

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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

Department: Housing and Community Development

Submitted By: Housing and Community Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends a motion to approve: a) a subsidy loan in the amount of \$60,000 from the State Housing Initiative Partnership (SHIP) Program, and b) a third mortgage in the amount of \$60,000 from the Community Development Block Grant Program (CDBG) for a low income Palm Beach County employee participating in HCD's first-time homebuyer program.

Summary: Frank Harris III is a single man who has been employed with the Palm Beach County Water Utilities Department since 2005. He is seeking to purchase a townhome in the amount of \$185,000 which is consistent with the appraised value. The home is 1645 square feet, 3 bedrooms with 2 1/2 baths. This townhome was initially purchased by HCD in 2005 through the CDBG Local Homestead Pilot Program and is located at 9301 Lily Bank Court, Riviera Beach. Mr. Harris has secured a first mortgage in the amount of \$65,000 from Citi Mortgage, and has been qualified to receive \$60,000 in SHIP subsidy assistance and \$60,000 in deferred CDBG assistance. The subsidy assistance provided by Palm Beach County will consist of one mortgage and two separate promissory notes with no monthly payment and forgivable after thirty (30) years if the property remains owner-occupied by Mr. Harris. This request was presented to and recommended for funding by the Commission on Affordable Housing's Advisory Committee on April 24, 2008. **These are State and Federal funds which require no local match (District 7) (TKF)**

Background and Justification: On June 7, 2005 the Board of County Commissioners approved the HCD Local Homesteading Pilot Program (R-2005-1111 through R-2005-1119) to provide affordable housing opportunities to low-and-moderate-income homebuyers in the Palm Beach County CDBG jurisdiction exclusive of the Cities of Boca Raton, Boynton Beach, Delray Beach and West Palm Beach. The Board of County Commissioner through (R-2005-1111 through R-2005-1119) also authorized the Department of Housing and Community Development (HCD) to acquire five (5) homes with CDBG funds for resale to targeted groups and has been offering the homes to income eligible applicants at/or below market prices. On May 18, 1993, the Board of County Commissioners (BCC) adopted it's Affordable Housing Ordinance (No. 93-8 as amended) pursuant to the SHIP regulations outlined by the Florida Housing Finance Corporation (FHFC). The County's Commission on Affordable Housing (CAH) was established by the BCC in 1990 to administer the Robert E. Pinchuck Memorial Housing Trust Fund. The current SHIP Local Housing Assistance Plan (LHAP) adopted by the BCC on April 25, 2006 (R2006-0738) establishes how local SHIP program funds are to be allocated. The SHIP funds are used to facilitate the acquisition and construction of affordable single-family and multi-family/rental housing Palm Beach County. Additionally, under the LHAP, SHIP funding is also used for: foreclosure prevention; Rehabilitation, utility connection and impact fee payments; Home Ownership Development; Multifamily Rental Development; Disaster Mitigation; HOME Program Match; Rental Housing Entry Assistance; and architectural barrier removal.

Attachments:

- A. Copies of SHIP and CDBG Mortgages
- B. Appraisal

Recommended by: Edward W. Jomyl
Department Director

6/23/08
Date

Approved By: Sharon R. [Signature]
Assistant County Administrator

7-3-08
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures					
Operating Costs	60,000				
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	60,000				


# ADDITIONAL FTE POSITIONS (Cumulative)	2008	2009	2010	2011	2012
	0				

Is Item Included In Current Budget? Yes X No _____
 Budget Account No.:

Fund 1100 Unit 143 Org 7705 Object 8301 Program Code/Period BG RFS51/GY07 - \$60,000

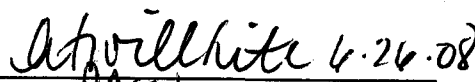



B. Recommended Sources of Funds/Summary of Fiscal Impact:
 Source:


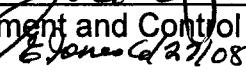
Approval of this Agenda Item will provide one subsidy loan in the amount of \$60,000 to Frank Harris III, to assist with the purchase of a town house in Riviera Beach, Fl.

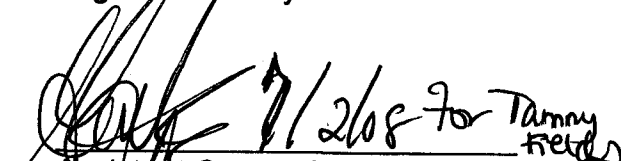
C. Departmental Fiscal Review: 
 Shairrette Major, Fiscal Manager I

III. REVIEW COMMENTS

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

 6-26-08
 OFMB  6/24/08  6/24/08  6/24/08

 6/27/08
 Contract Development and Control
 6/27/08

B. Legal Sufficiency:  7/2/08 for Tammy Fields
 Assistant County Attorney

C. Other Department Review:

 Department Director

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

**PURCHASE ASSISTANCE PROGRAM
SECOND MORTGAGE**

THIS IS A SECOND MORTGAGE AND THE FINAL PRINCIPAL PAYMENT OR THE PRINCIPAL BALANCE DUE UPON MATURITY IS \$120,000.00 TOGETHER WITH ACCRUED INTEREST, IF ANY, AND ALL ADVANCEMENTS MADE BY THE MORTGAGEE UNDER THE TERMS OF THIS MORTGAGE.

THIS MORTGAGE DEED

Executed this ____ day of July, A.D. 2008 by Frank Harris III (an unmarried man) whose current address is 129 NW 14th Street Delray Beach 33445 hereinafter called the mortgagor, to Palm Beach County, whose address is 301 North Olive Ave., West Palm Beach, Florida 33401, hereinafter called the mortgagee:

(Wherever used herein the terms "Mortgagor" and "Mortgagee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations, and the term "note" includes all the notes herein described if more than one.)

WITNESSETH, that for good and valuable considerations, and also in consideration of the aggregate sum named in the promissory note of even date herewith, hereinafter described, the mortgagor hereby grants, bargains, sells, aliens, remises, conveys and confirms unto the mortgagee all the certain land of which the mortgagor is now seized and in possession situate in Palm Beach County, Florida viz:

LEGAL DESCRIPTION ATTACHED

TO HAVE AND TO HOLD the same, together with tenements, hereditaments and appurtenances thereto belonging, and the rents, issues and profits thereof, unto the mortgagee, in fee simple.

AND the Mortgagor covenants with the Mortgagee that the Mortgagor is indefeasibly seized of said land in fee simple; that the Mortgagor has good right and lawful authority to convey said land as aforesaid; that the Mortgagor will make such further assurances to perfect the fee simple title to said land in the Mortgagee as may reasonably be required; that the Mortgagor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and at said land is free and clear of all encumbrances. In the event the subject property or any interest therein shall be sold, conveyed or in any other manner disposed of, including by Agreement for Deed, this Mortgage shall become due and payable in full.

PROVIDED ALWAYS, that if said Mortgagor shall pay unto said Mortgagee the certain promissory note hereinafter substantially copied for identification, to wit:

See Attachments "A" and "B" attached hereto and made a part hereof and shall perform, comply with and abide by each and every agreement, stipulation, condition and covenant thereof, and of this mortgage, then this mortgage and the estate hereby created, shall cease, determine and be null and void.

AND, Mortgagor hereby further covenants and agrees to pay promptly when due the principal and interest and other sums of money provided for in said note and this mortgage, or either; to pay all and singular the taxes, assessments, levies, liabilities, obligations, and encumbrances of every nature on said property; to permit, commit or suffer no waste, impairment or deterioration of said land or the improvements thereon at any time; to keep the buildings now or hereafter on said land fully insured in a sum of not less than full insurable value with a company acceptable to the mortgagee. The policy or policies to be held by, and payable to, said mortgagee. In the event any sum or money becomes payable by virtue of such insurance the mortgagee shall have the right to receive and apply the same to the indebtedness hereby secured.

In the event the mortgagor fails to pay when due any tax, assessment, insurance premium or other sum of money payable by virtue of said note and this mortgage, or either, the mortgagee may pay the same, without waiving or affecting the option to foreclose or any

other right hereunder, and all such payments shall bear interest from date hereof at the highest lawful rate then allowed by the laws of the State of Florida.

In any event, as long as the property is encumbered by the original first mortgage, all property insurance payments and property tax payments are to be secured through escrow and paid by the first mortgage.

AND, Mortgagor agrees further that mortgagor shall reside in the mortgaged property as the Mortgagor's principal place of residence for the term of this Mortgage.

AND, Mortgagor further recognizes that any secondary or junior financing placed upon the mortgaged property, (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 (s), could detract from the value of the mortgaged property should 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 mortgaged property and (d) require the Mortgagor to have housing expenses which exceed the guidelines for affordability under the SHIP program requirements.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) keeping the premises free of subordinate financing liens and (iv) meeting SHIP program requirements for affordability, 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 mortgaged property 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 of any time of any of the following events shall be deemed to be an unpermitted transfer of title to the mortgaged property and therefore an Event of Default hereunder.

(a) any sale, conveyance, assignment or other transfer of or the grant of security interest in, all or any part of the title to the premises within thirty (30) years of the date of this Mortgage or the expiration of the full term of the First Mortgage, whichever date is earlier, without the prior written consent of the Mortgagee.

(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.

If any sum of money herein referred to be not promptly paid within 15 days after the same becomes due, or if each and every agreement, stipulation, condition and covenant of said note and this mortgage, or either, are not fully performed, complied with and abided by, then the entire sum mentioned in said note, and this mortgage, or the entire balance unpaid thereon, shall forthwith or thereafter, at the option of the mortgagee, become and be due and payable, anything in said note or herein to the contrary notwithstanding. Failure by the mortgagee to exercise any of the rights or options herein provided shall not constitute a waiver of any rights or options under said note or this mortgage accrued or thereafter accruing.

This Second Mortgage is expressly made subject and subordinate to the terms and conditions specified in that certain Mortgage from Borrower to the first Lender, dated 2008, recorded in Page, in the Clerk's Office of Palm Beach County, Florida (the "First Mortgage") securing that certain Note having an original principal face amount of SIXTY FIVE THOUSAND and 00/100 (\$65,000.00) dollars, dated 2008 (the, "First Note"), made by Borrower payable to CITI MORTGAGE (USA), Its successors and/or assigns as their interest may appear the ("First Lender").

If any provision of the Promissory Note or the Second Mortgage conflicts with any provision of the First Note or the First Mortgage, the terms and provisions of the First Note and the First Mortgage shall govern.

In the event of a foreclosure or a deed in lieu of foreclosure of the First Mortgage, any provision herein or in any collateral agreement restricting the use of the Property or restricting the Borrower's ability to sell the Property shall have no further force or effect on subsequent

owners or purchasers of the Property. Any person, including his successors and assigns (other than the Borrower or a related entity or person to the Borrower), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Mortgage shall receive title to the Property free and clear of such restrictions.

Furthermore, if the First Lender acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Second Mortgage shall automatically terminate upon the First Lender's acquisition of title.

THIS IS A SECOND MORTGAGE AND THE FINAL PRINCIPAL PAYMENT OR THE PRINCIPAL BALANCE DUE UPON MATURITY IS \$120,000.00 TOGETHER WITH ACCRUED INTEREST, IF ANY AND ALL ADVANCEMENTS MADE BY THE MORTGAGEE UNDER THE TERMS OF THIS MORTGAGE.

IN WITNESS WHEREOF, the said mortgagor has hereunto signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in the presence of:

Witness: _____ **(Signature)**
Frank Harris III , Mortgagor

Witness: _____ **(Signature)**
N/A

PROPERTY ADDRESS:
9301 Lily Bank Court
Riviera Beach, FL 33404

State of Florida
Palm Beach County

The foregoing instrument was acknowledged before me this ____ day of _____, 2008, by _____, _____, _____ and _____, who is (are) personally known to me or who has produced _____ as identification.

Notary Seal

Signature of Notary Public

SEAL

My Commission expires: _____
Commission No.: _____

ATTACHMENT A

PROMISSORY NOTE

LOCAL HOMESTEADING PILOT PROGRAM/CDBG FUNDING

Amount: \$60,000.00

Date: _____

Property Address: 9301 Lily Bank Court Riviera Beach, FL 33404

Place: Palm Beach County, Florida

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of Palm Beach County, Florida, (herein called the "County"), acting by and through its Board of County Commissioners, the remaining balance on the principal sum of **Sixty Thousand Dollars and 00/100 (\$60,000.00)**, which remaining balance shall be payable in full upon the sale, lease, or transfer of the property, identified and legally described in the Mortgage used to secure this Note, from the undersigned signing this Note (being the owner(s) having fee simple title to the mortgaged property) to any other person(s) without the prior written consent of the Mortgagee.

Upon the sale, lease, transfer, conveyance or alienation of any part or all of the property within thirty (30) years of the date of this Note, full repayment of the principal sum plus accrued interest, if any, plus any advancements made pursuant to the terms of the Mortgage, shall become immediately due and payable. In addition, the undersigned shall pay to County an amount equal to ten (10%) percent of any increase in value of the property from date of purchase. This amount shall be calculated by subtracting the original purchase price of \$ 185,000.00, from the value of the property at the time of sale, lease, transfer, conveyance or alienation of any part or all of the property, as determined by an independent real estate appraiser deemed acceptable to the County, and multiplying the difference by ten (10%) percent.

In the event of a refund of any governmental fees to the undersigned, the undersigned assigns such reimbursement directly to Palm Beach County to be credited towards the total amount due under this Note.

The undersigned reserve(s) the right to prepay at any time all or any part of the principal amount of this Note without the payment of penalties or premiums or the need to pay any increase in equity.

If default be made in the performance of any of the covenants, understandings and agreements obtained and entered into to secure financing used in connection with this Note or in said Mortgage, then the entire unpaid principal amount of this Note, together with accrued interest computed at **a rate of eight percent per annum from the date of default**, shall become at once due and payable, at the option of the County, without notice to the undersigned, time being of the essence.

Failure of the County to exercise such option shall not constitute a waiver of such default, nor a waiver of the right to exercise the same in the event of any subsequent default. If this Note be reduced to judgment, such judgment shall bear the statutory interest due on judgments, but not to exceed eight percent per annum.

Thirty (30) years from the date of this Note or expiration of the full term of the first Mortgage loan, whichever is earlier, if the following two conditions have been met, the entire Note will be deemed satisfied and the Maker shall have no further obligation to the County under this Note:

1) There have been no defaults in the performance of any of the covenants, understandings and agreement obtained and entered into to secure financing used in connection with this Note or in said Mortgage; and

2) There has been no sale, transfer, conveyance or alienation of any part or all of the property secured in said Mortgage.

If suit is instituted by the County to recover on this Note, the undersigned agree(s) to pay all costs of such collection including reasonable attorney's fees and court costs at the trial and appellate levels.

THIS NOTE is secured by a Mortgage of even date herewith, duly filed for record in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida.

DEMAND, protest and notice of demand and protest are hereby waived, and the undersigned hereby waive(s), to the extent authorized by law, any and all homestead and other exemption rights, which otherwise would apply to the debt evidenced by this Note.

IN WITNESS WHEREOF, this Note has been duly executed by the undersigned, as of its date.

Name:
Signature:

X

Frank Harris III

Name:
Signature:

X

Please Return To:

Palm Beach Housing & Community Development
Commission on Affordable Housing
160 Australian Avenue North, Suite 500
West Palm Beach, Florida 33406

ATTACHMENT B

PALM BEACH COUNTY COMMISSION ON AFFORDABLE HOUSING

PROMISSORY NOTE

PURCHASE ASSISTANCE PROGRAM SECOND MORTGAGE LOAN

Amount: \$60,000.00

Date: July, 2008

Property Address: 9301 Lily Bank Court Riviera Beach, FL 33404

Place: Palm Beach County

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of Palm Beach County, Florida, (herein called the "County"), acting by and through its Board of County Commissioners, the remaining balance on the principal sum of Sixty Thousand and 00/100 (\$60,000.00) dollars, which remaining balance shall be payable in full upon the sale, lease, or transfer of the property, identified and legally described in the Mortgage used to secure this Note, from the undersigned signing this Note (being the owner(s) having fee simple title to the mortgaged property) to any other person(s) without the prior written consent of the Mortgagee.

Upon the sale, transfer, conveyance or alienation of any part or all of the property within thirty (30) years of the date of this note or expiration of the full term of the first Mortgage loan, whichever date is earlier, full repayment of the principal sum plus accrued interest, if any, plus any advancements made pursuant to the terms of the Mortgage, shall become immediately due and payable.

In the event of a refund of any governmental fees to the undersigned, the undersigned assigns such reimbursement directly to Palm Beach County to be credited towards the total amount due under this Note.

The undersigned reserve(s) the right to prepay at any time all or any part of the principal amount of this Note without the payment of penalties or premiums.

This Promissory Note and the Second Mortgage securing payment of this Promissory Note is expressly made subject and subordinate to the terms and conditions specified in that certain Promissory Note having an original principal face amount of SIXTY FIVE THOUSAND and 00/100 (\$65,000.00) dollars, dated _____, 2008 (the "First Note"), made by Borrower payable to _____ the "First Lender") and secured by _____ that certain Mortgage from Borrower to the First Lender, dated _____ 2008, recorded in _____, Page _____, in the Clerk's Office of Palm Beach County, Florida (the "First Mortgage").

The Note Holder consents to any agreement or arrangement in which the First Lender waives, postpones, extends, reduces or modifies any provisions of the First Note or the First Mortgage, including any provision requiring the repayment of money.

If any provision of this Promissory Note or the Buyer's Second Mortgage conflicts with any provision of the First Note or the First Mortgage, the terms and provisions of the First Note and the First Mortgage shall govern.

If default be made in the performance of any of the covenants, understandings and agreements obtained and entered into to secure financing used in connection with this Note or in said Mortgage, then the entire unpaid principal amount of this Note, together with accrued interest computed at a rate of eight percent per annum from the date of default, shall become at once due and payable, at the option of the County, without notice to the undersigned, time being of the essence.

Failure of the County to exercise such option shall not constitute a waiver of such default, nor a waiver of the right to exercise the same in the event of any subsequent default. If this Note be reduced to judgment, such judgment shall bear the statutory interest due on judgments, but not to exceed eight percent per annum.

Thirty (30) years from the date of this Note or expiration of the full term of the first Mortgage loan, whichever is earlier, if the following two conditions have been met, the entire Note will be deemed satisfied and the Maker shall have no further obligation to the County under this Note:

1) There have been no defaults in the performance of any of the covenants, understandings and agreement obtained and entered into to secure financing used in connection with this Note or in said Mortgage; and

2) There has been no sale, transfer, conveyance or alienation of any part or all of the property secured in said Mortgage.

If suit is instituted by the County to recover on this Note, the undersigned agree(s) to pay all costs of such collection including reasonable attorney's fees and court costs at the trial and appellate levels.

THIS NOTE is secured by a Mortgage of even date herewith, duly filed for record in the Office of the Clerk of the Circuit Court in and for Palm Beach County, Florida.

DEMAND, protest and notice of demand and protest are hereby waived, and the undersigned hereby waive(s), to the extent authorized by law, any and all homestead and other exemption rights, which otherwise would apply to the debt evidenced by this Note.

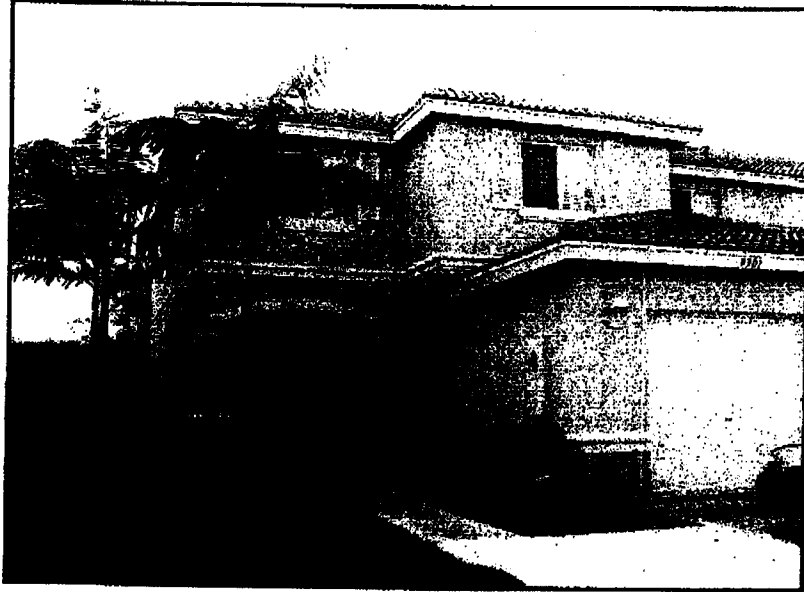
**This Note has been duly executed by the undersigned as of its date,
2008.**

FRANK HARRIS III (Signature)

N/A (Signature)

Property Address:

**9301 Lily Bank Court
Riviera Beach, FL 33404**



APPRAISAL OF REAL PROPERTY

LOCATED AT:
9301 LILY BANK CT.
NORTH COUNTY PUD PL 2 LT T55
RIVIERA BEACH, FL 33404

FOR:
HOUSING PARTNERSHIP, INC.
2001 W. BLUE HERON BLVD.
RIVIERA BEACH, FL 33404

AS OF:
01/22/2008

BY:
JOANNA S. POLLAK
ST. CERT. RES. REA #4128
LAWSON VALUATION GROUP, INC.
8895 N. MILITARY TRAIL, SUITE 304-E
PALM BEACH GARDENS, FL 33410

LAWSON VALUATION GROUP, INC.
8895 N. MILITARY TRAIL STE 304E
PALM BEACH GARDENS, FL 33410

HOUSING PARTNERSHIP, INC.
2001 W. BLUE HERON BLVD.,
RIVIERA BEACH, FL 33404

Re: Property: 9301 LILY BANK CT.
RIVIERA BEACH, FL 33404
Borrower: FRANK HARRIS III
File No.: 400299R

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.

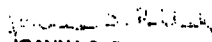
The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,


JOANNA S. POLLAK
ST. CERT. RES. REA #4128

Uniform Residential Appraisal Report

File # 8004

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address 9301 LILY BANK CT. **City** RIVIERA BEACH **State** FL **Zip Code** 33404
Borrower FRANK HARRIS III **Owner of Public Record** PALM BEACH COUNTY **County** PALM BEACH
Legal Description NORTH COUNTY PUD PL 2 LT 155
Assessor's Parcel # 56-42-42-36-36-020-0550 **Tax Year** 2007 **R.E. Taxes \$** 46.00
Neighborhood Name TURTLE GAY **Map Reference** 42-42-36 **Census Tract** 10.02
Occupant Owner Tenant Vacant **Special Assessments \$** PUD HOA \$ 175.00 per year per month
Property Rights Appraised Fee Simple Leasehold Other (describe)
Assignment Type Purchase Transaction Refinance Transaction Other (describe)
Lender/Client HOUSING PARTNERSHIP, INC. **Address** 2001 W. BLUE HERON BLVD., RIVIERA BEACH, FL 33404
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s).
 I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. **CONTRACT NOT PROVIDED.**
Contract Price \$ 185,500 **Date of Contract** 3/2008 **Is the property seller the owner of public record?** Yes No **Data Source(s)**
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. **NONE KNOWN**
Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing		Present Land Use %	
<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	<input type="checkbox"/> Property Values Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining	PRICE	AGE
<input type="checkbox"/> Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> Under 25%	<input type="checkbox"/> Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	\$ (000)	(yrs)
<input type="checkbox"/> Growth	<input checked="" type="checkbox"/> Rapid	<input type="checkbox"/> Slow	<input type="checkbox"/> Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	185	Low
<input type="checkbox"/> Neighborhood Boundaries	N = BLUE HERON BLVD., E = MILITARY TRAIL, S = 45TH ST., W = HAVERHILL RD.		<input type="checkbox"/> Under 6 mths	<input checked="" type="checkbox"/> Over 6 mths	<input type="checkbox"/> 398	High	5
<input type="checkbox"/> Neighborhood Description	THE SUBJECT AREA IS A RELATIVELY HOMOGENOUS BLEND OF SIMILAR STYLE DWELLINGS IN AVERAGE PROXIMITY TO SHOPPING, SCHOOLS AND EMPLOYMENT IN THE AREA.		<input type="checkbox"/> 225	<input type="checkbox"/> Pred.	<input type="checkbox"/> 5	Commercial	20 %
<input type="checkbox"/> One-Unit	<input type="checkbox"/> %	<input type="checkbox"/> 2-4 Unit	<input type="checkbox"/> %	<input type="checkbox"/> Multi-Family	<input type="checkbox"/> 80 %	<input type="checkbox"/> Other	<input type="checkbox"/> %

Market Conditions (including support for the above conclusions) NO MAJOR IMBALANCES NOTED. INDICATED VALUE EXCLUDES ANY CHATTELS, EITHER REAL OR PERSONAL, UNLESS OTHERWISE NOTED. ESTIMATED EXPOSURE AND MARKETING TIME FOR THE SUBJECT PROPERTY IS 4 TO 8 MONTHS.
Dimensions NO SURVEY PROVIDED **Area** 3,070 SF **Shape** RECTANGULAR **View** RESIDENTIAL
Specific Zoning Classification SFR **Zoning Description** SINGLE FAMILY RESIDENTIAL
Zoning Compliance Legal Legal Nonconforming (Grandfathered Use) No Zoning Illegal (describe)
 Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe
Utilities **Public** **Other (describe)** **Public** **Other (describe)** **Off-site Improvements - Type** **Public** **Private**
 Electricity Water
 Gas NONE Sanitary Sewer Street 2 LANE PAVED
 Alley NONE
FEMA Special Flood Hazard Area Yes No **FEMA Flood Zone** B **FEMA Map #** 120192 0145B **FEMA Map Date** 10/15/1982
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe
NO ADVERSE EASEMENTS/ENCROACHMENTS NOTED DURING INSPECTION. NO TITLE EXAM MADE.

General Description		Foundation		Exterior Description		Interior	
<input checked="" type="checkbox"/> Units One	<input type="checkbox"/> One with Accessory Unit	<input checked="" type="checkbox"/> Concrete Slab	<input type="checkbox"/> Crawl Space	Foundation Walls	CBS/STUCCO/GD	Floors	CPT/TILE/GOOD
# of Stories	2 STORY	<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement	Exterior Walls	CBS/STUCCO/GD	Walls	SHEETROCK/GOOD
Type	<input type="checkbox"/> Det. <input checked="" type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area	sq.ft	Roof Surface	CONC.S-TILE/AVG	Trim/Finish	WOOD/GOOD
<input checked="" type="checkbox"/> Existing	<input type="checkbox"/> Proposed <input type="checkbox"/> Under Const	<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump	Gutters & Downspouts	YES/AVG	Bath Floor	TILE/GOOD
Design (Style)	2 STORY	<input type="checkbox"/> Evidence of Infestation	<input type="checkbox"/> Storm Sash/Insulated	Window Type	SLIDING/AVG	Bath Wainscot	TILE/GOOD
Year Built	2004	<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement	Screens	YES/AVG	Car Storage	<input checked="" type="checkbox"/> None
Effective Age (Yrs)	E1	<input type="checkbox"/> Heating <input checked="" type="checkbox"/> FWA	<input type="checkbox"/> HWBB	Armenities	<input type="checkbox"/> Woodstove(s) #	Driveway # of Cars	1
Attic	<input type="checkbox"/> None	<input type="checkbox"/> Other	<input type="checkbox"/> Fuel ELEC.	<input type="checkbox"/> Fireplaces #	<input type="checkbox"/> Driveway Surface	CONCRETE	
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	<input checked="" type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Porch	Garage # of Cars	1
<input type="checkbox"/> Floor	<input checked="" type="checkbox"/> Scuttle	<input checked="" type="checkbox"/> Individual	<input type="checkbox"/> Other	<input type="checkbox"/> Pool	<input type="checkbox"/> Other	Carport # of Cars	
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input checked="" type="checkbox"/> Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)				Att. Det. Built-in	
Finished area above grade contains:	7 Rooms	3 Bedrooms	2.5 Bath(s)	1,606	Square Foot of Gross Living Area Above Grade		
Additional features (special energy efficient items, etc.): 1 CAR GARAGE, SCREENED PATIO, CONCRETE S-TILE ROOF, CERAMIC TILE FLOORING, VAULTED CEILINGS, CORIAN COUNTERTOPS.							
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). SUBJECT IS IN GOOD CONDITION FOR ITS AGE.							
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe							
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							

Uniform Residential Appraisal Report

File # 8004

There are 6 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 184,900 to \$ 398,000							
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 187,500 to \$ 270,000							
FEATURE	SUBJECT						
Address	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 25%;">COMPARABLE SALE # 1</th> <th style="width: 25%;">COMPARABLE SALE # 2</th> <th style="width: 25%;">COMPARABLE SALE # 3</th> </tr> <tr> <td>5208 CROSSING ROCKS CT. RIVIERA BEACH</td> <td>1095 VIA JARDIN PALM BEACH GARDENS</td> <td>6604 SANDY BANK TERR. RIVIERA BEACH</td> </tr> </table>	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3	5208 CROSSING ROCKS CT. RIVIERA BEACH	1095 VIA JARDIN PALM BEACH GARDENS	6604 SANDY BANK TERR. RIVIERA BEACH
COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3					
5208 CROSSING ROCKS CT. RIVIERA BEACH	1095 VIA JARDIN PALM BEACH GARDENS	6604 SANDY BANK TERR. RIVIERA BEACH					
Proximity to Subject	0.09 miles						
Sale Price	\$ 185,500						
Sale Price/Gross Liv. Area	\$ 115.50 sq.ft.						
Data Source(s)	MLS/DRIVE BY						
Verification Source(s)	INSPECTION						
VALUE ADJUSTMENTS	DESCRIPTION						
Sales or Financing	CONV/DOM 92						
Concessions	NONE NOTED						
Date of Sale/Time	8/31/2007						
Location	TURTLE CAY						
Leasehold/Fee Simple	FEE SIMPLE						
Site	3,070 SF						
View	RESIDENTIAL LAKE						
Design (Style)	2 STORY						
Quality of Construction	GOOD						
Actual Age	A5E1						
Condition	GOOD						
Above Grade	Total Bdrms. Baths						
Room Count	7 3 2.5						
Gross Living Area	1,806 sq.ft.						
Basement & Finished Rooms Below Grade	NONE						
Functional Utility	ADEQUATE						
Heating/Cooling	CENTRAL						
Energy Efficient Items	TYP FOR MKT						
Garage/Carport	1 C GARAGE						
Porch/Patio/Deck	PORCH/PATIO						
Other	NONE						
Net Adjustment (Total)	\$ -6,000						
Adjusted Sale Price of Comparables	\$ 193,900						
<input checked="" type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain							
My research <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.							
Data Source(s) PUBLIC RECORD							
My research <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.							
Data Source(s) PUBLIC RECORD							
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).							
ITEM	SUBJECT						
Date of Prior Sale/Transfer	5/2004 - \$192,000						
Price of Prior Sale/Transfer	7/2005 - \$265,900						
Data Source(s)	TAX RECORDS						
Effective Date of Data Source(s)	1/23/2008						
Analysis of prior sale or transfer history of the subject property and comparable sales: NO OTHER SALES IN THREE YEARS OTHER THAN LISTED ABOVE.							
Summary of Sales Comparison Approach THIS APPRAISER IS OF THE OPINION THAT THE ABOVE COMPARABLES ARE THE BEST OBTAINED TO REFLECT THE ESTIMATED MARKET VALUE OF THE SUBJECT PROPERTY IN REGARD TO TIME, LOCATION AND SIMILARITY. THE SUBJECT BLENDS WITH THE REST OF THE HOMES IN THE NEIGHBORHOOD. PERSONAL PROPERTY WAS NOT INCLUDED IN THE FINAL ESTIMATE OF VALUE.							
Indicated Value by Sales Comparison Approach \$ 185,000							
Indicated Value by: Sales Comparison Approach \$ 185,000 Cost Approach (if developed) \$ 219,864 Income Approach (if developed) \$ N/A							
THE SALES COMPARISON APPROACH IS THE MOST DEFINITIVE INDICATOR OF VALUE. THE COST APPROACH SUBSTANTIATES THIS INDICATION, AS THE MARKET AREA IS PRIMARILY OWNER-OCCUPIED SINGLE FAMILY DWELLINGS.							
This appraisal is made <input checked="" type="checkbox"/> "as is" <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair. THIS VALUATION DOES NOT INCLUDE ITEMS OF PERSONAL PROPERTY. THIS IS A "SUMMARY APPRAISAL REPORT" ACCORDING TO THE USPAP GUIDELINES.							
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 185,000 as of 01/22/2008, which is the date of inspection and the effective date of this appraisal.							

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 9301 LILY BANK CT., RIVIERA BEACH, FL 33404

APPRAISER:

SUPERVISORY APPRAISER (only if required):

Signature: _____
 Name: JOANNA S. POLLAK
 Date Signed: 03/02/2008
 State Certification #: ST. CERT. RES. REA #RD4128
 or State License #: _____
 State: FL
 Expiration Date of Certification or License: 11/30/2008

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

Uniform Residential Appraisal Report

File # 8004

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).
22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.
23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.
25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature _____
 Name JOANNA S. POLIAK
 Company Name LAWSON VALUATION GROUP, INC.
 Company Address 8895 N. MILITARY TRAIL, SUITE 304-E
PALM BEACH GARDENS, FL 33410
 Telephone Number 561-622-5533
 Email Address JPOLIAK@BELLSOUTH.NET
 Date of Signature and Report 01/25/2008
 Effective Date of Appraisal 01/22/2008
 State Certification # ST. CERT. RES. REA #RD4128
 or State License # _____
 or Other (describe) _____ State # _____
 State FL
 Expiration Date of Certification or License 11/30/2008

ADDRESS OF PROPERTY APPRAISED
9301 LILY BANK CT.
RIVIERA BEACH, FL 33404
APPRAISED VALUE OF SUBJECT PROPERTY \$ 185,000

LENDER/CLIENT
 Name _____
 Company Name HOUSING PARTNERSHIP, INC.
 Company Address 2001 W. BLUE HERON BLVD., RIVIERA
BEACH, FL 33404
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

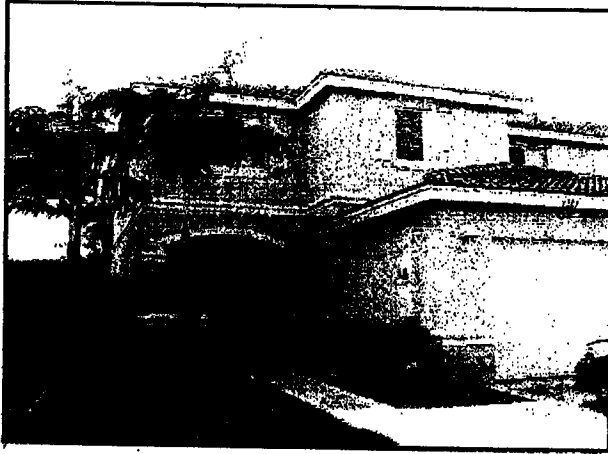
- Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

FIRREA / USPAP ADDENDUM

Borrower FRANK HARRIS III			
Property Address 9301 LILY BANK CT.			
City RIVIERA BEACH	County PALM BEACH	State FL	Zip Code 33404
Lender HOUSING PARTNERSHIP, INC.			
Purpose			
The purpose of the appraisal is to provide an opinion of the market value of the subject property as defined in this report on behalf of the referenced client as the intended user of this report.			
Scope			
The appraisal is based on information gathered by the appraiser from public records, other identified sources, inspection of the subject property, the subject neighborhood and comparable sales, listings and/or rentals within the subject market area. The original source of the comparables is shown in the data source section of the market grid along with source of confirmation, if available. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for value conclusion. The extent of analysis applied to this assignment may be further imparted within the report, the appraiser's certification below and/or Statement of Limiting Conditions and Appraiser's Certification may be utilized within the FHLMC form 439 or FNMA form 1004b (dated 6/93) when applicable.			
Intended Use / Intended User			
The only function of the appraisal is to assist the client mentioned in this report in evaluating the subject property for lending purposes. The use of this appraisal by anyone other than the stated user, for any other use other than the stated intended use is prohibited.			
History of Property			
Current listing information: The subject property currently is not listed.			
Prior sale: Per tax records, the subject property sold in May 2004 for \$192,000 and in July 2005 for \$285,900. No other sale in the past three years.			
Exposure Time / Marketing Time			
A reasonable marketing time for the subject property is 120 to 240 days utilizing conditions pertinent to the appraisal assignment. A reasonable exposure time for the subject property is 120 to 240 days.			
Personal (non-realty) Transfers			
No personal property was included in the estimate of market value by this appraiser.			
Additional Comments			
APPRAISER'S CERTIFICATION			
I certify that, to the best of my knowledge and belief:			
- The statements of fact contained in this report are true and correct.			
- The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my impartial and unbiased professional analysis, opinions and conclusions.			
- I have not present nor prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved, unless otherwise stated in this report.			
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.			
- My engagement with this assignment was not contingent upon the developing or reporting of a predetermined result.			
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.			
- My analysis, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.			
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.			
- I have made a personal inspection of the property that is the subject of this report.			
- No one provide significant professional assistance to the person signing this report.			
Note: In the case of any conflict with a client provided certification (I.E. FNMA or FHLMC), this revised certification shall take precedence.			
Certification Supplement			
1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan.			
2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.			
Appraiser(s): JOANNA S. POLLAK		Supervisory Appraiser(s):	
Effective date / Report date: 01/22/2008 - 03/6/2008		Effective date / Report date:	

Subject Photo Page

Borrower	FRANK HARRIS III		
Property Address	9301 LILY BANK CT.		
City	RIVIERA BEACH	County	PALM BEACH
Lender	HOUSING PARTNERSHIP, INC.	State	FL
		Zip Code	33404



Subject Front

9301 LILY BANK CT.
 Sales Price 186,500
 Gross Living Area 1,606
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location TURTLE CAY
 View RESIDENTIAL
 Site 3,070 SF
 Quality GOOD
 Age ASE1



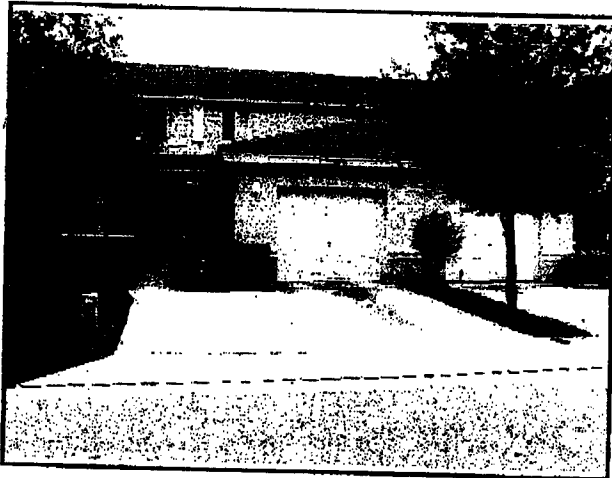
Subject Rear



Subject Street

Comparable Photo Page

Borrower	FRANK HARRIS III		
Property Address	9301 LILY BANK CT.		
City	RIVIERA BEACH	County	PALM BEACH
Lender	HOUSING PARTNERSHIP, INC.	State	FL
		Zip Code	33404



Comparable 1

5208 CROSSING ROCKS CT.
 Prox. to Subject 0.09 miles
 Sale Price 199,900
 Gross Living Area 1,329
 Total Rooms 6
 Total Bedrooms 2
 Total Bathrooms 2.5
 Location TURTLE CAY
 View LAKE
 Site SIMILAR
 Quality GOOD
 Age A5



Comparable 2

1095 VIA JARDIN
 Prox. to Subject 0.04 miles
 Sale Price 187,500
 Gross Living Area 1,001
 Total Rooms 6
 Total Bedrooms 2
 Total Bathrooms 2
 Location WOODBINE
 View RESIDENTIAL
 Site SIMILAR
 Quality GOOD
 Age A9



Comparable 3

6604 SANDY BANK TERR.
 Prox. to Subject 0.00 miles
 Sale Price 190,000
 Gross Living Area 1,571
 Total Rooms 7
 Total Bedrooms 3
 Total Bathrooms 2.5
 Location TURTLE CAY
 View LAKE
 Site SIMILAR
 Quality GOOD
 Age A4

Supplemental Addendum

File No. 8004

Borrower	FRANK HARRIS III		
Property Address	9301 LILY BANK CT.		
City	RIVIERA BEACH	County	PALM BEACH
		State	FL
		Zip Code	33404
Lender	HOUSING PARTNERSHIP, INC.		

DIGITAL SIGNATURES...

Be advised that the appraiser(s) uses digitally embedded signatures to expedite the delivery of the appraisal via e-mail. All electronic signatures on this report have a security feature maintained by an individual password for each signing appraiser. No person can alter the appraisal with the exception of the original signing appraiser(s).

ADDITIONAL FEATURES/CONDITION OF IMPROVEMENTS...

The Subject's overall quality includes, but is not limited to: 1 car garage, covered, screened patio, concrete s-tile roof, concrete driveway, ceramic tile flooring, corian countertops.

COMMENTS ON MARKET DATA...

Public records for Palm Beach County and local MLS were searched in order to find suitable sales for comparison with the Subject. The sales chosen represent the most recent, similar and proximate found and are good indicators of the Subject's value. All comparables are resales from the Subject's subdivision.

Bathrooms were adjusted at \$5,000 each.

Square footage was adjusted at \$50.

The adjusted values of the comparables indicate a reasonable range of value for the Subject. Other sales were considered that would support the value conclusion.

ADDITIONAL CERTIFICATIONS...

These statements of certification may differ from those found on the FAMA 1004B/FELMC 439 (and/or other attached Limiting Conditions) but are intended to comply with current standards of USPAP and will take precedence over any conflicting statements found on the attached Limiting Conditions (FAMA 1004B/FELMC 439 and/or other attached Limiting Conditions).

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.

My engagement of this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.

My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the *Uniform Standards of Professional Appraisal Practice* (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

The use of this report is subject to the requirements by the State of Florida relating to review by the Department of Professional Regulation, Real Estate Appraisal Board relating to review by its duly authorized representatives.

I certify, that I have experience in the appraisal of properties similar to the Subject, and I am qualified due to education, training and experience in the preparation of such reports to comply with the competency provision of USPAP.

I have made a personal inspection of the property that is the subject of this report.

No one provided significant professional assistance to the person signing this report.

I currently hold an appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the state in which the Subject Property is located.

Form TARD - "MULTI" - appraisal software by a is made in - 1-2004-AMM

1-006 P011/016 F-010

5618413555

04-21-08 11:44 FROM-CFG Corporate

Supplemental Addendum

File No. 8004

Borrower	FRANK HARRIS III		
Property Address	9301 LILY BANK CT.		
City	RIVIERA BEACH	County	PALM BEACH
Lender	HOUSING PARTNERSHIP, INC.	State	FL
		Zip Code	33404

Form T-006 P012/016 F-019

5618413555

FROM-CPG Corporate

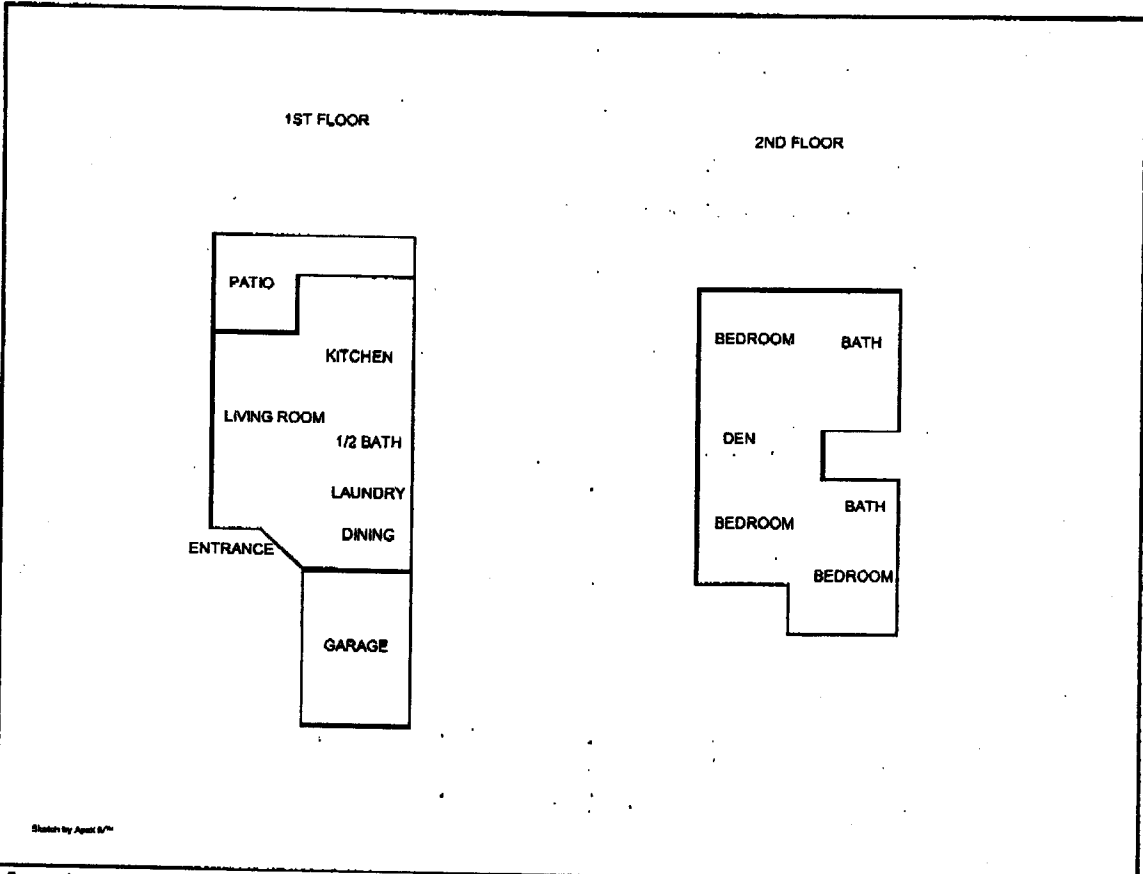
04-21-'08 11:44

FIRREA / USPAP ADDENDUM

Borrower	FRANK HARRIS III		
Property Address	9301 LILY BANK CT.		
City	RIVIERA BEACH	County	PALM BEACH
State	FL	Zip Code	33404
Lender	HOUSING PARTNERSHIP, INC.		
Purpose	The purpose of the appraisal is to provide an opinion of the market value of the subject property as defined in this report on behalf of the referenced client as the intended user of this report.		
Scope	The appraisal is based on information gathered by the appraiser from public records, other identified sources, inspection of the subject property, the subject neighborhood and comparable sales, listings and/or rentals within the subject market area. The original source of the comparables is shown in the data source section of the market grid along with source of confirmation, if available. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for value conclusion. The extent of analysis applied to this assignment may be further imparted within the report, the appraiser's certification below and/or Statement of Limiting Conditions and Appraiser's Certification may be utilized within the FHLMC form 439 or FNMA form 1004b (dated 6/93) when applicable.		
Intended Use / Intended User	The only function of the appraisal is to assist the client mentioned in this report in evaluating the subject property for lending purposes. The use of this appraisal by anyone other than the stated user, for any other use other than the stated intended use is prohibited.		
History of Property	Current listing information: The subject property currently is not listed.		
Prior sale:	Per tax records, the subject property sold in May 2004 for \$192,000 and in July 2005 for \$265,900. No other sale in the past three years.		
Exposure Time / Marketing Time	A reasonable marketing time for the subject property is 120 to 240 days utilizing conditions pertinent to the appraisal assignment. A reasonable exposure time for the subject property is 120 to 240 days.		
Personal (non-realty) Transfers	No personal property was included in the estimate of market value by this appraiser.		
Additional Comments	<p>APPRAISER'S CERTIFICATION</p> <p>I certify that, to the best of my knowledge and belief:</p> <ul style="list-style-type: none"> - The statements of fact contained in this report are true and correct. - The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my impartial and unbiased professional analysis, opinions and conclusions. - I have not present nor prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved, unless otherwise stated in this report. - I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. - My engagement with this assignment was not contingent upon the developing or reporting of a predetermined result. - My compensation for completing this assignment is not contingent upon the development or reporting of predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. - My analysis, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. - As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute. - I have made a personal inspection of the property that is the subject of this report. - No one provide significant professional assistance to the person signing this report. <p>Note: In the case of any conflict with a client provided certification (I.E. FNMA or FHLMC), this revised certification shall take precedence.</p> <p>Certification Supplement</p> <ol style="list-style-type: none"> 1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan. 2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event. 		
Appraiser(s):	JOANNA S. POLLAK	Supervisory Appraiser(s):	
Effective date / Report date:	01/22/2008 - 03/08/2008	Effective date / Report date:	

Building Sketch

Borrower	FRANK HARRIS III		
Property Address	9301 LILY BANK CT.		
City	RIVIERA BEACH	County	PALM BEACH
Lender	HOUSING PARTNERSHIP, INC.	State	FL
		Zip Code	33404



Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals

AREA BREAKDOWN	
Breakdown	Subtotals

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

* Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgement.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower, the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 9301 LILY BANK CT., RIVIERA BEACH, FL 33404

APPRAISER:

SUPERVISORY APPRAISER (only if required):

Signature: <u>J. S. Pollak</u>	Signature: _____
Name: <u>JOANNA S. POLLAK</u>	Name: _____
Date Signed: <u>03/6/2008</u>	Date Signed: _____
State Certification #: <u>ST. CERT. RES. REA #RD4128</u>	State Certification #: _____
or State License #: _____	or State License #: _____
State: <u>FL</u>	State: _____
Expiration Date of Certification or License: <u>11/30/2008</u>	Expiration Date of Certification or License: _____

Did Did Not Inspect Property