet Joint Venture, (the "Developer").

STATEMENT OF PURPOSE

The Board and the Developer have determined that it is in the best interests of each party to enter into an Agreement for the purpose of designating a plan whereby the parcel(s) of land to be developed by the Developer into a residential development will be managed and marketed by the Developer in a manner to obtain a residential population in the development which will assist the Board in achieving a racially balanced public school population in furtherance of all federal, state and local laws, regulations and ordinances, and pursuant to the terms and conditions determined by the parties hereto.

ARTICLE IRELATIONSHIP OF THE PARTIESSection 1.01 Status:

R90 1842 D

The Board constitutes a body corporate and is a public school district existing under and by virtue of the laws of the State of Florida. The Board is required by Section 230.23, Florida Statutes, to authorize schools to be located and maintained in those communities in the district where they are needed. Pursuant to Section 230.232, Florida Statutes, the authority of the Board in the matter of the enrollment and assignment of pupils shall

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BOOK 0933 PAGE 260

be full and complete. The Board, in determining pupil assignment, must adhere to both federal and state constitutions, laws, rules and regulations.

The Developer is an independent contractor and contract owner of the residential project referenced in this Agreement.

Section 1.02 Purposes and Scope:

The purpose of this Agreement is to provide the specific terms and conditions for the Developer to maintain a school attendance boundary assignment for the students who reside in the proposed residential development.

ARTICLE II

MANAGEMENT AND DEVELOPMENT

Section 2.01 Developer as Manager:

The Developer shall be responsible for the implementation of the proposed plan within the development and for conducting the ordinary and usual business and affairs in connection with the proposed plan. The parties intend that planning, development, construction and sales of all developed or undeveloped real estate owned by Developer and referenced in this Agreement shall be completed within the terms of this Agreement.

Section 2.02 Proposed Plan:

The Developer will submit to the Board's Growth Management Center a written proposal which delineates the Developer's strategies to assist the Board in achieving a racially balanced public school population (proposal attached as Exhibit A). Racial balance is achieved when population of the development

R90 1842 D

reflects the public school population by race in accord with existing School Board Policy 1.045. The plan should include but not be limited to: a) information concerning the number/type of units in the development and the market/subsidized rentals or purchase prices; and b) the marketing and financing program to reach potential tenants/buyers. Developer covenants, warrants and represents that it shall adhere to said plan.

Section 2.03 School Board Attendance Boundary Designation:

The Board warrants that the students who reside within the development shall attend those schools currently designated for the SAC Area within which the development shall be built as long as the Developer meets the terms and conditions as stated herein. The Developer shall have twelve (12) months from the date of the initial certificate of occupancy for the development to meet the terms specified in its proposed plan. Thereafter, for so long as Developer adheres to the proposed plan, Developer will be in compliance with this Agreement. The Superintendent shall monitor the racial balance of the development quarterly, and if the development ceases to be in compliance with the proposed plan after the Lease-up Period, the Superintendent shall then provide Developer with written notice thereof. After receipt of the notice, Developer shall have a six (6) month period in which to bring the development in compliance with the proposed plan and, for good cause shown, may have an additional six (6) month period in which to bring the development in compliance with the proposed plan. During the life of this Agreement, Developer shall continue to provide quarterly reports until such time as the Superintendent deems the same unnecessary.

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R90 1842 D

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BOOK 0933 PAGE 262

ARTICLE III

TERM AND TERMINATION

Section 3.01 Term:

This Agreement shall continue for an indefinite period of time from the date of this Agreement until terminated in accordance with the provisions herein. Unless otherwise specifically provided, the exercise or use of one of the provisions shall not preclude the exercise or use of any other provisions.

Section 3.02 Termination:

This Agreement shall terminate automatically if any of the following events occur:

- A. The Developer fails or refuses to implement the proposed plan, or;
- B. The Developer fails to meet the performance standards provided herein, but only if the development is not in compliance with the proposed plan after the six month period following notification of noncompliance and, if applicable, the additional discretionary six month period thereafter, or;
- C. The Developer sells the development and its successor or assignee hereunder refuses to perform as set forth herein, or;
- D. The Developer fails to acquire the real estate required for development of the project as contracted, or;
- E. The Developer gives notice to the Board of insolvency or bankruptcy or pending insolvency, or suspension or pending suspension of operations, or voluntary or involuntary dissolution, or;
- F. The School Board exercises its powers pursuant to Section 230.23(4) and Section 230.232, Florida Statutes, to either, in good faith, change the attendance areas or eliminate school centers within the current attendance areas.

R90 1842 D

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ARTICLE IVMISCELLANEOUS PROVISIONSSection 4.01 Indemnity:

Should the rights of either party to enter into and perform under this Agreement be challenged in any way in any lawsuit, arbitration or administrative proceeding (the "Legal Proceedings") and the Developer be made a party thereto or the Developer's right to perform under the Agreement or benefits to be derived by the Developer from the Agreement be made subject to or effected by such Legal Proceedings, then the Board hereby agrees that upon notification of the occurrence of any of the foregoing events, to indemnify, defend and hold Developer and its officers, directors and agents harmless from all costs, damages, judgments, losses, awards and liabilities, of whatsoever nature, incurred by Developer as a result of any of the foregoing events.

Section 4.02 Governing Law:

This Agreement and the rights and obligations created hereunder shall be interpreted, construed and enforced in accordance with the laws of the United States and Florida. This Agreement shall not be construed against the party who drafted it and both parties have consulted experts/attorneys of their choosing. If any litigation should be brought in connection with this Agreement venue shall lie in Palm Beach County, Florida, and the prevailing party shall be entitled to court costs and reasonable attorney fees.

5 R90 1842 D

BOOK 0933 PAGE 264

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Section 4.03 Waiver:

No consent or waiver, express or implied, by any party to or of any breach or default by the other in the performance by the other of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party hereunder. Failure on the part of any party to complain of any act or failure to act of any of the other party or to declare the other party in default, regardless of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

Section 4.04 Severability:

If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 4.05 Further Assurances:

Each party shall perform all other acts and execute and deliver all other documents as may be reasonably necessary to carry out the intent and purposes of this Agreement.

Section 4.06 Entire Agreement:

This Agreement contains the entire Agreement between the parties. No right, duties or obligations of the parties shall be created unless specifically set forth in the Agreement. No amendments or modifications of this Agreement will be binding

R90 1842 D

and valid unless made in writing and executed and approved by the parties or their successors or assigns.

Section 4.07 Binding Agreement:

This Agreement shall inure to the benefit of and shall bind the parties, their heirs, successors or assigns. This Agreement may be assigned without consent of any Party and all of the terms and conditions set forth herein shall inure to the benefit of and shall bind the assignee.

IN WITNESS WHEREOF, the intending to be legally bound, the parties hereto have executed this Agreement on the day and date first above written.

SIGNED, SEALED AND DELIVERED:

THE SCHOOL BOARD OF PALM BEACH COUNTY, FLORIDA

Witness: Patricia F. Lott

By: [Signature]
Board Chairman

Witness: Jean Kimble

Attest: [Signature]
Superintendent

THE HAMLET JOINT VENTURE

Witness: Patricia A. Rappaport

Felner Development Corp.
By: Jay Felner, Managing Partner
General Partner

Witness: Allen R. Jones

Reviewed By: Office of General Counsel

By: [Signature]
Attorney

R90 1842 D

BOOK 0933 PAGE 266

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STATE OF FLORIDA
PERIOD 1-2-90

PROGRAM I N C O M E L I M I T S
1 PERSON 2 PERSON 3 PERSON 4 PERSON 5 PERSON 6 PERSON 7 PERSON 8 PERSON

Ocala, FL FY 1990 MEDIAN FAMILY INCOME: 24400	LOWER INCOME	14900	17050	19150	21300	22850	23950	25300	26850
	VERY LOW INCOME	9300	10450	11950	13300	14250	15450	16500	17550
Orlando, FL 1990 MEDIAN FAMILY INCOME: 37500	LOWER INCOME	21000	24000	27000	30000	31900	33750	35650	37500
	VERY LOW INCOME	13150	15000	16850	18750	20250	21750	23250	24750
Tampa City, FL FY 1990 MEDIAN FAMILY INCOME: 28000	LOWER INCOME	15700	17900	20150	22400	23900	25200	26600	28000
	VERY LOW INCOME	9800	11200	12600	14000	15100	16250	17350	18500
Pensacola, FL FY 1990 MEDIAN FAMILY INCOME: 30100	LOWER INCOME	18350	19300	21200	24100	25800	27100	28650	30150
	VERY LOW INCOME	10550	12050	13550	15050	16250	17450	18650	19850
Sarasota, FL FY 1990 MEDIAN FAMILY INCOME: 34100	LOWER INCOME	19100	21250	24550	27300	29000	30700	32450	34150
	VERY LOW INCOME	11950	13650	15350	17050	18400	19800	21150	22500
Tallahassee, FL FY 1990 MEDIAN FAMILY INCOME: 32900	LOWER INCOME	18400	21050	23850	26300	27950	29800	31250	32900
	VERY LOW INCOME	11500	13150	14800	16450	17750	19100	20400	21700
Tampa-St. Petersburg-Clearwater, FL FY 1990 MEDIAN FAMILY INCOME: 31400	LOWER INCOME	17550	20100	22600	25100	26850	28250	29950	31400
	VERY LOW INCOME	11000	12550	14150	15700	16950	18200	19450	20700
West Palm Beach-Boca Raton-Delray Beach, FL 1990 MEDIAN FAMILY INCOME: 40000	LOWER INCOME	22400	25600	28800	32000	34000	36000	38050	40000
	VERY LOW INCOME	14000	16200	18000	20000	21600	23200	24800	26400
FL BAKER FY 1990 MEDIAN FAMILY INCOME: 30200	LOWER INCOME	18900	19700	21750	24150	25850	27150	28700	30200
	VERY LOW INCOME	10550	12100	13600	15100	16300	17500	18700	19950
FL CALHOUN FY 1990 MEDIAN FAMILY INCOME: 22600	LOWER INCOME	14900	17050	19150	21300	22850	23950	25300	26850
	VERY LOW INCOME	9300	10450	11950	13300	14250	15450	16500	17550
FL CHARLOTTE FY 1990 MEDIAN FAMILY INCOME: 29300	LOWER INCOME	16400	18450	21100	23450	24900	26400	27850	29300
	VERY LOW INCOME	10250	11700	13200	14850	15800	17000	18150	19350
FL CITRUS FY 1990 MEDIAN FAMILY INCOME: 24700	LOWER INCOME	14900	17050	19150	21300	22850	23950	25300	26850
	VERY LOW INCOME	9300	10650	11950	13300	14250	15450	16500	17550

BOOK 0933 PAGE 267

R90 1842

021890 133809

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This line represents for lower income 80% percent of local median family income and is to be further adjusted to meet the 80% median income for example at 80% a family of 4 income limits is \$32,000. 60% for a family of 4 is \$24,000

Handwritten mark

R. 9/20/90



FLORIDA HOUSING FINANCE AGENCY

2740 CENTERVIEW DRIVE • TALLAHASSEE, FLORIDA 32399-2100 • (904) 488-4197 • FAX (904) 488-9809

BOB MARTINEZ
Chairman
THOMAS A. STEVENS
Chairman
THOMAS G. ALCHER
Vice Chairman

Members
SHIRLEY BOYNE
LLOYD ECCLESTON, JR.
JAMES W. HARVEY
GUILBERTO S. HERRERA
WILLIAM J. HANNEY
THOMAS H. DUMPLING
THOMAS G. PELHAM
J. J. JONES
MAURE HENDERSON
Executive Director

October 1, 1990

VIA FAX

Mr. Remar M. Harvin, CBD Director
Housing and Community Development
Palm Beach County
801 Evernia Street
West Palm Beach, Florida 33401

Re: The Hamlet
SAIL \$2,655,000

Dear Mr. Harvin:

In response to your letter of September 27, 1990, the Florida Housing Finance Agency will not allow Palm Beach County to assume a joint second lien position. The SAIL Program Loan on the Hamlet project was reviewed and approved by the Agency's credit underwriter and the Agency, based on SAIL occupying a second position by itself.

Should you have questions, you may contact me at (904) 488-9285.

Sincerely,

Frances L. Kling
Frances L. Kling
SAIL Program Administrator

flk

cc: Gordon Johnston

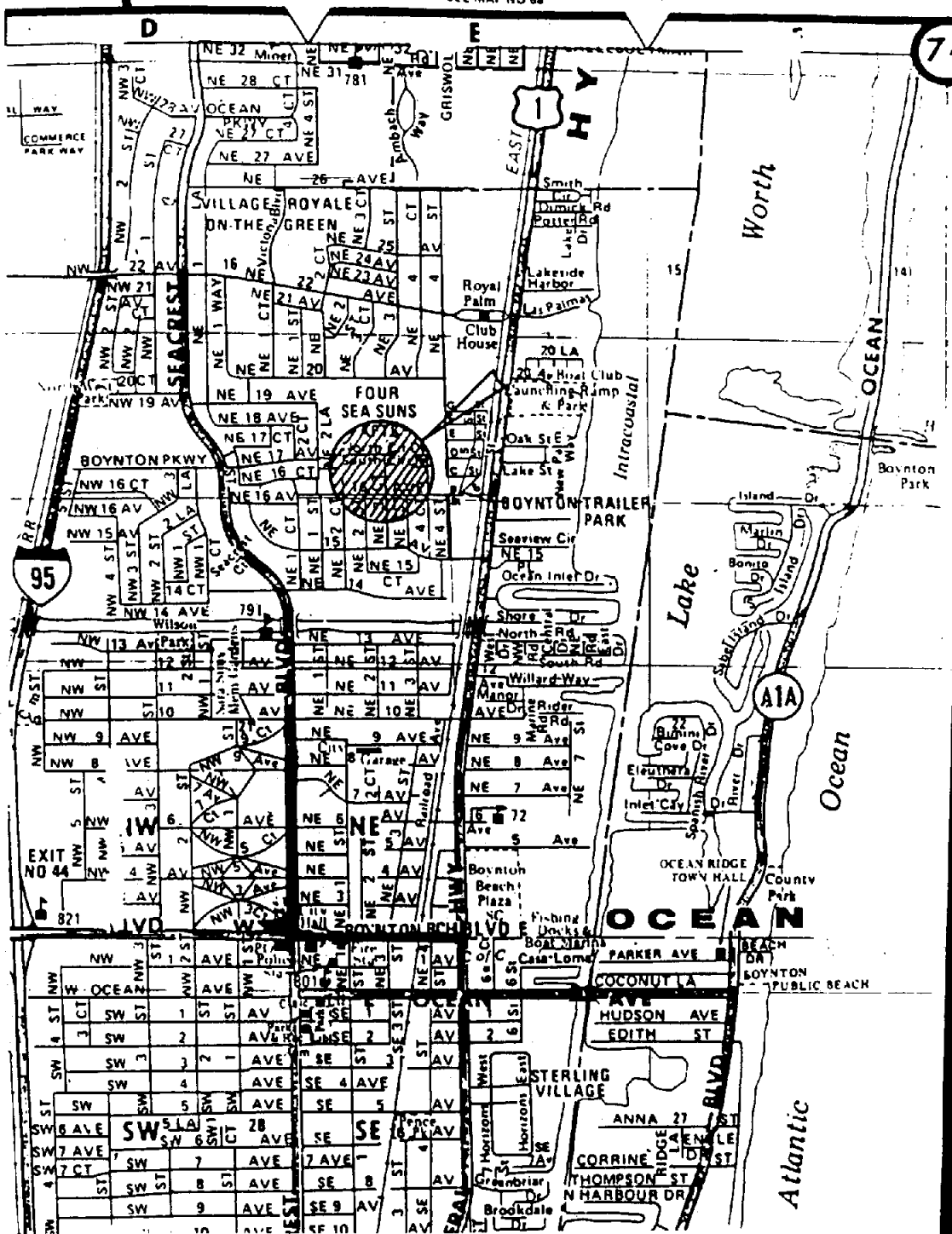
R90 1842 D

BOOK 933 PAGE 268

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Attachment C

SEE MAP NO 68



R90 1842 D

Attachment C

This instrument prepared by
and to be returned to:
Tammy K. Fields, Esq.
Palm Beach County Attorney's Office
P.O. Box 1989
West Palm Beach, FL 33402

R96 1042D

MORTGAGE AND NOTE MODIFICATION AGREEMENT

THIS MORTGAGE AND NOTE MODIFICATION AGREEMENT executed this
____ day of AUG 20 1996, 199__, by THE HAMLET, LTD., a Florida
limited partnership, (the "Mortgagor"), as party of the first part,
and PALM BEACH COUNTY, a political subdivision of the State of
Florida (the "Mortgagee") (which term as used in every instance
shall include the Mortgagee's successors and assigns), as party of
the second part;

WITNESSETH:

WHEREAS, Mortgagee is the owner of that certain Mortgage and
Security Agreement executed by The Hamlet, Ltd. as mortgagor to the
Mortgagee, dated December 17, 1990, said Mortgage being recorded on
January 9, 1991 in Official Records Book 0933, Page 226, Public
Records of Palm Beach County, Florida, (the "Mortgage") and is the
holder of that certain Promissory Note dated December 17, 1990 in
the original principal sum of ONE MILLION AND NO/100s DOLLARS
(\$1,000,000.00) (the "Note"); and

WHEREAS, the parties desire to modify said Mortgage and Note
by extending the maturity date from February 28, 2007 to August 28,
2011; and

WHEREAS, it is mutually beneficial both to the mortgagee and
the mortgagor that the Mortgage and Note be modified as hereinafter
set out.

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and
other good and valuable considerations paid by the Mortgagor to the
Mortgagee, receipt of which is hereby acknowledged by Mortgagee, it
is mutually understood and agreed that said Mortgage and Note be
modified as follows:

1. So much of the Mortgage and Security Agreement and the
Promissory Note which reflect a maturity date of February 28, 2007)
shall be amended to read August 28, 2011.

2. All other terms and conditions of the original Mortgage
and Note, unless specifically changed herein, shall remain in full
force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in their respective names and have caused their seals to be affixed by their respective proper officers thereunto duly authorized this 7th day of August, 1996.

Signed, sealed and delivered in the presence of:

Barbara J. Brock

Elizabeth Hinners

THE HAMLET, LTD., a Florida limited partnership,

BY: THE HAMLET JOINT VENTURE, a Florida Joint Venture, its General Partner

BY: FLORIDA AFFORDABLE HOUSING, Inc., a Florida non-profit corporation, its General Partner

BY: Thomas G. Hinners
Thomas G. Hinners, President

ATTEST:

DOROTHY H. WILKEN, CLERK

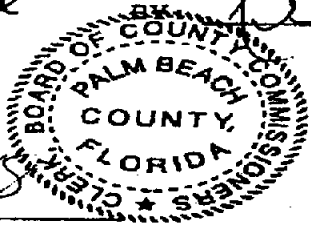
PALM BEACH COUNTY, FLORIDA, a political subdivision of the State of Florida
BY ITS BOARD OF COUNTY COMMISSIONERS

BY: Deborah R. Moore
Deputy Clerk

Kejsta R96 10420
AUG 20 1996
Chair

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

BY: [Signature]
County Attorney



(G:\eng\tkf\hcf.egt\hamlet.mod) (8/6/96)

STATE OF FLORIDA, COUNTY OF PALM BEACH I, DOROTHY H. WILKEN, ex-officio Clerk of the Board of County Commissioners certify this to be a true and correct copy of the original filed in my office on AUG 20 1996

DATED at West Palm Beach, FL on 8-29-96
DOROTHY H. WILKEN, Clerk
By: Deborah R. Moore D.C.

