

## AGENDA ITEM SUMMARY

## I. EXECUTIVE BRIEF

9/30/10  
Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	*				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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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

\_\_\_\_\_  
 Contract Development and Control

### B. Legal Sufficiency:

\_\_\_\_\_  
 Senior Assistant County Attorney

### C. Other Department Review:

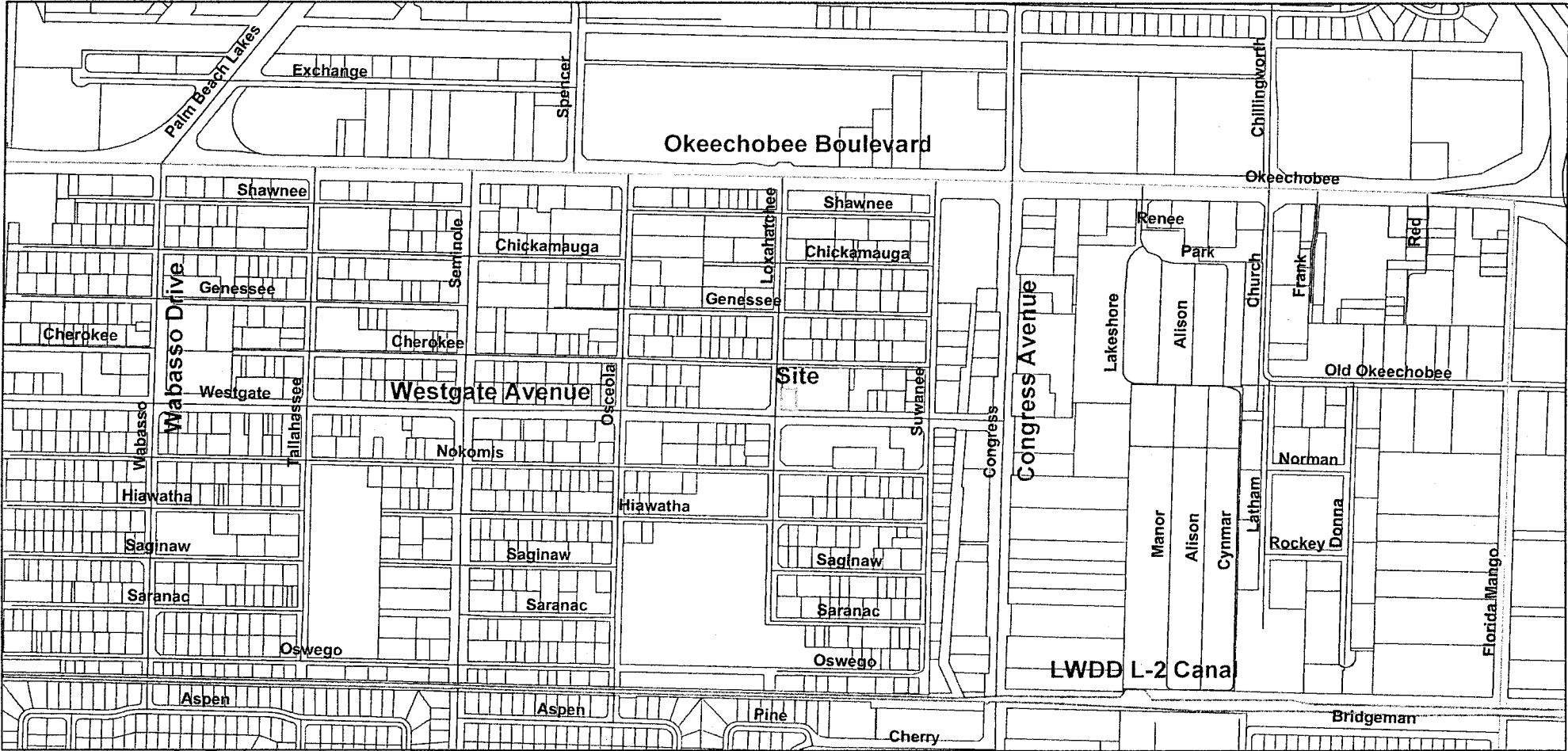
\_\_\_\_\_  
 Department Director

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

**Property Control Number (PCN) and Legal Description of**  
**Westgate/Belvedere Homes CRA-Owned Property**


**PCN:** 00-43-43-30-05-000-0050


**Legal Description:** Tract E, Sharons Replat of part of Block 30, of Westgate Estates, according to the plat thereof as recorded in Plat Book 15, Page 64 of the Public Records of Palm Beach County, Florida.

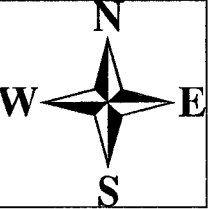


**LOCATION MAP OF WESTGATE/BELVEDERE HOMES CRA-OWNED PROPERTY  
FOR WESTGATE COMMONS - ATTACHMENT A**

**Legend**

 CRA-owned Property  
PCN 00-43-43-30-05-000-0050

 LWDD L-2 Canal



## ATTACHMENT B

(CRA ORD 5/09/89)

ORDINANCE NO. 89-6

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

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

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

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

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

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY  
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.

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

- 9 a. Acquisition of a slum area or blighted area or  
10 portion thereof.  
11 b. Demolition and removal of buildings and  
12 improvements.  
13 c. Installation, construction, or reconstruction  
14 of streets, utilities, parks, playgrounds, and  
15 other improvements necessary for carrying out  
16 in the community redevelopment area the  
17 community redevelopment objectives of the  
18 Community Redevelopment Act of 1969 in  
19 accordance with the community redevelopment  
20 plan.  
21 d. Disposition of any property acquired in the  
22 community redevelopment area at its fair value  
23 for uses in accordance with the community  
24 redevelopment plan.  
25 e. Carrying out plans for a program of voluntary  
26 or compulsory repair and rehabilitation of  
27 buildings or other improvements in accordance  
28 with the community redevelopment plan.  
29 f. Acquisition of real property in the community  
30 redevelopment area which, under the community  
31 redevelopment plan, is to be repaired or  
32 rehabilitated for dwelling use or related  
33 facilities, repair or rehabilitation of the  
34 structures for guidance purposes, and resale of  
35 the property.



- 1 g. Acquisition of any other real property in the  
2 community redevelopment area when necessary to  
3 eliminate unhealthful, unsanitary or unsafe  
4 conditions, lessen density, eliminate obsolete  
5 or other uses detrimental to the public  
6 welfare, or otherwise to remove or prevent the  
7 spread of blight or deterioration, or to  
8 provide land for needed public facilities.
- 9 h. Acquisition, without regard to any requirement  
10 that the area be a slum or blighted area, of  
11 air rights in an area consisting principally of  
12 land in highways, railway or subway tracks,  
13 bridge or tunnel entrances, or other similar  
14 facilities which have a blighting influence on  
15 the surrounding area and over which air rights  
16 sites are to be developed for the elimination  
17 of such blighting influences and for the  
18 provision of housing (and related facilities  
19 and uses) designed specifically for, and  
20 limited to, families and individuals of low or  
21 moderate income.
- 22 i. Construction of foundations and platforms  
23 necessary for the provision of air rights sites  
24 of housing (and related facilities and uses)  
25 designed specifically for, and limited to, .  
26 families and individuals of low or moderate  
27 income.
- 28 3. To provide, or arrange or contract for, the  
29 furnishing or repair by any person or agency,  
30 public or private, of services, privileges, works,  
31 streets, roads, public utilities or other  
32 facilities for or in connection with a community  
33 redevelopment project; to install, construct, and  
34 reconstruct streets, utilities, parks, playgrounds,

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

14 4. Within the community redevelopment area:

- 15 a. To enter into any building or property in any  
16 community redevelopment area in order to make  
17 inspections, surveys, appraisals, soundings or  
18 test borings and to obtain an order for this  
19 purpose from a court of competent jurisdiction  
20 in the event entry is denied or resisted.
- 21 b. To acquire by purchase, lease, option, gift,  
22 grant, bequest, devise, eminent domain subject  
23 to prior approval by the Board of County  
24 Commissioners, or otherwise, any real property  
25 (or personal property for its administrative  
26 purposes), together with any improvements  
27 thereon.
- 28 c. To hold, improve, clear, or prepare for  
29 redevelopment any such property.
- 30 d. To mortgage, pledge, hypothecate, or otherwise  
31 encumber or dispose of any real property  
32 subject to prior approval by the Board of  
33 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

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

- 6 a. Plans for carrying out a program of voluntary  
7 or compulsory repair and rehabilitation of  
8 buildings and improvements.  
9 b. Plans for the enforcement of state and local  
10 laws, codes, and regulations relating to the  
11 use of land and the use and occupancy of  
12 buildings and improvements and to the  
13 compulsory repair, rehabilitation, demolition,  
14 or removal of buildings and improvements.  
15 c. Appraisals, title searches, surveys, studies,  
16 and other plans and work necessary to prepare  
17 for the undertaking of community redevelopment  
18 projects and related activities.

- 19 8. To develop, test, and report methods and  
20 techniques, and carry out demonstrations and other  
21 activities, for the prevention and the elimination  
22 of slums and urban blight and developing and  
23 demonstrating new or improved means of providing  
24 housing for families and persons of low income.  
25 9. To apply for, accept and utilize grants of funds  
26 from the Federal Government for such purposes.  
27 10. To prepare plans for and assist in the relocation  
28 of persons (including individuals, families,  
29 business concerns, nonprofit organizations and  
30 others) displaced from a community redevelopment  
31 area, and to make relocation payment to or with  
32 respect to such persons for moving expenses and  
33 losses of property for which reimbursement or  
34 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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By Linda M. Blair  
REPLY CLERK 09

# ATTACHMENT C

## AGREEMENT FOR PURCHASE AND SALE

This AGREEMENT FOR PURCHASE AND SALE (this "Agreement") is entered into by THE WESTGATE/BELVEDERE HOMES COMMUNITY REDEVELOPMENT AGENCY ("Seller"), and HOUSING TRUST GROUP, LLC a Florida limited liability company, or its assigns ("Buyer").

### BACKGROUND:

Seller is currently the owner of that certain property located at 2471 Westgate Avenue in Palm Beach County, Florida, containing approximately 0.21 acres, and which is more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"). The parties to this Agreement have agreed to the sale and purchase of the Property on the terms and conditions which are set forth in this document.

### AGREEMENT:

1. **Purchase and Sale.** Subject to all of the terms and conditions of this Agreement, Seller will sell to Buyer and Buyer will purchase from Seller the Property, together with all appurtenances, rights, easements and rights of way incident thereto.

2. **Purchase Price.** The purchase price (the "Purchase Price") to be paid by Buyer to Seller for the Property is One Hundred Fifty Three Thousand Seven Hundred and no/00 Dollars (\$153,700.00).

(a) **Deposits.** On the Effective Date (as defined herein), Buyer shall deposit with DeSantis, Gaskill, Smith & Shenkman, P.A., as escrow agent ("Escrow Agent"), the sum of Five Thousand and no/00 Dollars (\$5,000.00) (the "First Deposit"). Upon formal approval from Palm Beach County of NSP2 Funds in an amount necessary to develop 68 units, Buyer shall deposit an additional Twenty Five Thousand and no/00 Dollars (\$25,000.00) with the Escrow Agent (the "Second Deposit"). The First Deposit and Second Deposit are hereinafter referred to, collectively, as the "Deposit". Any and all interest earned on the Deposit shall be paid to Buyer unless Buyer shall be in default of its obligations under this Agreement and in such event such interest shall be paid to Seller.

(b) **Refundability.** The Deposit shall be refundable to Buyer if Buyer terminates this contract for any reason prior to the formal approval from Palm Beach County of NSP2 Funds in an amount necessary to develop 68 units.

(c) **Payment of Purchase Price.** At the time of the Closing (as defined herein), Buyer will pay to Seller, by wire transfer of funds, the Purchase Price as adjusted for prorations and adjustments as set forth in this Agreement. At the Closing, the Deposit shall be credited to Buyer's obligations to pay the Purchase Price hereunder.

3. **Title and Title Insurance and Survey.**

(a) Title. Five (5) days after the Effective Date, Seller shall provide Buyer with its owner's title policy received by Seller at the time of Seller's acquisition of the Property insuring Seller's title to the Property. Upon the receipt of such title policy from Seller, Buyer shall order and subsequently within thirty (30) days after the Effective Date obtain a commitment (the "Title Commitment") for a 1970 ALTA Form B owner's title insurance policy, together with legible copies of all documents referenced therein, issued by a title insurance company acceptable to Buyer ("Title Company"). The Commitment shall have a date subsequent to the Effective Date and shall show that title to the Property is good and marketable and insurable subject to no liens, encumbrances, exceptions or qualifications which would preclude Buyer, in its sole discretion, from constructing and developing Westgate Commons (as defined herein). Buyer shall have fifteen (15) business days from receipt of the Commitment and the Survey (as defined herein) in which to examine the condition of title. If Buyer fails to provide Seller with written notice of specific defects that make title to the Property other than as required by this Section 3 within such fifteen (15) business day period, then, for all purposes of this Agreement, Buyer shall be deemed to have accepted title in the condition described in the Commitment. Any title exceptions which are not objected to within such fifteen (15) business day period shall be deemed to be acceptable in all respects to Buyer. If Buyer timely notifies Seller that title does not satisfy the requirements of this Section 3, then Seller agrees to use reasonable diligence to make title good, marketable and insurable, for which purpose Seller shall have a reasonable time in which to do so but in no event more than thirty (30) days from the receipt of Buyer's written notice that title is unacceptable. After reasonable diligence on the part of Seller, if title is not rendered as required by this Section 3, then at the end of such thirty (30) day period, the Deposit, at the election of Buyer, shall be returned to Buyer, this Agreement shall be terminated and all parties hereto shall be released from any and all obligations and liabilities hereunder other than those that specifically survive hereunder. At any time prior to such termination, Buyer may elect by written notice to Seller to waive any defects in title, in which event the Closing shall take place pursuant to this Agreement without any abatement whatsoever in the Purchase Price. In the event that any title exception shall exist at any time and is not reflected in the Commitment (and/or not cured by the payment of money or through litigation), the existence of same shall constitute a default hereunder, unless Buyer shall not object to such title exception.

(b) Survey. Within five (5) days after the Effective Date, Seller shall provide Buyer with the most recent survey of the Property in Seller's possession. Upon the receipt of such survey from Seller, Buyer may, at Buyer's expense, order and subsequently within thirty (30) days after the Effective Date obtain a current topographical and boundary survey of the Property (the "Survey"). The Survey shall show that there are no encroachments on the Property. Any encroachments shown shall be treated as a title defect and the terms and conditions set forth in Section 3 (a) of this Agreement shall apply with respect thereto. Buyer shall notify Seller of survey defects within fifteen (15) business days following receipt of the Commitment and the Survey.

4. Investigation Period. Following the Effective Date, Buyer shall have ninety (90) days (the "Investigation Period") in which to determine that the Property (together with adjacent properties under Buyer's control) can be developed with at least sixty eight (68) multi-family affordable apartment units with associated amenities (the "Westgate Commons") pursuant to a plan satisfactory to Buyer in its sole and absolute discretion. Among other things, Buyer shall verify that (a) adequate utility service is or will be made available by a public utility company to



a boundary of the Property; (b) municipal fees, including sewer and water connection fees, do not exceed an amount acceptable to Buyer; (c) there are not unusual soil conditions which would prohibit the standard construction practice for Buyer's intended use of the Property; (d) a market survey and financing feasibility study substantiates the need for a rental housing development in the area of the Property; and (e) all other matters (including, without limitation, the results of any physical inspections, environmental assessments, wetlands assessments, engineering studies and site plan studies) affecting or relating in any way to the Property are otherwise satisfactory to Buyer. During the Investigation Period and until the Closing, Seller shall provide Buyer and its agents with access to the Property to perform tests and inspections and otherwise to all things that may be necessary (including, without limitation, clearing the Property for survey purposes, soil borings, and environmental investigations, among other things), as determined by Buyer in order to accomplish Buyer's goals as set forth in the immediately preceding sentence. Buyer hereby indemnifies and holds Seller harmless from any loss, cost or expense, including, but not limited to, attorneys' fees and costs incurred by Seller as a result of the negligence, recklessness or misconduct of any of Buyer's agents who enter the Property. Buyer hereby indemnifies and holds Seller harmless from any loss, cost or expense, including, but not limited to, attorneys' fees and costs incurred by Seller as a result of any injury to Buyer or Buyer's agents occurring on the Property in conducting the investigations described herein. Buyer shall provide to Seller a certificate of liability insurance in the amount of not less than \$500,000 naming Seller as additional insured. Notwithstanding anything contained herein to the contrary, Buyer shall have no indemnification obligation with respect to, or other liability for, or in connection with any claims arising from, pre-existing conditions on or under the Property, or those arising from the presence, discovery or disturbance of Hazardous Substances, Hazardous Waste, and Hazardous Materials (as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. '9601 *et seq.* and the regulations promulgated thereunder (as amended from time to time) and shall include oil and oil waste as those terms are defined in the Clean Water Act, 33 U.S.C. '1251 *et seq.* and the regulations promulgated thereunder (as amended from time to time), the Resource, Conservation and Recovery Act, 42 U.S.C. '6901 *et seq.* (as amended from time to time), and the Florida Resource Recovery and Management Act, Florida Statutes '403.70-403.73 (as amended from time to time) and shall include any other elements or compounds contained in the list of hazardous substances adopted by the United States Environmental Protection Agency ("EPA") and the list of toxic pollutants designated by the United States Congress or EPA as defined by any other Federal, State or local statute, law, ordinance, code, rule, regulation, order or decree relating to standards of conduct concerning any toxic or dangerous waste or substance). No later than seven (7) days after the Effective Date, Seller shall provide to Buyer any and all information relating to the Property which is in Sellers' possession or control or in the possession or control of Sellers' agents, employees and/or professionals, including, without limitation, full and complete copies of all surveys, topographical maps, soil boring reports, traffic studies, any and all environmental reports, site planning concepts, project approvals, permits, licenses, title policies, property tax bills, proof of payment of school, water, sewer, road and recreational impact fees, homeowners' association documents, developer agreements (whether recorded or not) and any other document of which Seller has knowledge. If for any reason Buyer, in its sole and absolute discretion, determines during the Investigation Period that Westgate Commons cannot be built on the Property or that Buyer wishes to terminate this Agreement for any reason or no reason at all, then no later than the last day of the Investigation Period, Buyer shall, in writing, notify Seller that it has elected

not to proceed with the transaction contemplated hereby. Thereupon, the Deposit shall be returned to Buyer and the parties hereto shall be relieved of all liability under this Agreement other than those that specifically survive hereunder. In the event that Buyer fails to timely notify Seller in writing of its election not to proceed with the transaction contemplated hereby, Buyer shall be deemed to have elected to proceed. At the end of the Investigation Period and assuming that Buyer has elected to proceed, the Deposit shall be non-refundable to Buyer unless this Agreement is terminated (1) pursuant to Buyer's right to terminate in the event of an uncured title defect, (2) pursuant to the refundability provision in 2(b) hereof, pursuant to Buyer's right to terminate as a result of a moratoria at the Property, (3) pursuant to Buyer's right to terminate as a result of a condemnation at the Property, or (4) or as a result of Seller's breach of this Agreement.

**Intentionally left blank**

6. **Conditions Precedent to Buyer's Obligation to Close.** The following are specific conditions which must be satisfied prior to, and must be true at, Closing:

(a) **No Governmental Prohibitions.** There are no governmental prohibitions (including zoning restrictions or conditions) that prevent Buyer from receiving a building permit for Westgate Commons.

(b) **Access.** There shall be direct, uninterrupted and continuous ingress and egress access for pedestrian and vehicular traffic to and from the Property.

(c) **Other.** All of the other conditions set forth in this Agreement to be satisfied prior to the Closing shall have been satisfied in all respects as required by the terms of this Agreement.

7. **Closing and Closing Costs.**

(a) **Closing Date.** The purchase and sale contemplated by this Agreement shall close (the "Closing") seven (7) days after Buyer receives NSP2 Grant Funds from Palm Beach County Westgate Commons, but no later than July 15, 2011.

(b) **Closing Location.** The Closing will be held at the offices of Escrow Agent or at such other place as the parties may mutually agree upon.

(c) **Early Closing.** Notwithstanding anything contained herein to the contrary, at any time prior to the scheduled Closing Date, Buyer in its sole discretion may elect to close this transaction. Buyer shall exercise this election by delivering to Seller written notice of Buyer's intention to close which notice shall set a closing date not more than thirty (30) days from the date of such notice.

(d) **Costs.** Seller shall pay the cost of documentary stamps to be affixed to the deed and for the recording of, and any and all other costs relating to obtaining title corrective instruments. Buyer shall pay the cost of the recording of the deed, the owner's title insurance policy premium, the cost of the Survey and for all recording costs (except the costs of recording curative documents required pursuant to the terms of Section 3 hereof, which costs shall be paid

for by Seller). Seller and Buyer shall each pay for their own legal fees in connection with this Agreement.

8. **Seller's Deliveries.** Seller shall deliver to Buyer at least ten (10) days prior to the Closing copies of the following documents (with the exception of subsection (c) below which shall be delivered at Closing), dated as of the day of Closing, the delivery and accuracy of which shall be a condition to Buyer's obligation to consummate the transactions contemplated hereby:

(a) **Warranty Deed.** A special warranty deed (the "Deed") in recordable form, duly executed by Seller, conveying to Buyer good, marketable and insurable fee simple title to the Property subject only to those exceptions contained in the Commitment and approved by Buyer pursuant to the terms of this Agreement, with the legal description provided in the Commitment, together with any relevant Florida Department of Revenue forms, if necessary.

(b) **Affidavit.** A no-lien and exclusive possession affidavit in form and content customarily used in Palm Beach County, Florida. The no-lien affidavit shall relate to any activity of Seller at the Property within the period that a mechanic's lien can be filed based on such activity prior to the Closing.

(c) **Title Insurance.** An endorsement to the Commitment advancing the effective date to the date of the Closing and deleting the standard printed exceptions contained therein.

(d) **FIRPTA Affidavit.** In order to comply with the requirements of the Foreign Investment Real Property Tax Act of 1980 ("FIRPTA"), Seller will deliver to Buyer at the Closing Seller's affidavit under penalty of perjury stating Seller is not a "foreign person," as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations promulgated thereunder, setting forth Seller's taxpayer identification number, and that Seller intends to file a United States income tax return with respect to the transfer. Seller represents and warrants to Buyer that it has not made nor does Seller have any knowledge of any transfer of the Property or any part thereof that is subject to any provisions of FIRPTA that has not been fully complied with in all respects. As required by law, if Seller fails to comply with the requirement of this subsection, Buyer shall withhold ten percent (10%) of the Purchase Price in lieu of payment thereof to Seller and pay it over instead to the Internal Revenue Service in such form and manner as may be required by law.

(e) **Seller's Certificate.** A duly executed certification (the "Seller's Certificate") that every warranty of Seller under this Agreement is true and correct as of the Closing as if made by Seller at such time.

(f) **Other Documents.** Any and all other documents as may be necessary in order to fully and completely consummate the transactions contemplated hereby pursuant to the terms of this Agreement.

9. **Buyer's Deliveries.** At the Closing, and after Seller has complied with all of the terms and conditions of this Agreement and simultaneously with Seller's delivery of the documents required in Section 8 hereof, Buyer shall:

(a) Purchase Price. Pay to Seller, by wire transfer of funds, the Purchase Price, adjusted for the prorations and other payments provided for in this Agreement; and

(b) Buyer's Resolution. Deliver to Seller a resolution, duly executed, authorizing Buyer to close the transaction contemplated hereby.

10. Taxes and Prorations. At the Closing, the taxes on the Property shall be prorated as of the Closing Date, between the parties on the basis of the taxes paid for the most recent year that have been assessed and billed. If the actual taxes for the year of Closing are not determinable on the date of the Closing, then the parties agree to re-prorate taxes promptly upon issuance of the tax bill for the year of the Closing. Any special assessment liens certified as of the date of the Closing shall be paid for by Seller. Any pending liens shall be assumed by Buyer.

11. Possession. Buyer shall be granted full possession of the Property as of the Closing vacant and free of any and all tenancies.

12. Seller's Warranties. To the best of Seller's knowledge, Seller hereby warrants to Buyer as follows:

(a) Title. Seller is vested with good and marketable fee simple title to the Property subject only to the permitted title exceptions as provided herein.

(b) No Condemnation. There are no condemnation or eminent domain proceedings pending or, to the best of Seller's knowledge, contemplated against the Property or any part thereof, and Seller has received no notice of the desire of any public authority to take or use the Property or any part thereof.

(c) No Litigation. There are no pending suits or proceedings against or affecting Seller or any part of the Property which (i) do or could affect title to the Property or any part thereof or (ii) do or could prohibit or make unlawful the consummation of the transactions contemplated by this Agreement, or render Seller unable to consummate the same.

(d) Environmental. Seller has not violated any applicable environmental laws affecting the Property, including, without limitation, any laws relating to toxic and/or hazardous wastes as defined by Federal or Florida law. Seller has provided, or will provide within seven (7) days of the Effective Date, to Buyer copies of all environmental reports, studies, contracts and other documentation in its possession that relate only to this Property.

(e) Authority. Seller has full power and authority to execute and deliver this Agreement and all documents now or hereafter to be delivered by it pursuant to this Agreement and to perform all of its obligations arising under this Agreement.

(f) No Violation of Seller's Agreements. This Agreement and any of the documents executed or to be executed by Seller hereunder do not and will not contravene any provision of any document governing Seller's authority to act hereunder, any present judgment, order, decree, writ or injunction, or any provision of any currently applicable law, rule or regulation, in each case applicable to Seller and/or the Property.

(g) Tax Liens. The Property is or at the time of the Closing will be free and clear of all liens except for ad valorem taxes for the year of Closing, not yet due and payable, and for all subsequent years.

(h) No Violation of Laws. Seller has received no notice of, and to its knowledge there is no violation of, any law, regulation, ordinance, order or judgment affecting the Property.

(i) No Unrecorded Encumbrances. Seller has no knowledge of any unrecorded easements, restrictions or encumbrances affecting all or any part of the Property.

(j) No Knowledge of Facts. Seller is not aware of any facts that prohibit it from closing the transaction contemplated hereby in accordance with the terms hereof.

(k) No Untrue Statements. No representation or warranty by Seller in this Agreement or in any instrument, certificate or statement furnished to Buyer pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein or therein not misleading.

(l) No Adverse Tax Matters. There are no agreements, waivers or other arrangements providing for any extension of time with respect to the assessment of any type of tax or deficiency against Seller in respect of the Property, nor to the best of Seller's knowledge, are there any actions, suits, proceedings, investigations or claims for additional taxes and assessments asserted by any taxing authority.

(m) No Mechanics' Liens. There are no mechanics' or materialmen's liens against the Property and if subsequent to the Closing hereunder, any mechanics' or other liens shall be filed against the Property or against Buyer or its assigns, based upon any act or omission occurring prior to the Closing on the Property, Seller shall take such action, within ten (10) days after the filing thereof, by bonding, deposit, payment or otherwise, as will remove, transfer or satisfy such lien of record against the Property, at Seller's sole cost and expense.

(n) No Parties in Possession. As of Closing, there will be no parties in possession of any portion of the Property, whether as lessees, tenants-at-sufferance, trespassers or otherwise.

13. **Covenants of Seller.** Seller hereby covenants with Buyer as follows:

(a) No Zoning Action. Between the Effective Date and the date of the Closing, Seller will not file any application for any change of the present zoning classification of the Property unless such change is requested by Buyer. Seller will cooperate fully with Buyer in all respects by executing consents, applications and other such documents reasonably requested by Buyer in connection with its efforts in developing the Property to a condition such that building may commence. Seller shall not be required to expend any funds in connection with any zoning action.

(c) No Environmental Action. Between the Effective Date and the date of the Closing, Seller will not file any application for any environmental permit or any change to any existing environmental permit, approval, report, status or condition of any kind relating to the Property unless such change is requested by Buyer. Seller will cooperate fully with Buyer in all respects by executing consents, applications and other such documents reasonably requested by Buyer in connection with its efforts in developing the Property to a condition such that building may commence.

(d) Maintenance of Insurance. Between the Effective Date and the date of the Closing, all existing insurance policies shall remain continuously in full force and effect and will not be terminated without prior written notice to Buyer; and all improvements located upon the Property shall be insured for the full replacement value of such improvements.

13.1 Buyer Covenants. Buyer, and its assigns, covenants and warrants with Seller, which shall survive closing for \_\_\_\_\_ ( ) years:

- (a) Buyer shall provide onsite management and maintenance to Westgate Commons;
- (b) Buyer shall provide the appropriate affordability ranges dictated by Westgate CRA zoning overlay;
- (c) Buyer shall secure a building permit prior to July 12, 2013;
- (d) Buyer shall abide by all the terms, conditions, covenants and restrictions of the RFP for Westgate Commons.

14. Moratoria. If, at the time of the Closing, there are sewer, water, building or other moratoria in effect which would interfere with the immediate construction and occupancy of Westgate Commons, then Buyer, at its sole option, may: (a) terminate this Agreement and obtain a return of the Deposit, whereupon the parties shall be relieved from all further liabilities and obligations hereunder other than those that specifically survive hereunder or (b) close the transactions contemplated hereby without regard to the moratoria and without any adjustment in the Purchase Price or extension of the Closing date.

15. Real Estate Commissions. Buyer and Seller hereby warrant to each other that no Real Estate Commission shall be paid in connection with this transaction and each party shall indemnify the other from any claims of any parties claiming a commission by, under or through either party.

16. Condemnation. In the event of the institution against the record owner of the Property of any proceedings, judicial, administrative or otherwise, relating to the taking, or to a proposed taking of any portion of the Property by eminent domain, condemnation or otherwise (which materially impairs the proposed development of the Property), prior to the Closing, or in the event of the taking of any portion of the Property by eminent domain, condemnation or otherwise, prior to the Closing, then Seller shall notify Buyer promptly and Buyer shall have the option, in its sole and absolute discretion, of either (a) terminating this Agreement and obtaining a return of the Deposit, whereupon the parties shall be relieved from all further liabilities and obligations hereunder other than those that specifically survive hereunder or (b) proceeding to the Closing in accordance with the terms of this Agreement, but at the Closing Seller shall assign to Buyer all of its right, title and interest in, to and under any and all awards that have been or may be made with respect to such eminent domain proceeding or condemnation. Any such election hereunder must be made by Buyer within thirty (30) days of the notice furnished by

Seller. If Buyer fails to make an election in writing, Buyer shall be deemed to have elected alternative (a) above.

17. **Loss or Damage.** Any loss or damage to the Property between the Effective Date and the Closing shall not void this Agreement or modify the provisions hereof, provided, that Seller shall repair such loss or damage to the Property prior to the Closing as a condition of Buyer's obligations to proceed to the Closing hereunder. In the event that Seller fails to repair such loss or damage prior to the Closing, Buyer may, at its sole election and option, either (a) suspend the Closing for a sufficient period of time in order to allow Seller to complete the repairs or (b) deduct from its obligation to pay the Purchase Price hereunder a sum sufficient to complete the repairs as certified by Buyer's architect or engineer.

18. **Default.**

(a) **Buyer Default.** If Buyer materially alters or modifies Westgate Commons as described herein and as described in Buyer's Proposal to Seller dated April 26, 2010 without prior approval of Seller, Buyer shall be in default hereunder. If the transactions contemplated hereby do not close solely due to a refusal or default on the part of Buyer, then the Deposit, together with any and all interest earned thereon, shall be delivered by Escrow Agent to Seller as liquidated and agreed upon damages and thereafter, Buyer shall be relieved from all further obligations under this Agreement and Seller shall have no further claim against Buyer for specific performance or for damages by reason of the failure of Buyer to close the transactions contemplated hereby.

(b) **Seller Default.** If the transactions contemplated hereby fail to close due to a default on the part of Seller, then at the option of Buyer the Deposit shall be returned by Escrow Agent to Buyer, together with any and all interest earned thereon, provided, however, that such return shall not limit Buyer's right to maintain an action for specific performance of this Agreement by Seller and to pursue any and all other rights and remedies available to Buyer at law and in equity for damages suffered by Buyer as a result of Seller's default.

19. **Escrow.** Escrow Agent, in receiving funds to hold in escrow hereunder, is authorized and agrees by acceptance thereof to promptly deposit and to hold same in escrow and to disburse same subject to clearance thereof in accordance with terms and conditions of this Agreement. Failure of clearance of funds shall not excuse performance by Buyer. In the event of doubt as to its duties or liabilities under the provisions of this Agreement, Escrow Agent may, in its sole discretion, continue to hold the monies which are the subject of this escrow until the parties mutually agree to the disbursement thereof, or until a judgment of a court of competent jurisdiction shall determine the rights of the parties thereto, or it may deposit all the monies then held pursuant to this Agreement with the Clerk of the Circuit Court of Palm Beach County, Florida, and upon notifying all parties concerned of such action, all liability on the part of Escrow Agent shall fully terminate, except to the extent of accounting for any monies theretofore delivered out of escrow. In the event of any suit between Buyer and Seller wherein Escrow Agent is made a party by virtue of acting as escrow agent hereunder, or in the event of any suit wherein Escrow Agent interpleads the subject matter of this escrow, Escrow Agent shall be entitled to recover a reasonable attorneys' fee and costs incurred, said fees and costs to be charged and assessed as court cost in favor of the prevailing party. All parties agree that Escrow Agent shall not be liable to any party or

person whomsoever for misdelivery to Buyer or Seller of monies subject to this escrow, unless such misdelivery shall be due to a willful breach of this Agreement or gross negligence on the part of Escrow Agent. Seller and Buyer agree that the status of Seller's counsel as Escrow Agent under this Agreement does not disqualify such law firm from representing Seller in connection with this transaction and in any disputes that may arise between Seller and Buyer concerning this transaction, including any dispute or controversy with respect to the Deposit.

20. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the transactions contemplated herein, and it supersedes all prior understandings or agreements between the parties.

21. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors and permitted assigns.

22. **Survival of Paragraphs.** The terms, conditions and warranties contained herein that state they specifically survive shall survive the Closing and delivery of the Deed or earlier termination of this Agreement as set forth herein.

23. **Waiver; Modification.** The failure by Buyer or Seller to insist upon or enforce any of their rights shall not constitute a waiver thereof, and nothing shall constitute a waiver of Seller's or Buyer's right to insist upon strict compliance with the terms of this Agreement. Either party may waive the benefit of any provision or condition for its benefit that is contained in this Agreement. No oral modification of this Agreement shall be binding upon the parties and any modification must be in writing and signed by the parties hereto.

24. **Governing Law; Venue.** This Agreement shall be governed by, and construed in accordance with the laws of, the State of Florida. The venue of any litigation arising out of this Agreement shall be Palm Beach County, Florida.

25. **Headings.** The section headings as set forth in this Agreement are for convenience of reference only and shall not be deemed to vary the content of this Agreement or limit the provisions or scope of any section herein.

26. **Notices.** Any notice, request, demand, instruction or other communication to be given to either party, except where required by the terms of this Agreement to be delivered at the Closing, shall be in writing and shall be sent by registered or certified mail, return receipt requested, facsimile or by express overnight courier, as follows:

If to Buyer:

Housing Trust Group, LLC  
3250 Mary Street, Suite 500  
Coconut Grove, Florida 33133  
Attention: Mr. Randy Rieger  
Telephone: (305) 856-8700  
Facsimile: (305) 856-1475  
Email: randyr@htgf.com

with copy to:

Matthew Rieger, P.A.



3250 Mary Street, Suite 500  
Coconut Grove, Florida 33133  
Attention: Matthew Rieger, Esq.  
Telephone: (305) 537-4684  
Facsimile: (305) 860-8308  
Email: matthew@matthewrieger.com

If to Seller:  
WESTGATE/BELVEDERE HOMES COMMUNITY REDEVELOPMENT AGENCY \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Telecopy: \_\_\_\_\_

with copy to: Thomas J. Baird, Esq.  
11891 US Highway One, Suite 100  
North Palm Beach, FL 33408

Notice shall be deemed given if forwarded by certified mail through the facilities of the United States Postal Office on the day following the date that the notice in question is deposited in the facilities of the United States Postal Service. If notice is forwarded by express overnight courier, it shall be deemed given on the day following the date that the notice in question is deposited in the facilities of an express overnight courier.

27. **Assignment.** This Agreement shall not be assigned by Buyer without the written consent of the Seller in accordance with the public RFP process, except if such assignment is to an entity controlled by Buyer and formed for the sole purpose of owning Westgate Commons. Seller may not assign its rights under this Agreement.

28. **Attorneys' Fees.** In the event that it becomes necessary for either party to bring suit to enforce the terms of this Agreement, then the prevailing party shall be entitled to recover all costs, including attorneys' fees, incurred in connection with such litigation (including appellate proceedings) against the non-prevailing party.

29. **Effective Date.** The effective date of this Agreement (the "Effective Date") shall be the date upon which the last party to execute this Agreement has executed this Agreement.

30. **Time of the Essence.** Time is of the essence with respect to each provision of this Agreement that requires action be taken by either party within a stated time period, or upon a specified date, provided, however, if the date for performance is on a Saturday, Sunday or federal holiday, the date for performance shall be extended to the next business day.

31. **Counterparts; Facsimile Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which, together, shall constitute but one and the same instrument. This Agreement shall be effective when the parties have faxed their respective signatures either to the other party or to the other party's counsel. Facsimile signatures shall have the same legal effect as original signatures.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year last below written.

**BUYER:**

HOUSING TRUST GROUP, LLC, a Florida limited liability company

By: \_\_\_\_\_  
Randy E. Rieger

Date: \_\_\_\_\_, 2010

**SELLER:**

WESTGATE/BELVEDERE HOMES  
COMMUNITY REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2010

The undersigned acknowledges receipt of the First Deposit and agrees to act as the escrow agent in accordance with the terms of this Agreement.

DeSantis, Gaskill, Smith & Shenkman, P.A.\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_  
Curtis Shenkman, Attorney

**EXHIBIT "A"**

The Property

PCN: 00-43-43-30-05-000-0050

# ATTACHMENT D

## Proposed Financing plan

Housing Finance Authority of Palm Beach County, Construction Loan of approximately \$6,070,000. Permanent loan of approximately \$2,200,000. We will pursue an allocation of Tax Exempt Bonds through the Palm Beach HFA. HTG has successfully closed several tax-exempt bond transactions with the HFA over the past 11 years and HTG has an excellent relationship with them. The HFA does have available allocation for a project anticipated to close in 2011. We anticipate credit enhancing the Bonds during the construction and lease up period through Citi Community Capital (letter attached). This would then convert to a permanent loan credit enhanced either through Citi again, or through HUD's 221(d)(4) program with Dougherty Markets (letter attached) acting as the lender.

Housing Credit Equity of \$2,640,084. With the Tax Exempt Bonds, we are also able to obtain the "automatic" 4% Federal Housing Credits. We anticipate generating \$367,045 in Annual Credits, and selling them for a reasonable \$0.72.

Neighborhood Stabilization Program 2 of \$7,200,000.

Other Financing \$750,000. As is customary and available in the Tax Credit industry, we will work to "layer" in additional smaller sources of funding once the primary source (NSP2) has been committed. Examples of other sources may be: HOME, SHIP, CDBG, Fee waivers, Federal Home Loan Bank Board's Affordable Housing Program, NeighborWorks, Florida Community Loan Fund, the Community Foundation, and TIF. We intend to request a waiver of Impact Fees under a new County resolution, which calls on the County Commission to consider such a waiver on a case-by-case basis. None of the above listed sources are solely critical to the economic viability of the project, but they will each benefit the development if available. In the unlikely event that sufficient additional financing is not available, we will look for cost savings in the Development Budget or defer additional Developer Fee in order to close the gap.

Deferred Developer Fee. We will defer the amount necessary in order to ensure that Sources always equal Uses.

### Tentative Time Schedule

It is HTG's desire to fast track the approval process. The following is a brief estimated timeline of major milestones

<i>Sign Contract with CRA</i>	<i>Oct, 2010</i>
<i>Submit Application for NSP2</i>	<i>Oct, 2010</i>
<i>Submit full package to PZ&amp;B</i>	<i>Oct, 2010</i>
<i>Award of NSP2</i>	<i>Jan., 2011</i>
<i>Submit Permit applications</i>	<i>Apr., 2011</i>
<i>Commence construction</i>	<i>July, 2011</i>
<i>Complete construction</i>	<i>June, 2012</i>

DEVELOPMENT SUMMARY

68 Res. Units, pool cabana, tot lot.					
Res Units Type	Number	%	AMI's		
1BR	8	11.76%	@ 30%	20.59%	
2BR	36	52.94%	@ 50%	0.00%	
3BR	24	35.29%	@ 60%	79.41%	
TOTAL	68	100.00%	Total Affordable	100.00%	
			Total Market	0.00%	

STABILIZED OPERATING PROJECTIONS

Max Gross Rent Utility Allowance							
Unit Type	# Units	Approx SF	2010	PHA ltr	Max Net Rent	Market Rent	Gross Potential Income
1br/1ba (30%)	8	704	413	91.00	322	322	30,912
2br/2ba (30%)	4	955	495	110.00	385	385	18,480
3br/2ba (30%)	2	1,173	572	134.00	438	438	10,512
1br/1ba (60%)	0	704	826	91.00	735	725	0
2br/2ba (60%)	32	955	991	110.00	881	800	307,200
3br/2ba (60%)	22	1,173	1,145	134.00	1,011	875	231,000
Gross Rental Income						733	598,104
W/D rental	\$30 /u/mo		75% penetration				18,360
Bulk cable	\$30 /u/mo		75% penetration				18,360
Other	\$10 /u/mo						8,160
Averages	68	68,164	Gross All Income				642,984
		1,002			733		
Vacancy & Collection Loss					7%		45,009
Effective Gross Income (EGI)							597,975
Operating Expenses							-392,879
			\$/u	\$/yr			
	Taxes		900	61,200			
	Insurance		400	27,200			
	Mgt Fee(5%)		440	29,899			
	Gen & Admin		400	27,200			
	Payroll		1200	81,600			
	Utilities		700	47,600			
	Bldg Svcs		400	27,200			
	Maint & Repai		500	34,000			
	Grounds		200	13,600			
	Emp Unit		154	10,500			
	Repl reserve		300	20,400			
	Security		184	12,480			
	Total		5,778	392,879	65.70%		
Net Operating Income							205,096

CASH FLOW / DSCR CALCULATION

Debt Service	<u>Amount</u>	<u>All-in rate</u>	<u>Amort</u>	<u>Constant</u>	
1st Mtg.	2,200,000	5.800%	40	6.886%	151,493
2nd Mtg	7,200,000	0.000%	NA	0.000%	0
3rd Mtg.	0	0.000%	NA	0.000%	0
Total					151,493
Annual Cash Flow					53,604
DSCR 1st Mortgage					1.354

50% Test	
HC basis (res only)	10,998,761
Land (res only)	1,138,950
Aggregate Basis of Bldg and Land	12,137,711
Min TE Bond Issue	6,070,000
Assumed bond amount for COI calc	6,070,000

ACTUAL FINANCING DETAILS

1st Mortgage PBHFA/FHA	5.350%
Dougherty Mortgage	0.250%
PBHFA & Trustee	0.200%
All-in rate	5.800%
MIP	0.450%
Amort Term	40.00
Constant	6.886%
DSCR	1.35
Loan Amount	2,200,000
Debt Service	151,493
2nd Mtg: Palm Beach County - NSP2	7,200,000
Pay rate	0.00%
FA Fees	0.000%
Debt Service	0
Net Annual Cash Flow	53,604



SOURCES

	Total	Per Unit	Per SF	
1st Mortgage PBHFA/FHA	2,200,000	32,353	32.28	17%
2nd Mtg: Palm Beach County - NSP2	7,200,000	105,882	105.63	55%
Housing Credit Equity	2,640,084	38,825	38.73	20%
Other grants or soft debt	750,000	11,029	11.00	6%
Deferred Developer Fee	346,998	5,103	5.09	3%
TOTAL SOURCES	13,137,082	193,192	192.73	100%

USES

		Total	Per Unit	Per SF	HC Eligible
Acquisition costs					
K-Beverage		648,875	9,542	9.52	
Cagno		336,375	4,947	4.93	
Theodossakos		-	-	-	
CRA Site C		153,700	2,260	2.25	
CRA Site A		-	-	-	
Total Land		1,138,950	16,749	16.71	
HARD COSTS					
Res All-in (per NSF)	100	6,816,400	100,241	100.00	6,816,400
Other		-	-	-	
Other		-	-	-	
Contingency	5%	340,820	5,012	5.00	340,820
Total Hard		7,157,220	105,253	105.00	7,157,220
FINANCING COSTS					
COI TE Bond Loan	6%	364,200	5,356	5.34	18,210
Interest - 1st	6,070,000	446,145	6,561	6.55	267,687
Interest - Other		-	-	-	-
Orig. (1pt Cons, 1/2pt Perm.)		60,700	893	0.89	-
TOTAL FINANCE		871,045	12,809	12.78	285,897
SOFT COSTS					
Accounting		25,000	368	0.37	25,000
Appraisal/Market Study		15,000	221	0.22	15,000
Architect Design		102,000	1,500	1.50	102,000
Architect Supervision		15,000	221	0.22	15,000
Building Permit Fees		40,800	600	0.60	40,800
Engineering Fee		81,600	1,200	1.20	81,600
Environmental report		5,000	74	0.07	5,000
FF & E, Mgt. Setup		50,000	735	0.73	50,000
FHFC Admin		42,000	618	0.62	42,000
FHFC App Fee		4,500	66	0.07	4,500
FHFC Compliance Fee		40,000	588	0.59	
FHFC CU Fee		19,831	292	0.29	19,831
Impact Fees		465,727	6,849	6.83	465,727
Inspection Fees		15,000	221	0.22	15,000
Insurance (Bldrs Risk)		71,572	1,053	1.05	71,572
Insurance (1st yr. Oper.)		27,200	400	0.40	
Land Planner		40,000	588	0.59	40,000
Legal - Land Use		75,000	1,103	1.10	75,000
Legal - RE and Loan Closings		75,000	1,103	1.10	75,000
Marketing - Office, Ads		20,400	300	0.30	
Misc Consultants		50,000	735	0.73	50,000
Other Municipal Fees		25,000	368	0.37	25,000
Permit Fees - Other		5,000	74	0.07	5,000
Property Taxes		20,000	294	0.29	20,000
Reserve - Lease up period		54,437	801	0.80	
Reserve-6 mos Op Ex + DS		272,186	4,003	3.99	
Soil Test Reports		7,500	110	0.11	7,500
Survey		20,000	294	0.29	20,000
Title/Recording/Doc Stamps		61,200	900	0.90	61,200
Utility Connections		306,000	4,500	4.49	306,000
Soft Cost Contingency (3%)		87,690	1,290	1.29	87,690
TOTAL SOFT		2,139,644	31,465	31.39	1,725,421
SUBTOTAL		11,306,859	166,277	165.88	9,168,538
DEVELOPER FEE					
(FHFC max=18%)		1,830,224	26,915	26.85	1,830,224
TOTAL DEVELOPMENT COST		13,137,082	193,192	192.73	10,998,761

HOUSING CREDIT CALCULATION:

Elig Basis	10,998,761		
DDA/QCT	Yes		
Applicable Fraction	76.40%		
Qual Basis	10,923,970		
Housing Credit %	3.36%		
Annual request	367,045	Max by Basis	367,045
Aggregate Amount	3,670,454		
% to Investor (99.9)	3,666,783		
Price	\$0.720		
Net Equity	2,640,084		

Westgate - Pre-Project Development Budget

Dated: 07/27/10

		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P	Column Q		
	Total	Pd to date	Cost incurred but not drawn for thru 7/6/10		Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Total	Comment/Status
USES																				
Acquisition costs																				
K-Beverage	648,875	6,600					10,000	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	34,750	Deposits starting in September are hard and will only be made if HTG/Konover is comfortable doing so. Otherwise, we will negotiate an extension.
Cagno	336,375	3,400					5,000	850	850	850	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,950	
Theodosiakos	0	5,000				(5,000)													-	
CRA Site C	153,700																		-	
CRA Site A																			-	
Total Land	1,138,950	15,000	-	-	(5,000)		15,000	2,500	2,500	2,500	6,650	6,650	6,650	6,650	6,650	6,650	6,650	6,650	85,700	
HARD COSTS																				
Total Hard	7,157,220	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
FINANCING COSTS																				
COI TE Bond Loan	364,200										35,000	50,000							85,000	
Interest - 1st	446,145																		-	
Interest - Other	-																		-	
Orig. (1pt Cons, 1/2pt Perm.)	60,700																		-	
Loan Costs - Other	-																		-	
TOTAL FINANCE	871,045	-	-	-	-	-	-	-	-	-	35,000	50,000	-	-	-	-	-	-	85,000	
SOFT COSTS																				
Accounting	25,000																		-	
Appraisal/Market Study	15,000																		15,000	
Architect Design	102,000	5,000			3,000	4,500			15,000	15,000	15,000	10,000	10,000						77,500	Tseng
Architect Supervision	15,000																		-	
Building Permit Fees	40,800																		20,400	
Engineering Fee	81,600				2,550				15,000	15,000	10,000	5,000	5,000						52,550	Engenuity drainage stmt., PTC traffic
Environmental report	5,000					1,500			2,500										4,000	
FF & E, Mgt. Setup	50,000																		-	
FHFC Admin	42,000																		-	
FHFC App Fee	4,500																		-	
FHFC Compliance Fee	40,000																		-	
FHFC CU Fee	19,831																		-	
Impact Fees	465,727																		-	
Inspection Fees	15,000																		-	
Insurance (Bldrs Risk)	71,572																		-	
Insurance (1st yr. Oper.)	27,200																		-	
Land Planner	40,000	5,880			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000						50,880	
Legal - Land Use	75,000								1,000	1,000	1,000	1,000	1,000	1,000					6,000	
Legal - RE and Loan Closings	75,000				750	2,500			1,000	1,000	1,000	1,000	1,000						9,250	
Marketing - Office, Ads	20,400																		-	
Misc Consultants	50,000								1,000	1,000	1,000	1,000	1,000	1,000	1,000				8,000	
Other Municipal Fees	25,000	1,500				12,500							2,500						16,500	Rezoning submission fees est., awaiting actual, due 7/2
Permit Fees - Other	5,000											5,000							5,000	
Property Taxes	20,000																		-	
Reserve - Lease up period	54,437																		-	
Reserve-6 mos Op Ex + DS	272,186																		-	
Soil Test Reports	7,500								7,500										7,500	
Survey	20,000				2,100	2,100					5,000								14,200	
Title/Recording/Doc Stamps	61,200					1,000													1,000	
Utility Connections	306,000												25,000						25,000	
Soft Cost Contingency (3%)	87,690	676				500	500	500	500	500	500	500	500	500	500	500	500	500	7,176	
TOTAL SOFT	2,139,644	13,056	-	-	13,400	29,600	5,500	48,500	38,500	48,500	28,500	49,900	36,000	6,500	1,500	500	500	500	319,956	
SUBTOTAL	11,306,859	28,056	-	-	13,400	24,600	20,500	51,000	41,000	51,000	70,150	105,550	42,650	13,150	8,150	7,150	7,150	7,150	490,656	
DEVELOPER FEE (FHFC max=18%)																				
TOTAL DEVELOPMENT COST-CUM	13,137,082	28,056	28,056		41,456	66,056	86,556	137,556	178,556	229,556	299,706	405,256	447,906	461,056	469,206	476,356	483,506	490,656	490,656	

Westgate - Pre-Project Development Budget

Dated: 07/27/10

		Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
			Cost incurred but not drawn for thru 7/6/10						
RECAP OF COSTS vs PAID	Total	Pd to date		Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Summary of Expenditures									
A Return of Land Deposits					(5,000)				
B Incurred		28,056	-	13,400	29,600	20,500	51,000	41,000	51,000
C Amt to be paid - previously incurred			-	-					
D Amount to paid - current		28,056	-	13,400	24,600	20,500	30,600	24,600	30,600
E Due to be included in next draw		-	-						
F Net out of pocket cumulative		28,056	28,056	41,456	61,056	81,556	112,156	136,756	167,356

NOTE: The very earliest of approval of NSP2 funding may be September 2010. If the approval of funding is delayed all costs will shift forward accordingly.

CAPITAL EXPENDITURES (The following is projected monthly capital expenditures to be paid per month and cumulative net expenditures (net of returns of refundable deposits). If for any reason ownership decided not to proceed, the deferred cumulative amount will be negotiated with the trade and professional vendors at a crash price discount.)

		(15,000)	(15,000)	(15,000)	(10,000)	(25,000)	(27,500)	(30,000)	(32,500)
G Return of Refundable Deposits									
H Costs to be paid (Row E)			-						
I NET EXPENDITURES CUMULATIVE (E+F+G)		13,056	13,056	26,456	51,056	56,556	84,656	106,756	134,856
J Deferred Amount per month (B) - (D + E)			-	-	5,000	-	20,400	16,400	20,400
Deferred Cumulative Amount				-	5,000	5,000	25,400	41,800	62,200

Notes:

- Amounts due and owed at the time the deal is abandoned will either be written-off or deferred to the greatest extent possible by all vendors.
- Column B of the schedule are for costs incurred as of July 6, 2010, but have not been drawn for, 60% of the \$39,630 will be included in the July Draw to be paid \$23,778. The remaining 40% is being deferred to a later time, the deferred amount is \$15,852.

Westgate Commons, preliminary  
15 Year Income, Expenses, and Occupancy Projection

15 Year Income, Expenses, and Occupancy Projection			Trends:		Income:		2.0% Expenses:		3.0%		
			Year 1	2	3	4	5	6	7	8	9
Revenue											
Gross Potential Rental Revenue			598,104	610,066	622,267	634,713	647,407	660,355	673,562	687,033	700,774
Other Income:											
W/D rental			18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512
Cable TV			18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512
Alarm			0	0	0	0	0	0	0	0	0
Other			8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561
Total Revenue			642,984	655,844	668,961	682,340	695,987	709,906	724,104	738,587	753,358
Less:											
Vacancy Loss - 4%			25,719	26,234	26,758	27,294	27,839	28,396	28,964	29,543	30,134
Collection Loss - 1%			6,430	6,558	6,690	6,823	6,960	7,099	7,241	7,386	7,534
Total Effective Gross Revenue			610,835	623,051	635,513	648,223	661,187	674,411	687,899	701,657	715,690
Expenses:											
Fixed:											
Taxes 900			61,200	63,036	64,927	66,875	68,881	70,948	73,076	75,268	77,526
Insurance 400			27,200	28,016	28,856	29,722	30,614	31,532	32,478	33,453	34,456
Variable:											
Mgt Fee(4 440			29,899	30,796	31,720	32,671	33,651	34,661	35,701	36,772	37,875
Gen & Ac 400			27,200	28,016	28,856	29,722	30,614	31,532	32,478	33,453	34,456
Payroll 1200			81,600	84,048	86,569	89,167	91,842	94,597	97,435	100,358	103,368
Utilities 700			47,600	49,028	50,499	52,014	53,574	55,181	56,837	58,542	60,298
Bldg Svcs 400			27,200	28,016	28,856	29,722	30,614	31,532	32,478	33,453	34,456
Maint & F 500			34,000	35,020	36,071	37,153	38,267	39,415	40,598	41,816	43,070
Grounds 200			13,600	14,008	14,428	14,861	15,307	15,766	16,239	16,726	17,228
Emp Unit 154			10,500	10,815	11,139	11,474	11,818	12,172	12,538	12,914	13,301
Repl reser 300			20,400	21,012	21,642	22,292	22,960	23,649	24,359	25,089	25,842
Security 184			12,480	12,854	13,240	13,637	14,046	14,468	14,902	15,349	15,809
Total Expenses 5,778			392,879	404,665	416,805	429,309	442,189	455,454	469,118	483,191	497,687
Net Operating Income			217,956	218,386	218,707	218,914	218,999	218,957	218,781	218,466	218,003
Debt Service Payments											
First Mortgage (All-in)			151,493	151,493	151,493	151,493	151,493	151,493	151,493	151,493	151,493
Second Mortgage			0	0	0	0	0	0	0	0	0
Third Mortgage			0	0	0	0	0	0	0	0	0
Total Debt Service Payments			151,493	151,493	151,493	151,493	151,493	151,493	151,493	151,493	151,493
Cash Flow Over HARD debt			66,463	66,894	67,215	67,421	67,506	67,464	67,289	66,973	66,510
Debt Service Coverage Ratios											
Debt Service Coverage - First Only			1.44	1.44	1.44	1.45	1.45	1.45	1.44	1.44	1.44

10	11	12	13	14	15
714,790	729,085	743,667	758,540	773,711	789,186
21,942	22,381	22,828	23,285	23,751	24,226
21,942	22,381	22,828	23,285	23,751	24,226
0	0	0	0	0	0
9,752	9,947	10,146	10,349	10,556	10,767
768,425	783,794	799,470	815,459	831,768	848,404
30,737	31,352	31,979	32,618	33,271	33,936
7,684	7,838	7,995	8,155	8,318	8,484
730,004	744,604	759,496	774,686	790,180	805,984
79,852	82,248	84,715	87,257	89,874	92,570
35,490	36,555	37,651	38,781	39,944	41,142
39,011	40,181	41,387	42,628	43,907	45,225
35,490	36,555	37,651	38,781	39,944	41,142
106,469	109,664	112,953	116,342	119,832	123,427
62,107	63,970	65,890	67,866	69,902	71,999
35,490	36,555	37,651	38,781	39,944	41,142
44,362	45,693	47,064	48,476	49,930	51,428
17,745	18,277	18,826	19,390	19,972	20,571
13,700	14,111	14,534	14,970	15,420	15,882
26,617	27,416	28,238	29,086	29,958	30,857
16,284	16,772	17,275	17,793	18,327	18,877
512,618	527,996	543,836	560,151	576,956	594,264
217,386	216,608	215,660	214,535	213,224	211,719
151,493	151,493	151,493	151,493	151,493	151,493
0	0	0	0	0	0
0	0	0	0	0	0
151,493	151,493	151,493	151,493	151,493	151,493
65,894	65,115	64,167	63,042	61,731	60,226
1.43	1.43	1.42	1.42	1.41	1.40



April 22, 2010

Housing Trust Group  
750 Malibu Bay Dr.  
West Palm Beach, FL 33401  
Attn: Shawn Wilson

Re: Westgate Commons – Palm Beach County, FL (the "Property")

Dear Mr. Wilson:

Please be advised the Citi Community Capital or an affiliate thereof ("CITP") hereby presents its Letter of Interest to provide construction and permanent financing in connection with the above referenced Property assuming an allocation of tax-exempt bonds ("Bonds") and low income housing tax credits (the "LIHTCs") is awarded.

**Preliminary Loan Terms**

**Transaction  
Summary:**

Citibank, N.A. or an affiliate thereof ("CITP" or "Lender") proposes to provide a tax-exempt loan facility (the "Funding Loan") to the Palm Beach County Housing Finance Authority ("HFA") who will in turn make a loan (the "Loan") to the Borrower. This Funding Loan is an alternative to a tax-exempt bond issuance but is anticipated to enable the Borrower to obtain the as of right 4% Low Income Housing Tax Credits ("LIHTC").

There will be two separate phases to the financing. All construction work and stabilization must be completed during the construction phase (the "Interim Phase") as further described below. After the work has been completed and the Property has stabilized, the Borrower will submit a request to convert ("Conversion") to the permanent phase (the "Permanent Phase").

**Property:**

100 new construction units to be located on Westgate Avenue (South of Okeechobee Blvd.) in unincorporated West Palm Beach, Florida.

**Set-Asides:**

It is anticipated that approximately 25% of the units will have rents and incomes restricted at 30% of Area Median Income ("AMI"), 30% of the units will have rents and incomes restricted at 50% of AMI and 45% of the units will have rents and incomes restricted at 60% of AMI.

- Borrower:** A single asset, tax credit limited partnership or limited liability company whose General Partner(s) or Managing Member is an affiliate of Housing Trust Group. The Borrower must be acceptable to CITI.
- Guarantor(s):** To be determined and affiliated with Housing Trust Group. The Guarantor(s) must be acceptable to CITI in all respects.
- Loan Security:** The Funding Loan will be secured by First lien mortgage in favor of HFA, assigned to CITI, UCC filings on personal property and assignment of leases and rents, assignment of capital contributions and equity interests and assignment of contracts, licenses and permits.
- Interim Phase**
- Interim Phase Loan Amount:** \$8,870,000 (the "Loan Amount" or "Commitment Amount").
- Interim Phase Term:** 30 months, plus one 6-month extension option.
- Interim Phase Interest Reserve:** Calculated at the CITI Interim Phase Interest Rate (as defined herein). The Interest Reserve must be appropriately sized and acceptable to CITI in all respects.
- Interim Phase Contingencies:** All project sources and uses are subject to CITI approval and shall include a hard cost contingency of no less than 5% of hard costs for new construction, and a soft cost contingency of no less than 5% of soft costs (exclusive of financing costs and costs already paid).
- General Contractor Bonding Requirements:** The general contractor and general contract must be acceptable to CITI. CITI will require bonding of the general contractor or the major sub-contractors, or a 10% letter of credit of hard costs, in all cases, from an institution acceptable to CITI.
- Availability:** The loan shall remain "in balance" during the Interim Phase. "In balance" means the incremental funds available from the sale of the tax credits plus loan proceeds, subordinate loan proceeds and Borrower's equity (if required) are sufficient to complete the Project and convert the loan to the Permanent Phase.
- Retainage:** 10% of each construction draw will not be advanced until the completion of construction, or completion time as defined in the Construction Contract, as approved by CITI. Subject to approval by CITI's engineer during due diligence, CITI may consider the acceptance of retainage of 10% of each draw until 50% completion, thereafter 5% will be retained. All retained amounts will be released upon lien-free completion of construction, or comparable time as defined in the construction contract, as approved by CITI.



**Interim Phase**

**Guarantees:** Completion, Operating Deficit and Repayment Guarantees required from the Borrower and the Guarantor(s).

**Interim Phase Interest**

**Rate:** During the Interim Phase, the interest rate shall be a fixed rate of 6.75%. This rate does not include Issuer, Trustee, or misc. third party fees. It is anticipated that the loan will utilize a monthly drawdown structure and be interest only for the entire 36 month term (with extensions). Rates are subject to change until the rate is locked at Closing.

**Additional Collateral:** To be determined

**Permanent Phase**

**Permanent Phase  
Loan Amount:** \$2,730,000

**Permanent Phase  
Term:** 18 years from conversion (but no longer than 21 years from the start of construction)

**Permanent Phase  
Loan Amortization:** 35 years

**Permanent Phase  
Min Debt Service  
Coverage:** 1.25

**Permanent Phase  
Max LTV:** 80%

**Permanent Phase  
Interest Rate:** During the Permanent Phase, the interest rate shall be a fixed rate of 6.75%. This rate does not include Issuer, Trustee, or misc. third party fees. The Interest Rate is subject to change until the rate is locked at Closing.

**Permanent Phase  
Pre-Payment Penalty:** Yield Maintenance penalty starting at Closing and continuing for the first 15 years of the Permanent Phase.

**Conversion to  
Permanent Phase  
Requirements:** Conversion requirements include completion of construction and 90% physical occupancy for 90 continuous days. CITI will review the Property's net operating income prior to Conversion to ensure that the Property's operating performance meets the pre-defined requirements that will be detailed in the Commitment.

**Permanent Phase  
Guarantees:**

None, except for industry standard carve outs ("Carve Outs"). Carve Outs to include guarantees against fraud, misrepresentation, bankruptcy and environmental issues.

**Permanent Phase  
Assumability:**

Subject to CITI's prior written approval and payment of an Assumption Fee of 1.00% of the unpaid principal balance of the Loan. Each request for approval must be accompanied by a \$3,000 non-refundable Review Fee.

**Fees & Costs**

**Application Fee:**

A \$25,000 application fee ("Application Fee") is due upon acceptance of a loan application. The Application Fee will be applied against expenses incurred in the processing of the loan, including, as applicable, appraisal, environmental report, engineering report/plan and specification analysis, preliminary title report, market study, and miscellaneous underwriting costs. Borrower is responsible for the payment of all reasonable costs incurred in connection with the underwriting, processing and/or closing of the loan (including CITI legal fees).

**Commitment Fee:**

2.00% of the Interim Phase Loan Amount (the "Commitment Fee")

**Lenders**

**Counsel:**

Estimated to be \$75,000

**Conversion Fee:**

\$10,000

**Other Costs and Fees:**

Borrower is responsible for the costs of the survey, title insurance premium, hazard insurance policy premiums, tax escrow fees and all normal and customary loan closing expenses. Borrower is responsible for costs and fees associated with closing of the tax-exempt Funding Loan, including fees of HFA, bond counsel, any paying agent or disbursement agent, financial advisor or other party engaged by or at the direction of HFA in connection with the transaction.

**Other**

**Taxes and Insurance:**

Real estate taxes and insurance premiums must be accounted for in the Interim Phase budget. Commencing upon Conversion, real estate taxes and insurance premiums must be escrowed with CITI or the designated loan servicer (the "Servicer") on a monthly prorated basis at an amount sufficient to enable the Servicer to pay (at least 30 days before due) all taxes, assessments, insurance premiums or other similar charges affecting the Property

**Replacement  
Reserve:**

Upon Conversion, the Borrower will be required to fund a Replacement Reserve at a level of \$300/unit/year for the first five years following Conversion. Five years following Conversion (and each subsequent five years thereafter), the Replacement Reserve level will be determined by a Physical Needs Assessment acceptable to CITI.

**Operating Deficit  
Reserve:**

To be determined

**Availability of**

**Tax-Exempt Bond Cap:** Prior to closing, CITI must receive evidence from HFA acceptable to CITI that private activity bonds have been fully allocated at the required amounts for the Properties.

**Tax Credit Equity:**

To be determined. The tax credit equity syndicator, investor and pay-in schedule are subject to review and approval by CITI.

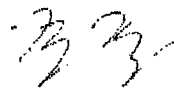
**Sub Debt:**

Any and all subordinate financing must be acceptable to CITI in all respects.

This Letter of Interest is an indication of our proposal to provide a Loan to Borrower. It is understood and agreed that this Letter of Interest does not, in any manner, constitute a loan commitment. The Commitment will be forthcoming only after approval of the underwriting by CITI's loan committee. The Commitment, if issued, will be in separate writing and will contain terms and conditions that may be in addition to or in substitution of those set forth in this Preliminary Term Sheet.

Should you have any questions, please don't hesitate to call me at (561)206-2776.

Sincerely,  
Citi Community Capital



Barry B. Krinsky  
Director

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in the Commitment and the Loan Documents. This Term Sheet is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital nor does it obligate CITI to enter into such a commitment, nor is CITI acting as a fiduciary to you.

Prior to entering into any transaction, you should determine, without reliance upon us or our affiliates, the economic risks and merits (and independently determine that you are able to assume these risks) as well as the legal, tax and accounting characterizations and consequences of any such transaction. In this regard, by accepting this Preliminary Application, you acknowledge that (a) we are not in the business of providing (and you are not relying on us for) legal, tax or accounting advice, (b) there may be legal, tax or accounting risks associated with any transaction, (c) you should receive (and rely on) separate and qualified legal, tax and accounting advice and (d) you should apprise senior management in your organization as to such legal, tax and accounting advice (and any risks associated with any transaction) and our disclaimer as to these matters. By acceptance of this Preliminary Application, you and we hereby agree that from the commencement of discussions with respect to any transaction, and notwithstanding any other provision in this Preliminary Application, we hereby confirm that no participant in any transaction shall be limited from disclosing the U.S. tax treatment or U.S. tax structure of such Transaction.

IRS Circular 230 Disclosure: Citigroup, Inc. and its affiliates do not provide tax or legal advice. Any discussion of tax matters in this Term Sheet(i) is not intended or written to be used, and cannot be used or relied upon, by you for the purpose of avoiding any tax penalties and (ii) may have been written in connection with the "promotion or marketing" of the transaction. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

We are required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with us. We will ask for your complete name, street address, and taxpayer ID number. We may also request corporate formation documents, or other forms of identification, to verify information provided.

Any prices or levels contained herein are preliminary and indicative only and do not represent bids or offers. These indications are provided solely for your information and consideration, are subject to change at any time without notice and are not intended as a solicitation with respect to the purchase or sale of any instrument. The information contained in this Term Sheet may include results of analyses from a quantitative model which represent potential future events that may or may not be realized, and is not a complete analysis of every material fact representing any product. Any estimates included herein constitute our judgment as of the date hereof and are subject to change without any notice. We and/or our affiliates may make a market in these instruments for our customers and for our own account. Accordingly, we may have a position in any such instrument at any time.

CITI maintains a policy of strict compliance to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued by the Federal Reserve Board implementing the anti-tying rules (collectively, the "Anti-tying Rules"). Moreover, our credit policies provide that credit must be underwritten in a safe and sound manner and be consistent with Section 23B of the Federal Reserve Act and the requirements of federal law. Consistent with these requirements and our Anti-tying Policy:

- The extension of commercial loans or other products or services to you by Citibank, N.A. ("Citibank") or any of its subsidiaries will not be conditioned on your taking other products or services offered by Citibank or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the Anti-tying Rules.
- We will not vary the price or other terms of any product or service offered by Citibank or its subsidiaries on the condition that you purchase another product or service from Citibank or any CITI affiliate, unless we are authorized to do so under an exception to the Anti-tying Rules.
- We will not require you to provide property or services to Citibank or any affiliate of Citibank as a condition to the extension of a commercial loan to you by Citibank or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan.
- We will not require you to refrain from doing business with a competitor of CITI or any of its affiliates as a condition to receiving a commercial loan from Citibank or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the loan.

Although this material may contain publicly available information about CITI corporate bond research or economic and market analysis, CITI policy (i) prohibits employees from offering, directly or indirectly, a favorable or negative research opinion or offering to change an opinion as consideration or inducement for the receipt of business or for compensation; and (ii) prohibits analysts from being compensated for specific recommendations or views contained in research reports. So as to reduce the potential for conflicts of interest, as well as to reduce any appearance of conflicts of interest, CITI has enacted policies and procedures designed to limit communications between its investment banking and research personnel to specifically prescribed circumstances.

# DOUGHERTY MORTGAGE LLC

April 22, 2010

Mr. Shawn Wilson  
Housing Trust Group, LLC  
750 Malibu Bay Drive  
West Palm Beach, FL 33401

Re: A to be formed limited partnership ("Borrower")  
Westgate Commons, Phase I ("Project")  
2471 & 2636 Westgate Avenue  
West Palm Beach, FL ("Address")  
Number of Units: 100  
Proposed Loan Amount: \$2,740,000 ("Loan")

Dear Mr. Wilson:

Based on our review of information you have submitted, and based on our preliminary underwriting, we are pleased to advise you that Dougherty Mortgage LLC, a Delaware Limited Liability Company (the "Lender"), hereby agrees to use its best efforts to obtain a firm commitment for mortgage **insurance upon completion** for the Project, from the United States Department of Housing and Urban Development ("HUD") acting by and through the Federal Housing Commissioner under the provisions of Section 221(d)(4) of the National Housing Act. Subsequent to the receipt of the Firm Commitment, Dougherty agrees to provide a GNMA Security for the purpose of providing credit enhancement for tax-exempt housing bonds to be issued (the "Loan") to a to be formed limited partnership ("**Borrower**"), which will be insured by HUD and subject to all of the terms and conditions contained herein and in HUD's Firm Commitment for permanent financing of the Project. The making of the Loan is expressly made in reliance upon all information and materials to be furnished by the Borrower. Dougherty and Borrower understand and agree to the following terms and conditions and as further described on Exhibit "A" attached hereto:

1. The Project is a to-be-built low-income housing tax credit apartment facility located at the above-referenced Project Address. It is understood that Borrower is seeking an allocation of private activity bonds and 4% Low Income Housing Tax Credits from the Housing Finance Authority of Palm Beach County.
2. Subject to the Borrower providing all required documentation, Dougherty, in its capacity as an approved FHA mortgagee, will assist the Borrower in the development of any and all exhibits to the submissions, and shall act as liaison between HUD and the Borrower to facilitate processing of the application.
3. The Loan will be secured by a first lien encumbering the Project which will also be insured by the Federal Housing Administration ("FHA").

90 SOUTH SEVENTH STREET • SUITE 4300 • MINNEAPOLIS, MINNESOTA 55402.4108  
612.317.2100 • 866.922.0786

4. It is understood that should the Borrower obtain funds in the form of grants and loans from HUD and other public entities as additional sources of financing, and that all such grants and loans will be subject to HUD requirements and the documents for the non-HUD fundings must be approved by HUD prior to initial closing.
5. The loan will be funded by a third-party investment banking firm which will issue private-activity tax-exempt revenue bonds, to be sold to an investor or investors, and which will be backed by either one or more Government National Mortgage Association mortgage-backed securities ("GNMA Securities") issued by Dougherty.
6. Dougherty's financing fee for the issuance of the Firm Commitment and funding of the loan shall be equal to two percent (2.0%) of the final loan amount, which shall be fully earned upon the Borrower's acceptance of the Firm Commitment and of Dougherty's Loan Commitment, and which shall be due and payable in two installments: 1.5% at the initial closing of the bonds which will fund the construction costs of the Project, and .5% at final endorsement, when the construction loan converts to the permanent Loan, the FHA mortgage insurance is put in place, and the GNMA Securities are issued.
7. Borrower will pay all expenses incurred incident to the transaction described hereinabove, including but not limited to: charges for market studies, appraisal fees, environmental consultants fees, title examination and insurance costs, recording and filing fees, closing costs, escrow fees, mortgage registration taxes, recording fees, bond and insurance premiums and any other fees, expenses and costs incurred by Dougherty, including but not limited to a fee estimated to be in the amount of \$35,000.00 to cover Dougherty's attorney's fees and expenses. Dougherty is authorized, at its option, to pay and deduct from the proceeds of the financing the aforementioned items, fees, expenses and costs.
8. Upon closing of the loan, Dougherty will be the mortgage loan servicer, in conjunction with the bond trustee.

Dougherty's ability to issue a loan commitment ("Dougherty Loan Commitment") is subject to receipt of the Firm Commitment from HUD. Dougherty shall not be under any obligation to make a loan to the Borrower until receipt of the Firm Commitment, countersignature by the Borrower of the Firm Commitment, execution of Dougherty's Loan Commitment and payment of all required fees. If Dougherty finds any or all of the terms and conditions of the firm commitment or any of the HUD requirements unacceptable, Dougherty may elect not to issue a Loan Commitment to the Borrower and shall have no obligation to loan funds to the Borrower. Dougherty will coordinate and arrange for closing of the loan in accordance with the Firm Commitment and Dougherty Loan Commitment.


Mr. Shawn Wilson  
April 22, 2010  
Page 3

Please return one fully executed original of this letter as indication of your acceptance of these terms. Upon your acceptance of this proposal letter, a detailed checklist will be forwarded requesting the remaining necessary documentation.

Please contact me directly with any questions or concerns. Thank you.

Sincerely,

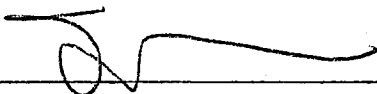
Dougherty Mortgage LLC

By: 

Ned Foster  
Its: Vice President

ACCEPTED AND AGREED THIS 23  
DAY OF April, 2010.

Housing Trust Group, LLC Shawn Wilson

By: 

Its: Vice Pres.

EXHIBIT "A"

WESTGATE COMMONS

Borrower: \_\_\_\_\_, LLC

Premises: Westgate Commons  
\_\_\_\_\_ Avenue  
West Palm beach, FL

Term: 40 Years, to be closed following Project completion

Loan Amount: \$2,740,000.00

Additional HUD Loan: N/A

Dougherty Fees:

Mortgage Banker:	2% of Loan Amount
GNMA Security Fee:	None
Mortgage Banker Legal:	\$35,000.00 (estimate)
Application Fee:	\$3,500.00 (non-refundable)
Third Party Reports:	
Due @ Firm Application: \$25,000.00 (estimate, to be updated with bids)	

HUD Fees:

HUD Application Fee:	0.30% of Loan Amount
HUD Inspection Fee:	0.50% of Loan Amount
HUD MIP:	0.45% of Loan Amount per year 0.90% due at closing

Good Faith Deposit: Not typically required on a bond transaction



EXHIBIT "A"

WESTGATE COMMONS

Borrower: a to be formed Limited partnership

Premises: Westgate Commons  
2471 & 2636 Westgate Avenue  
West Palm Beach, FL

Term: 40 Years, to be closed following Project completion

Loan Amount: \$2,740,000.00

Additional HUD Loan: N/A

Dougherty Fees:

Mortgage Banker:	2% of Loan Amount
GNMA Security Fee:	None
Mortgage Banker Legal:	\$35,000.00 (estimate)
Application Fee:	\$3,500.00 (non-refundable)
Third Party Reports:	
Due @ Firm Application: \$25,000.00 (estimate, to be updated with bids)	

HUD Fees:

HUD Application Fee:	0.30% of Loan Amount
HUD Inspection Fee:	0.50% of Loan Amount
HUD MIP:	0.45% of Loan Amount per year 0.90% due at closing

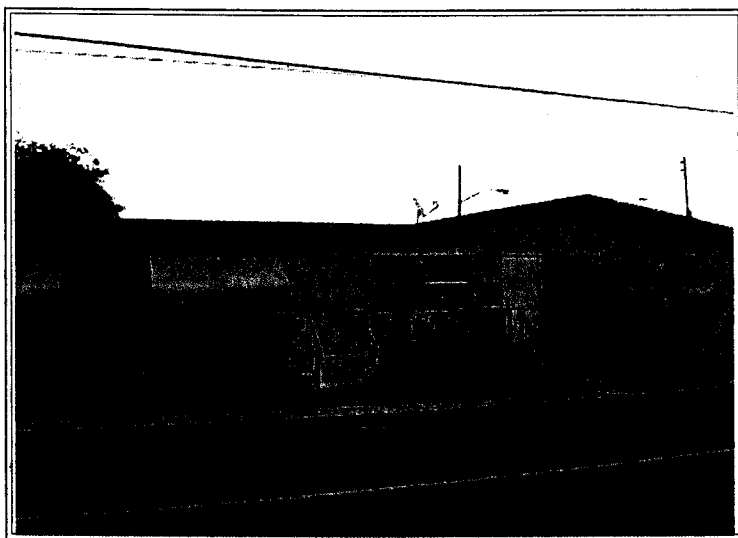
Good Faith Deposit: Not typically required on a bond transaction

# ATTACHMENT E

JENKINS APPRAISAL SERVICES, INC.  
5730 CORPORATE WAY #120, WEST PALM BEACH, FL 33407

File No. 0139

## APPRAISAL OF



A 3-UNIT MULTIFAMILY PROPERTY

## LOCATED AT:

2471 WESTGATE AVENUE  
WEST PALM BEACH, FL 33409

## FOR:

WEST GATE CRA  
100 AUSTRALIAN AVENUE, SUITE 410  
WEST PALM BEACH, FL 33406

## BORROWER:

N/A

## AS OF:

September 3, 2010

## BY:

CHARLES DIAMOND  
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER #RZ3404

Phone: 561-640-4059 Facsimile: 561-640-8183

COMPLETE SUMMARY REPORT

Small Residential Income Property Appraisal Report

File No. 0139

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 **2471 WESTGATE AVENUE** City **WEST PALM BEACH** State **FL** Zip Code **33409**

Borrower **N/A** Owner of Public Record **WESTGATE/BELVEDERE HOMES CRA** County **PALM BEACH**

Legal Description **TRACT E, SHARONS REPLAT OF PART OF BLOCK 30, OF WEST GATE ESTATES, PB 15, PG 64**

Assessor's Parcel # **00-43-43-30-05-000-0050** Tax Year **2010** R.E. Taxes \$ **2,357.00**

Neighborhood Name **WESTGATE** Map Reference **43-43-30** Census Tract **29.00**

Occupant ☐ Owner ☒ Tenant ☐ Vacant Special Assessments \$ **N/A** ☐ PUD HOA \$ **N/A** ☐ per year ☐ per month

Property Rights Appraised ☒ Fee Simple ☐ Leasehold ☐ Other (describe)

Assignment Type ☒ Purchase Transaction ☐ Refinance Transaction ☐ Other (describe)

Lender/Client **WEST GATE CRA** Address **100 AUSTRALIAN AVENUE, SUITE 410, WEST PALM BEACH, FL 33406**

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). **SUBJECT IS NOT CURRENTLY LISTED WITH THE MLS AND HAS NOT BEEN LISTED WITH MLS WITHIN PREVIOUS TWELVE MONTHS.**

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.  
**APPRaiser WAS PROVIDED AN UNSIGNED, UNDATED CONTRACT FOR PURCHASE OF THE SUBJECT FOR \$153,700.**

Contract Price \$ **N/A** Date of Contract **N/A** Is the property seller the owner of public record? ☒ Yes ☐ No Data Source(s) **P. RECORDS**

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. **N/A** **NONE NOTED**

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics		2-4 Unit Housing Trends		2-4 Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input checked="" type="checkbox"/> Declining	PRICE	AGE	One-Unit	55 %
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	25 %
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	25 Low	NEW	Multi-Family	0 %
Neighborhood Boundaries <b>See Attached Addendum</b>				200 High	80	Commercial	10 %
				50-150 Pred	20-50	Other VACANT	10 %
Neighborhood Description <b>See Attached Addendum</b>							
Market Conditions (including support for the above conclusions) <b>See Attached Addendum</b>							

Dimensions **78.78' X 115' (SURVEY)** Area **9060 Sq.Ft.** Shape **RECTANGULAR** View **AVG/RESIDENT**

Specific Zoning Classification **CN** Zoning Description **NEIGHBORHOOD COMMERCIAL**

Zoning Compliance ☐ Legal ☒ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? ☒ Yes ☐ No If No, describe. **THE SUBJECT IS ZONED FOR COMMERCIAL USE. THE CURRENT USE, IMPROVED AS A TRIPLEX, IS AN INTERIM USE.**

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>

FEMA Special Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone "B" FEMA Map # **120192 0155 B** FEMA Map Date **10/15/82**

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.

GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition		INTERIOR materials/condition	
Units	<input type="checkbox"/> Two <input checked="" type="checkbox"/> Three <input type="checkbox"/> Four	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space		Foundation Walls	<b>CONCRETE/AVG</b>	Floors	<b>TILE/VYNL/AVG</b>
<input type="checkbox"/> Accessory Unit (describe below)		<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls	<b>CBS/AVG</b>	Walls	<b>PLASTER/AVG</b>
# of Stories <b>1</b>	# of bldgs. <b>1</b>	Basement Area	<b>0 sq. ft.</b>	Roof Surface	<b>COMP.SHIN/AVG</b>	Trim/Finish	<b>PTD.WD/AVG</b>
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit		Basement Finish	<b>N/A %</b>	Gutters & Downspouts	<b>PARTIAL/AVG</b>	Bath Floor	<b>CERAM/AVG</b>
<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		Window Type	<b>SH.ALUM/AVG</b>	Bath Wainscot	<b>CERAM/AVG</b>
Design (Style) <b>TRIPLEX</b>		Evidence of <input type="checkbox"/> Infestation		Storm Sash/Insulated	<b>NONE</b>	Car Storage	
Year Built <b>1958</b>		<input type="checkbox"/> Damponess <input type="checkbox"/> Settlement		Screens	<b>PARTIAL/AVG</b>	<input checked="" type="checkbox"/> None	
Effective Age (Yrs) <b>35</b>		Heating/Cooling		Amenities		Driveway # of Cars	
Attic	<input checked="" type="checkbox"/> None	<input type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant		Fireplace(s) #		WoodStove(s) #	
<input type="checkbox"/> Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel		Patio/Deck		Fence	<input type="checkbox"/> Garage # of Cars
<input type="checkbox"/> Floor	<input type="checkbox"/> Scuttle	<input type="checkbox"/> Central Air Conditioning		Pool	<b>NONE</b>	Porch	<input type="checkbox"/> Carport # of Cars
<input type="checkbox"/> Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Other WALL/WIN		Other		Att.	<input type="checkbox"/> Det. <input type="checkbox"/> Built-in
# of Appliances	Refrigerator <b>3</b> Range/Oven <b>3</b> Dishwasher <b>0</b> Disposal <b>0</b> Microwave <b>0</b> Washer/Dryer <b>1</b> Other (describe)						
Unit # 1 contains:	<b>4 Rooms 2 Bedroom(s) 1 Bath(s) 806 Square feet of Gross Living Area</b>						
Unit # 2 contains:	<b>4 Rooms 2 Bedroom(s) 1.5 Bath(s) 899 Square feet of Gross Living Area</b>						
Unit # 3 contains:	<b>4 Rooms 2 Bedroom(s) 1 Bath(s) 986 Square feet of Gross Living Area</b>						
Unit # 4 contains:	<b>Rooms Bedroom(s) Bath(s) Square feet of Gross Living Area</b>						

Additional features (special energy efficient items, etc.). **ONE WASHER AND ONE DRYER ARE LOCATED ON THE REAR WOOD DECK. UNIT 2 HAS A WASHING MACHINE LOCATED IN THE KITCHEN. SOME WINDOWS ARE EQUIPED WITH AWNING SHUTTERS.**

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). **THE OVERALL CONDITION OF THE SUBJECT PROPERTY IS AVERAGE. ALL UNITS HAVE WALL / WINDOW AC UNITS. NO FUNCTIONAL OR EXTERNAL INADEQUACIES WERE NOTED AT THE TIME OF INSPECTION.**

COMPLETE SUMMARY REPORT

Small Residential Income Property Appraisal Report

File No. 0139

IMPROVEMENTS	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 _____												
	Is the property subject to rent control? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe _____												
COMPARABLE RENTAL DATA	The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.												
	FEATURE		SUBJECT		COMPARABLE RENTAL NO. 1			COMPARABLE RENTAL NO. 2			COMPARABLE RENTAL NO. 3		
	2471 WESTGATE AVENUE		1535 TALLAHASSEE DRIVE		3605 HIAWATHA AVENUE			3559 GENESSEE AVENUE					
	Address WEST PALM BEACH		WEST PALM BEACH		WEST PALM BEACH			WEST PALM BEACH					
	Proximity to Subject		0.50 MILES W		0.41 MILES WSW			0.36 MILES WNW					
	Current Monthly Rent \$ 1,975		\$ 1,675		\$ 2,100			\$ 2,250					
	Rent/Gross Bldg. Area \$ 0.73 sq. ft.		\$ 0.60 sq. ft.		\$ 0.81 sq. ft.			\$ 0.89 sq. ft.					
	Rent Control <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
	Data Source(s) PROP MANAGER		MLS / P. RECORDS		MLS / P. RECORDS			MLS / P. RECORDS					
	Date of Lease(s) NONE		UNKNOWN		UNKNOWN			UNKNOWN					
	Location SUBURBAN		SUBURBAN		SUBURBAN			SUBURBAN					
	Actual Age 52 +/- YEARS		35 +/- YEARS		31 +/- YEARS			33 +/- YEARS					
	Condition AVERAGE		AVERAGE		AVERAGE			AVERAGE - GOOD					
	Gross Building Area 2691 SF		2784 SF		2584 SF			2530 SF					
	Unit Breakdown		Rm Count Size Rm Count Size Monthly Rent		Rm Count Size Monthly Rent		Rm Count Size Monthly Rent		Rm Count Size Monthly Rent				
Tot Br Ba Sq. Ft.		Tot Br Ba Sq. Ft.		Tot Br Ba Sq. Ft.		Tot Br Ba Sq. Ft.		Tot Br Ba Sq. Ft.					
Unit # 1 4 2 1 806		3 1 1 600 \$ 450		4 2 1 860 \$ 700		3 1 1 750 \$ 650							
Unit # 2 4 2 1.5 899		4 2 1 1,000 \$ 600		4 2 1 860 \$ 700		4 2 1 900 \$ 800							
Unit # 3 4 2 1 986		4 2 1 1,100 \$ 625		4 2 1 860 \$ 700		4 2 1 900 \$ 800							
Unit # 4													
Utilities included NONE		NONE		NONE			NONE						
Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.)													
ALL THREE RENTAL COMPARABLES ARE SIMILAR RENTAL UNITS LOCATED IN THE SUBJECT NEIGHBORHOOD.													
Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.													
SUBJECT RENT SCHEDULE	Leases		Actual Rents				Opinion Of Market Rent						
	Lease Date		Per Unit		Total	Per Unit		Total					
	Unit #	Begin Date End Date	Unfurnished	Furnished	Rents	Unfurnished	Furnished	Rents					
	1	MONTH MONTH	\$ 650	N/A	\$ 650	\$ 650	N/A	\$ 650					
	2	MONTH MONTH	675	N/A	675	675	N/A	675					
	3	MONTH MONTH	650	N/A	650	650	N/A	650					
	4												
	Comment on lease data		Total Actual Monthly Rent		\$ 1,975	Total Gross Monthly Rent		\$ 1,975					
			Other Monthly Income (itemize)		\$ 0	Other Monthly Income (itemize)		\$ 0					
			Total Actual Monthly Income		\$ 1,975	Total Estimated Monthly Income		\$ 1,975					
	Utilities included in estimated rents <input type="checkbox"/> Electric <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Cable <input checked="" type="checkbox"/> Trash collection <input type="checkbox"/> Other (describe)												
	Comments on actual or estimated rents and other monthly income (including personal property) ALL THREE SUBJECT UNITS HAVE WALL / WINDOW AC UNITS. COMPARABLE RENTAL 1 HAS WALL / WINDOW UNIT AIR CONDITIONERS IN ALL THREE UNITS. COMPARABLE RENTAL 1 WAS GIVEN THE MOST WEIGHT IN THIS ANALYSIS.												
	I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain _____												
	PRIOR SALE HISTORY	My research <input type="checkbox"/> did <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) MLS / PUBLIC RECORDS											
My research <input checked="" type="checkbox"/> did <input 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) MLS / PUBLIC RECORDS													
Report the results of the research and analysis of the prior sale history of the subject property and comparable sales (report additional prior sales on page 4)													
ITEM		SUBJECT		COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3					
Date of Prior Sale/Transfer		NO PRIOR SALE WITHIN		NO PRIOR SALE WITHIN		3/09		NO PRIOR SALE WITHIN					
Price of Prior Sale/Transfer		PREVIOUS 36 MONTHS		PREVIOUS 36 MONTHS		\$100 CERT. OF TITLE		PREVIOUS 36 MONTHS					
Data Source(s)		P. RECORDS		P. RECORDS		P. RECORDS		P. RECORDS					
Effective Date of Data Source(s)		9/10		9/10		9/10		9/10					
Analysis of prior sale history for the subject property and comparable sales NO PRIOR TRANSFER OF SUBJECT WITHIN PREVIOUS 36 MONTHS. ALL TRANSACTIONS INVOLVING COMPARABLES WITHIN PREVIOUS 36 MONTHS ARE SUMMARIZED ABOVE.													

## COMPLETE SUMMARY REPORT

## Small Residential Income Property Appraisal Report

File No. 0139

There are 7 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 74,900 to \$ 350,000												
There are 6 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 120,000 to \$ 164,000												
FEATURE		SUBJECT		COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3		
2471 WESTGATE AVENUE		1535 TALLAHASSEE DRIVE		4381 DALE ROAD			4610 KELLY DRIVE					
Address WEST PALM BEACH		WEST PALM BEACH		WEST PALM BEACH			WEST PALM BEACH					
Proximity to Subject		0.50 MILES W		4.63 MILES SSW			4.90 MILES SSW					
Sale Price		\$ N/A		\$ 120,000			\$ 130,000			\$ 150,000		
Sale Price/Gross Bldg. Area		\$ 0.00 sq. ft.		\$ 46.15 sq. ft.			\$ 48.24 sq. ft.			\$ 52.97 sq. ft.		
Gross Monthly Rent		\$ 1,975		\$ 1,675			\$ 2,160 EST			\$ 2,400		
Gross Rent Multiplier		N/A		71.64			60.19			62.50		
Price Per Unit		\$ N/A		\$ 40,000			\$ 43,333			\$ 50,000		
Price Per Room		\$ N/A		\$ 10,909			\$ 10,833			\$ 11,538		
Price Per Bedroom		\$ N/A		\$ 24,000			\$ 21,667			\$ 21,429		
Rent Control		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Data Source(s)		INSPECTION		MLS / P. RECORDS			MLS / P. RECORDS			MLS / P. RECORDS		
Verification Source(s)		P. RECORDS		P. RECORDS			P. RECORDS			P. RECORDS		
VALUE ADJUSTMENTS		DESCRIPTION		DESCRIPTION		+(-) Adjustment		DESCRIPTION		+(-) Adjustment		
Sale or Financing		N/A		CONVENTIONAL				CASH				
Concessions				MORTGAGE				NO MTG REC				
Date of Sale/Time		N/A		8/10		-1,500		5/10		-6,500		
Location		SUBURBAN		SUBURBAN				SUBURBAN				
Leasehold/Fee Simple		FEE SIMPLE		FEE SIMPLE				FEE SIMPLE				
Site		9060 Sq.Ft.		10,018 SF		NO ADJ		13,939 SF		NO ADJ		
View		AVG/RESIDENT		AVG/RESIDENT				AVG/RESIDENT				
Design (Style)		TRIPLEX		TRIPLEX				TRIPLEX				
Quality of Construction		CBS/COMP. SHIN		CBS/COMP. SHIN				CBS/COMP. SHIN				
Actual Age		52+/- YEARS		35 +/- YEARS				33 +/- YEARS				
Condition		AVERAGE		AVERAGE				AVERAGE		/ -10,000		
Gross Building Area 15		2691 SF		2600 SF		0		2695 SF		0		
Unit Breakdown		Total Bdrms. Baths		Total Bdrms. Baths				Total Bdrms. Baths				
Unit # 1		4 2 1		3 1 1				4 2 1		5 3 2		
Unit # 2		4 2 1.5		4 2 1		1,000		4 2 1		1,000		
Unit # 3		4 2 1		4 2 1				4 2 1		4 2 1		
Unit # 4												
Basement Description		NONE		NONE				NONE				
Basement Finished Rooms		N/A		N/A				N/A				
Functional Utility		AVERAGE		AVERAGE				AVERAGE				
Heating/Cooling		WALL/WIN		WALL/WIN				CENTRAL		-7,500		
Energy Efficient Items		TYP. FOR AREA		TYP. FOR AREA				TYP. FOR AREA				
Parking On/Off Site		ONSITE/UNPVD		ON SITE/PVD		-1,000		ON SITE/PVD		-1,000		
Porch/Patio/Deck		WOOD DECK		COV. ENT.		NO ADJ		OPEN PORCH		-1,000		
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 1,500		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 15,000		
Adjusted Sale Price of Comparables		Net Adj. -1.3 %		Gross Adj. 2.9 %		\$ 118,500		Net Adj. -11.5 %		Gross Adj. 13.1 %		
Adj. Price Per Unit (Adj. SP Comp / # of Comp Units)		\$ 39,500		\$ 38,333				\$ 38,100				
Adj. Price Per Room (Adj. SP Comp / # of Comp Rooms)		\$ 10,773		\$ 9,583				\$ 8,792				
Adj. Price Per Bdrm. (Adj. SP Comp / # of Comp Bedrooms)		\$ 23,700		\$ 19,167				\$ 16,329				
Value Per Unit		\$ 39,000 X 3 Units =		\$ 117,000				Value Per GBA \$ 47.00 X 2691 SF GBA =		\$ 126,477		
Value Per Rm.		\$ 10,000 X 12 Rooms =		\$ 120,000				Value Per Bdrms. \$ 20,000 X 6 Bdrms. =		\$ 120,000		
Summary of Sales Comparison Approach including reconciliation of the above indicators of value. See Attached Addendum												
Indicated Value by Sales Comparison Approach \$ 120,000												
Total gross monthly rent \$ 1,975 X gross rent multiplier (GRM) 64.00 = \$ 126,400 Indicated value by the Income Approach												
Comments on income approach including reconciliation of the GRM GROSS RENT MULTIPLIER WAS ESTABLISHED BASED ON RECENT SALES WITHIN THE SUBJECT NEIGHBORHOOD AND APPLIED TO MARKET RENTS ESTABLISHED BY A RENTAL COMPARISON.												
Indicated Value by: Sales Comparison Analysis \$ 120,000 Income Approach \$ 126,400 Cost Approach (if developed) \$ 126,900												
See Attached Addendum												
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: See Attached Addendum												
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 \$ 125,000 as of SEPTEMBER 3, 2010, which is the date of inspection and the effective date of this appraisal.												

ADDITIONAL COMMENTS

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

DUE TO THE LACK OF SUITABLE SITE SALES LOCATED IN THE SUBJECT NEIGHBORHOOD OR WITHIN COMPETING NEIGHBORHOODS THE SUBJECT SITE VALUE WAS ESTIMATED VIA THE ABSTRACTION METHOD.

ESTIMATED	<input type="checkbox"/> REPRODUCTION OR	<input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	50,000
Source of cost data	MARSHALL & SWIFT, LOCAL BUILDERS, BUILDER FILES		Dwelling	2,691 Sq. Ft. @ \$ 65.00	= \$ 174,915
Quality rating from cost service	AVG-GD		Effective date of cost data	12/09	
			Sq. Ft. @ \$		= \$ 0
Comments on Cost Approach (gross living area calculations, depreciation, etc.)					
ESTIMATED TOTAL ECONOMIC LIFE = 60 YEARS			Garage/Carport	0	Sq. Ft. @ \$ = \$ 0
ESTIMATED EFFECTIVE AGES = 35 YEARS			Total Estimate of Cost-New = \$ 174,915		
ESTIMATED REMAINING ECONOMIC LIFE = 25 YEARS			Less	60 Physical Functional External	
			Depreciation	\$102,033	= \$ ( 102,033)
CV = CONTRIBUTORY VALUE			Depreciated Cost of Improvements = \$ 72,882		
			*As-is* Value of Site Improvements = \$ CV 4000		
Estimated Remaining Economic Life (HUD and VA only)			25 Years	INDICATED VALUE BY COST APPROACH = \$ 126,900	

PUD INFORMATION

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project N/A

Total number of phases N/A Total number of units N/A Total number of units sold N/A

Total number of units rented N/A Total number of units for sale N/A Data source(s) N/A

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion. N/A

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s) N/A

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion. N/A

Are the common elements leased to or by the Homeowners' Association? ☐ Yes ☐ No If Yes, describe the rental terms and options. N/A

Describe common elements and recreational facilities. N/A

Freddie Mac Form 72 March 2005

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Page 4 of 7

Fannie Mae Form 1025 March 2005  
1025\_05 080309

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**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 or she considers his or her 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 judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting 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, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader 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 this appraisal report whether any portion of 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, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, 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 research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. 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, this appraisal report must not be considered as an environmental assessment of the property.
6. 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 the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of 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.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of 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 opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, 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 or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in 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 this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
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).



## Small Residential Income Property Appraisal Report

File No. 0139

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.

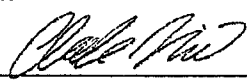
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation 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.

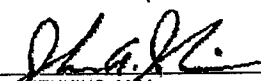
**APPRAISER**

Signature   
Name CHARLES DIAMOND  
Company Name JENKINS APPRAISAL SERVICES, INC  
Company Address 5730 CORPORATE WAY #120  
WEST PALM BEACH, FLORIDA 33407  
Telephone Number (561) 640-4059  
Email Address \_\_\_\_\_  
Date of Signature and Report SEPTEMBER 8, 2010  
Effective Date of Appraisal SEPTEMBER 3, 2010  
State Certification # RZ3404  
or State License # \_\_\_\_\_  
or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
State FL  
Expiration Date of Certification or License 11/30/10  
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER #RZ3404  
ADDRESS OF PROPERTY APPRAISED  
2471 WESTGATE AVENUE  
WEST PALM BEACH, FL 33409

APPRAISED VALUE OF SUBJECT PROPERTY \$ 125,000**LENDER/CLIENT**

Name THUY T. SHUTT, AIA  
Company Name WEST GATE CRA  
Company Address 100 AUSTRALIAN AVENUE, SUITE 410  
WEST PALM BEACH, FL 33406  
Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature   
Name JOHN J. JENKINS, USA  
Company Name JENKINS APPRAISAL SERVICES, INC  
Company Address 5730 CORPORATE WAY #120  
WEST PALM BEACH, FLORIDA 33407  
Telephone Number (561) 640-4059  
Email Address JOHN@JENKINSAPPRAISAL.COM  
Date of Signature SEPTEMBER 8, 2010  
State Certification # RZ 2353  
or State License # \_\_\_\_\_  
State FL  
Expiration Date of Certification or License 11/30/10  
STATE-CERTIFIED GENERAL R.E. APPRAISER #2353

**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 \_\_\_\_\_

ADDENDUM

Borrower: N/A	File No.: 0139
Property Address: 2471 WESTGATE AVENUE	Case No.:
City: WEST PALM BEACH	State: FL Zip: 33409
Lender: WEST GATE CRA	

SUPPLEMENTAL ADDENDUM AND ADDITIONAL CERTIFICATIONS,  
ASSUMPTIONS, AND LIMITING CONDITIONS

PURPOSE AND INTENDED USE OF THE APPRAISAL

THE PURPOSE OF THIS APPRAISAL IS TO ESTIMATE THE MARKET VALUE OF THE SUBJECT PROPERTY AS DEFINED BY THE FEDERAL NATIONAL MORTGAGE ASSOCIATION (FANNIE MAE), THE FEDERAL HOME LOAN CORPORATION (FREDDIE MAC), AND THE FINANCIAL INSTITUTIONS REFORM, RECOVERY AND ENFORCEMENT ACT OF 1989 (FIRREA). THE INTENDED USE OF THE APPRAISAL IS TO ASSIST THE IDENTIFIED CLIENT IN A POTENTIAL SALE OF THE SUBJECT.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

THIS IS A SUMMARY APPRAISAL REPORT WHICH IS INTENDED TO COMPLY WITH THE REPORTING REQUIREMENTS SET FORTH UNDER STANDARDS RULE 2-2(B) OF THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE FOR A SUMMARY APPRAISAL REPORT. AS SUCH, IT PRESENTS ONLY SUMMARY DISCUSSIONS OF THE DATA, REASONING, AND ANALYSES THAT WERE USED IN THE APPRAISAL PROCESS TO DEVELOP THE APPRAISER'S OPINION OF VALUE. SUPPORT DOCUMENTATION THAT IS NOT PROVIDED WITH THE REPORT CONCERNING THE DATA, REASONING, AND ANALYSES IS RETAINED IN THE APPRAISER'S FILE. THE DEPTH OF THE DISCUSSION CONTAINED IN THIS REPORT IS SPECIFIC TO THE NEEDS OF THE CLIENT AND FOR THE INTENDED USE STATED IN THE REPORT. THE APPRAISER IS NOT RESPONSIBLE FOR ANY UNAUTHORIZED USE OF THIS REPORT. IN DEVELOPING THE OPINION OF VALUE, THE APPRAISER HAS PERFORMED A COMPLETE APPRAISAL PROCESS, AS DEFINED BY THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE. THIS MEANS THAT NO DEPARTURES FROM STANDARD 1 WERE INVOKED.

IN KEEPING WITH THE APPRAISAL PROCESS AND THE PURPOSE OF THE APPRAISAL, RESEARCH ON THE SUBJECT PROPERTY, NEIGHBORHOOD AND POSSIBLE COMPARABLE SALES HAS BEEN UNDERTAKEN TO PROVIDE THE CLIENT WITH A COMPLETE ANALYSIS. DATA SOURCES INCLUDE THOSE CITED IN THE REPORT AS WELL AS THE PALM BEACH COUNTY RECORDS, COUNTY AND LOCAL PLANNING ZONING DEPARTMENTS, REAL ESTATE DATA SERVICES, LOCAL REALTORS, OTHER APPRAISAL OFFICE AND PROPERTY OWNERS. RESEARCH PERFORMED FOR OTHER APPRAISALS COMPLETED BY THIS OFFICE THAT ARE CONSIDERED APPROPRIATE MAY ALSO BE UTILIZED.

STATE OF FLORIDA REQUIREMENTS

ANALYSES, OPINIONS, OR CONCLUSIONS WERE DEVELOPED AND PREPARED IN CONFORMITY WITH THE REQUIREMENTS OF THE STATE OF FLORIDA FOR CERTIFIED APPRAISERS. THE USE OF THIS REPORT IS SUBJECT TO THE REQUIREMENTS OF THE STATE OF FLORIDA RELATING TO REVIEW BY THE REAL ESTATE APPRAISAL BOARD.

SEPTIC AND WELL WATER DISCLAIMER

IF THE SUBJECT PROPERTY IS NOT CONNECTED TO A PUBLIC SEWERAGE SYSTEM AND WATER SUPPLY, THE APPRAISER MAKES NO WARRANTY OF REPRESENTATION AS TO THE QUALITY OF THE SANITARY DISPOSAL SYSTEM, WELL AND WELL WATER.

SUBMISSION OF SAMPLE WORK PRODUCT

THE APPRAISER RESERVES THE RIGHT TO RANDOMLY SELECT REPORTS FOR SUBMISSION AS A SAMPLE WORK PRODUCT, AS REQUIRED BY VARIOUS LENDING INSTITUTIONS WITHIN WRITTEN PERMISSION FROM CLIENT OF THE SELECTED REPORTS.

ENVIRONMENTAL DISCLAIMER

THE VALUE ESTIMATED IS BASED ON THE ASSUMPTION THAT THE PROPERTY IS NOT NEGATIVELY AFFECTED BY THE EXISTENCE OF HAZARDOUS SUBSTANCES OF DETRIMENTAL ENVIRONMENTAL CONDITIONS UNLESS OTHERWISE STATED IN THIS REPORT. THE APPRAISER IS NOT AN EXPERT IN THE IDENTIFICATION OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS. THE APPRAISER'S ROUTINE INSPECTION OF AND INQUIRIES ABOUT THE SUBJECT PROPERTY DID NOT DEVELOP ANY INFORMATION THAT INDICATED AN APPARENT SIGNIFICANT HAZARDOUS SUBSTANCE OR DETRIMENTAL ENVIRONMENTAL CONDITION WHICH WOULD AFFECT THE PROPERTY NEGATIVELY UNLESS OTHERWISE STATED IN THIS REPORT. IT IS POSSIBLE THAT TEST AND INSPECTIONS MADE BY A QUALIFIED HAZARDOUS SUBSTANCE AND ENVIRONMENTAL EXPERT WOULD REVEAL THE EXISTENCE OF HAZARDOUS SUBSTANCES OR DETRIMENTAL ENVIRONMENTAL CONDITIONS ON OR AROUND THE PROPERTY THAT WOULD NEGATIVELY AFFECT ITS VALUE.

OTHER CONDITIONS OF APPRAISAL

COST FIGURES WERE DETERMINED BY USING INFORMATION OBTAINED FROM MARSHALL AND SWIFT COST SERVICE AND LOCAL BUILDING ESTIMATED WHICH HAVE BEEN COLLECTED FROM LOCAL BUILDERS.

THE INCOME APPROACH IS NOT USED IF SUFFICIENT RENTAL DATA IS NOT AVAILABLE. IT IS TYPICALLY NOT USED FOR SINGLE FAMILY RESIDENCES AS THESE PROPERTIES WERE NOT BUILT AS INCOME PRODUCERS.

WHEN NO CURRENT LAND SALES ARE AVAILABLE IN THE IMMEDIATE AREA OR COMPETING NEIGHBORHOODS SITE VALUE IS CALCULATED BY ABSTRACTION METHOD.

THIS APPRAISAL ASSUMES THAT THE ROOF, PLUMBING, HEATING, ELECTRICAL SYSTEM, WELLS, AND OR

ADDENDUM

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Lender: WEST GATE CRA		

CESSPOOLS OF SEPTIC TANKS ARE IN SATISFACTORY CONDITION, THAT THE BUILDING IS STRUCTURALLY SOUND AND FREE FROM TERMITE DAMAGE UNLESS OTHERWISE STATED WITHIN THIS REPORT. APPRAISER SUGGESTS THAT BUYERS, OWNERS, AND OR OTHER INTERESTED PARTIES OBTAIN ALL NECESSARY CERTIFICATION FOR THEIR PROTECTION. APPRAISER SUGGESTS THAT A PROFESSIONAL HOME INSPECTION BE DONE IF THERE IS ANY QUESTION TO CONDITION OF PROPERTY BY INTERESTED PARTIES.

I HAVE MADE A PERSONAL INSPECTION OF THE PROPERTY THAT IS THE SUBJECT OT THIS REPORT. (IF MORE THAN ONE PERSON SIGNS THE REPORT, THIS CERTIFICATION MUST CLEARLY SPECIFY WHICH INDIVIDUAL (S) DID AND WHICH INDIVIDUAL (S) DID NOT MAKE A PERSONAL INSPECTION OF THE EXTERIOR AND INTERIOR OF THE PROPERTY).

**Neighborhood Boundaries**

THE SUBJECT IS LOCATED SOUTH OF OKEECHOBEE BOULEVARD, NORTH OF BELVEDERE ROAD, EAST OF MILITARY TRAIL AND WEST OF INTERSTATE 95.

**Neighborhood Description**

THE SUBJECT NEIGHBORHOOD IS COMPRISED OF MOSTLY SMALL TO MEDIUM SIZED DETACHED CBS AND FRAME SINGLE FAMILY RESIDENCES AND TWO, THREE OR FOUR UNIT MULTIFAMILY RESIDENCES OF AVERAGE QUALITY AND CONDITION. SCHOOLS, SHOPPING, INTERSTATE AND TURNPIKE ENTRANCES AND ALL OTHER RESIDENTIAL SUPPORT FACILITIES ARE LOCATED WITHIN CLOSE PROXIMITY.

**Market Conditions**

PROPERTY VALUES ARE SLOWLY DECLINING AND LOCAL MARKET CONDITIONS CONSTITUTE AN OVER SUPPLY AND LOW DEMAND RELATIONSHIP WITH TYPICAL MARKETING PERIOD AROUND SIX MONTHS. MARKET FINANCING IS DOMINATED BY GOVERNMENT BACKED AND CONVENTIONAL MORTGAGES, WITH AN OCCASIONAL ASSUMPTION AND OR PURCHASE MONEY MORTGAGE. INSTITUTIONAL FINANCING IS READILY AVAILABLE AT FAVORABLE RATES AND SELLERS NEED NOT NEGOTIATE A SALE ON FINANCING RELATED CONCESSIONS.

**Comments on Sales Comparison**

DATE / TIME OF SALE ADJUSTMENTS:

ALL THREE SALES WERE ADJUSTED FOR DIFFERENCES OF MARKET CONDITIONS AT TIME OF SALE.

ACTUAL AGE / CONDITION ADJUSTMENTS:

SALES 2 AND 3 WERE ADJUSTED FOR DIFFERENCES OF EFFECTIVE AGE / CONDITION. THESE ADJUSTMENTS WERE BASED ON ESTIMATED DEPRECIATION.

OTHER ADJUSTMENTS:

SALES 2 AND 3 WERE ADJUSTED FOR DIFFERENCES OF GROSS BUILDING AREA. ALL THREE SALES WERE ADJUSTED FOR DIFFERENCES OF BATHROOM COUNT. SALES 2 AND 3 WERE ADJUSTED FOR DIFFERENCES OF COOLING SYSTEMS. ALL THREE SALES WERE ADJUSTED FOR THEIR SUPERIOR PARKING AREAS. SALES 2 AND 3 WERE ADJUSTED FOR THEIR PORCH AREAS. THESE ADJUSTMENTS WERE BASED ON ESTIMATED CONTRIBUTORY VALUE.

**Final Reconciliation**

ALL THREE SALES WERE CONSIDERED WITH GREATEST WEIGHT GIVEN TO SALE 1 WHILE ESTIMATING THE MARKET VALUE OF THE SUBJECT PROPERTY.

THE INCOME APPROACH WAS CONSIDERED THE MOST RELIABLE INDICATOR OF VALUE AND WAS GIVEN THE GREATEST WEIGHT. THE CLOSED SALES CONSIDERED IN THE MARKET APPROACH TO VALUE ARE CONSIDERED SUPPORTIVE. THE COST APPROACH IS ALSO CONSIDERED SUPPORTIVE.

SALES 2 AND 3 ARE SLIGHTLY OVER THE PREFERRED ONE MILE RADIUS, HOWEVER, ARE CONSIDERED GOOD INDICATORS OF MARKET VALUE AS THEY ARE LOCATED IN COMPETING AREAS OF WEST PALM BEACH.

SALE 3 HAS ADJUSTMENTS BEYOND THE NORMAL RANGE. HOWEVER, EACH OF THE ADJUSTMENTS WERE NECESSARY AND THE ADJUSTED SALE WAS CONSIDERED TO REMAIN INDICATIVE OF THE SUBJECT'S MARKET VALUE.

THIS OFFICE USES DIGITAL SIGNATURES AND PHOTOGRAPHS THAT MEET THE REQUIREMENTS OF THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP). THE SOFTWARE PROGRAM USED TO GENERATE THIS APPRAISAL REPORT CONTAINS A DIGITAL SIGNATURE SECURITY FEATURE WHICH UTILIZES PERSONAL PASSWORDS TO PROTECT DIGITAL SIGNATURES. THE APPRAISAL REPORT CAN NOT BE MODIFIED WITHOUT PERMISSION OF EVERY APPRAISER WHO HAS SIGNED THE REPORT.

ADDENDUM

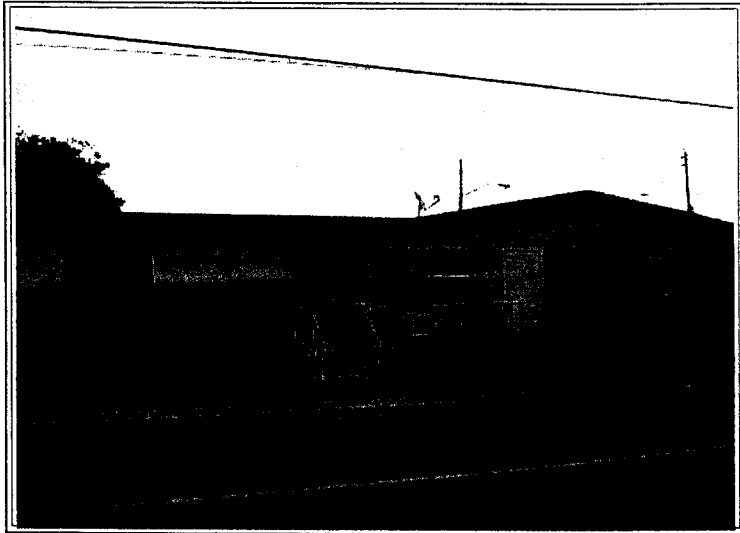
Borrower: N/A		File No.: 0139	
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City: WEST PALM BEACH	State: FL	Zip: 33409	
Lender: WEST GATE CRA			

**Conditions of Appraisal**

NO RESPONSIBILITY TAKEN FOR CONDITIONS THAT MAY BE REVEALED BY PROFESSIONAL INSPECTIONS BEYOND THE RANGE OF NORMAL APPRAISAL EXPERTISE AND EXPERIENCE.

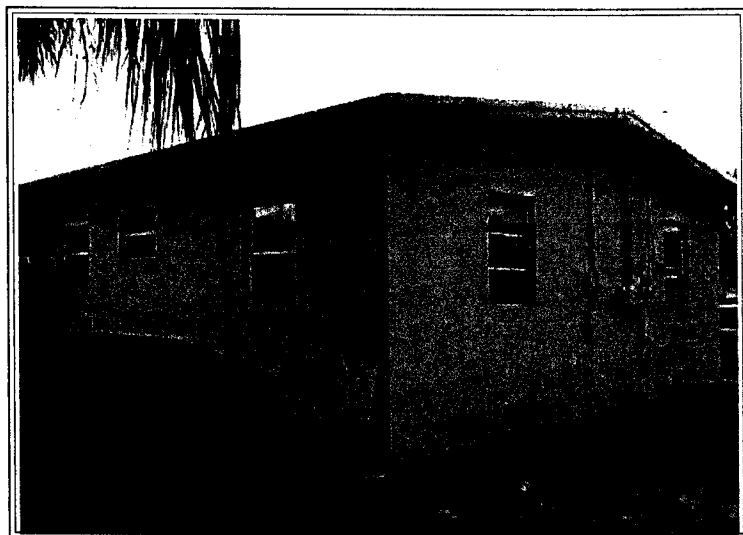
SUBJECT PROPERTY PHOTO ADDENDUM

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FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: September 3, 2010  
Appraised Value: \$ 125,000

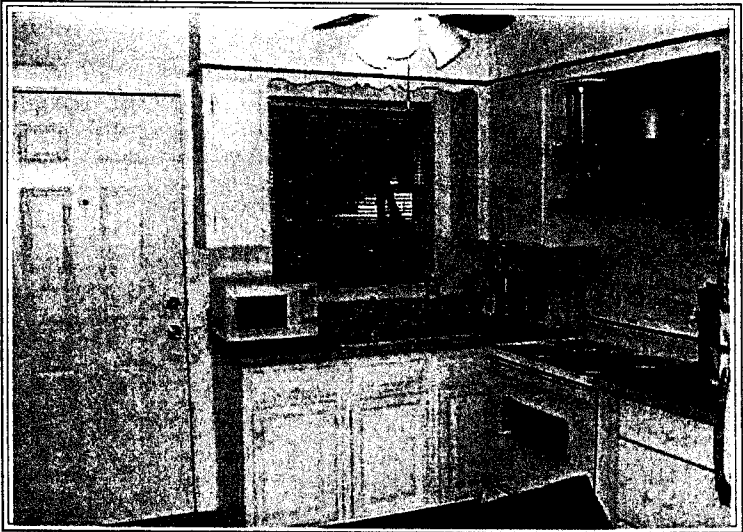


REAR VIEW OF  
SUBJECT PROPERTY

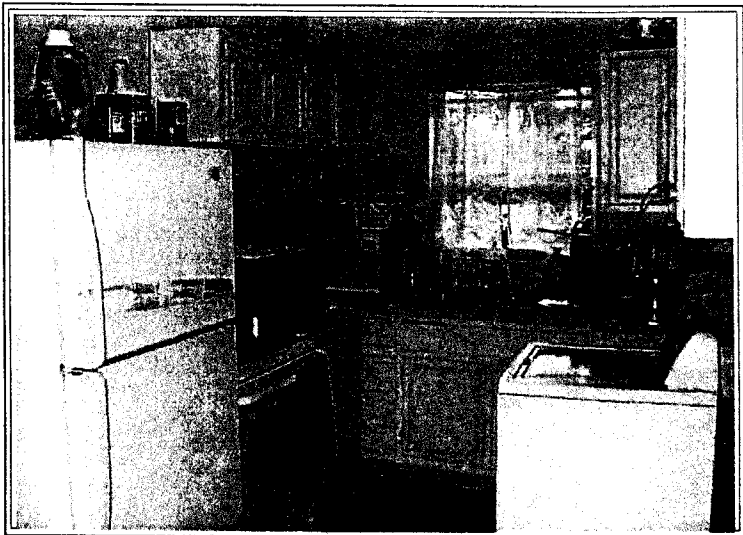


STREET SCENE

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UNIT 1 KITCHEN



UNIT 2 KITCHEN

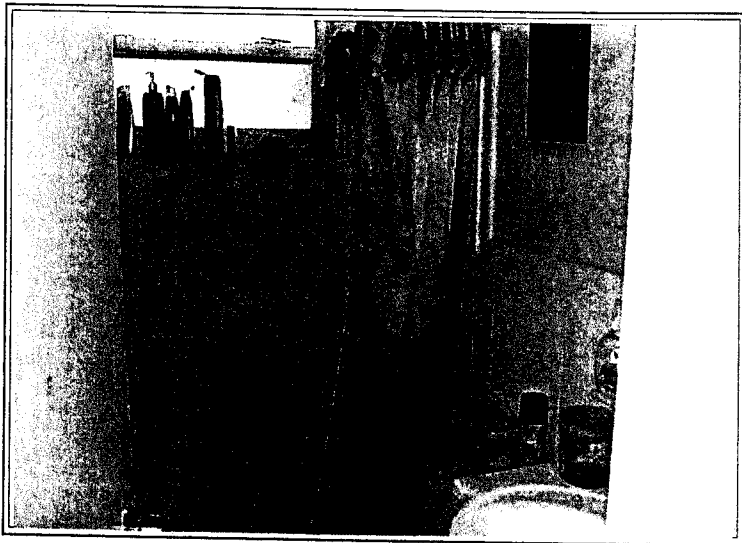


UNIT 3 KITCHEN

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UNIT 2 BATH



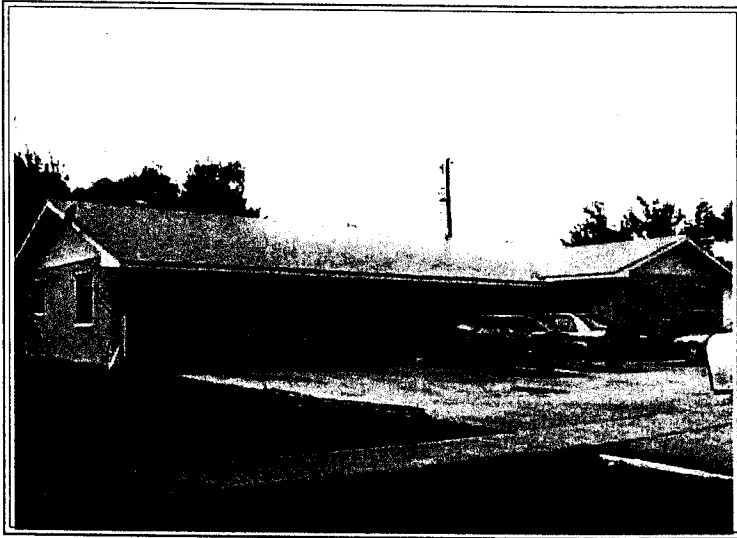
UNIT 3 BATH



SUBJECT DECK AREA

# COMPARABLE PROPERTY PHOTO ADDENDUM

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COMPARABLE SALE #1

1535 TALLAHASSEE DRIVE  
WEST PALM BEACH  
Sale Date: 8/10  
Sale Price: \$ 120,000



COMPARABLE SALE #2

4381 DALE ROAD  
WEST PALM BEACH  
Sale Date: 5/10  
Sale Price: \$ 130,000



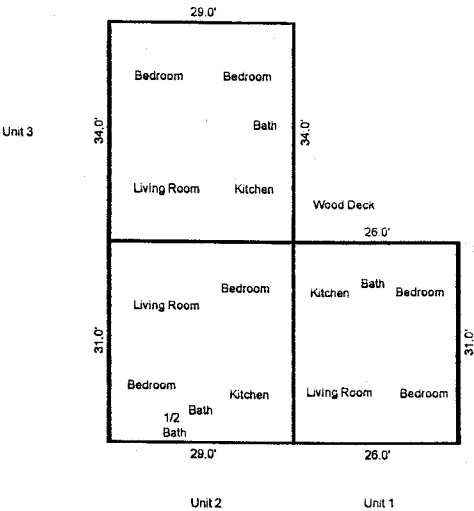
COMPARABLE SALE #3

4610 KELLY DRIVE  
WEST PALM BEACH  
Sale Date: 2/10  
Sale Price: \$ 150,000



FLOORPLAN

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Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	Unit 1	806.00	2691.00
	Unit 2	899.00	
	Unit 3	986.00	
TOTAL LIVABLE (rounded)			2691

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
Unit 1			806.00
26.0	x	31.0	
Unit 2			899.00
29.0	x	31.0	
Unit 3			986.00
29.0	x	34.0	
3 Areas Total (rounded)			2691

LOCATION MAP

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