

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: July 8, 2008 [X] Consent [] Regular

Department: Housing and Community Development

Submitted By: Commission on Affordable Housing/HOME Program

I. EXECUTIVE BRIEF


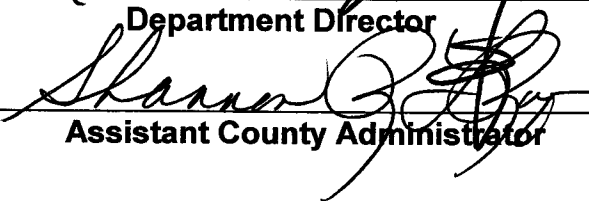
Motion and Title: **Staff recommends motion to approve:** Amendment 001 to Agreement (R2007-1868) with Village Centre Apartments, Ltd.

Summary: On October 16, 2007, the Board of County Commissioners (BCC) approved Agreement (R2007-1868) with Village Centre Apartments, Ltd. providing \$900,000 in Federal HOME funds and \$400,000 in State Housing Initiatives Partnership (SHIP) funds to assist in the development of an eighty-four (84) unit workforce housing development. Our federal HOME and state SHIP funding will be allocated specifically for setting aside thirty-one (31) of these units for affordable housing. Eleven (11) HOME assisted units will be set aside for the elderly or disabled and this federal housing assistance will be passed through to the home buyers wherein the purchase prices for these housing units will be reduced by \$81,818.18. Twenty (20) SHIP assisted units are for low to moderate income households and this state housing assistance will be passed through to the home buyers wherein the purchase prices for these housing units will be reduced by \$20,000. Approval of this Amendment will modify the use of the Federal HOME funds (\$900,000) from construction related expenses, to land acquisition and pre-development related expenses. There are no recommended usage changes for the \$400,000 in State Housing Initiative Partnership (SHIP) Program funds provided for this project. All other conditions of the Agreement will remain in effect. **These are Federal and State Funds which require no local Match. District 7 (TKF)**

Background and Justification: Palm Beach County Housing and Community Development (HCD) receives HOME Investment Partnership Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) on an annual basis. HOME funds are allocated to eligible State and local governments to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary and affordable housing for very-low and low income families. Palm Beach County provides conditional grants and/or loans to investors, for-profit and not-for-profit organizations through the HOME Investment Partnership Program (HOME), as well as the State Housing Initiative Partnership (SHIP) Program. These SHIP funds are made available in support of affordable home ownership and rental housing projects. Funds may be used for acquisition, rehabilitation, or new construction of affordable housing units. The Robert E. Pinchuck Memorial Housing Trust Fund was created locally to receive and disperse SHIP funds to facilitate the rehabilitation, acquisition, and construction of affordable single-family and multi-family housing in Palm Beach County.

Attachments:

- A. Amendment 001 to the agreement with Village Centre Apartments, Ltd.
- B. Original Agreement with Village Centre Apartments, Ltd., including Attachments A thru C (R2007-1868)

Recommended by:	<u></u> Department Director	<u>6/25/08</u> Date
Approved By:	<u></u> Assistant County Administrator	<u>7-3-08</u> Date

I. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT					

# ADDITIONAL FTE POSITIONS (Cumulative)					
---	--	--	--	--	--

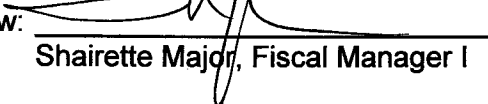
Is Item Included In Current Budget? Yes X No

Budget Account No.: Fund 1103 Unit 143 Org 1434 Object 8201 Program Code/Period HM45/GY03

Budget Account No.: Fund 1100 Unit 143 Org 7508 Object 8201 Program Code/Period RFS53/GY07

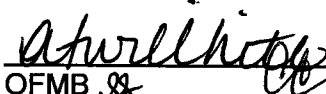
B. Recommended Sources of Funds/Summary of Fiscal Impact:
Source:


This is an amendment to the contract. Funding for this applicant has already been approved and there would be no additional fiscal impact associated with this amendment - \$400,000 of SHIP program income will be allocated from SHIP operating reserves.

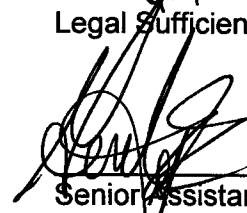
C. Departmental Fiscal Review: 
Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 6.30.08
OFMB 6/30/08 6/23/08

 7/1/08
Contract Development and Control 7/1/08

B. Legal Sufficiency:  7/2/08
Senior Assistant County Attorney

This amendment complies with our review requirements.

C. Other Department Review:

Department Director

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

AMENDMENT 001 TO THE CONDITIONAL LOAN AGREEMENT

WITH

VILLAGE CENTRE APARTMENTS, Ltd.

AMENDMENT NO. 001 TO THE CONDITIONAL LOAN AGREEMENT entered into this _____ day of _____, 2008, by and between Palm Beach County, a political subdivision of the State of Florida, (the "Holder") and Village Centre Apartments, Ltd., a Florida limited partnership, (the "Grantee").

WITNESSETH:

WHEREAS, Palm Beach County entered into a Conditional Loan Agreement R-2007-1868) with Village Centre Apartments, Ltd., on October 16, 2007 to provide \$1,300,000 in financing to construct a mixed -used project, which will include Sixty (60) affordable condominiums for moderate and low-income families; and

WHEREAS, there is a need to amend the Conditional Loan Agreement to allow for reimbursement of pre-development and acquisition costs.

NOW, THEREFORE, the parties have agreed to amend the Conditional Loan Agreement as follows:

1. Section 5. Disbursement of Grant Funds, is amended to read:

The Grant funds will be used for the purpose of acquiring the land, paying approved pre-development costs and constructing thirty-one (31) affordable condominium units. The County shall disburse the Grant funds to Grantee in a total amount not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000.00) upon receipt of proper documentation. The County shall disburse HOME funds to Grantee in an amount not to exceed Nine Hundred Thousand Dollars (\$900,000.00) and such funds may only be used to reimburse acquisition costs and approved pre-development costs of eleven (11) condominium units affordable to low income households. The County shall disburse SHIP funds to Grantee in an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00) and such funds may only be used to construct twenty (20) of the units affordable to moderate income

households.

- 2. All provisions in the Conditional Loan Agreement not in conflict with this Amendment are still in effect and shall be performed at the same level as specified in the Conditional Loan Agreement.

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:

Iris Starr
IRIS STARR

VILLAGE CENTRE APARTMENTS, LTD., a Florida limited partnership

By: VILLAGE CENTRE, GP, LLC, a Florida limited liability company, and its sole general partner

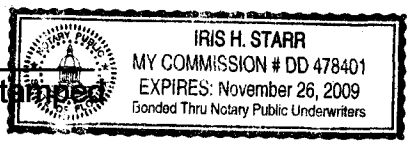
By: *Carl A. Flick*
 Carl A. Flick, President

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 16 day of June, 2008, by Carl A. Flick, President of Village Centre GP, LLC, sole general partner of Village Centre Apartments, Ltd., who is personally known to me or who has produced *FL Driver License* as identification and who did/did not take an oath.

Iris H. Starr
 (Signature of Notary)

 (Typed, Printed, or Stamped Name of Notary)



My Commission Expires:

ATTEST:

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

SHARON R. BOCK, Clerk &
Comptroller

BY ITS BOARD OF COUNTY
COMMISSIONERS

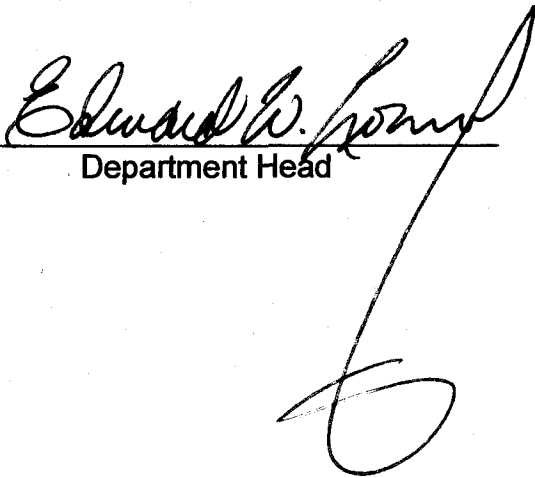
BY: _____
Deputy Clerk

BY: _____
Addie L. Greene, Chairperson

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

BY: _____
Assistant County Attorney

BY: 
Department Head

CONDITIONAL GRANT AGREEMENT

THIS AGREEMENT, dated as of this _____ day of OCT 16 2007, 2007, by and between Palm Beach County, a political subdivision of the State of Florida, (hereinafter referred to as the "County") and VILLAGE CENTRE APARTMENTS, LTD., a Florida limited partnership, whose Federal I.D. number is 571149771 (the "Grantee").

1. RECITALS.

(a) Grantee is the owner of real property located in West Palm Beach, Palm Beach County, Florida, as more particularly described in Exhibit "A", attached hereto and made a part hereof, (the "Premises").

(b) Grantee had previously been awarded a loan utilizing Palm Beach County HOME funds in the amount of \$900,000 on March 14, 2006 (R-2006-0469) for a rental project on the Premises. Due to conditions placed by the City Of West Palm Beach, the Grantee converted the project to homeownership condominiums, and was not able to close in the time frame allowed by the original loan documents.

(b) Grantee has applied to the County for a Conditional Grant in the principal amount of \$1,300,000.00 (the "Conditional Grant") to be used by Grantee. The \$1,300,000.00 will be comprised of \$400,000.00 of SHIP funds and \$900,000.00 of HOME funds. Grantee intends to construct a mixed-used project, which will include sixty (60) affordable condominiums for low-income families. This project shall be known as Village Centre. The SHIP funds shall be utilized to construct twenty (20) units which shall be affordable to moderate income households. Such units shall be referred to as "SHIP-Assisted Units." The HOME funds shall be utilized to construct eleven (11) units which shall be affordable to low income households. Such units shall be referred to as "HOME-Assisted Units." The project shall also include ground floor commercial condominium units. Such units shall not be funded in any way by this Agreement or be subject to any conditions herein.

(c) Grantee 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 for the disbursement of the Conditional Grant.

(d) Branch Banking and Trust has agreed to finance up to \$14,400,000.00 of the construction costs of the Premises pursuant to a loan to Grantee, secured by a mortgage encumbering the Premises (the "First Mortgage").

(e) Branch Banking and Trust has agreed to finance \$2,386,184.00 of the costs associated with construction of the improvements pursuant to a separate loan to Grantee, secured by a mortgage encumbering the Premises (the "Second Mortgage").

(f) Local Initiative Support Corporation has agreed to finance \$3,000,000.00 for the construction of the Improvements on the Premises pursuant to a separate loan to Grantee, secured by a mortgage encumbering the Premises (the "Third Mortgage").

(g) The City of West Palm Beach has made \$3,764,000 in in-kind contributions for streetscape and utility improvements and abandonment of an alley way.

NOW, THEREFORE, in consideration of the premises, and of the mutual covenants and agreements set forth below the receipt and sufficiency of which is hereby acknowledged, Grantee and the County agree as follows:

2. THE CONDITIONAL GRANT. The County shall make the Conditional Grant to Grantee in an amount not to exceed \$1,300,000.00 upon the terms and conditions set forth herein, the Declaration of Restrictions attached hereto as Exhibit "B", the Promissory Note attached hereto as Exhibit C and the Mortgage and Security Agreement attached hereto as Exhibit D, and Grantee shall take the Conditional Grant

and expressly agrees to comply with and to perform all of the terms and conditions of the Conditional Grant Agreement, the Declaration of Restrictive Covenants the Promissory Note, the Mortgage and Security Agreement and any other documents evidencing and securing the Conditional Grant (collectively hereinafter referred to as the "Conditional Grant Documents"). The closing of the Conditional Grant shall occur at the office of the County Attorney or such other mutually agreed upon site no later than October 31, 2007.

3. **RIGHT TO AUDIT.** The Grantee shall maintain adequate records to justify all charges, expenses and costs incurred for the acquisition of the Premises and the completion of the Improvements 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 Grantee's place of business.

4. **CONDITIONS PRECEDENT TO CLOSING.** The conditions listed below are a condition precedent to the County's acceptance of the Declaration of Restrictive Covenants and disbursement of funds and shall be complied with in form and substance satisfactory to the County prior to the closing:

(a) **Title Insurance:**

(i) Within thirty (30) days of the effective date hereof, Grantee shall deliver to County a title commitment issued by a title insurance company qualified to do business in the State of Florida and acceptable to County, agreeing to issue to County upon recordation of the Mortgage a Lender's Title Insurance Policy in the amount of the Grant, subject only to the Permitted Exceptions listed on Exhibit "E" attached hereto and made a part hereof. Said commitment shall have attached to it copies of all exceptions referred to in the title commitment. The cost of said title commitment and policy and any premium therefore shall be borne by Grantee.

(ii) County shall have fifteen (15) days after receipt of the title insurance commitment in which to review the same. In the event the title insurance commitment shall show as an exception any matter other than the Permitted Exceptions, County shall notify Grantee of its objections there to and Grantee shall act to remove such exceptions, which exception shall be deemed to constitute title defects. The Grantee shall be entitled to thirty (30) days from the day of notification (with the extension of the Closing Date if necessary) within which to cure such defects or make arrangements with the title insurer for the removal of any such objections from the commitment. If the defect shall not have been so cured or removed from the commitment by endorsement thereto with the termination of said thirty (30) day period, the County shall have the option of accepting title as it then exists or terminating the Conditional Grant Agreement, by giving written notice thereof to Grantee, in which event the parties shall be relieved of all further obligations hereunder.

(iii) The title insurance commitment shall be endorsed at closing to remove any and all requirements or pre-conditions to the issuance of a Lender's Title Insurance Policy, and to delete any exceptions for: (a) any rights or claims of parties in possession not shown by the public records; (b) encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the Premises; (c) unrecorded easements and claims of liens; (d) taxes for the year of closing and all prior years; (e) matters arising or attaching subsequent to the effective date of the commitment but before the Declaration of Restrictive Covenants becomes recorded in the Public Records.

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

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

(vii) flood zone certification; and

(viii) any other notations required for the deletion of the survey exception from the Title Insurance Policy to be issued in accordance with paragraph 4(a) above and any other requirements requested by the County.

(ix) within thirty (30) days of replatting of the subject property, Grantee shall deliver an updated survey to the County.

(c) Note: The Note, in a form acceptable to the County Attorney, shall be duly authorized, executed and delivered to the County;

(d) Mortgage: The Mortgage, in a form acceptable to the County Attorney, shall be duly authorized, executed, acknowledged, delivered to the County, and when recorded, shall be a valid mortgage lien on the Premises and on all fixtures and personal property owned by Borrower to be used in connection with the Improvements.

(e) Mortgagor's Affidavit: An affidavit of Borrower shall be executed and delivered to the County as required by the Title Insurer as noted above, certifying to all such facts as are required to delete the Standard Exceptions from the Lender's Title Insurance Policy and 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.

(f) Public Requirements: Grantee shall deliver to the County:

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

(g) Partnership Documents: Grantee shall deliver to the County the following documents:

(i) the Partnership Agreement of the Grantee and all amendments thereof, together with certificates to the effect that Grantee is in good standing in the State of Florida.

(ii) certified resolutions of the general partner of the Grantee authorizing the execution and delivery of the Conditional Grant, the Declaration of Restrictions and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement;

(h) Flood Insurance: Grantee 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 canceled without 30 days notice to the County.

(i) Opinion of Grantee's Counsel: Grantee shall deliver to the County an opinion of counsel for Grantee and addressed to the County, such counsel to be reasonably satisfactory to the County, to the effect that:

(i) This Conditional Grant Agreement, the Promissory Note, the Mortgage and Security Agreement and any other documents required to be delivered hereunder have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms.

(ii) That Grantee is a Florida 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 Grantee 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 development contemplated hereunder,

(iv) That based on the certification of the Project Engineer 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, ordinance 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 or bylaw of Grantee and no provision of any existing mortgage, indenture, contract or agreement known to such counsel binding on Grantee or affecting its property which could 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 Grantee 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 Declaration of Restrictive Covenants will be a valid encumbrance on the Premises.

(viii) That the lien of the Mortgage is a valid lien on the Premises and the Security interest described in the Mortgage are good and valid security interests.

(ix) Such other matters as the County may reasonably require.

(h) Expenses: Grantee shall have paid all those fees and charges due and payable or ordered paid by the County as provided herein under Paragraph 6 of this Grant Agreement entitled Expenses;

(i) Other Documents: Grantee shall deliver to the County such other documents and information as the County may reasonably require; and

(j) Representations and Warranties: The representations and warranties of Grantee as set forth in this Agreement and the other documents required hereunder are true and correct.

5. **DISBURSEMENT OF GRANT FUNDS:** The Grant funds will be used solely for the purposes of constructing thirty-one (31) affordable condominium units. The County shall disburse the Grant funds to Grantee in an amount not to exceed a total of \$1,300,000.00 upon receipt of documentation evidencing payment of construction costs. Payment will not be made hereunder for any other purpose or purposes except with prior written approval of the Board of County Commissioners of Palm Beach County. The County shall disburse SHIP funds to Grantee in an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00), and such funds may only be used to construct twenty (20) of the units affordable to moderate income households. The County shall disburse HOME funds to Grantee in an amount not to exceed Nine Hundred Thousand Dollars (\$900,000.00), and such funds may only be used to construct eleven (11) of the units affordable to low income households.

6. **EXPENSES:** Grantee shall pay fees and charges incurred in the procuring and making of this Grant if applicable, and other expenses incurred by the County during the term of the Grant including the Title Insurance Company's fees and premiums, charges for examination of title to the Premises, expenses of surveys, Florida Documentary Stamp Taxes, recording expenses, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon the Premises, and any other amounts necessary for the payment of the costs of Improvements.

7. **SPECIAL PROVISIONS:** Grantee expressly agrees to the following terms and conditions:

(a) Grantee agrees that the Improvements will consist of a mixed-used project including Sixty (60) affordable condominium units. Twenty (20) of the units

(SHIP-Assisted Units), shall be reserved for households who have moderate income pursuant to U.S. Government HUD guidelines for a period of thirty (30) years, and eleven (11) of the units (HOME-Assisted Units), shall be reserved for households who have low income pursuant to U.S. Government HUD guidelines for a period of thirty (30) years.

(b) The Grantee shall not discriminate on the basis of race, creed, religion, color, sex, marital status, sexual orientation, national origin, age, familial status or disability in the use, or occupancy of any housing constructed on the Premises. However, Grantee shall affirmatively market the HOME-Assisted Units to persons with Special needs, including the elderly, disabled and displaced homemakers.

(c) Grantee agrees that the affordable housing units in the project, or the developer or condominium association will:

- (i) provide energy efficient heating and cooling;
- (ii) provide ceiling fans in at least one living area and bedroom;
- (iii) provide awnings, blinds, sun screening or similar window treatment;
- (iv) provide high efficiency appliances over 8 SEER;
- (v) provide high efficiency water heater;
- (vi) provide wall insulation R-13 or better (wood) or R-7 or better (CBS);
- (vii) provide water-conserving irrigation system for common areas;
- (viii) provide xeriscape vegetation for all common areas;
- (ix) provide washer and dryer hook-up in each unit;
- (x) provide safe pedestrian and bicycle paths;
- (xi) maximize open space (25% or more of site);
- (xii) provide outdoor living attached to each unit;

units;

(xiii) provide at least two (2) bathrooms in each two (2) bedroom

(xiv) provide computer lab;

(xv) be a mid-rise design with elevators.

(d) Grantee agrees to execute and record the Declaration of Restrictive

Covenants and abide by its terms and conditions within five days of platting of the portion of the property containing the Units.

(e) Grantee agrees that Subject Affordable Condominium Units will each be sold for less than the following:

2 bedrooms, two baths with 1,069 sq. ft. - \$265,000

(f) Grantee further agrees that the units will be sold at a price which reflects the County's grant for this project. Accordingly, Grantee will provide documentation to the County that the sales price to eligible homebuyers is at least \$20,000.00 below the cost of acquisition, development and construction of the SHIP-Assisted Units, and \$81,818.18 below the cost of acquisition, development, and construction of the HOME-Assisted Units. Grantee acknowledges that \$20,000.00 per SHIP-Assisted Unit will be considered a subsidy to the homebuyer. The homebuyer of a SHIP-Assisted Unit may still be eligible to apply for purchase assistance from the County, but the maximum assistance shall be reduced by \$20,000.00. Grantee further acknowledges that \$81,818.18 per HOME-Assisted Unit shall be considered a subsidy to the homebuyer. The homebuyer of a HOME-Assisted Unit may still be eligible to apply for purchase assistance from the County, but the maximum assistance shall be reduced by \$81,818.18. Homebuyers of HOME-Assisted Units who qualify for special needs assistance will remain eligible for maximum purchase assistance without reduction of \$81,818.18. Special needs homebuyers shall include the elderly, persons with disabilities and displaced homemakers. An elderly household shall include households with a person sixty-two (62) years of age or older. A household with a person with a disability shall include a person defined pursuant to 24 CFR 92.2. A household with a displaced homemaker shall include an individual as defined in 24 CFR§92.2.

Conditions (a-c) above shall, upon closing become covenants running with the land and shall survive the closing. These conditions and covenants will be recorded in the land records of Palm Beach County, Florida by inclusion in the Declaration of Restrictive Covenants and/or any separate document satisfactory to the County's Attorney citing the funding of this grant as consideration.

8. HOME PROVISIONS: County and Borrower agree to comply with the following HOME regulations as set forth in 24 CFR Part 92 Subpart F for the eleven (11) HOME-Assisted Units:

(a) **Maximum Per Unit Subsidy Amount:** The amount of HOME funds invested on a per-unit basis in affordable housing may not exceed the per-unit dollar limits established by the Palm Beach County Department of Housing and Community Development.

(b) **Property Standards:** Housing that is constructed with HOME funds must meet all applicable local codes and zoning ordinances at the time of project completion, which ensure that the housing is decent, safe, and sanitary. In the absence of a local code for new construction, HOME-assisted new construction must meet, as applicable: one of three model codes (Uniform Building Code (ICBO), National Building Code, (BOCA) Standard Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

(c) **Occupancy Requirements:** Eleven (11) HOME-assisted units must be occupied only by households that qualify as low-income families in that their annual income does not exceed eighty (80%) percent of Palm Beach County's median income adjusted for family size.

(d) **Affirmative Marketing:** In furtherance of Palm Beach County's commitment to non-discrimination and equal opportunity in housing, the County's Department of Housing and Community Development (HCD) has established policies and procedures to affirmatively market housing units produced under the HOME, Community Development Block Grant (CDBG), and the State Housing Initiatives Partnership (SHIP) Programs. The objectives of these affirmative marketing policies and procedures are in accordance with 24 CFR 92.351 of the HOME regulations and Section 3 of the Housing Development Act of 1968, as amended (12 U. S. C. 1701 U), and is applicable to other Federal, State and local regulations.

These affirmative marketing procedures are implemented comprehensively for all the above housing programs through the County's Department of HCD and aim to effect greater participation of eligible persons from all racial, ethnic and gender-based minorities.

Palm Beach County will take the necessary steps to affirmatively market its housing programs through organized neighborhood meetings, distribution of literature, provision of information, press releases and other "good faith" efforts.

Palm Beach County Department of HCD, therefore, ensures that housing programs (geared toward existing homeowners and first-time home buyers) are advertised periodically through general circulation and minority newspapers, as well as through community information meetings at various locations, County-wide.

Borrower, in order to carry out the requirements and procedures of HCD's Affirmative Marketing Program, must comply with the following procedures:

(i) The Equal Opportunity logo or slogan will be used in advertisements;

(ii) Borrower will be requested to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach. Borrower satisfies this requirement by posting a notice of vacancies in any or all of the following:

- Community Organizations
- Fair Housing Groups
- Housing Counseling Agencies
- Commercial Media
- Employment Centers
- Local Public Housing Authorities (PHA's)
or Other Similar Agencies

(iii) Palm Beach County HCD will keep records of their efforts to affirmatively market units and will require Borrower to provide copies of its records, including advertisements, minutes of meetings, income documentation, and census tract information as applicable.

(iv) Affirmative marketing records of the participants in the program will be monitored on-site annually, and a report will be compiled to assess their efforts in adhering to the requirements. These records will include, but not be limited to: copies of brochures, news clippings, press releases, sign-in logs from community meetings, and any letters of inquiry written to or from prospective clients. Borrower will be informed of their responsibility to adhere to the said requirements. Borrower will be required to submit monthly or quarterly reports using measures such as number of housing units provided, and number of families assisted. These measures will be used to determine the success of the program.

(v) The requirements of 24 CFR Part 92.351 concerning affirmative marketing are hereby incorporated into this Agreement. Borrower must take steps to

provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market, to the available house. Failure to comply will result in a contract violation, possibly requiring repayment of any Federal funds.

(vi) The County will also assess the affirmative marketing program annually to determine the success of affirmative marketing actions (such as advertisements, etc.), and address the potential necessity for corrective actions, making distinctions between failures based upon marketing/targeting problems, those based on systemic (program eligibility) factors or lack of interest. Affirmative marketing success will be specifically tracked through the various program applications by notations of racial/ethnic/gender distinctions on program documents. The Department recognizes that the volume of response from racial/ethnic/gender groups may not be an indication of affirmative marketing efforts, and, therefore, it will make periodic adjustments in its affirmative marketing techniques with consultation from specialized Equal Housing Opportunity, fair housing and racial- and gender-based minority groups.

(e) Other HOME Program Requirements:

(i) The Federal requirements set forth in 24 CFR 5.105(a), Nondiscrimination and equal opportunity, are applicable to Borrower.

(ii) Environmental review - Section 92.352 of HOME rules applies.

(iii) Displacement, relocation, and acquisition- Section 92.353 of HOME rules applies.

(iv) Labor - Section 92.354 of HOME rules applies.

(v) Lead paint - new construction - Section 92.355 of HOME rules applies.

(vi) Conflict of Interest - Section 92.356 of HOME rules applies.

9. REPRESENTATIONS AND WARRANTIES OF GRANTEE. Grantee represents and warrants (which representations and warranties shall be deemed continuing) as follows:

(a) Organization Status. Grantee is a Florida limited partnership duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein. Grantee is duly authorized to receive from County the principal sum of \$1,300,000.00 and execute all Grant documents pertaining thereto.

(b) Financial Statements. The Financial statements of Grantee 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 Grantee since the date thereof;

(c) Authority to Enter into Grant Documents. The Grantee has full power and authority to enter into the Grant 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;

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

(e) **Conflicting Transactions of Grantee.** The consummation of the transaction hereby contemplated and the performance of the obligations of Grantee under and by virtue of the Grant Documents will not result in any breach of, or constitute a default under, any other Agreement to which Grantee is a party or by which it may be bound or affected;

(f) **Pending Litigation.** There are no actions, suits or proceedings pending before any court or law equity, or any Administrative Board, or, to the knowledge of the Grantee, threaten against or affecting it or the Premises, or, involving the validity or enforceability of the Grant Agreement, or the Declaration of Restrictions.

(g) **Availability of Utilities.** All utility services necessary for the construction of the Improvements and the operation thereof for their intended purpose are or will be available at the boundaries of the Premises, including water supply, storm and sanitary sewer facilities, and electric and telephone facilities, and Grantee 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 intended Improvements;

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

(i) **Availability of Roads.** All roads necessary for the full utilization of the intended Improvements for their intended purposes have either been completed or the necessary rights of way therefore 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 Grantee and such local authorities to assure the complete construction and installation thereof;

(j) **No Default.** There is no default on the part of the Grantee under this Grant Agreement or the Declaration of Restrictions, 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

(k) **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 Grantee's expense.

(l) **Hazardous Waste.** Grantee 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, Chapter 376, and other similar federal, state and local statutory schemes imposing liability on Grantee 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 of 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 Grantee. Grantee has 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.

(m) The Grantee has filed all Federal, State and local tax reports and returns required by any law or regulation to be filed by them, and have either duly paid all taxes, duties and charges indicated due on the basis of such returns and reports, or made adequate provisions for the payment thereof, and the assessment of any material amount of additional taxes in excess of those paid and reported is not reasonably expected.

10. **ADDITIONAL COVENANTS OF GRANTEE.** Grantee covenants and agrees with the County as follows:

(a) **Mechanics' Liens.** Grantee (i) will allow no work or construction to be commenced on the Premises, or goods specially fabricated for incorporation therein, which has not been fully paid for prior to the recording of the Declaration of Restrictions 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 Grantee 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. Grantee shall indemnify 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, Grantee 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 Grant released, bonded or insured over within sixty (60) 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.

Grantee hereby authorizes the County to demand, on Grantee's behalf, the statement of account referred to in Section 713.16(2) of the Florida Statutes, of 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 Declaration of Restrictions 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 and other mortgage lien holder except as provided elsewhere herein in the Declaration of Restrictive Covenants or other mortgage documents, it being understood and agreed that part of the consideration for the Grant is the obligation of Grantee.

(c) **Compliance with Laws.** Grantee 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.** Grantee 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 Grantee will indemnify and hold County harmless from the claims of any broker(s) arising by reason of the execution hereof or

the consummation of the transactions contemplated hereby.

(e) **Financial Statements to be Furnished.** Grantee 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 Grantee 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) promptly, from time to time, such other information regarding the operations, business, affairs and financial condition of Grantee as the County may reasonably request.

(f) **Grantee to Maintain Bookkeeping System.** Grantee 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 access, as allowed under the Public Records Law, at any reasonable time to the books, records and contracts pertaining to the Premises and Grantee.

(g) **Insurance Proceeds.** The Grantee shall keep the Premises continually insured in an amount not less than full insurable value of the Premises, 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 County in its sole discretion, shall from time to time require, for the benefit of the County. All such insurance at all times will be in an insurance company or companies in such amounts and with terms acceptable to the County, with loss, if any, payable to the County as their interests may appear, which shall be satisfactory to the County; and forthwith upon the issuance of such policies they will deliver to the County copies of receipts for the premiums paid thereon and certificates of insurance and certified copies of such policies. Any policies furnished the County shall become its property in the event the County becomes the owner of the Premises by foreclosure or otherwise. Subject to the provisions of the Mortgages, should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Premises, then in such event, County and Grantee, may jointly elect to use the proceeds for the reconstruction and repair of the Premises or, in the alternative, to apply the net proceeds to the payment of the indebtedness hereby secured, whether then due or not.

(h) **Indebtedness.** With respect to the Premises encumbered by the Grantee of even date herewith, Grantee will not incur, create, assume or permit to exist any indebtedness constituting the deferred purchase price of any property or assets, or any indebtedness or liability evidenced by notes, bonds, debentures or similar obligations without the written approval of the County, except indebtedness owed the County and the aforementioned Mortgages; provided however, that the Mortgages shall not exceed the amounts contained in the recitals incorporated in this Grant Agreement.

(i) **Further Assurances and Preservation of Premises.** Grantee will do all acts and execute all documents for the better and more effective carrying out of the intent and purposes of this Grant 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 Premises to secure the Note, as the County may reasonably require.

(j) **No Assignment.** Grantee shall not assign this Grant Agreement or any interest therein and any such assignment is void and of no effect.

11. **INSPECTIONS.** Grantee will permit County, or its representatives to enter upon the Premises, inspecting Improvements and all materials to be used in the

construction thereof, and to examine all details, plans and shop drawings which are kept at the construction site, and will cooperate, and cause Grantee's general contractor and subcontractors to cooperate with the County's representative.

12. DEFAULT. The following events shall be deemed Events of Default:

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

(b) **Breach of Covenants, Warranties and Representations.** If any warranty or representation made by Grantee in this Grant Agreement or in any other Grant Document shall at any time be false or misleading in any material respect, or if Grantee shall fail to keep, observe or perform any of the terms, covenants, representations or warranties contained in this Grant Agreement and any other document given in connection with the Grant or development of the Improvement (provided, that with respect to non-monetary defaults, the County shall give written notice to Grantee, who shall have thirty (30) days to cure), or is unwilling to meet its obligations thereunder; or

(c) **Material Adverse Change of Grantee.** If any material adverse change shall occur in the financial condition of Grantee at any time during the term of the Mortgage from the financial condition revealed in statements already presented to and accepted by the County; or

(d) Grantee shall fail to use all funds under this Grant Agreement for costs associated with the construction of Improvements on the Premises by December 31, 2010. In the event Grantee fails to use all funds by December 31, 2010, all remaining funds shall revert to the County and the County may reallocate for other projects or needs.

(e) Grantee shall fail to complete construction of the Improvements and secure a Certificate of Occupancy for the Improvements by December 31, 2010.

(f) Grantee shall default under the Mortgages which default is not cured within applicable cure periods.

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

a) Cancel this Grant Agreement;

b) Commence an appropriate legal or equitable action to enforce performance of this Grant Agreement;

c) Exercise any other rights or remedies the County may have under the Grant Agreement executed in connection with the Grant or which may be available under applicable law.

14. 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 Grant Agreement or the Grant 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 Grantee of the Improvements or the absence therefrom of defects.

(b) Grantee is not the County's Agent. Nothing in this Agreement, or any other Grant Document shall be construed to make the Grantee the County's agent for any purpose whatsoever, or the Grantee 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 pursuant to this Grant Agreement shall be rendered solely for the protection and benefit of the County. Neither Grantee 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 conduct inspections and other such services contemplated by this Grant Agreement.

(d) The County Not Obligated to Ensure 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 hereunder.

(e) Indemnification from Third Party Claims. Grantee shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Grant proceeds to Grantee 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 Grant. This provision shall survive the repayment of the Grant and shall continue in a 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 agent of the County liable to Grantee's 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 liens accruing or arising to such persons or parties against Grantee or Grantee's Contractor. It is distinctly understood and agreed that there is no relation of any type whatsoever, contractual or otherwise, whether express or implied, between the County and Grantee's 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 person 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 and the venue shall be in Palm Beach County.

(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) **Agreement.** This Grant Agreement constitutes the entire understanding and agreement between the parties with respect the subject matter hereof and may not be modified or amended, except in writing and signed by all parties hereto.

(n) **Waiver.** If the County shall waive any provisions of the Grant Documents, or shall fail to enforce any of the conditions or provisions of this Grant 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 notice from the Grantee to the County and the County to Grantee 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
301 N. Olive Avenue, Suite 601
West Palm Beach, FL 33401
Att: Tammy K. Fields, Sr. Assistant County Attorney

TO GRANTEE:

Village Centre Apartments, Ltd.

510-A 24th Street
West Palm Beach, FL 33407
Attn: Terri Murray, President

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 Grantee.

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

(r) Waiver of Jury Trial. GRANTEE 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 GRANT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE COUNTY'S EXTENDING CREDIT TO Grantee 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.

15. EFFECTIVE DATE OF AGREEMENT. This Agreement is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners, and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners. The Effective Date shall be the date on which this Grant Agreement is executed by the Board of County Commissioners.

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

Signed, sealed and delivered in the presence of:

Robert J. Miller
Rodrigue Power
[Signature]
[Signature]

VILLAGE CENTRE APARTMENTS, LTD.,
a Florida limited partnership

BY: Village Centre GP, LLC, a Florida limited liability company, as its sole general partner

By: *Terri Murray*
Terri Murray, President

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 27 day of October, 2007 by Terri Murray as President of Village Centre GP, LLC., the sole general partner of Village Centre Apartments, Ltd., who is personally known to me or who has produced _____ as identification and who did/did not take an oath.

[Signature]
(Signature of Notary)

Scott H. Kline
(Typed, Printed, or Stamped Name of Notary)

My Commission Expires:



ATTEST:

SHARON R. BOCK, CLERK & COMPROLLER

PALM BEACH COUNTY, FLORIDA, a political subdivision of the state of Florida

Sharon R. Bock, Clerk & Comptroller
Palm Beach County

R2007-1800

OCT 16 2007

BY ITS BOARD OF COUNTY
COMMISSIONERS

BY: *Sharon R. Bock*
Clerk

BY: *Addie L. Greene*
Addie L. Greene, Chairperson

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

BY: *[Signature]*
County Attorney

BY: *[Signature]*
Department Head

G:\WPDATA\ENGITKFHTF.AGTVILLAGE-CENTRE-APARTMENTS-II-Cond.Grt.Ag version 10-04-07-Strk-Thru.rtf

EXHIBIT "A"

LEGAL DESCRIPTION

Lots 1-13, 35-44, Block 17 of Northwood Addition to West Palm Beach,
according to the Plat thereof recorded to Plat Book 9, pg. 47, of the Official Records of
Palm Beach County, Florida.

EXHIBIT "B"

DECLARATION OF RESTRICTIVE COVENANTS

EXHIBIT "E"

PERMITTED EXCEPTIONS

1. Lien of all taxes for the year 2007 and thereafter, which are not yet due and payable.
2. First Mortgage in favor of Branch Banking and Trust
3. First Mortgage in favor of Branch Banking and Trust
4. Second Mortgage in favor of Local Initiative Support Corporation.
5. Any and all exceptions revealed by updated title commitment.