

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: August 18, 2009 [X] Consent [] Regular [] Workshop [] Public Hearing
Department: Housing and Community Development
Submitted By: Housing and Community Development
Submitted For: Westgate/Belvedere Homes Community Redevelopment Agency

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: The sale of four (4) Westgate/Belvedere Homes Community Redevelopment Agency (CRA)-owned properties to Neighborhood Renaissance, Inc. (NR) for Four Hundred Ninety-Seven Thousand Dollars (\$497,000) subject to the terms of the CRA's Agreement with NR.

Summary: Pursuant to Ordinance No. 89-6, BCC approval is required for disposition of any real property owned by the CRA. The four (4) properties will be used by NR as part of a 13-unit scattered site affordable infill housing project within the CRA area. The CRA purchased the property to provide replacement housing for the mobile homes in the area that were severely damaged by Hurricane Wilma and to provide homeownership opportunities for the area. The properties were purchased within the appraised values for a total of Five Hundred Eighty-Five Thousand Seven Hundred and Twenty-Five Dollars (\$585,725) in 2007 and 2008. As of September 2, 2008, the properties were appraised at Three Hundred Seventy-Two Thousand Dollars (\$372,000). Funds received from the sale of the properties will be put back in the CRA's general fund for future redevelopment activities. On September 25, 2007, CRA and NR were awarded \$2,058,461 from the Florida 2005 CDBG Disaster Recovery Funding Program - Supplemental Appropriation Addressing Hurricane Wilma (DRI No. 3) to develop 18 affordable (80% or below median income) single and multi-family housing units in the CRA area. To accommodate the current market condition and absorption rate, ten (10) townhouse units in the original proposal were replaced with five (5) single-family units, resulting in a decrease of the overall unit count from 18 to 13 units. Of the 13 units, four (4) units will be multi-family units (2 duplexes) and the remaining nine units will be single-family units. The DRI No. 3 funds will be used for the construction of replacement housing for people who were displaced by the Hurricane Wilma. District 2 (TKF)

Background and Justification: The decision of the Grant Selection Committee to award funding for this activity to the CRA and NR was based on the public-private partnership structure of the application since the DRI No. 3 funds would be leveraged with a loan to NR from the Florida Community Loan Fund (see Attachment C).

Continued on Page 3

ATTACHMENTS:

- A. Location Map of Westgate/Belvedere Homes CRA-Owned Properties
B. Ordinance No. 89-6
C. Neighborhood Renaissance's Project Budget, Timeline, Cash Flow, and Loan Commitment Letter from the Florida Community Loan Fund

Recommended By: Edward W. Pomyer Housing & Community Development Director

7/27/09 Date

Approved By: [Signature] Assistant County Administrator

8/13/07 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years | 2009 | 2010 | 2011 | 2012 | 2013 |
|--------------------------|------|------|------|------|------|
| Capital Expenditures | | | | | |
| Operating Costs | | | | | |
| External Revenues | | | | | |
| Program Income | | | | | |
| In-Kind Match (County) | | | | | |
| NET FISCAL IMPACT | * | | | | |

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

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

Fund ___ Unit ___ Org ___ Object ___ Program Code/Period BG ___-GY

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

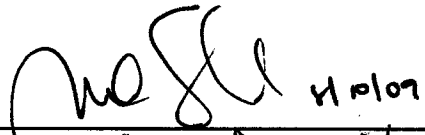
C. Departmental Fiscal Review:

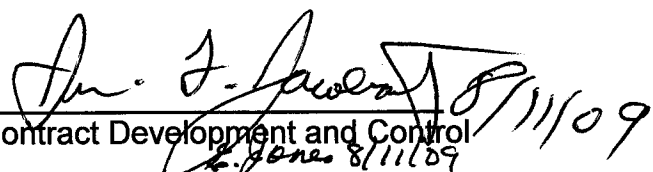
 Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

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

* *There will be no fiscal impact*


 OFMB *na* 8-3-09 *8/10/09* *7/31/09*


 Contract Development and Control *8/11/09*

B. Legal Sufficiency:


 Senior Assistant County Attorney

C. Other Department Review:

 Department Director

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

On March 4, 2007, the CRA issued an RFP to solicit redevelopment proposals pursuant to Section 163.380, Fla. Stat. (2008) from interested parties for the properties listed below and located in Attachment A. The CRA Board awarded the contract to NR on April 14, 2008 subject to a negotiated written Agreement with NR.

The Agreement between the CRA and NR, which will be executed subsequent to the BCC land disposition approval, will include the scope of the project, each party's roles and responsibilities in the development, marketing, and disposition of the 13 units, as well as, the contribution of each entity with respect to the budget, fee distribution, schedule, and development approval processes. It will also include the entire Grant Application, RFP Response Submission and supplements, the applicable quit claim deeds for all of the CRA owned properties, and all applicable State, Federal, and County guidelines for the grant program.

NR will serve as the developer for the project and will receive a developer fee not to exceed seven (7) percent. However, the CRA will be an equal partner in the design, review, external communication, and approval processes. Periodic review and progress presentation have been built into the Agreement to keep the CRA Board updated on the project as well as an assignment and third party agreement between the CRA and Florida Community Loan Fund should NR is unable to perform its duties under the Agreement.

PCN and Legal Descriptions of Westgate/Belvedere Homes CRA-Owned Properties

Parcel 1 (PCN 00-43-43-30-06-000-0026)

The East 114.39 feet of Tract "B". Zimmerman's Replat of Part of West Gate Estates, according to the plat thereof recorded in Plat Book 15, Page 65, Public Records of Palm Beach County, Florida.

Parcel 2 (PCNS 00-43-43-30-03-038-0430, 00-43-43-30-03-038-0440, and 00-43-43-30-03-038-0450)

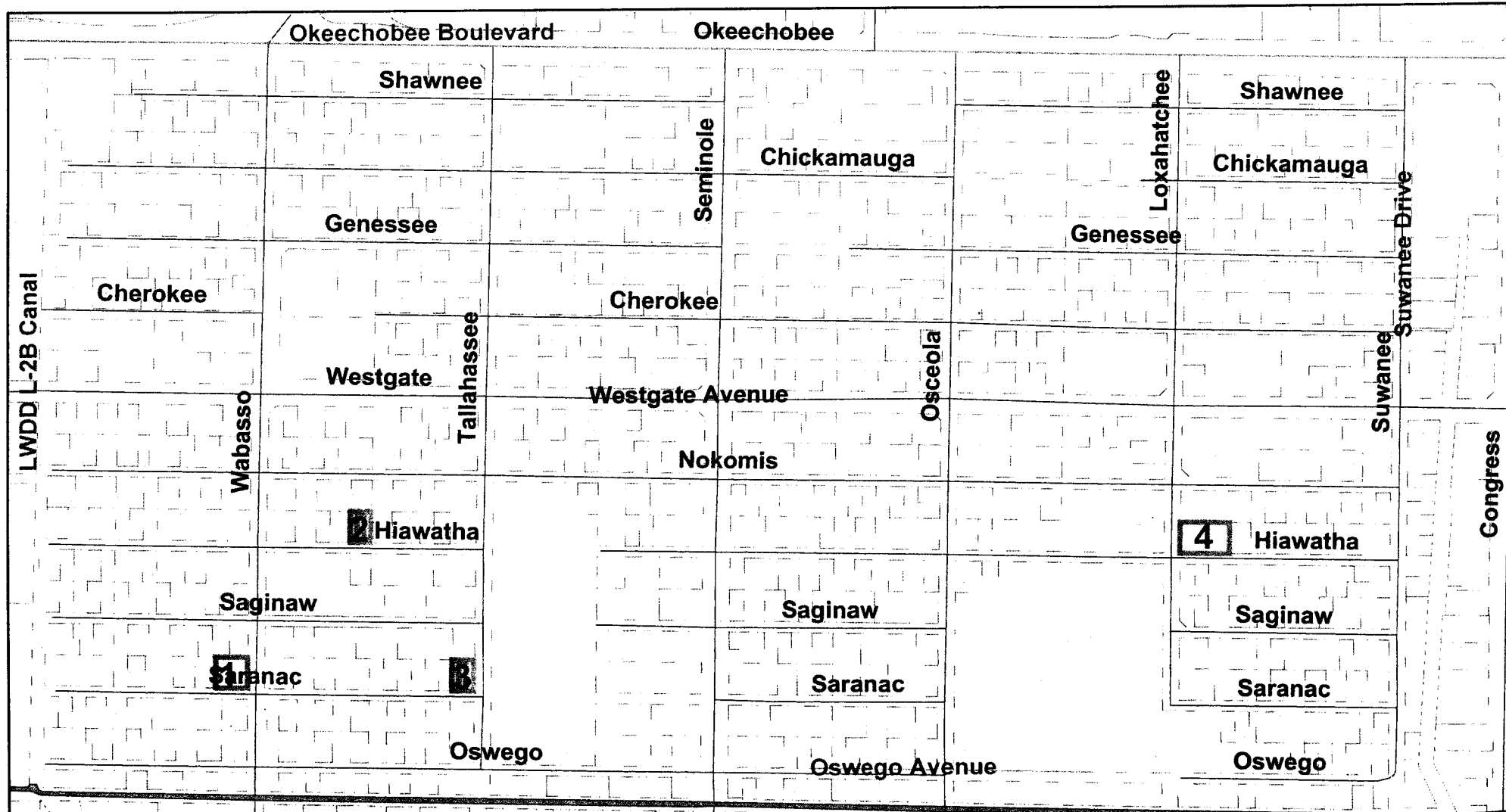
Lots 43, 44, and 45, Block 38, WEST GATE ESTATES (Northern Section), according to the map or plat thereof as recorded in Plat Book 8, Page 38, of the Public Records of Palm Beach County, Florida.

Parcel 3 (PCNS 00-43-43-30-03-050-0580, 00-43-43-30-03-050-0590, and 00-43-43-30-03-050-0600)

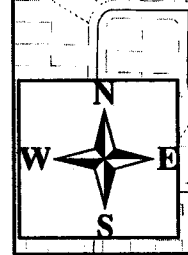
Lots 58, 59, and 60, Block 50, WEST GATE ESTATES (Northern Section), according to the plat thereof recorded in Plat Book 8, Page 38, of the Public Records of Palm Beach County, Florida.

Parcel 4 (PCN 00-43-43-30-03-042-0310)

Lots 31, 32, 33, 34, 35, 36, and 37, Block 42, WEST GATE ESTATES (Northern Section) according to the plat thereof, as recorded in Plat Book 8, Page 38, of the Public Records of Palm Beach County, Florida.



ATTACHMENT A



| PARCEL # | PARCEL ID | SITE ADDRESS | CITY | STATE | ZIP | ACRES | BOOK | PAGE | LEGAL DESCRIPTION | USE |
|----------|-------------------|-------------------|-----------------|-------|-------|--------|-------|------|--|--------|
| 1 | 0043433006000026 | 1809 WABASSO DR | WEST PALM BEACH | FL | 33408 | 0.3020 | 22303 | 1816 | WEST GATE ESTS ZIMMERMANS REPL E 114.39 FT OF TR B | SFD |
| 2 | 00434330030380430 | 2633 HIAWATHA AVE | WEST PALM BEACH | FL | 33408 | 0.0960 | 22179 | 1937 | WEST GATE ESTS NORTHERN SEC LT 44 BLK 39 | VACANT |
| 2 | 00434330030380440 | HIAWATHA AVE | WEST PALM BEACH | FL | 33408 | 0.0960 | 22179 | 1937 | WEST GATE ESTS NORTHERN SEC LT 44 BLK 39 | VACANT |
| 2 | 00434330030380450 | HIAWATHA AVE | WEST PALM BEACH | FL | 33408 | 0.0960 | 22179 | 1937 | WEST GATE ESTS NORTHERN SEC LT 45 BLK 39 | VACANT |
| 3 | 00434330030500590 | 2801 SARANAC AVE | WEST PALM BEACH | FL | 33408 | 0.0860 | 22179 | 1905 | WEST GATE ESTS NORTHERN SEC LT 58 BLK 50 | VACANT |
| 3 | 00434330030500590 | SARANAC AVE | WEST PALM BEACH | FL | 33408 | 0.0860 | 22179 | 1905 | WEST GATE ESTS NORTHERN SEC LT 59 BLK 50 | VACANT |
| 3 | 00434330030500600 | SARANAC AVE | WEST PALM BEACH | FL | 33408 | 0.0739 | 22179 | 1905 | WEST GATE ESTS NORTHERN SEC LT 60 BLK 50 | VACANT |
| 4 | 00434330030420810 | 2451 HIAWATHA AVE | WEST PALM BEACH | FL | 33408 | 0.2000 | 22354 | 761 | WEST GATE ESTS (NORTHERN SEC) LOTS 31 TO 37 INC BLK 42 | VACANT |

Legend

- CRA Owned - Future residential
- LWDD L-2 Canal

ATTACHMENT B

1 (CRA ORD 5/09/89)

2 ORDINANCE NO. 89-6

3 AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF
4 PALM BEACH COUNTY, FLORIDA, RELATING TO AND CREATING
5 THE WESTGATE/BELVEDERE HOMES COMMUNITY REDEVELOPMENT
6 AGENCY; PROVIDING FOR APPOINTMENT OF THE MEMBERS;
7 PROVIDING FOR THE ORGANIZATION OF THE AGENCY;
8 PROVIDING FOR THE EXERCISE OF CERTAIN POWERS;
9 PROVIDING THAT ALL OTHER POWERS CONTINUE TO VEST IN
10 THE BOARD OF COUNTY COMMISSIONERS; PROVIDING FOR
11 SEVERABILITY; PROVIDING FOR INCLUSION IN THE CODE;
12 AND PROVIDING FOR AN EFFECTIVE DATE.

13 WHEREAS, the Legislature of the State of Florida has enacted
14 the "Community Redevelopment Act of 1969"; and

15 WHEREAS, the Act authorizes any county or municipality to
16 create a separate body corporate and politic to be known as a community
17 redevelopment agency upon a finding of necessity; and

18 WHEREAS, the Board of County Commissioners of Palm Beach County
19 has adopted a Resolution finding that the area known as the
20 Westgate/Belvedere Homes area is a slum and blighted area that exists
21 within Palm Beach County, and that the rehabilitation, conservation and
22 redevelopment of such area is necessary to the public health, safety,
23 morals and welfare of the residents of Palm Beach County; and

24 WHEREAS, the Board of County Commissioners has made a further
25 finding that there is a need for a community redevelopment agency to
26 function in Palm Beach County to carry out the community redevelopment
27 purposes of the Community Redevelopment Act of 1969.

28 NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY
29 COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA that:

ATTACHMENT 2

1 Section 1. AUTHORITY FOR ENACTMENT.

2 This ordinance is enacted pursuant to the Community
3 Redevelopment Act of 1969, as amended, Chapter 69-305, Laws of Florida.

4 Section 2. CREATION OF THE WESTGATE/BELVEDERE HOMES COMMUNITY
5 REDEVELOPMENT AGENCY

6 There is hereby created a public body corporate and politic to
7 be known as the Westgate/Belvedere Homes Community Redevelopment Agency,
8 hereinafter referred to as the "Agency."

9 Section 3. MEMBERSHIP

10 3.01. The agency shall consist of seven (7) commissioners
11 appointed by the Board of County Commissioners. Any person may be
12 appointed as a commissioner if he or she resides or is engaged in
13 business, which shall mean owning a business, practicing a profession, or
14 performing a service for compensation, or serving as an officer or
15 director of a corporation or other business entity so engaged, within the
16 area of operation of the agency, which shall be coterminous with the area
17 of operation of the county.

18 3.02. Terms of office of the commissioners shall be for 4 years
19 except that three of the members first appointed shall be designated to
20 serve terms of 1, 2 and 3 years, respectively, from the date of their
21 appointments, and four (4) members shall be designated to serve for terms
22 of 4 years from the date of their appointments. A vacancy occurring
23 during a term shall be filled for the unexpired term. A certificate of
24 the appointment or reappointment of any commissioner shall be filed with
25 the clerk of the county, and such certificate shall be conclusive
26 evidence of the due and proper appointment of such commissioner.

27 3.03. A commissioner shall receive no compensation for his
28 services, but shall be entitled to the necessary expenses, including
29 traveling expenses, incurred in the discharge of his duties, subject to
30 prior approval by the Board of County Commissioners.

31 3.04. The powers of a community redevelopment agency shall be
32 exercised by the commissioners thereof. A majority of the commissioners
33 shall constitute a quorum for the purpose of conducting business and
34 exercising the powers of the agency and for all other purposes. Action
35 may be taken by the agency upon a vote of a majority of the commissioners
36 present, unless in any case the bylaws shall require a larger number.

1 3.05. The Board of County Commissioners shall designate a chair
2 and vice chair from among the commissioners.

3 3.06. The agency may employ an executive director, technical
4 experts, and such other agents and employees, permanent and temporary, as
5 it may require, and determine their qualifications, duties, and
6 compensation. For such legal service as it may require, an agency may
7 employ or retain its own counsel and legal staff.

8 3.07. The agency shall file with the Board of County
9 Commissioners and with the Auditor General, on or before March 31st of
10 each year, a certified audit report of its activities for the preceding
11 fiscal year, which report shall include a complete financial statement
12 setting forth its assets, liabilities, income, and operating expenses as
13 of the end of such fiscal year. At the time of filing the report, the
14 agency shall publish in a newspaper of general circulation in the
15 community a notice to the effect that such report has been filed with the
16 county and that the report is available for inspection during business
17 hours in the Office of the Clerk of the Board of County Commissioners and
18 in the office of the Agency.

19 3.08. The Board of County Commissioners may remove a commissioner
20 for inefficiency, neglect of duty, or misconduct in office only after a
21 hearing and only if he has been given a copy of the charges at least ten
22 (10) days prior to such hearing and has had an opportunity to be heard in
23 person or by counsel.

24 3.09. The agency shall have the power and authority to make and
25 issue such regulations, bylaws and rules as it deems necessary to
26 implement its powers and functions.

27 3.10. The officers, commissioners and employees of the Agency
28 shall be subject to the code of ethics as stated in the provisions and
29 requirements of Part III of Chapter 112, Florida Statutes (1987) and
30 Section 163.367, Florida Statutes (1987).

31 Section 4. POWERS

32 4.01. The agency shall have the following powers:

- 33 1. The power of eminent domain, subject to prior approval
34 by the Board of County Commissioners.

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2. To make and execute contracts and other instruments necessary or convenient to the exercise of its powers under the Community Redevelopment Act of 1969; to disseminate slum clearance and community redevelopment information; and to undertake and carry out community redevelopment and related activities within the community redevelopment area, which redevelopment may include:

- a. Acquisition of a slum area or blighted area or portion thereof.
- b. Demolition and removal of buildings and improvements.
- c. Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the community redevelopment area the community redevelopment objectives of the Community Redevelopment Act of 1969 in accordance with the community redevelopment plan.
- d. Disposition of any property acquired in the community redevelopment area at its fair value for uses in accordance with the community redevelopment plan.
- e. Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the community redevelopment plan.
- f. Acquisition of real property in the community redevelopment area which, under the community redevelopment plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property.

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- g. Acquisition of any other real property in the community redevelopment area when necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities.
 - h. Acquisition, without regard to any requirement that the area be a slum or blighted area, of air rights in an area consisting principally of land in highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income.
 - i. Construction of foundations and platforms necessary for the provision of air rights sites of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income.
3. To provide, or arrange or contract for, the furnishing or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with a community redevelopment project; to install, construct, and reconstruct streets, utilities, parks, playgrounds.

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and other public improvements; and to agree to any conditions that it may deem reasonable and appropriate which are attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a community redevelopment project and related activities, and to include in any contract let in connection with such a project and related activities provisions to fulfill such of said conditions as it may deem reasonable and appropriate.

4. Within the community redevelopment area:

- a. To enter into any building or property in any community redevelopment area in order to make inspections, surveys, appraisals, soundings or test borings and to obtain an order for this purpose from a court of competent jurisdiction in the event entry is denied or resisted.
- b. To acquire by purchase, lease, option, gift, grant, bequest, devise, eminent domain subject to prior approval by the Board of County Commissioners, or otherwise, any real property (or personal property for its administrative purposes), together with any improvements thereon.
- c. To hold, improve, clear, or prepare for redevelopment any such property.
- d. To mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real property subject to prior approval by the Board of County Commissioners.

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- e. To insure or provide for the insurance of any real or personal property or operations of the County against any risks or hazards, including the power to pay premiums on any such insurance.
- f. To enter into any contracts necessary to effectuate the purposes of this part.
- 5. To invest any community redevelopment funds held in reserves or sinking funds or any such funds not required for immediate disbursement in property or securities in which savings banks may legally invest funds subject to their control and to redeem such bonds as have been issued pursuant to Section 163.385, Florida Statutes (1987), at the redemption price established therein or to purchase such bonds at less than redemption price, all such bonds so redeemed or purchased to be cancelled.
- 6. To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the Federal Government or the state, county, or other public body, or from any sources, public or private, for the purposes of this part, and to give such security as may be required and to enter into and carry out contracts or agreements in connection therewith; and to include in any contract for financial assistance with the Federal Government for or with respect to a community redevelopment project and related activities such conditions imposed pursuant to federal laws as the county may deem reasonable and appropriate and which are not inconsistent with the purpose of this part.
- 7. Within its area of operation, to make or have made all surveys and plans necessary to the carrying out

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of the purposes of this part and to contract with any person, public or private, in making and carrying out such plans and to adopt or approve, modify and amend such plans, which plans may include, but not be limited to:

- a. Plans for carrying out a program of voluntary or compulsory repair and rehabilitation of buildings and improvements.
 - b. Plans for the enforcement of state and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements.
 - c. Appraisals, title searches, surveys, studies, and other plans and work necessary to prepare for the undertaking of community redevelopment projects and related activities.
8. To develop, test, and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of slums and urban blight and developing and demonstrating new or improved means of providing housing for families and persons of low income.
9. To apply for, accept and utilize grants of funds from the Federal Government for such purposes.
10. To prepare plans for and assist in the relocation of persons (including individuals, families, business concerns, nonprofit organizations and others) displaced from a community redevelopment area, and to make relocation payment to or with respect to such persons for moving expenses and losses of property for which reimbursement or compensation is not otherwise made, including the

1 making of such payments financed by the Federal
2 Government.

3 11. Subject to prior approval by the Board of County
4 Commissioners, to appropriate such funds and make
5 such expenditures annually as are necessary to
6 carry out the purposes of this part and to enter
7 into agreements with a housing authority.

8 12. Within its area of operation, to organize,
9 coordinate, and direct the administration of the
10 provisions of this part, as they may apply to such
11 county, in order that the objective of remedying
12 slum and blighted areas and preventing the cause
13 thereof within such county may be most effectively
14 promoted and achieved.

15 4.02. All other powers set forth and contemplated in Chapter 163
16 of the Florida Statutes continue to vest in the Board of County
17 Commissioners, including the following powers as set forth in Section
18 163.358, Florida Statutes (1987):

- 19 1. The power to determine an area to be a slum or blighted
20 area, or combination thereof; to designate such area as
21 appropriate for community redevelopment and to hold any
22 public hearings required with respect thereto.
- 23 2. The power to grant final approval to community
24 redevelopment plans and modifications thereof.
- 25 3. The power to authorize the issuance of revenue bonds as
26 set forth in Section 163.385, Florida Statutes (1987).
- 27 4. The power to approve the acquisition, demolition,
28 removal, or disposal of property as provided in Section
29 163.370(3), Florida Statutes (1987) and the power to
30 assume the responsibility to bear loss as provided in
31 Section 163.370(3), Florida Statutes (1987).

32 **Section 5. REPEAL OF LAWS IN CONFLICT**

33 All local laws and ordinances applying to the unincorporated
34 area of Palm Beach County in conflict with any provisions of this
35 ordinance are hereby repealed.

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Section 6. SEVERABILITY

If any section, paragraph, sentence, clause, phrase, or word of this ordinance is for any reason held by the Court to be unconstitutional, inoperative or void, such holding shall not affect the remainder of this ordinance.

Section 7. INCLUSION IN THE CODE OF LAWS AND ORDINANCES

The provisions of this ordinance shall become and be made a part of the code of laws and ordinances of Palm Beach County, Florida. The Sections of the ordinance may be renumbered or relettered to accomplish such, and the word "ordinance" may be changed to "section," "article," or any other appropriate word.

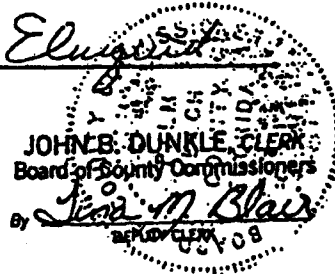
Section 8. EFFECTIVE DATE

The provisions of this ordinance shall become effective upon receipt of acknowledgement by the Secretary of State.

APPROVED AND ADOPTED by the Board of County Commissioners of Palm Beach County, Florida, on the _____ day of MAY 9 1989, 1989.

PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS

By Carol Elquist
Chair



APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

Michelle R. Neake
County Attorney

Acknowledgement by the Department of State of the State of Florida, on this, the 16th day of May, 1989.

EFFECTIVE DATE: Acknowledgement from the Department of State received on the 19th day of May, 1989, at 11:38 A.M., and filed in the Office of the Clerk of the Board of County Commissioners of Palm Beach County, Florida.

ATTACHMENT C

| | Lots to be Purchased From CRA | | | | | | | | Under Purchase Contract by NR | | | | |
|--|-------------------------------|-------------|-------------------------|-------------|----------------------------|--------------|---------------------------|--------------|-------------------------------|-------------|-------------|-------------|-------------|
| Westgate Development Budget | SINGLE FAMILY HOMES | | | | DUPLEXES | | | | SINGLE FAMILY HOMES | | | | |
| | House 1 3/2 | House 2 3/2 | House 3 4/2 | House 4 4/2 | Duplex 1 2/2 | Duplex 2 3/2 | Duplex 3 2/2 | Duplex 4 3/2 | House 5 3/2 | House 6 3/2 | House 7 4/2 | House 8 4/2 | House 9 4/2 |
| | 2451 Hiawatha | | 1808 Wabasso | | 2833 Hiawatha (lots 43-45) | | 2801 Saranac (lots 58-60) | | Wabasso & Genessee | | | | |
| | 00-43-43-30-03-042-0310 | | 00-43-43-30-06-000-0028 | | 00-43-43-30-03-038-0430 | | 00-43-43-30-03-050-0580 | | 00-43-43-30-03-014-0310 | | | | |
| Architectural (Design, Bidding, & Admin) | \$ 5,487 | \$ 5,487 | \$ 5,487 | \$ 5,487 | \$ 6,776 | \$ 6,776 | \$ 6,776 | \$ 6,776 | \$ 5,487 | \$ 5,487 | \$ 5,487 | \$ 5,487 | \$ 5,487 |
| Survey, Environmental | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 |
| Legal/Title | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$ 3,500 |
| Appraisals | \$ 700 | \$ 425 | \$ 700 | \$ 425 | \$ 700 | \$ 425 | \$ 700 | \$ 425 | \$ 700 | \$ 700 | \$ 700 | \$ 700 | \$ 700 |
| Financing Costs | \$ 2,133 | \$ 2,133 | \$ 2,133 | \$ 2,133 | \$ 2,133 | \$ 2,133 | \$ 2,133 | \$ 2,133 | \$ 2,130 | \$ 2,130 | \$ 2,130 | \$ 2,130 | \$ 2,130 |
| Predevelopment | \$ 11,320 | \$ 11,048 | \$ 11,320 | \$ 11,048 | \$ 13,108 | \$ 12,834 | \$ 13,108 | \$ 12,834 | \$ 12,817 | \$ 12,817 | \$ 12,817 | \$ 12,817 | \$ 12,817 |
| Acquisition | \$ 52,500 | \$ 52,500 | \$ 72,000 | \$ 72,000 | \$ 30,000 | \$ 30,000 | \$ 31,500 | \$ 31,500 | \$ 46,000 | \$ 46,000 | \$ 46,000 | \$ 46,000 | \$ 46,000 |
| Acquisition | \$ 52,500 | \$ 52,500 | \$ 72,000 | \$ 72,000 | \$ 30,000 | \$ 30,000 | \$ 31,500 | \$ 31,500 | \$ 46,000 | \$ 46,000 | \$ 46,000 | \$ 46,000 | \$ 46,000 |
| Hard Costs | \$ 145,500 | \$ 145,500 | \$ 185,482 | \$ 185,482 | \$ 131,874 | \$ 148,824 | \$ 131,874 | \$ 145,824 | \$ 145,500 | \$ 145,500 | \$ 185,482 | \$ 185,482 | \$ 185,482 |
| Change order/Construction contingency (5%) | \$ 7,275 | \$ 7,275 | \$ 8,274 | \$ 8,274 | \$ 6,594 | \$ 7,291 | \$ 6,594 | \$ 7,291 | \$ 7,275 | \$ 7,275 | \$ 8,274 | \$ 8,274 | \$ 8,274 |
| Demolition | | | | | | | | | | | | | |
| Total Hard Costs | \$ 152,775 | \$ 152,775 | \$ 173,756 | \$ 173,756 | \$ 138,468 | \$ 153,115 | \$ 138,468 | \$ 153,115 | \$ 152,775 | \$ 152,775 | \$ 173,756 | \$ 173,756 | \$ 173,756 |
| Carry Costs | | | | | | | | | | | | | |
| Insurance | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Taxes | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Utilities (FPL/Water) | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 | \$ 560 |
| Endorsements | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 | \$ 800 |
| Lawn service/clean up | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 |
| Advertising | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 | \$ 2,500 |
| Administrative Fee (3%) | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Compliance | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| Loan Interest | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 | \$ 6,500 |
| Carrying Costs | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 | \$ 25,880 |
| Total Development Costs (Preclosing) | \$ 242,455 | \$ 242,169 | \$ 282,938 | \$ 282,881 | \$ 207,437 | \$ 221,809 | \$ 208,957 | \$ 223,308 | \$ 237,452 | \$ 237,452 | \$ 258,433 | \$ 258,433 | \$ 258,433 |
| DRR Hurricane Wills Subsidy | \$ 152,775 | \$ 152,775 | \$ 173,756 | \$ 173,756 | \$ 138,468 | \$ 153,115 | \$ 138,468 | \$ 153,115 | \$ 152,775 | \$ 152,775 | \$ 173,756 | \$ 173,756 | \$ 173,756 |
| Marketing Fee 6% | \$ 6,900 | \$ 6,900 | \$ 8,400 | \$ 8,400 | \$ 6,800 | \$ 7,200 | \$ 6,800 | \$ 7,200 | \$ 7,200 | \$ 7,200 | \$ 8,400 | \$ 8,400 | \$ 8,400 |
| Seller Closing Costs | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| CRA Fee (4%) | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 | \$ 9,615 |
| Developer Fee (7%) | \$ 4,805 | \$ 5,080 | \$ 8,805 | \$ 9,080 | \$ 20,816 | \$ 30,491 | \$ 19,316 | \$ 28,991 | \$ 14,908 | \$ 14,908 | \$ 33,308 | \$ 33,308 | \$ 33,308 |

Westgate Urban Infill Housing Development

Development Timeline - 13 Single Family Homes

Months into Development Agreement

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18

[Redacted]
Site Plans -

[Redacted]
Boundary Surveys

[Redacted]
As-built Appraisals

[Redacted]
Execute Dev. Agreement

[Redacted]
Close on Land

[Redacted]
at Split - Plat work (SFH and Dplxs)

[Redacted]
Completion of Building Plans

[Redacted]
Permitting - Phase I

[Redacted]
Construction

[Redacted]
C.O. issued

[Redacted]
Buyer Closings

Development Timeline

Months Into Development Agreement

19 20 21 22 23 24

Buyer Closings

WESTGATE INFILL DEVELOPMENT

Cashflow

| | Total | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 | Total |
|------------------------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| | | | | | | | | | | | | | | |
| FLCLF | | 511,700 | 511,700 | 511,700 | 511,700 | 511,700 | 511,700 | 511,700 | 511,700 | 600,000 | 600,000 | 650,000 | 700,000 | |
| CRA Financing | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | |
| Seller Financing | | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | |
| DRI Funds | | | | | | | | | | | 412,600 | 825,200 | 1,237,800 | |
| Funds Available | | 686,700 | 686,700 | 686,700 | 686,700 | 686,700 | 686,700 | 686,700 | 686,700 | 775,000 | 1,187,600 | 1,650,200 | 2,112,800 | |
| Total Sources Needed | | 656,164 | 664,718 | 668,319 | 671,939 | 675,579 | 679,238 | 682,917 | 686,616 | 747,335 | 1,187,483 | 1,632,016 | 2,103,956 | |
| Balance for Working Capital | | 30,536 | 21,982 | 18,381 | 14,761 | 11,121 | 7,462 | 3,783 | 84 | 27,665 | 117 | 18,184 | 8,844 | |
| Predevelopment | | | | | | | | | | | | | | |
| Design Services | 76,487 | 1,500 | | | | | | | | | | | | |
| Survey & Environmental | 15,000 | 1,450 | 5,000 | | | | | | | 30,000 | 5,000 | 5,000 | 5,000 | 46,500.00 |
| Legal/Title | 33,500 | 18,000 | | | | | | | | | | | | 6,450.00 |
| Appraisals | 8,000 | 4,000 | | | | | | | | 5,000 | 5,000 | 5,000 | | 33,000.00 |
| Closing Costs on Construction Loan | 27,714 | 27,714 | | | | | | | | 4,000 | | | 3,000 | 11,000.00 |
| Subtotal | 160,701 | 52,664 | 5,000 | | | | | | | | | | | 27,714.00 |
| Acquisition | | | | | | | | | | | | | | |
| Purchase Lots | 602,000 | 602,000 | | | | | | | | 39,000 | 10,000 | 10,000 | 8,000 | 124,664.00 |
| Subtotal | 602,000 | 602,000 | | | | | | | | | | | | |
| Hard Costs | | | | | | | | | | | | | | 602,000.00 |
| Construction DRI Grant | 2,063,046 | | | | | | | | | | | 412,600 | 412,600 | 1,237,800 |
| Subtotal | 2,063,046 | | | | | | | | | | | 412,600 | 412,600 | 1,237,800.00 |
| Carry Costs | | | | | | | | | | | | | | |
| Insurance | 27,000 | 1,500 | | | | | | | | | | | | |
| Taxes | 27,000 | | | | | | | | | 10,000 | | | | 11,500 |
| Utilities (FPL/Water) | 12,000 | | | | | | | | | | | | 27,000 | 27,000 |
| Endorsements | 9,000 | | | | | | | | | | | | | |
| Lawn service/clean up | 18,900 | | | | | | | | | 1,000 | 1,000 | 1,000 | 1,000 | 4,000 |
| Advertising | 36,000 | | | | | | | | | | | | | |
| Administrative Fee | 196,000 | | | | | | | | | 2,000 | 2,000 | 2,000 | 2,000 | 8,000 |
| Compliance | 52,000 | | | | | | | | | 5,000 | 8,000 | 10,000 | 10,000 | 33,000 |
| Subtotal | 377,900 | 1,500 | | | | | | | | | 2,500 | 2,500 | 2,500 | 7,500.00 |
| TOTAL | 3,203,647 | 656,164 | 5,000 | | | | | | | 18,000 | 13,500 | 15,500 | 42,500 | 89,500.00 |
| Interest Rate | 6.50% | | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | |
| Interest Expense | 155,000 | | 3,554 | 3,601 | 3,620 | 3,640 | 3,659 | 3,679 | 3,699 | 3,719 | 4,048 | 6,432 | 8,840 | |
| Subtotal Interest | 155,000 | | 3,554 | 7,155 | 10,775 | 14,415 | 18,074 | 21,753 | 25,452 | 29,171 | 33,219 | 39,652 | 48,492 | 48,491.76 |
| Subtotal | | 8,554 | 3,601 | 3,620 | 3,620 | 3,640 | 3,659 | 3,679 | 3,699 | 60,719 | 440,148 | 444,532 | 471,940 | |
| TOTAL PLUS INTEREST | 3,358,647 | 656,164 | 664,718 | 668,319 | 671,939 | 675,579 | 679,238 | 682,917 | 686,616 | 747,335 | 1,187,483 | 1,632,016 | 2,103,956 | |

| | | As of | Month 13 | Month 14 | Month 15 | Month 16 | Month 17 | Month 18 | Month 19 | Month 20 | Month 21 | Month 22 | Month 23 | Month 24 | Sub |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|-------------------|
| Projected Cumulative Sale Proceeds | | | | | 140,000 | 280,000 | 420,000 | 540,000 | 780,000 | 1,020,000 | 1,240,000 | 1,470,000 | 1,610,000 | - | |
| CRA Financing | | 100,000 | 100,000 | 100,000 | 92,307 | 84,614 | 76,921 | 69,228 | 53,844 | 38,460 | 23,076 | 7,692 | 0 | 0 | |
| Seller Financing | | 75,000 | 75,000 | 75,000 | 69,230 | 63,460 | 57,690 | 51,921 | 40,383 | 28,845 | 17,307 | 5,769 | 0 | 0 | |
| FLCLF Balance | | 700,000 | 750,000 | 800,000 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 850,000 | 0 | 0 | |
| DRI Funds | | 1,237,800 | 1,650,400 | 2,063,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Funds Available | | 2,112,800 | 2,575,400 | 3,038,000 | 1,151,537 | 1,278,074 | 1,404,611 | 1,511,149 | 1,724,227 | 1,937,305 | 2,130,383 | 2,333,461 | 1,610,000 | 0 | |
| Total Sources Needed | | 2,103,956 | 2,572,577 | 3,037,187 | 1,079,167 | 1,109,588 | 1,138,173 | 1,168,413 | 1,195,317 | 1,229,867 | 1,249,104 | 1,280,445 | 1,309,955 | 32,575 | |
| CRA Developer Fee | | | | | 9,615 | 9,615 | 9,615 | 9,615 | 19,230 | 19,230 | 19,230 | 19,230 | 9,620 | | 125,000 |
| Working capital | | 8,844 | 2,823 | 813 | 62,755 | 158,871 | 256,823 | 333,121 | 509,680 | 688,208 | 862,049 | 1,033,786 | 290,425 | 257,850 | |
| Predevelopment | | | | | | | | | | | | | | | |
| Design Services | 76,487 | 46,500.00 | 15,000 | 15,000 | | | | | | | | | | | 76,500.00 |
| Survey & Environmental | 15,000 | 6,450.00 | 5,550 | 3,000 | | | | | | | | | | | 15,000.00 |
| Legal/Title | 33,500 | 33,000.00 | 500 | | | | | | | | | | | | 33,500.00 |
| Appraisals | 8,000 | 11,000.00 | | | | | | | | | | | | | 11,000.00 |
| Closing Costs on Construction Loan | | | | | | | | | | | | | | | |
| | 27,714 | 27,714 | | | | | | | | | | | | | |
| Subtotal | 160,701 | 124,664 | 21,050 | 18,000 | | | | | | | | | | | 27,714.00 |
| Acquisition | | | | | | | | | | | | | | | |
| Purchase Lots | 602,000 | 602,000 | | | | | | | | | | | | | 602,000.00 |
| Subtotal | 602,000 | | | | | | | | | | | | | | |
| Hard Costs | | | | | | | | | | | | | | | |
| DRI Grant | 2,063,046 | 1,237,800 | 412,600 | 412,600 | | | | | | | | | | | 2,063,000.00 |
| Subtotal | | | | | | | | | | | | | | | |
| Carry Costs | | | | | | | | | | | | | | | |
| Insurance | 27,000 | 11,500 | | | | | | | | | | | | | |
| Taxes | 27,000 | 27,000 | | | | | | | | 15,500 | | | | | 27,000.00 |
| Utilities (FPL/Water) | 12,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 27,000.00 |
| Endorsements | 9,000 | 4,000 | 1,000 | 1,000 | 1,000 | 2,000 | | | | | | | | | 12,000.00 |
| Lawn service/clean up | 18,900 | | 1575 | 1575 | 1575 | 1575 | 1575 | 1575 | 1575 | 1575 | 1575 | 1575 | 1575 | 1575 | 9,000.00 |
| Advertising | 36,000 | 8,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 2,500 | | | | | | | 18,900.00 |
| Administrative Fee | 196,000 | 33,000 | 10,000 | 9,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 22,000 | 20,000 | 30,000 | 35,500.00 |
| Compliance | 52,000 | 7,500 | 5,000 | 2,500 | 70,000 | 5,000 | 5,000 | 9,000 | 8,000 | | | | | | 194,000.00 |
| Subtotal | 377,900 | 91,000 | 23,575 | 20,075 | 88,575 | 24,575 | 22,575 | 24,075 | 20,575 | 28,075 | 12,575 | 24,575 | 22,575 | 32,575 | 112,000.00 |
| TOTAL | 3,203,647 | 1,453,464 | 457,225 | 450,675 | 88,575 | 24,575 | 22,575 | 24,075 | 20,575 | 28,075 | 12,575 | 24,575 | 22,575 | 32,575 | 380,250.00 |
| Interest Rate | | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | 6.50% | |
| Interest Expense | | 11,396 | 13,936 | 16,451 | 5,845 | 6,010 | 6,165 | 6,329 | 6,475 | 6,662 | 6,766 | 6,936 | | | 86,034.81 |
| Subtotal Interest | | 47,644 | 59,040 | 72,975 | 89,427 | 95,272 | 101,282 | 107,448 | 113,776 | 120,251 | 126,913 | 133,679 | 140,615 | | 133,678.81 |
| Subtotal | | | 466,621 | 464,610 | 105,026 | 30,420 | 28,585 | 30,240 | 26,904 | 34,550 | 19,237 | 31,341 | 29,511 | | |
| TOTAL PLUS INTEREST | | 2,103,956 | 2,572,577 | 3,037,187 | 1,079,167 | 1,109,588 | 1,138,173 | 1,168,413 | 1,195,317 | 1,229,867 | 1,249,104 | 1,280,445 | 1,309,955 | | |

June 4, 2009

Ms. Terri Murray
Executive Director
Neighborhood Renaissance, Inc.
510-A 24th Street
West Palm Beach, FL 33407-5455

Re: Acquisition, Pre-Development and Construction Revolving Line of Credit Loan
Commitment – Westgate Urban Infill Project in Palm Beach County, FL (the
“Project”)

Dear Ms. Murray:

This letter (the “Commitment”) replaces in its entirety the Commitment issued by the Florida Community Loan Fund, Inc. (the “Loan Fund”) dated November 16, 2007, together with any subsequent extensions thereof, to make an acquisition and pre-development line of credit loan (the “Loan”) to the entity described below as the borrower (“Borrower”). The terms and conditions of this Commitment are as follows:

1. **BORROWER:** Neighborhood Renaissance, Inc., a not-for-profit Florida corporation
2. **MAXIMUM PRINCIPAL AMOUNT OF LOAN:** The lesser of \$850,000.00 or the Loan Fund’s Maximum Loan Size at the time of closing of the Loan. (As of the date of this commitment, the Maximum Loan Size is \$750,000.00.)
3. **INTEREST RATE:** a fixed rate of five and three-quarters percent (5.75%). Subject to availability of funds in the Loan Fund’s Green Building Loan Pool and subject to Borrower meeting all terms and conditions of Section 11, the interest rate on the first \$200,000.00 of Loan balance outstanding would be reduced to a rate of four and one-half percent (4.50%). The fixed rate of five and three-quarters percent (5.75%) would apply to the remaining Loan balance.
4. **MATURITY DATE:** the date twenty-four (24) months from the date of Loan closing.
5. **REPAYMENT TERMS:** Commencing on the last day of the month following the Loan closing date, monthly payments of interest are due and payable on the last day of each month, with the principal balance of the Loan, if not sooner paid, due and payable in full on the Maturity Date. See also Term 10.15 (b) and Term 13.
6. **LOAN ORIGINATION FEE:** One percent (1.0%) of the maximum principal amount of the Loan, of which \$4,250.00 is due and payable upon acceptance of this Commitment. The balance of \$4,250.00 is due and payable at the Loan closing.

JACKSONVILLE OFFICE: 1728 KINGSLEY AVE. SUITE 8 • ORANGE PARK, FLORIDA 32073-4460
904-215-0459 • 904-215-5321 (F) • WWW.FCLF.ORG
MAIN OFFICE: 501 N. MAGNOLIA AVE., SUITE 100 • ORLANDO FLORIDA 32801 • 407-246-0846
SARASOTA: 941-360-1445 • TAMPA: 813-985-9553

7. **COMMITMENT EXPIRATION:** This Commitment expires, at the Loan Fund's option, on November 19, 2009.

8. **SECURITY PROPERTY:** First mortgages on one (1) separate and five (5) adjacent residential parcels located in unincorporated Palm Beach County, Florida (the "Land"). The Land will be improved with a total of thirteen (13) units, consisting of two duplexes and nine single family homes (the "Improvements"). The Land and Improvements are collectively called the "Collateral" or "Property".

9. **LOAN PURPOSE/TOTAL PROJECT FUNDING:** The loan will assist Borrower with the acquisition of the Land and pre-development costs for the development of thirteen (13) affordable housing units for sale to low-, very low- and moderate-income families in unincorporated Palm Beach County, Florida. The closing of this Loan is conditioned upon Borrower having all sources of funding committed, including \$2,056,776 from the Florida 2005 CDBG Disaster Recovery Funding Program – Supplemental Appropriation Addressing Hurricane Wilma and down-payment assistance funds from HOP and SHIP grant awards. Prior to Loan closing and at all times during the term of the Loan, the Loan Fund must be satisfied that the cost to complete the Project does not exceed the Total Project Funding. If required, Borrower shall make additional equity investments or provide evidence of additional funding sources to ensure Project completion.

10. **LOAN DOCUMENTS AND ITEMS REQUIRED FOR LOAN CLOSING:** Each document and item required to be submitted to the Loan Fund pursuant to this Commitment shall be satisfactory in form and substance to the Loan Fund.

10.1 Mortgage and Security Agreement: providing the Loan Fund with a first lien on the Collateral and a security interest in all fixtures and tangible and intangible personal property necessary for the operation of the Property. Advances on the Loan for acquisition of Land and pre-development expenses will not exceed 85% of the appraised value of the Land based on current appraisals (see Term 10.7).

10.2 Note: including provisions for the collection of late payment charges of five percent (5%) of the amount of any late payment, cross-default provisions with Borrower's existing loan from the Loan Fund, no prepayment penalty and a default rate of thirteen and three-quarters percent (13.75%).

10.3 Title Insurance: a standard, ALTA mortgagee title policy, providing coverage for the full principal amount of the Loan, listing only those title exceptions acceptable to the Loan Fund.

10.4 Assignments: providing the Loan Fund with a first priority collateral assignment of Borrower's interest in all sales contracts and deposits, permits, plans and specifications, engineering and/or architecture contracts, licenses, construction contract and rights in the name of the Project.

10.5 Corporate Borrowing Authority Documents: corporate documents which evidence the authorization for the actions to be taken by Borrower in connection with this Commitment and the Loan, including articles of incorporation, 501 (c)(3) letter from the Internal Revenue Service, by-laws, corporate borrowing resolutions and current certificates of "good standing" from the Florida Division of Corporations.

10.6 Purchase and Sale Contracts: a copy of the Purchase and Sale Contracts executed between the sellers of the Land and the Borrower.

- 10.7 Appraisals: current appraisal of the Land, reflecting the market value of the Land as-is and as-improved, conducted by state certified appraisers satisfactory to the Loan Fund. The loan-to-value on the Property shall not be greater than 85% of the appraised value.
- 10.8 Loan-to-Value Requirement: Borrower acknowledges that Lender was induced to make the Loan based upon a specific loan-to-value ratio (the "Original Loan-to-Value Ratio") and that has been made known that Lender will conduct periodic reviews of Collateral value. Loan documents will provide that, if any updated appraisal received by Lender reflects that the appraised value of the Property has decreased from the original appraised value, and if such decrease results in a loan-to-value ratio which is higher than the Original Loan-to-Value Ratio, Borrower shall, within thirty (30) days of Lender's written request, either: (a) make a principal payment (the "Prepayment") under the Note in an amount sufficient to maintain the Original Loan-to-Value Ratio; or (b) pledge such additional collateral for the Loan that is acceptable to Lender in its sole discretion. Any Prepayment shall not entitle Borrower to a release of any of the Property.
- 10.9 Survey: recent survey of the Property by a registered surveyor, certified to the Loan Fund, the title insurance company and Borrower.
- 10.10 Public/Private Assistance Agreement: a copy of the fully executed agreement between Borrower and the Westgate-Belvedere Community Redevelopment Agency (Borrower's "Development Partner").
- 10.11 Flood Hazards: evidence as to whether or not the Land is located within an area identified as having special flood hazards pursuant to the Flood Disaster Protection Act of 1973. If the Land is located in a special flood hazard area, flood insurance naming the Loan Fund as mortgagee will be required.
- 10.12 Insurance: comprehensive general liability coverage for Borrower and builder's risk or an "all risk", non-reporting, completed value property insurance policy, as applicable, designating the Loan Fund as mortgagee and loss payee, granting the Loan Fund at least 30 days notice of intended cancellation.
- 10.13 Compliance with Laws: satisfactory evidence that construction of the Improvements and intended uses of the Property are in compliance with all applicable laws, regulations and ordinances, including local zoning laws.
- 10.14 Environmental Site Assessments and Environmental Compliance and Indemnity Agreement: copies of the Phase I Environmental Site Assessments performed on the Land, and an agreement signed by the Borrower indemnifying the Loan Fund from any environmental hazards that may be present on the Property.
- 10.15 Loan Agreement: including (a) provisions for the general loan conditions set forth in Term 12; (b) provisions for the hold-back and monthly disbursement of an interest reserve of up to \$84,500.00 to pay interest on the Loan from Loan proceeds; (c) provisions for the disbursement of Loan funds for pre-development and construction expenses set forth in Term 11; and (d) provisions for meeting a Green Building Standard set forth in Term 11.
- 10.16 Sources and Uses of Funds/Cost Breakdown: sources and uses of funds for the Project, including a detailed breakdown of the cost of constructing the Improvements and an itemization of non-construction costs.
- 10.17 Miscellaneous: any other Loan documents or items that are customarily provided in loan transactions of this type.

11. **CONDITIONS FOR DISBURSEMENT OF LOAN FUNDS AFTER LOAN CLOSING:** Subject to availability within the 85% loan-to-value requirement, disbursements for pre-development expenses may be made from Loan proceeds. Any pre-development funding request must be in writing with copies of invoices in amounts sufficient to support the requested amount.

Construction advances under the Loan will be made from Lender's "Green Building Loan Pool", an incentive to encourage and assist the building of "Green" standard affordable housing, supportive housing and community facilities throughout Florida. As such, Borrower agrees to seek certification from either the Florida Green Building Coalition (FGBC Green Home Standard) or Leadership in Energy and Environmental Design (LEED for Homes Standard). Construction disbursements will be subject to the following provisions of this Term 11.

- 11.1 **Construction Documents:** a detailed cost breakdown by construction trade and non-construction costs, construction/completion timeline, plans and specifications, contract between Borrower and architect providing supervisory services, contract between Borrower and general contractor, completed value builder's risk insurance evidence, and building permit for each home.
- 11.2 **Request for Payment:** signed by Borrower, setting forth a detailed breakdown of the Loan disbursement requested, including a signed requisition of the general contractor and approved by Borrower's supervising architect, and, at Loan Fund's option, Loan Fund's construction consultant. Loan disbursements shall be limited to 95% of the value of the construction in progress.
- 11.3 **"Green" Standard Plans and Specifications:** plans and specifications for the construction of the Improvements to a "Green" standard, as defined in this Term 11, signed and sealed by Borrower's architect.
- 11.4 **Sales Contract / Permanent Financing Commitment / Sources and Uses of Funds:** sales contract between Borrower and low-income Home buyer, evidence of pre-qualification for financing from a financial institution, and a statement of sources and uses of funds for the home to be constructed.
- 11.5 **Appraisal:** a current appraisal, prepared by a state certified appraiser, indicating the value of the Lot and the proposed Improvements. After any pre-development disbursements and allocation of Loan proceeds for an interest reserve identified in Term 10.15(b), the Loan Fund may disburse up to 85% of the value of the Land and up to 95% of the construction in progress, up to a maximum of 95% of the appraised value of the Property.
- 11.6 **Owner's Affidavit and Lien Waivers:** notarized partial lien waivers executed by the general contractor, specifying the amount paid in consideration of such partial release and certification by Borrower that funds disbursed to date by the Loan Fund have been paid to the appropriate parties.
- 11.7 **Construction Consultant's Approval:** The Loan Fund reserves the right to designate a construction consultant to inspect construction work for conformity with the plans and specifications and approval of Borrower's request for Loan disbursements. A written report of the results of the consultant's inspection of construction work may be required for a disbursement of Loan funds.



- 11.8 Final Construction Disbursement: Prior to the final Loan disbursement for each home, the following documents shall be submitted to the Loan Fund: (a) as-built survey, (b) certificate of occupancy, (c) contractor's final waiver of lien and certification of completion, and (d) construction consultant's final approval, if required.

12. GENERAL CONDITIONS:

- 12.1 Assignments: Neither this Commitment nor any interest in it may be assigned by Borrower without the Loan Fund's prior written approval.
- 12.2 Financial Statements: Borrower shall submit annual and interim financial statements. Annual statements shall include a Statement of Activities (revenue and expenses) and a Statement of Financial Position (balance sheet) prepared by a certified public accountant, and submitted within one hundred twenty (120) days of Borrower's fiscal year-end.
- 12.3 Additional Debt: During the term of this Loan, Borrower will not incur any additional debt without the written permission of the Loan Fund.
- 12.4 Publicity: The Loan Fund shall have the right to secure printed publicity through newspapers and other media concerning the project and its financing. Borrower shall provide the Loan Fund with photographs of the Project and demographic information regarding the clients who receive housing and other services from Borrower.
- 12.5 Loan Application: The issuance of this Commitment is based upon the accuracy of Borrower's representations and statements, any loan application and all additional information, representations, exhibits and other matters submitted to the Loan Fund for consideration. The Loan Fund shall have the option to declare this Commitment to be breached, and therefore, void, if there shall have been any material misrepresentation or misstatement or any material error in anything submitted to the Loan Fund.
- 12.6 Expenses: All costs and expenses in connection with the Loan, including, but not limited to, the costs of attorneys, documentary stamp and intangible taxes, the construction consultant and recording fees, shall be paid by Borrower.

13. **RELEASE OF SECURITY PROPERTY**: Until the Loan has been paid in full, each residential unit shall be released from the Loan Fund's mortgage on the Property upon payment to the Loan Fund of a minimum release amount of the total amount advanced directly for acquisition, any soft pre-development costs and the costs of construction of the individual unit, to be determined in the sole discretion of the Loan Fund.

14. **ENTIRE AGREEMENT**: This Commitment, when accepted, shall constitute the entire agreement between the Loan Fund and Borrower, and it may not be altered or amended unless agreed to in writing by the Loan Fund and Borrower.

15. **ACCEPTANCE**: Please indicate acceptance of the terms and conditions of this Commitment by signing the enclosed duplicate original Commitment letter.

Return one half of the loan origination fee, \$4,250.00, (See Term 6) and one original Commitment letter to the Orlando office of the Loan Fund, within fifteen (15) days of the date of this letter.

Sincerely,

FLORIDA COMMUNITY LOAN FUND, INC.

Nelson W. Black III
Senior Loan Officer

The undersigned accepts the foregoing commitment on behalf of Borrower.

NEIGHBORHOOD RENAISSANCE, INC.

By: _____

Title: _____

Date: _____

