

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date:	November 1, 2011	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing

Department: Housing & Community Development

Submitted By: Housing & Community Development

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: **A)** \$1,000,000 in additional Neighborhood Stabilization Program 2 (NSP2) funding to Colonial Lakes Apartments, Ltd. for the construction of 120 new affordable rental apartments; and **B)** \$1,200,000 in additional NSP2 funding to Community Land Trust of Palm Beach County, Inc. for construction of 25 new affordable rental apartments.

Summary: On March 1, 2011, the Board of County Commissioners (Board) approved \$5,846,934 in NSP2 funding for Colonial Lakes Apartments, Ltd. (CLA); pursuant to which the County entered into a Loan Agreement with CLA on July 21, 2011, for the construction of 120 affordable rental units to be located on Lake Worth Road in unincorporated Greenacres. CLA has been unsuccessful in obtaining a critical grant of \$1,000,000 from the Federal Home Loan Bank of Atlanta. Approval of the additional NSP2 funding to CLA will enable the project to proceed. On July 7, 2009, the Board authorized the submission of the County's NSP2 grant application to the U.S. Department of Housing and Urban Development (HUD) which included \$4,523,006 in NSP2 funding for Community Land Trust of Palm Beach County, Inc. (CLT). Upon HUD's approval of the NSP2 grant, the County entered into an Agreement (R2010-1944) with CLT on November 16, 2010, for the construction of 25 affordable rental units to be located on Davis Road just south of Melaleuca Lane in unincorporated Lake Worth. Six (6) construction bids for the project were received by CLT on September 9, 2011, with the lowest responsive responsible bid of \$4,155,000 which is \$745,000 over budget. The additional \$455,000 is for project contingencies and soft costs. Approval of the additional NSP2 funding to CLT will enable the award of the construction contract and the provision of a construction contingency. These projects have very strict timelines in order to meet NSP2 expenditure deadlines. These are Federal NSP2 funds which require no local match. (HCD Administration) Districts 2 and 3 (TKF)

Background and Justification: (Continued on Page 3)

Attachments:

1. Location Map for the Colonial Lakes Apartments, Ltd., project
2. Loan Agreement with Colonial Lakes Apartments, Ltd., with Exhibits A to I
3. Amendment 001 to the Loan Agreement with Colonial Lakes Apartments, Ltd., with Attachment 1
4. Location Map for the Community Land Trust of Palm Beach County, Inc., project
5. Agreement with Community Land Trust of Palm Beach County, Inc., with Exhibits A to K
6. Amendment 001 to the Agreement with Community Land Trust of Palm Beach County, Inc., with Exhibits A to E

Recommended By:		10/19/2011
	Department Director	Date

Approved By:		10/24/11
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures	\$2,200,000				
Operating Costs					
External Revenues	(\$2,200,000)				
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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Is Item Included In Current Budget? Yes _____ No _____
Budget Account No.:

Colonial Lakes Apartments, Ltd.:

Fund 1112 Dept 143 Unit 1426 Object 8201 Prog. Code/Period N217-GY09: \$550,000

Fund 1112 Dept 143 Unit 1426 Object 8201 Prog. Code/Period N217A-GY09: \$450,000

Community Land Trust of Palm Beach County, Inc.

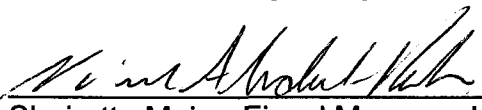
Fund 1112 Dept 143 Unit 1426 Object 8201 Prog. Code/Period N215-GY09: \$660,000

Fund 1112 Dept 143 Unit 1426 Object 8201 Prog. Code/Period N215A-GY09: \$540,000

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

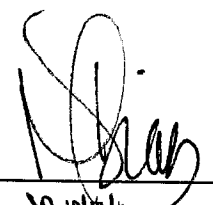
Approval of this agenda item will allocate an additional \$1,000,000 in NSP2 funds to Colonial Lakes Apartments, Ltd., for the Colonial Lakes Apartments project, and an additional \$1,200,000 in NSP2 funds to Community Land Trust of Palm Beach County, Inc., for the Davis Landings project.

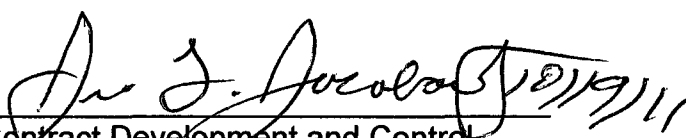
C. Departmental Fiscal Review:

 10/19/11
Shairette Major, Fiscal Manager I

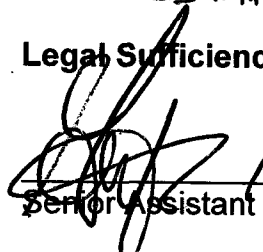
III. REVIEW COMMENTS

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

 10/19/2011
OFMB

 10/19/11
Contract Development and Control
10-19-11

B. Legal Sufficiency:

 10/20/11
Senior Assistant County Attorney

C. Other Department Review:

Department Director

Background and Justification: (Continued from Page 1)

The American Recovery and Reinvestment Act of 2009 (ARRA), signed into law by President Obama on February 17, 2009, appropriated \$1.93 billion for NSP2. On February 11, 2010, HUD executed a Grant Agreement with Palm Beach County providing \$50 million in NSP2 funding. The funds made available under the Grant Agreement included an allocation of \$11,946,934 for the Neighborhood Rental Redevelopment Loan Program (NRRLP) and an allocation of \$7,405,175 for the Residential Redevelopment Grant Program (RRGP).

On September 11, 2010, the Department of Housing and Community Development (HCD) published Request for Proposals HCDNSP2.2010.1 making the \$11,946,934 under the NRRLP available to private developers for the redevelopment of vacant properties for affordable rental housing. A total of seven (7) proposals were received, of which five (5) were deemed responsive and forwarded to the Selection Committee. On February 7, 2011, the Selection Committee recommended that Westgate Plaza Apartments, Ltd., be awarded \$6,100,000, and that CLA be awarded \$5,846,934, and on March 1, 2011, the Board approved these funding awards.

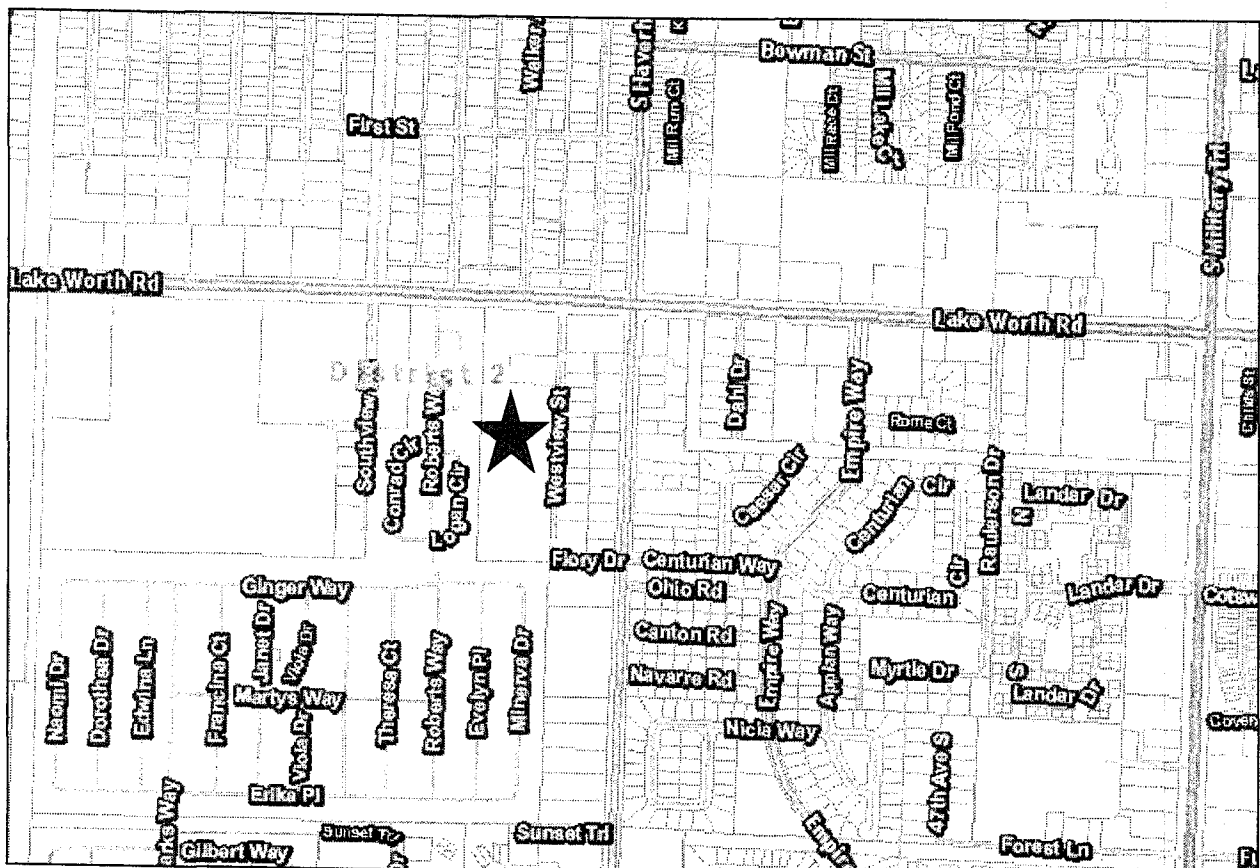
On May 8, 2011, HCD published Request for Proposals HCDNSP2.2011.1 making the \$7,405,175 under the RRGp available to subrecipients for the acquisition and rehabilitation of foreclosed properties. A total of five (5) proposals were received, of which three (3) were deemed responsive and forwarded to the Selection Committee. On July 7, 2011, the Selection Committee recommended that the Palm Beach County Housing Authority (PBCHA) receive the entire amount for the acquisition and rehabilitation of Palm Club Apartments in Lake Worth. The PBCHA was unable to acquire said property as it was purchased by a private investor, nor was it able to timely identify a viable replacement project. Accordingly, on October 11, 2011, the County cancelled the associated Request for Proposals. Of the \$7,405,175 released as result of such cancellation, \$1,000,000 in additional funds are being recommended for CLA for the Colonial Lakes Apartments project; and \$1,200,000 in additional funds are being recommended for CLT for the Davis Landings project. The balance of \$5,205,175 remaining available are being reprogrammed to the HCD implemented NSP2 First and Second Mortgage Program.

The Colonial Lakes Apartments project to be constructed by CLA will include 120 two (2) and three (3) bedroom apartments, of which at least 66 apartments must be leased to households whose incomes are at no more than 50% of Area Median Income (AMI). Of the aforesaid 66 apartments, at least 30 apartments must be leased to households whose incomes are at no more than 30% of AMI. No more than 54 of the 120 apartments may be leased to households whose incomes are between 50% and 120% of AMI.

The Davis Landings project to be constructed by CLT will include 25 one (1), two (2) and three (3) bedroom apartments, of which at least 14 apartments must be leased to households whose incomes are at no more than 50% of AMI. Of the aforesaid 14 apartments, at least seven (7) apartments must be leased to households whose incomes are at no more than 30% of AMI. No more than 11 of the 25 apartments may be leased to households whose incomes are between 50% and 120% of AMI.

The loans to be provided to CLA and CLT are for 30-year terms, with a fixed rate of 2.0% per annum, with annual cash flow dependent payments, and with all unpaid principal and interest due upon expiration of the loan term or upon cessation of the property's use for specified NSP2 purposes.

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ATTACHMENT 1

LOAN AGREEMENT

JUL 21 2011

THIS AGREEMENT, dated as of this ____ day of _____, 2011, by and between **Palm Beach County**, a political subdivision of the State of Florida, (hereinafter referred to as the "County" and the "Lender") and **Colonial Lakes Apartments, Ltd.**, a Florida limited partnership, (the "Borrower"), whose Federal I.D. number is 26-2137023, and whose DUNS number is 968391140.

1. RECITALS:

Whereas, on February 11, 2010, the County entered into a grant agreement with the U.S. Department of Housing and Urban Development for the receipt of \$50 million under the Neighborhood Stabilization Program 2 (NSP2) as authorized under the American Recovery and Reinvestment Act of 2009 (ARRA), and

Whereas, the County made \$11,946,934 in NSP2 funds available for affordable rental housing under its Neighborhood Rental Redevelopment Loan Program (NRRLP), and

Whereas, the Borrower applied to the County for a loan to be funded under the NRRLP, and

Whereas, on March 1, 2011, the County approved the award of a loan in the principal amount of \$5,846,934 (the "Loan") in NSP2 funds to be made available to the Borrower under the NRRLP, and

Whereas, the Borrower wishes to use the Loan to acquire certain land located in Palm Beach County, Florida, as more particularly described in Exhibit A, attached hereto and made a part hereof, (the "Premises"), and wishes to construct 120 apartments (the "Improvements"), to be known as Colonial Lakes Apartments, on the Premises, which apartments are to be leased to households having certain income levels as more fully defined herein, and

Whereas, the Housing Finance Authority of Palm Beach County will fund the Borrower up to \$9,300,000 from the issuance of tax-exempt bonds to be secured by a separate mortgage encumbering the Premises (the "First Mortgage"), and

Whereas, the Federal Home Loan Bank of Atlanta may fund the Borrower, directly or indirectly, up to \$1,000,000 under its Affordable Housing Program which may be secured by a separate mortgage encumbering the Premises (the "AHP Mortgage"), and

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

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

2. THE LOAN AND LOAN EXPENDITURE REQUIREMENTS:

The County shall make the Loan to the Borrower in an amount not to exceed the principal amount of \$5,846,934 upon the terms and conditions set forth herein, and at the rates and terms set forth in its Promissory Note and Mortgage attached hereto as Exhibit B and Exhibit C, respectively, and the Borrower shall take the Loan and expressly agrees to comply with and to perform all of the terms and conditions of this Agreement, the Promissory Note, the Mortgage and any other documents evidencing and securing this Loan (collectively hereinafter referred to as the "Loan Documents"). The closing of the Loan including the execution of the Promissory Note and Mortgage, shall occur at the offices of the County Attorney or such other mutually agreed upon site no later than October 31, 2011.

The Borrower recognizes and understands that by entering into this Agreement, the County wishes to further its provision of affordable rental housing to income qualified renters in a timely manner. The Borrower also recognizes and understands that the Borrower's performance as established under this Agreement is critical to the County's effort in the provision of affordable housing and the County's compliance with NSP2 requirements, and in particular with requirements for the expenditure of NSP2 funds, and therefore, time is of the essence in regard to the Borrower's completion of the Colonial Lakes Apartments project and the expenditure of Loan funds.

In recognition of the above, the Borrower shall implement the Colonial Lakes Apartments project as provided herein such that the Borrower shall have drawn no less than fifty percent (50%) of the Loan, that is at least \$2,923,467, by December 15, 2011, and the Borrower shall have drawn one-hundred percent (100%) of the Loan, by November 15, 2012.

3. ACQUISITION OF PREMISES AND CONDITIONS PRECEDENT TO CLOSING:

(a) Acquisition of the Premises:

The Borrower is the beneficiary of an Assignment and Assumption of Purchase and Sale Agreement from The Richman Group of Florida, Inc., dated January 6, 2011, for the purchase of the Premises from Colonial Lakes, LLC. The Borrower represents to the County that the Premises are "Vacant" (meaning land with buildings that are unoccupied as of the date of the Borrower's submission of its proposal to the County for NSP2 funding, previously developed land that has been cleared, and undeveloped land with accessible off-site infrastructure). The Borrower wishes to use certain of the Loan funds for the acquisition of the Premises. The Loan funds to be used for the acquisition of the Premises shall consist of the purchase price of the Premises as adjusted upwards or downwards by applicable closing costs and as shown on a closing statement to be prepared by the Borrower's closing agent. The County shall fund Borrower's cost for the acquisition of the Premises, provided, however, that the Borrower has submitted to the County an updated funding commitment letter from Citibank, N.A., updating their letter of June 8, 2011, for the Colonial Lakes Apartments project, the sufficiency of which shall be solely determined by the County, provided that the purchase price not exceed an amount acceptable to the County as determined in accord with regulations applicable to NSP2, and provided that the aforesaid closing costs are eligible for funding in accord with said regulations. The Borrower shall fund the portion, if any, of the purchase price that is above the amount acceptable to the County, and shall fund all closing costs not eligible under regulations applicable to NSP2.

Upon receipt of the following documentation from the Borrower, and provided the below listed conditions precedent to the County's acceptance of the Mortgage documents have been met, the County shall disburse certain of the Loan funds, for the benefit of the Borrower, to the Borrower's closing agent, for the acquisition of the Premises:

- (i) A copy of the closing statement prepared by the Borrower's closing agent no more than ten (10) days prior to the closing date.
- (ii) A letter from the Borrower, provided on the Borrower's letterhead, referencing the Colonial Lakes Apartments project funded herein, the date of this Agreement and its document number, and containing a statement requesting the payment of the amount needed for the acquisition of the Premises, as well as the name and signature of a person authorized by the Borrower to make such a request.
- (iii) Wire transfer instructions from the Borrower's closing agent, and the closing agent's IRS Employer Identification Number.

(b) Conditions Precedent:

The conditions listed below are a condition precedent to the County's acceptance of the Mortgage documents and disbursement of funds and shall be complied with in form and substance satisfactory to the County prior to the closing:

(c) Title Insurance:

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

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

(iii) The title insurance commitment shall be endorsed at closing to remove any and all requirements of pre-conditions to the issuance of a Lenders Title Insurance Policy, and to delete any exceptions for: (a) any rights or claims or parties in possession not shown by the public records; (b) encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the Premises; (c) unrecorded easements and claims of liens; (d) taxes for the year 2010 and all prior years; (e) matters arising or attaching subsequent to the effective date of the commitment but before the Mortgage becomes recorded in the Public Records, except those matters necessary for the construction and development of the Improvements.

(d) Survey:

Borrower shall deliver to the County a current certified survey prepared by a surveyor acceptable to the County of the Premises showing the following:

(i) The location of the perimeter of the Premises by courses and distances and perimeter footings in place, and by reference to Township, Range, Section unless platted, in which case, reference shall be to Tract, or Lot and Block per Plat.

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

(iii) The location of all building setback lines.

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

(v) All encroachments, and the extent thereof in feet and inches upon the Premises.

(vi) Flood zone certification.

(vii) Any other notations required for the deletion of the survey exception from the Title Insurance Policy to be issued in accordance with Paragraph 3(c) above and any other requirements requested by the County.

(e) Promissory Note:

The Promissory Note, in a form acceptable to the County Attorney, shall be duly authorized, executed and delivered to the County;

(f) Mortgage:

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

- (i) The Mortgage shall not be subject to any prepayment penalty.
- (ii) The Mortgage shall become immediately due and payable upon an unpermitted sale, transfer, or refinancing of the Premises.
- (iii) The Mortgage shall be non-assumable, unless the County has otherwise consented.

(g) Mortgagor's Affidavit:

An affidavit of Borrower shall be executed and delivered to the County as required by the title insurer as noted in Paragraph 3(c) above, certifying to all such facts as are required to delete the Standard Exceptions from the Lenders Title Insurance Policy and certifying that no liens exist on the Premises for taxes not yet due and payable and that no other parties are entitled to possession except as otherwise provided therein.

(h) Public Requirements:

Borrower shall deliver to the County:

- (i) Letters from local utility companies or municipal authorities stating that electricity, telephone, sewer and water facilities will be available to the Premises upon the completion of the intended Improvements.
- (ii) A letter from the appropriate Zoning Department certifying as to compliance with all zoning and land use regulations including but not limited to compliance with parking requirements, a copy of the applicable zoning ordinances certified by an appropriate official to be a complete and accurate statement thereof, and an up-to-date zoning map similarly certified.
- (iii) Evidence satisfactory to the County that all roads necessary for the full utilization of the intended Improvements for their intended purposes have either been acquired by the appropriate governmental authorities or have been dedicated to public use and accepted by such governmental authorities and that all necessary steps have been taken by Borrower and such governmental authorities to assure the complete construction and installation thereof.
- (iv) Copies of subdivision plats, restrictive covenants, plans of developments, and all other documents required by the local zoning and subdivision ordinances, and such other documents required by and satisfactory to the County; and evidence satisfactory to the County and its counsel that the Final Plans conform to all federal, state, and local laws, ordinances, rules and regulations, including, but not limited to, laws of the State of Florida regulating air and water pollution and land use.
- (v) Copies of all necessary approvals from appropriate environmental protection agencies.
- (vi) Satisfactory soil test report.

(i) Partnership Documents:

Borrower shall deliver to the County the following documents:

(i) The Certificate of Limited Partnership of the Borrower and all amendments thereof, certified by the appropriate official of the State of Florida, together with certificates of such official to the effect that Borrower is in good standing therein.

(ii) Certified resolutions of the general partner of Borrower authorizing the execution and delivery of this Agreement, the Mortgage, Promissory Note and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement.

(j) Flood Insurance:

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

(k) Opinion of Borrower's Counsel:

Borrower shall deliver to the County an opinion of counsel for Borrower and addressed to the County, such counsel to be reasonably satisfactory to the County, to the effect that:

(i) This Agreement and all Loan Documents and any other documents required to be delivered hereunder have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms.

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

(iii) That to the best of counsel's knowledge, the execution and delivery of the Loan Documents, the performance by the Borrower of its obligations under the Loan Documents, and the exercise by the Borrower of the rights created by the Loan Documents do not violate any Federal, Florida, or local law, rule or regulation.

(iv) That the execution and delivery of the Loan Documents, the performance by the Borrower of its obligations under the Loan Documents, and the exercise by the Borrower of the rights created by the Loan Documents do not (i) violate the Borrower's Certificate of Limited Partnership or Partnership Agreement, or (ii) to our knowledge, constitute a breach of or a default under any agreement or instrument to which the Borrower is a party or by which it or its assets are bound or result in the creation of a mortgage, security interest or other encumbrance upon the assets of the Borrower (except as set forth in the Loan Documents), or (iii) to our knowledge, violation a judgment, decree or order of any court or administrative tribunal, which judgment, decree or order is binding on the Borrower or its assets.

(v) That to counsel's knowledge, and based on a certificate to be provided by Borrower, there are no proceedings pending or threatened before any court or administrative agency which will materially adversely affect the financial condition or operation of Borrower or the Premises, including but not limited to bankruptcy, reorganization or insolvency proceeding or any other debtor-creditor proceedings under the Bankruptcy Code or any similar statute.

(vi) That the lien of the Mortgage is a valid lien on the Premises and the security interest described in the Mortgage is a good and valid security interest.

(vii) Such other matters as the County may reasonable require.

(l) Expenses:

Borrower shall have paid, or shall pay, all those fees and charges due and payable or ordered paid by the County as provided herein under Paragraph 5 of this Agreement entitled Expenses;

(m) Other Documents:

Borrower shall deliver to the County such other documents and information as the County may reasonably require.

(n) Representations and Warranties:

The representations and warranties of Borrower as set forth in this Agreement and the Loan Documents are true and correct.

4. DISBURSEMENT OF LOAN FUNDS AFTER ACQUISITION OF PREMISES:

Upon receipt of documentation evidencing payment by the Borrower for costs associated with the Colonial Lakes Apartments project, as more fully described below, the County shall reimburse the Borrower for such payment from the Loan funds in an amount not to exceed \$5,846,934, less any amounts disbursed by the County for the Borrower's acquisition of the Premises.

The following costs associated with the Colonial Lakes Apartments project shall be eligible for reimbursement by the County:

(a) Architectural, Engineering, and Other Consulting Fees:

The Borrower shall enter into a contract, or contracts, with an entity, or entities, that provide architectural, landscape architecture, surveying, planning, and engineering consultant services for the design and construction supervision of the Colonial Lakes Apartments project. The Borrower shall designate the architectural consultant, who shall be a Florida Registered Architect, as the "Lead Consultant" for this project.

The Borrower may request the County for reimbursement of payments made by the Borrower in connection with services rendered under the aforesaid consultant contracts provided that:

(i) The County shall have received a copy of a contract executed after March 1, 2011, for each of the consultant contracts for which the Borrower wishes to receive reimbursement. Subsequently, the Borrower shall provide the County a copy of all consultant contract amendments.

(ii) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement request pertaining to consulting fees. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of consultant fees, as well as the name and signature of a person authorized by the Borrower to make such a request.

(iii) Evidence of payment made by the Borrower for consultant services shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iv) A copy of the consultant's invoice prompting the Borrower's payment shall accompany each reimbursement request letter.

Note: the submission of Quarterly Jobs Reports (see Paragraph 6(n)(iii)) is required in connection with the County's reimbursement for architectural, landscape architecture, surveying, and engineering consultant services.

(b) Construction Costs:

The Borrower shall enter into one construction contract with a prime contractor covering all construction work associated with the Colonial Lakes Apartments project (including demolition, site preparation, construction of on-site infrastructure, site improvements and amenities such as a clubhouse, a pool, a picnic area, an exercise room, laundry facilities, a leasing office, and the five (5) apartment buildings described herein). The construction contract may include the cost of general conditions, builder's profit and overhead, and bonding costs. The construction contract shall contain a schedule of values for this project providing a detailed cost breakdown. The construction contract shall include the construction contract requirements associated with the use of NSP2 funds for this project as more fully delineated herein.

The Borrower may request the County for reimbursement of payments made by the Borrower under the aforesaid construction contract provided that:

(i) The County shall have received a copy of the construction contract (including all attachments such as plans and specifications) executed after March 1, 2011. Subsequently, the Borrower shall provide the County a copy of all executed change orders to the construction contract bearing the approval of the Lead Consultant.

(ii) The County shall have received a copy of the Borrower's consultant's plan and cost review either addressed to or certified to the County, or accompanied by a reliance letter in favor of the County, stating that the costs contained in the prime contractor's construction contract are reasonable. The Borrower's consultant preparing the plan and cost review shall be an adequately credentialed consultant independently retained by the Borrower and not a subcontractor of the prime contractor.

(iii) The County shall have received documentation from the Borrower evidencing that the Borrower's demolition contractor has provided the 10-day notice as required under NESHAP (National Emission Standards for Hazardous Air Pollutants) in connection with the demolition of the structures located on the Premises.

(iv) The Borrower may request reimbursement for payments made under the construction contract for materials stored on the Premises or in a bonded warehouse provided that such materials are securely stored, properly inventoried, and clearly stenciled or otherwise marked to indicate that they are the property of the Borrower, and provided that the County shall have received, reviewed, and approved documentation from the Borrower evidencing that for the life of the project:

- the Borrower's Builder's Risk Insurance policy includes a sublimit of coverage for the full replacement value of supplies that are awaiting installation, and that said policy includes a provision whereby the loss, if any, is payable to the Mortgagee as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to Mortgagee, or

- the Borrower has insurance coverage in place in the form of an Installation Floater or Inland Marine coverage for the full replacement value of supplies that are awaiting installation, and that said policy includes a provision whereby the loss, if any, is payable to the Mortgagee as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to Mortgagee.

(v) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement request pertaining to construction costs. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of construction costs, as well as the name and signature of a person authorized by the Borrower to make such a request.

(vi) Evidence of payment made by the Borrower for construction costs shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(vii) A copy of the prime contractor's request for payment prompting the Borrower's payment shall accompany each reimbursement request letter. The contractor shall be required to use American Institute of Architects form G702/703, or an equivalent form, to request payment, and the Lead Consultant shall approve the contractor's payment request on each such form.

(viii) The Borrower shall withhold a minimum of five percent (5%) retainage on each payment requested by the prime contractor, which retainage shall only be released to the prime contractor with the final payment upon the prime contractor's (and subcontractors') full compliance with the terms and conditions of the construction contract including compliance with the requirements associated with the use of NSP2 funds for this project (such as the Davis-Bacon and Related Acts).

Note: the submission of Quarterly Jobs Reports (see Paragraph 6(n)(iii)) is required in connection with the County's reimbursement for construction costs.

(c) Permitting and Other Fees Attributable to the Site:

The Borrower may request the County for reimbursement of payments made by the Borrower for building permit fees and other fees attributable to the site of the Colonial Lakes Apartments project, such as impact fees, guaranteed revenue fees, and utility connection fees, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement request pertaining to the aforesaid fees. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said fees, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said fees shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the permit application (or similar document) issued by the entity levying the fee and showing the amount of the fee owed shall accompany each reimbursement request letter.

(d) Property Taxes:

The Borrower may request the County for reimbursement of payments made by the Borrower for property taxes associated with the Colonial Lakes Apartments property, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided requesting reimbursement of property taxes associated with the Colonial Lakes Apartments property. The letter shall reference the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said taxes, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said taxes shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the property tax statement from the Palm Beach County Tax Collector showing the amount of the property tax owed shall accompany the reimbursement request letter.

(e) Title and Recording Fees:

The Borrower may request the County for reimbursement of payments made by the Borrower for title examination costs and title insurance costs associated with the Borrower's acquisition of the Premises (but not for costs to clear any cloud on the seller's title to the land being conveyed to the Borrower for the construction of the Colonial Lakes Apartments) and title examination costs and title insurance costs associated with the Borrower's acquisition of financing for the Colonial Lakes Apartments project, as well as costs to record, in the Public Records of Palm Beach County, the deed to the Premises, these Loan Documents, and the loan documents pertaining to the Borrower's financing for the Colonial Lakes Apartments project, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement request pertaining to the aforesaid title and recording costs. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said costs, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said title and recording costs shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the statement, invoice, closing document (or similar document) showing the amount owed in title and recording costs shall accompany each reimbursement request letter.

(f) Appraisal Fees:

The Borrower may request the County for reimbursement of payments made by the Borrower for costs of appraising the Premises in connection with its acquisition, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for the reimbursement of the aforesaid appraisal fees. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said fees, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said appraisal fees shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the contract or purchase order for the appraisal services shall accompany the reimbursement request letter, provided that the contract date or purchase order issue date was after March 1, 2011.

(iv) A copy of the invoice showing the amount owed in appraisal fees shall accompany the reimbursement request letter.

Note: the submission of Quarterly Jobs Reports (see Paragraph 6(n)(iii)) is required in connection with the County's reimbursement for appraisal fees.

(g) Builder's Risk Insurance:

The Borrower may request the County for reimbursement of payments made by the Borrower for the cost of builder's risk insurance connection with the construction of the Colonial Lakes Apartments project, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for the reimbursement of the aforesaid builder's risk insurance costs. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said costs, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said insurance costs shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the builder's risk insurance policy (or, if such policy is not yet available, a binder of insurance) shall accompany the reimbursement request letter, provided that the policy issue date was after March 1, 2011. If the builder's risk insurance policy is not available at the time the reimbursement is sought, the County must receive a copy of such policy within ninety (90) days of the request for reimbursement for the cost of builder's risk insurance.

(iv) A copy of the invoice showing the premium owed shall accompany the reimbursement request letter.

(h) Environmental Report Costs:

The Borrower may request the County for reimbursement of payments made by the Borrower for costs of a Phase I Environmental Site Assessment report (ASTM E 1527-05) and the cost of a Phase I Environmental Site Assessment Update report related to the Premises, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement of the aforesaid environmental report costs. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said environmental report costs, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said environmental report costs shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the contract or purchase order for the preparation of said environmental reports shall accompany each reimbursement request letter, provided that the contract date or purchase order issue date was after March 1, 2011.

(iv) A copy of the invoice showing the amount owed for the preparation of said environmental reports shall accompany each reimbursement request letter.

Note: the submission of Quarterly Jobs Reports (see Paragraph 6(n)(iii)) is required in connection with the County's reimbursement for environmental report costs.

(i) Asbestos Survey Report Costs:

The Borrower may request the County for reimbursement of payments made by the Borrower for costs of an asbestos survey report to establish the presence of any asbestos containing materials in the structure located on the Premises, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for the reimbursement of the aforesaid asbestos survey report costs. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said report costs, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said asbestos survey report costs shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the contract or purchase order for the preparation of said asbestos survey report shall accompany the reimbursement request letter, provided that the contract date or purchase order issue date was after March 1, 2011.

(iv) A copy of the invoice showing the amount owed for the preparation of said asbestos survey reports shall accompany the reimbursement request letter.

Note: the submission of Quarterly Jobs Reports (see Paragraph 6(n)(iii)) is required in connection with the County's reimbursement for asbestos survey report costs.

(j) Market Study Costs:

The Borrower may request the County for reimbursement of payments made by the Borrower for costs of market studies performed in connection with the Colonial Lakes Apartments project and pertaining to the pre-development and post-development phases of the project, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement of the aforesaid market study costs. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said market study costs, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said market study costs shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the contract or purchase order for the preparation of said market studies shall accompany each reimbursement request letter, provided that the contract date or purchase order issue date was after March 1, 2011.

(iv) A copy of the invoice showing the amount owed for the preparation of said market studies shall accompany each reimbursement request letter.

Note: the submission of Quarterly Jobs Reports (see Paragraph 6(n)(iii)) is required in connection with the County's reimbursement for market study costs.

(k) Construction Loan and Permanent Loan Fees:

The Borrower may request the County for reimbursement of payments made by the Borrower to its private lender for fees associated with its construction loan and permanent loan, and for the conversion of the construction loan to a permanent loan, provided that:

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement request pertaining to the aforesaid loan fees. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said fees, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said loan fees shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the statement, invoice, closing document (or similar document) showing the amount owed in loan fees shall accompany each reimbursement request letter provided that such documentation show the Borrower's obligation to pay said fees occurred after March 1, 2011.

(l) Bond Issuance Costs:

The Borrower may request the County for reimbursement of payments made by the Borrower for bond issuance costs in connection with the bonds issued by the Housing Finance Authority of Palm Beach County for the Colonial Lakes Apartments project. Bond issuance costs eligible for reimbursement hereunder shall consist of fees and expenses paid by the Borrower and shall exclude all fees and expenses, if any, paid from the proceeds of the bond issuance as well as the administrative fee due from the Borrower to the Housing Finance Authority of Palm Beach County.

(i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for the reimbursement request pertaining to the aforesaid bond issuance costs. The letter shall reference the Colonial Lakes Apartments project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said costs, as well as the name and signature of a person authorized by the Borrower to make such a request.

(ii) Evidence of payment made by the Borrower for said costs shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.

(iii) A copy of the bond closing statement showing the amount owed the Housing Finance Authority of Palm Beach County in bond issuance cost shall accompany the reimbursement request letter provided that such documentation show the Borrower's obligation to pay said fees occurred after March 1, 2011.

(m) Developer Fee:

The Borrower may request the County for payment of a developer fee associated with the completion of construction of the Colonial Lakes Apartments project, provided that:

(i) The amount that the Borrower may request shall be no more than eight percent (8%) of the Loan, that is, no more than \$467,754.

(ii) A letter from the Borrower, on the Borrower's letterhead, shall be provided requesting payment of the developer fee for the Colonial Lakes Apartments project, referencing the date of this Agreement and its document number, and containing a statement requesting the amount of the developer fee, as well as the name and signature of a person authorized by the Borrower to make such a request.

(iii) A copy of the Certificate of Occupancy, for all one-hundred and twenty (120) apartments in the Colonial Lakes Apartments project, issued by the building department with jurisdiction over said project shall accompany the request letter.

(n) Other Costs Not Listed Above:

The Borrower may request the County for reimbursement of payments made by the Borrower in connection with the Colonial Lakes Apartments project, and the County shall reimburse the Borrower for such payments from the Loan funds, provided that:

(i) The County, in its sole discretion, shall have determined that the costs requested for reimbursement are eligible costs under NSP2.

(ii) The Borrower shall have obligated itself to the payment after March 1, 2011.

(iii) The Borrower's payment for any such costs shall have occurred after the effective date of this Agreement.

(iv) The Borrower shall have provided the County with a written reimbursement request for costs deemed eligible by the County, along with evidence of payment, and other supporting documentation as established by the County and communicated to the Borrower upon the County's determination that the costs requested for reimbursement are eligible costs under NSP2.

Note: the submission of Quarterly Jobs Reports (see Paragraph 6(n)(iii)) may be required in connection with the County's reimbursement for some costs determined eligible by the County and not listed above.

5. EXPENSES:

Borrower shall pay fees and charges incurred in the procuring and making of this Loan, if applicable, and other expenses incurred by the County during the term of the Loan, including the Title Insurance Company's fees and premiums, charges for examination of title to the Premises, expenses of surveys, recording expenses, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon the Premises, and any other amounts necessary for the payment of the costs of Improvements, or as otherwise enumerated in any other Loan Document.

6. SPECIAL PROVISIONS:

Borrower expressly agrees to the following terms and conditions:

(a) Number, Composition, and Accessibility of Apartments:

Borrower agrees that the Improvements shall include five (5) apartment that shall contain one hundred and twenty (120) apartments (dwelling units) to be used as "Permanent Rental Housing" (meaning housing which is intended to be the tenant's home for as long as the tenant chooses within the limits of a signed legal lease document). Of the one hundred and twenty (120) apartments, eighty (80) apartments shall be two-bedroom apartments, and forty (40) apartments shall be three-bedroom apartments. Furthermore pursuant to 24 CFR Part 8.22, the Borrower shall make a minimum of five percent (5%) of all apartments, that is at least six (6) apartments, accessible for persons with mobility impairments (that is apartments that are on an accessible route and that are adaptable and otherwise in compliance with standards set forth in 24 CFR Part 8.32), and the Borrower shall make an additional two percent (2%) of all apartments, that is an additional three (3) apartments, accessible for persons with hearing or vision impairments.

(b) Certificate of Occupancy:

Upon the completion of construction of the Improvements, and upon the Borrower's receipt of a Certificate of Occupancy for the Colonial Lakes Apartments from the building department with jurisdiction over this project, the Borrower shall provide the County a copy of such Certificate of Occupancy.

(c) Occupancy and Affordability of Apartments:

All one hundred and twenty (120) apartments to be constructed at Colonial Lakes Apartments shall be leased to households whose incomes, adjusted by family size, are at no more than one hundred and twenty percent (120%) of Area Median Income (hereinafter "AMI") at the time these apartments are first occupied, and thereafter, at any time new tenants occupy these apartments. AMI shall mean the most current area median income published by the U. S. Department of Housing and Urban Development (hereinafter "HUD") for the West Palm Beach-Boca Raton Metropolitan Statistical Area. At least fifty-five percent (55%) of all one hundred and twenty (120) apartments to be constructed at Colonial Lakes Apartments, that is at least sixty-six (66) apartments, shall be leased to households whose incomes, adjusted by family size, are at no more than fifty percent (50%) of AMI at the time these apartments are first occupied, and thereafter, at any time new tenants occupy these apartments. In addition, of the aforesaid sixty-six (66) apartments, at least thirty (30) apartments (that is at least twenty-five (25%) percent of all one hundred and twenty (120) apartments) to be constructed at Colonial Lakes Apartments, shall be leased to households whose incomes, adjusted by family size, are at no more than thirty percent (30%) of AMI at the time these apartments are first occupied, and thereafter, at any time new tenants occupy these apartments.

Based on the above, the Parties recognize that no more than fifty-four (54) apartments to be constructed at Colonial Lakes Apartments, may be leased to households whose incomes, adjusted by family size, are more than fifty percent (50%) of AMI, but no more than one hundred and twenty percent (120%) of AMI at the time these apartments are first occupied, and thereafter, at any time new tenants occupy these apartments.

All one hundred and twenty (120) apartments to be constructed at Colonial Lakes Apartments shall be leased at "Affordable Rental Rates", as defined herein, for a period of at least thirty (30) years from the date of the aforesaid Certificate of Occupancy. The Borrower agrees that the rental rate it charges in all initial leases with tenants, as well as all subsequent leases or lease renewals, shall be at Affordable Rental Rates.

Affordable Rental Rates means the lesser of the Fair Market Rent for existing housing for comparable units in the area as established by HUD under 24 CFR Part 888.111, or:

- a rent plus tenant paid utilities, using the current utility allowances in the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services published by HUD, that does not exceed thirty percent (30%) of the adjusted income of a tenant household whose annual income equals thirty percent (30%) of AMI (for apartments so designated);

- a rent plus tenant paid utilities, using the current utility allowances in the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services published by HUD, that does not exceed thirty percent (30%) of the adjusted income of a tenant household whose annual income equals fifty percent (50%) of AMI (for apartments so designated); or

- a rent plus tenant paid utilities, using the current utility allowances in the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services published by HUD, that does not exceed thirty percent (30%) of the adjusted income of a tenant household whose annual income equals one hundred and twenty percent (120%) of AMI (for apartments so designated).

Provided, however, that the foregoing is not intended to limit the Borrower's ability to collect rents up to the full amount that the Borrower may receive under the terms of the HUD Section 8 program so long as the tenant's portion does not exceed the Affordable Rental Rates. Under no circumstances may the Borrower receive any undue enrichment as a result of any rental subsidy layering beyond the section 8 program subsidies.

Exhibit E to this Agreement depicts the current Affordable Rental Rates for Colonial Lakes Apartments based on the HUD published annual income limits for the West Palm Beach-Boca Raton Metropolitan Statistical Area as of May 31, 2011, based on the HUD published Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services as of March 1, 2011, and based on the HUD published Fair Market Rents in the West Palm Beach-Boca Raton HUD Metro FMR Area (HMFA) as of October 1, 2010. The parties agree that the contents of Exhibit E shall be revised each time one of the aforesaid HUD published schedules is amended by HUD.

The Borrower shall, for each household that is leased an apartment at Colonial Lakes Apartments, maintain a file that at minimum contains the following:

- (i) An application for lease, signed and dated by the applicant(s), identifying the household members that intend to occupy the apartment, the household characteristics, and the household income they have disclosed.

- (ii) Documentation evidencing the Borrower's verification of the applicant's household income and a computation sheet demonstrating the Borrower's determination of the applicant's income eligibility to occupy the apartment. Household income computation shall follow the HUD Section 8 method.

- (iii) A copy of the HUD income levels in effect at the time the initial lease is signed.

- (iv) A computation sheet demonstrating that the rent charged by the Borrower in the initial lease is at an Affordable Rental Rate, and supporting documentation such as a current Fair Market Rent schedule, and a similar computation sheet and supporting documentation demonstrating that the rent charged by the Borrower in every subsequent lease, or lease renewal, is at an Affordable Rental Rate.

- (v) An original of all executed leases with the applicant/tenant identifying the apartment number and the rental rate.

- (vi) A copy of the below described background check.

- (vii) Any other documentation evidencing the Borrower's compliance with this Agreement.

(d) Occupancy by Homeless Persons/Families:

The Borrower shall provide affordable rental opportunities to households at the lower tiers of the income spectrum in order to further the goals of the Palm Beach County Ten Year Plan to End Homelessness by creating additional affordable rental opportunities for these households that are at risk of homelessness or who are transitioning from the local homeless service system to affordable independent living situations. To this end, the Borrower shall inform agencies in Palm Beach County that serve the homeless population of apartments that become vacant at Colonial Lakes Apartments to enable such agencies in turn to inform potential tenants of the availability of such units. Upon successful referral of homeless individuals from the aforesaid agencies, the Borrower shall enable such individuals to use the amenities at Colonial Lakes Apartments to improve their access to homeless services offered by the County and other agencies serving the homeless population.

(e) Background Check and Lease Requirements:

The Borrower shall conduct background checks on adult members of households prior to occupancy.

The Borrower shall utilize leases which require parents to be held legally and financially liable for the acts of their children in the apartment complex and which allow management to terminate the lease of any household where a household member is engaged in illegal or criminal activity or where a household member is engaged in anti-social behavior which denies the project's residents or area residents the quiet and peaceful enjoyment of their homes or businesses.

(f) Energy Efficiency:

The Borrower shall ensure that, to the greatest extent possible, that the construction of Colonial Lakes Apartments shall meet standards established by the United States Environmental Protection Agency, in the publication titled *A Green Home Begins with ENERGY STAR Blue* or in the Version 6.0 Standard of the Florida Green Building Coalition (www.floridagreenbuilding.org).

The Borrower shall incorporate the following elements into its development plan:

- (i) Energy-efficient Construction Techniques and Products:
 - Proper installation of insulation to ensure even temperatures throughout the house.
 - Installation of high performance impact windows.
 - Installation of energy-efficient HVAC systems.
 - Installation of new Energy Star qualified products including light fixtures, compact fluorescent bulbs, ventilation fans and appliances (refrigerators, dishwashers and washing machines).
- (ii) Improved Indoor Environments:
 - Properly sealed cracks and holes in the envelope of the home as well as in the duct system.
 - Installation of Carpet and Rug Institute's Green Label Certified carpets and pads.
 - Utilization of only low Volatile Organic Carbon paints and sealants.
 - Utilization of proper water sealing methods to eliminate any possibility of mold.
 - Installation of programmable thermostats.
- (iii) Increased Water Efficiency:
 - Installation of low volume, non-spray irrigation systems.
 - Incorporation of landscape practices recommended by the University of Florida's Florida-Friendly Landscaping Program (fyn.ifas.ufl.edu/index.html).
 - Installation of low flow toilets, showerheads and sink faucets.

(g) Civil Rights Compliance:

The Borrower agrees that no person shall on the ground of race, color, disability, national origin, religion, age, financial status, familial status, marital status, sexual orientation, gender, or gender identity or expression, be excluded from the benefits of, or be subjected to discrimination under any activity carried out by the performance of this Agreement. Upon receipt of evidence of such discrimination, the County shall have the right to terminate this Agreement.

(h) Section 504:

The Borrower agrees to comply with all Federal regulations issued pursuant to Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against individuals with disabilities or handicaps in any Federally assisted program.

(i) Opportunities for Small and Minority/Women-owned Business Enterprises:

In connection with the procurement of all contracts for supplies, equipment, construction, or services funded, in part or in whole, with NSP2 funds made available through this Agreement, the Borrower shall make a positive effort to utilize small business and minority/women-owned business enterprises of supplies and services, and provide these sources the maximum feasible opportunity to compete for contracts to be performed pursuant to this Agreement. To the maximum extent feasible these small business and minority/women-owned business enterprises shall be located in or owned by residents of the NSP2 Urban Redevelopment Area as identified in the Notice of Funding Availability and Request for Proposals to which the Borrower responded in connection with the funds made available through this Agreement. The provisions of this Subparagraph do not apply to contracts for supplies, equipment, construction, or services not funded, in part or in whole, with NSP2 funds made available through this Agreement such as contracts entered into by the Borrower for the operation and maintenance of Colonial Lakes Apartments.

(j) Labor Standards:

The Borrower agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Borrower agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Borrower shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the County for review upon request.

The Borrower agrees that the prime contractor and all its subcontractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, shall comply the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Borrower of its obligation, if any, to require payment of the higher wage. The Borrower shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

(k) Section 3

The Borrower agrees to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, as they apply to Section 3 Covered Contracts exceeding \$100,000 when funded, in part or in whole, through this Agreement and awarded for Section 3 Covered Projects. For the purposes of this Agreement, the requirements of Section 3 shall apply to the herein described construction contract with the prime contractor covering all construction work associated with the Colonial Lakes Apartments project, all subcontracts exceeding \$100,000 arising from said construction contract, all herein described consultant contracts exceeding \$100,000 for architectural, landscape architecture, surveying, engineering, and related professional services, and all subcontracts exceeding \$100,000 arising from said consultant contracts.

The Borrower shall include the following, referred to as the Section 3 Clause, in every solicitation and every contract for every Section 3 Covered Project:

Section 3 Clause:

(i) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(ii) The parties to this contract agree to comply with HUD's requirements in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(iii) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractor's commitment under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(iv) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

(v) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

(vi) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(I) Bonding Requirements:

The Borrower shall require the prime contractor to deliver, with the executed construction contract, a performance bond and a separate payment bond each in the amount of one hundred percent (100%) of the construction contract price, executed by a corporate surety company of recognized standing, authorized to do business in the State of Florida, as security for the faithful performance and payment of all contractor's obligations under the construction contract. During the construction period the surety company shall hold a current certificate of authority as an acceptable surety on Federal Bonds, in accordance with U. S. Department of Treasury Circular 570, Current Revision. The Borrower shall provide the County a copy of each such bond no later than 30 days after the execution of the construction contract.

(m) NSP2 Requirements Applicable to Construction Contract and Consultant Contracts:

The Borrower shall, in connection with the award of the construction contract to be funded through this Agreement, request the County for a document containing the NSP2 requirements applicable to the construction contract, shall incorporate such document into its construction contract for the Colonial Lakes Apartments project, and shall impose such NSP2 requirements contained therein on its prime contractor and all of the prime contractor's subcontractors. The Borrower shall also, in connection with the award of each consultant contract to be funded through this Agreement, request the County for a document containing the NSP2 requirements applicable to consultant contracts, shall incorporate such document into each consultant contract for the Colonial Lakes Apartments project, and shall impose such NSP2 requirements contained therein on all affected consultants and their subconsultants.

(n) Reporting Requirements:

(i) The Borrower shall submit to the County a Monthly Narrative Report in the form provided as Exhibit F to this Agreement. The Borrower shall first submit said report on the last day of the month during which this Agreement is executed, and thereafter, on the last day of each month following the month during which this Agreement is executed. After the Borrower provides a monthly report for the month during which the Certificate of Occupancy for the Colonial Lakes Apartments is issued, the Borrowers may cease submitting this report.

(ii) The Borrower shall submit to the County a Tenant Information Report in the form provided as Exhibit G to this Agreement. The Borrower shall first submit said report on the last day of the month during which the Certificate of Occupancy for the Colonial Lakes Apartments is issued, and thereafter, on the last day of each month following the month during which said Certificate of Occupancy was issued. After the Borrower provides monthly reports on all eighty (80) apartments described herein, the Borrowers may cease submitting this report.

(iii) The Borrower shall submit to the County a Quarterly Jobs Report in the form provided as Exhibit H to this Agreement, and according to the schedule identified therein. This report is intended to collect information on the number of jobs created and jobs retained in connection with all contracts funded, in part or in whole, with NSP2 funds including but not limited to the construction contract, all construction subcontracts, all consultant contracts, and all subconsultant contracts for this project. The Borrower shall, for each contract funded, in part or in whole, with NSP2 funds, submit Quarterly Jobs Reports covering the contract period beginning with the commencement of work covered by the contract and ending with the conclusion of all work covered by the contract.

(iv) The Borrower shall submit to the County an Annual Rent Roll in the form provided as Exhibit I to this Agreement. The Borrower shall first submit the Annual Rent Roll on the first anniversary of its submission of the first Tenant Information Report identified above, and annually thereafter for the duration of the Mortgage.

7. REPRESENTATIONS AND WARRANTIES OF BORROWER:

Borrower represents and warrants (which representations and warranties shall be deemed continuing) as follows:

(a) Organization Status:

Borrower is a Florida limited partnership duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein. Borrower is duly authorized to borrow from County the principal sum of \$5,846,934 and execute all the Loan Documents pertaining thereto.

(b) Authority to Enter into Loan Documents:

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

(c) Validity of Loan Documents:

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

(d) Conflicting Transactions of Borrower:

The consummation of the transaction hereby contemplated and the performance of the obligations of Borrower under and by virtue of the Loan Documents will not result in any breach of, or constitute a default under, any other Agreement to which Borrower is a party or by which it may be bound or affected.

(e) Pending Litigation:

To Borrower's knowledge there are no actions, suits or proceedings pending before any court of law or equity, or any Administrative Board, or, to the knowledge of the Borrower, threatened against or affecting it or the Premises, or, involving the validity or enforceability of the Mortgage, or of any of the Loan Documents.

(f) Availability of Utilities:

All utility services necessary for the construction of the Improvements and the operation thereof for their intended purpose are or will be available at the boundaries of the Premises, including water supply, storm and sanitary sewer facilities, and electric and telephone facilities, and Borrower has obtained or will obtain all necessary permits and permissions required from governmental authorities for unrestricted access to and use of such services in connection with the construction and use of the intended Improvements.

(g) Condition of Premises:

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

(h) Availability of Roads:

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

(i) No Default:

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

(j) Advertising:

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

(k) Hazardous Waste:

To Borrower's knowledge, Borrower is in compliance with all provisions of the federal Water Pollution Control Act, Comprehensive Environmental Response, Compensation and Liability ("Superfund") Act of 1980 and Solid Waste Disposal Act, Florida Statutes, Chapter 376, and other similar federal, state and local statutory schemes imposing liability on Borrower relating to the generation, storage, impoundment, disposal, discharge, treatment, release, seepage, emission, transportation or destruction of any sewage, garbage, effluent, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), toxic, hazardous or radioactive materials, petroleum products, pesticides, smoke, dust, or any other form of pollution as such laws are in effect as of the date of this Agreement and with any rules, regulations and order issued by any federal, state or local governmental body, agency or authority thereunder and with any orders or judgments of any courts of competent jurisdiction with respect thereto, and no assessment, notice of (primary or secondary) liability or notice of

financial responsibility, or the amount thereof, or to impose civil penalties has been received by the Borrower. Borrower has paid any environmental excise taxes imposed pursuant to Sections 4611, 4661 or 4681 of the Internal Revenue Code of 1986, as from time to time amended.

(l) Filing and Payment of Taxes:

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

8. ADDITIONAL COVENANTS OF BORROWER:

Borrower covenants and agrees with the County as follows:

(a) Mechanics' Liens:

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

In addition, Borrower agrees, at its sole cost and expense, to have any mechanics' lien or equitable lien which may be filed against the Premises or undisbursed funds of this Loan released, bonded or insured over within sixty (60) days of the date of filing same, time being of the essence. The County shall be under no obligation to make further disbursements while any such lien remains outstanding against the Premises. If Borrower fails, after demand, to cause said lien or liens to be released, bonded or insured over as aforesaid the County may take such steps as it deems necessary and any funds expended shall be charged to Borrower's Loan Account and shall bear interest as provided by the Loan Documents.

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

(b) No Transfer of Premises:

Except as specifically set forth in the Mortgage or herein, including in the Permitted Exceptions, the Premises or any part thereof shall not be sold, leased (except for tenant lease), conveyed, mortgaged or encumbered in any way without the prior written consent of the County which consent shall not be unreasonably withheld, or delayed except as provided elsewhere herein or in the Mortgage, it being understood and agreed that part of the consideration for the Loan is the obligation of Borrower. Notwithstanding the foregoing, Borrower may enter into utility easements or licenses or leases for tenant services, such as laundry or concessions.

(c) Compliance with Laws:

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

(d) Brokerage Commissions:

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

(e) Financial Statements to be Furnished:

Borrower shall furnish to the County:

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

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

(iii) With the statements submitted under (ii) above, a certificate signed by the principal financial officer of Borrower to the effect that no Event of Default specified herein, nor any event which upon notice or lapse of time or both, would constitute such an Event of Default, has occurred which has not been cured or otherwise waived in writing by the Lender.

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

(f) Borrower to Maintain Bookkeeping System:

Borrower shall, if required by the County, maintain a bookkeeping system to the construction project in form and content sufficient for the County to conduct reviews, inspections, certifications and reports required by this Agreement. The County shall have full (but confidential) access, as allowed under the Public Records Law, at any reasonable time to the books, records and contracts pertaining to the Premises and Borrower.

(g) Insurance Proceeds:

The Borrower shall keep the Premises continually insured in an amount not less than full insurable value of the Premises, which coverage shall insure the Premises against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the County, in its sole discretion, shall from time to time reasonably require, for the benefit of the County. All such insurance at all times will be an insurance company or companies in such amounts and with terms acceptable to the County, with loss in excess of \$200,000, if any, payable to the County, as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be reasonably satisfactory to the County; and forthwith upon the issuance of such policies they will deliver to the County copies of receipts for the premiums paid thereon and certificates of insurance and copies of such policies. In the event of a foreclosure or other transfer of title to the Property in lieu of foreclosure, or by purchase at the foreclosure sale, all interest in any proceeds due in connection with any claims made under the policy(ies) (for events arising prior to the title transfer) shall pass to Lender, transferee or purchaser, as the case may be. Subject to the provisions of the First Mortgage and the AHP Mortgage, should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Premises, then in such event, County and Borrower may jointly elect to use the proceeds for the reconstruction and repair of the

Premises or, in the alternative, to apply the net proceeds to the payment of the indebtedness hereby secured, whether then due or not. This Section is subordinate and subject to the First Mortgage.

(h) Indebtedness:

With respect to the Premises encumbered by the Borrower of even date herewith, Borrower will not incur, create, assume or permit to exist any indebtedness superior to this Mortgage, except in the ordinary course of business constituting the deferred purchase price of any property or assets, or any indebtedness or liability evidenced by notes, bonds, debentures or similar obligations without the written approval of the County, which approval shall not be unreasonably withheld or delayed, except indebtedness owed the County and the aforementioned First Mortgage and AHP Mortgage; provided however, that the First Mortgage shall not exceed the amounts contained in the recitals incorporated in this Agreement.

(i) Further Assurances and Preservation of Security:

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

(j) No Assignment:

Borrower shall not assign this Agreement or any interest therein and any such assignment is void and of no effect.

9. RIGHT TO AUDIT AND ACCESS TO RECORDS:

The Borrower shall maintain adequate records to justify all charges, expenses and costs incurred for acquisition of the Premises and completion of the Improvements for at least five (5) years after completion. Furthermore, the Borrower shall maintain ongoing records related to its tenants (such as their incomes, their household composition, their household characteristics, and their leases), and for at least five (5) years after the end of each tenancy, to enable the County to verify the Borrower's compliance with the occupancy, affordability, and all other requirements in this Agreement.

The County shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the Borrower's place of business.

Notwithstanding any other provision in this Agreement, all documents, records, reports and any other materials produced hereunder shall be subject to disclosure, inspection and audit, by the Palm Beach County Office of Inspector General pursuant to Palm Beach County Code Sections 2-421 to 2-440.

Pursuant to Palm Beach County Code Sections 2-421 to 2-440, Palm Beach County has established the Office of the Inspector General, which is authorized and empowered to review past, present and proposed County agreements, contracts, transactions, accounts and records. All parties doing business with the County and receiving County funds, including the Borrower, shall fully cooperate with the Inspector General. The Inspector General has the power to subpoena witnesses, administer oaths, require the production of records, and to audit, investigate, monitor, and inspect the activities of the Borrower, its officers, agents, employees, and lobbyists in order to ensure compliance with this Agreement and to detect waste, corruption and fraud.

10. INSPECTIONS:

Borrower will permit County, or its representatives to enter upon the Premises during normal business hours, inspecting Improvements and all materials to be used in the construction thereof, and to examine all details, plans and shop drawings which are kept at the construction site, and will cooperate, and cause Borrower's general contractor and subcontractors to cooperate with the County's representative.

11. DEFAULT:

The following events after expiration of any notice and cure period shall be deemed Events of Default:

(a) Bankruptcy:

If there is filed by or against Borrower a petition in bankruptcy or a petition for the appointment of a receiver or trustee of the property of Borrower and any such petition not filed by Borrower is not dismissed within ninety (90) days of the date of filing, or if Borrower files a petition for reorganization under any of the provisions of the Bankruptcy Code or of any assignment for the benefit of creditors or makes any insolvency assignment or is adjusted insolvent by any court of competent jurisdiction.

(b) Breach of Covenants, Warranties and Representations:

If any warranty or representation made by Borrower in this Agreement or in any other Loan Document shall at any time be false or misleading in any material respect when made, or if Borrower shall fail to keep, observe or perform any of the material terms, covenants, representations or warranties contained in this Agreement, the Promissory Note, the Mortgage, the Loan Documents, and any other document given in connection with the Loan or development of the Improvement (provided, that with respect to non-monetary defaults, the County shall give written notice to Borrower, who shall have thirty (30) days to cure, and provided, that with respect to monetary defaults, the County shall give written notice to Borrower, who shall have ten (10) days to cure), or is unwilling to meet its obligations thereunder.

(c) Failure to Use Funds:

Borrower shall fail to use all funds under this Agreement for permissible costs associated with the acquisition of the Premises as set forth in Paragraph 3(a) above, and for costs eligible for reimbursement by the County as set forth in Paragraph 4 above, by November 15, 2012. In the event Borrower fails to use all funds by November 15, 2012, all remaining funds shall revert to the County and the County may reallocate for other projects or needs, unless written agreement to the contrary has been executed by the Parties.

(d) Failure to Complete Construction:

Borrower shall fail to complete construction of the Improvements and secure a Certificate of Occupancy for the Improvements by March 31, 2013, unless written agreement to the contrary has been executed by the Parties.

(e) Default Under the First Mortgage:

Borrower shall default under the First Mortgage which is not cured within applicable cure periods.

12. REMEDIES OF LENDER:

Upon the happening of an Event of Default, which default is not cured within any applicable cure or grace period, then the County may, at its option, upon written notice to Borrower:

(a) Cancellation of Agreement:

Cancel this Agreement.

(b) Commencement of Legal or Equitable Action:

Commence an appropriate legal or equitable action to enforce performance of this Agreement.

(c) Acceleration of Payment:

Accelerate the payment of the Promissory Note and any other sums secured by the Mortgage, and commence appropriate legal and equitable action to foreclose the Mortgage and collect all such amounts due the County.

(d) Rights and Remedies:

Exercise any other rights or remedies the County may have under the Mortgage or other Loan Documents executed in connection with the Loan or which may be available under applicable law.

13. GENERAL TERMS:

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

(a) Rights of Third Parties:

All conditions of the County hereunder are imposed solely and exclusively for the benefit of the County and its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or be entitled to assume that the County will make Disbursements in the absence of strict compliance with any or all thereof, and no other person shall, under any circumstances, be deemed to be a beneficiary of this Agreement or the Loan Documents, any provisions of which may be freely waived in whole or in part by the County at any time if, in its sole discretion, it deems it desirable to do so. In particular, the County makes no representations and assumes no duties or obligations as to third parties concerning the quality of the construction by Borrower of the Improvements or the absence therefrom of defects.

(b) Borrower is not the County's Agent:

Nothing in this Agreement, the Promissory Note, the Mortgage or any other Loan Document shall be construed to make the Borrower the County's agent for any purpose whatsoever, or the Borrower and the County partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.

(c) Public Entity Crimes:

As provided in F.S. 287.133 by entering into this Agreement or performing any work in furtherance hereof, the Borrower certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the 36 months immediately preceding the date hereof. This notice is required by F.S. 287.133 (3)(a).

(d) Conflict of Interest:

The Borrower covenants that no person who presently exercises any functions or responsibilities in connection with the Project, has any personal financial interest, direct or indirect, in the target areas or any parcels therein, which would conflict in any manner or degree with the performance of this Agreement and that no person having any conflict of interest shall be employed by or subcontracted by the Borrower. Any possible conflict of interest on the part of the Borrower or its employees shall be disclosed in writing to the County provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation of low and moderate-income residents of the project target area.

(e) The County Not Liable for Damage or Loss:

All inspections and other services rendered by or on behalf of the County pursuant to this Agreement shall be rendered solely for the protection and benefit of the County. Neither Borrower nor other third persons shall be entitled to claim any loss or damage against the County or against its agents or employees for failure to properly conduct inspections and other such services contemplated by this Agreement.

(f) The County Not Obligated to Insure Proper Disbursement of Funds to Third Parties:

Nothing contained in this Agreement, or any Loan Documents, shall impose upon the County any obligation to oversee the proper use or application of any disbursements and disbursements of funds made hereunder so long as disbursements are made to Borrower.

(g) Indemnification from Third Party Claims:

Borrower shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Loan proceeds to Borrower or from the condition of the Premises, whether related to the quality of construction or otherwise, and whether arising during or after the term of the Loan, except any liability due to the gross negligence or willful misconduct of County. This provision shall survive the repayment of the Loan and shall continue in a full force and effect so long as the possibility of such liability, claims, or losses exists.

(h) Rights of Subcontractors, Laborers and Materialmen:

In no event shall this Agreement be construed to make the County, Title Company or agent of the County liable to Borrower's Contractor or any subcontractors, laborers, materialmen, craftsmen, or others for labor, materials, or services delivered to the Premises or goods specially fabricated for incorporation therein, or for debts or liens accruing or arising to such persons or parties against Borrower or Borrower's Contractor. It is distinctly understood and agreed that there is no relation of any type whatsoever, contractual or otherwise, whether express or implied, between the County and Borrower's Contractor, any materialman, subcontractor, craftsman, laborer or any other person or entity supplying any labor, materials or services to the Premises or specially fabricating goods to be incorporated therein. Except as otherwise specifically provided herein, no such person or entities are intended to be third party beneficiaries of this Agreement or any document or instrument related to the Loan or to have any claim or claims in or to any undisbursed or retained Loan proceeds.

(i) Evidence of Satisfaction of Conditions:

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

(j) Headings:

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

(k) Invalid Provisions to Affect No Others:

If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

(l) Application of Interest to Reduce Principal Sums Due:

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

(m) Governing Law:

The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement and the venue shall be in Palm Beach County.

(n) Number and Gender:

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

(o) Agreement:

The Borrower agrees to comply with all provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), the Housing and Community Development Act of 1974, as amended, and the Federal Community Development Block Grant Regulations (24 CFR Part 570) that are applicable to a recipient of funds through the NSP2 program, and that are required to be adhered to for this Loan and such provisions are incorporated herein by reference and are made a part hereof. The Loan Documents constitute the entire understanding and agreement between the parties with respect the subject matter hereof, supersede all prior agreements, including commitment letters, and may not be modified or amended, except in writing and signed by all parties hereto.

(p) Waiver:

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

(r) Notices:

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

TO LENDER:

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

TO BORROWER:

Colonial Lakes Apartments, Ltd.
c/o JDF, LLC
340 Pemberwick Road
Greenwich CT 06831
Attn: Joanne D. Flanagan, Esq.

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

(s) Successors and Assigns:

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

(t) Counterparts:

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

(u) Waiver of Jury Trial:

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

14. SUBORDINATION:

Lender hereby approves the First Mortgage provided that it does not exceed \$9,300,000 plus any protective advances made in accordance with applicable law, and further agrees to subordinate to such First Mortgage. The Chair of the Board of County Commissioners of Palm Beach County and the Clerk of the Court for Palm Beach County, are hereby authorized to execute subordination agreements required herein without further approval of the Board of County Commissioners of Palm Beach County, Florida, provided such documents are in a form acceptable to the County Attorney. Nothing contained herein shall, however, relieve the Borrower from its obligation to make payments under the Promissory Note in accordance with its terms.

15. NONRECOURSE:

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT BY THE BORROWER UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE LENDER SHALL BE TO FORECLOSE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND IN NO EVENT SHALL THE BORROWER HAVE ANY LIABILITY FOR THE PAYMENT OF THE LOAN OR ANY OTHER OBLIGATIONS REFERENCED HEREIN, OR FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THE LOAN.

16. EFFECTIVE DATE OF AGREEMENT:

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

17. TRANSFER:

Notwithstanding the foregoing or anything to the contrary contained herein or in the Loan Documents, the following shall be permitted without consent and shall not constitute an Event of Default: (i) the transfer of partnership interests in the Borrower in accordance with the terms of the Borrower's agreement of limited partnership, as such agreement of limited partnership may be amended from time to time (the "Partnership Agreement"), (ii) the transfer of ownership interests in investor Limited Partner, (iii) the removal of the general partner of the Borrower and replacement thereof in accordance with the Partnership Agreement and/or (iv) an amendment of the Partnership Agreement (A) memorializing the transfers or removal described above or (B) which does not materially and adversely affect the ability of the Borrower to perform the Borrower's obligations under this Agreement or the other Loan Documents.

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

Signed, sealed and delivered
in the presence of:

Witnesses:

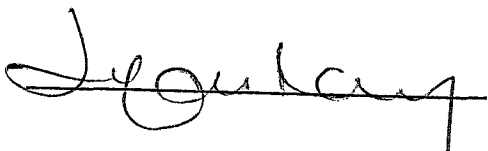
Name: DAMON KOUB

Signature:



Name: Jennifer Rainey

Signature:



COLONIAL LAKES APARTMENTS, LTD.,
a Florida Limited Partnership

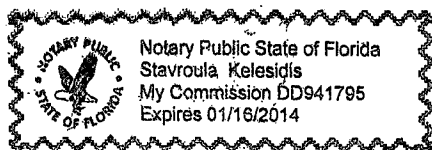
By: COLONIAL LAKES APARTMENTS GP, LLC,
a Florida Limited Liability Company,
its General Partner

By: TRG Member of FL I, LLC,
a Florida limited liability company,
its sole member

By: 
Name: William T. Fabbri
Title: Executive Vice-President

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 19th day of, July, 2011, by William T. Fabbri, Executive Vice-President of TRG Member of FL I, LLC, who is personally known to me, or who has produced _____ as identification and who did/did not take an oath.



(NOTARY SEAL ABOVE)

Signature: 

Notary Name: Stavroula Kelesidis
Notary Public - State of Florida

PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida

FOR ITS BOARD OF COUNTY COMMISSIONERS

By: 

Shannon R. LaRocque-Baas, P.E.
Assistant County Administrator

Approved as to Form and
Legal Sufficiency

By: 

Tammy K. Fields
Senior Assistant County Attorney

Approved as to Terms and Conditions
Dept. of Housing and Community Development

By: 

Journey Beard, Director of Contract
Development and Quality Control

EXHIBIT A

LEGAL DESCRIPTION

A PORTION OF SECTION 26, TOWNSHIP 44 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WEST ONE-HALF OF THE EAST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 26, TOWNSHIP 44 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA.

LESS THE NORTH 76 FEET THEREOF.

ALSO LESS:

THAT PORTION OF THE EXTERIOR TRIANGULAR AREA OF THE 35.15 FOOT TANGENT AS SHOWN ON ROAD PLAT BOOK 5, PAGES 125-138 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, FOR ROAD AND CANAL RIGHT-OF-WAY.

SAID LANDS SITUATE IN PALM BEACH COUNTY, FLORIDA, AND CONTAIN 9.844 ACRES, MORE OR LESS.

EXHIBIT B

PROMISSORY NOTE

\$5,846,934.00

West Palm Beach, Florida
_____, 2011

FOR VALUE RECEIVED the undersigned Colonial Lakes Apartments, Ltd., a Florida limited partnership ("Maker"), promises to pay to the order of PALM BEACH COUNTY, a political subdivision of the State of Florida, together with any other holder hereof ("Holder"), at 301 North Olive Avenue, West Palm Beach, Florida 33401, or such other place as Holder may from time to time designate in writing, the principal sum of Five Million Eight Hundred Forty-Six Thousand Nine Hundred Thirty-Four Dollars (\$5,846,934.00) (the "Loan"), plus accrued interest, to be paid in lawful money of the United States of America, as follows:

- 1) The entire Loan is non-amortizing and this Note shall bear interest at the stated rate of two percent (2%) per annum (compounded annually) computed only on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement. The outstanding principal balance shall be due in full on the Maturity Date (as defined below).
- 2) Repayment hereunder shall occur as follows:
 - (a) From the date hereof until December 31, 2012, no payments will be required and interest will accrue and be payable at the Maturity Date, as defined below.
 - (b) From and after December 31, 2012, annual payment of interest shall be made out of available Net Cash Flow (as defined below) of the Project (as defined below) which shall be determined annually on a calendar year basis, commencing with the year 2012, and certified by an independent Certified Public Accountant reasonably acceptable to the County, prior to the annual payment due date. The first annual interest payment due date hereunder shall be on May 31, 2013, with respect to all interest payments due under subparagraph (4) below for the preceding calendar year. Subsequent annual interest payments shall be due on the 31st day of May for each preceding calendar year thereafter through May 31, 2043, (Maturity Date), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon shall be due and payable, unless acceleration is made by Holder pursuant to the provisions hereof.
- 3) Maker agrees to provide annually to Holder a certification of Project income and expenses, and certified by an independent Certified Public Accountant acceptable to the County in its reasonable discretion, which shall be used by Holder to determine cash flow and the payments due hereunder. Said certification shall be provided prior to each annual due date commencing for the year 2012.
- 4) Commencing May 31, 2013, payments from Net Cash Flow as determined by Holder shall be applied to pay the following items in order of priority:
 - (a) Interest payment on the principal balance hereof equal to two percent (2%) per annum; and
 - (b) Any such interest hereunder deferred from previous years commencing with the year 2011.

Net Cash Flow means the Project cash flow from rental income and other income generated by the Project, less (i) all sums due or currently required to be paid under the documents executed in connection with the senior loans, including, without limitation, debt service payment on senior loans, (ii) debt service on subordinate loans that are payable from other than cash flow, and (iii) Project Expenses (as defined below). The following items shall be excluded from Project cash flow in determining Net Cash Flow, and shall not be considered as available for payment of the Holder's Loan: (i) refinancing and insurance proceeds, (ii) tax credit equity capital contributions, (iii) proceeds from the senior and NSP2 loans, and (iv) any other funding sources used to fund construction or rehabilitation of the Project. Project Expenses means any usual and customary operating, development and financial costs associated with the project, including, without limitation, any compliance monitoring fee, any financial monitoring fee, any Developer Fee (including any Deferred Developer Fee) (as defined below), any deferred construction contractor fees and expenses, any replacement reserves, completion/repair reserves, or other reserves or escrows required by any senior lienholder, any servicing fees and any debt service reserves required by any senior lienholder, guaranty fees which are payable while any guarantees are in place, fees payable pursuant to the terms of the Borrower's partnership agreement, and repayment of any advances made by the general partner(s) and/or limited partner prior to or after construction completion. The term Project Expenses shall also include the management company's fee for providing professional customary management services for the project on a day to day basis, including marketing, maintenance, leasing, compliance duties, management of budget, daily operations, and administrative expenses such as office supplies, postage/express mail, office equipment lease and repair (fax, copier, computers), telephone, internet, license, fees and permits, legal expenses, accounting and audit expenses, resident services, miscellaneous expenses such as travel and meals.

Developer Fee means the overhead and fee paid to The Richman Group of Florida, Inc., a Florida corporation (the "Developer"), with respect to the with respect to the Project, which shall equal eighteen percent (18%) of Project Costs. Project Costs for purpose of determining Developer Fee per this Promissory Note are herein defined as all costs incurred in the acquisition, financing, construction and completion of the Project, as reflected in the cost certification completed by the Project accountant, and shall include all items in the following sentence, and exclusive of Developer Fee and land cost. Project Costs shall include but not be limited to: (a) the cost of acquiring real property and any buildings thereon, excluding the purchase price of the real property, including payment for options, deposits, or contracts to purchase properties, (b) the cost of site preparation, demolition, and development, (c) any expenses relating to the issuance of tax-exempt bonds or taxable bonds, if any, related to the Project, (d) fees in connection with the planning, execution, and financing of the Project, such as those of architects, engineers, attorneys, accountants, lenders, the Housing Finance Authority of Palm Beach County and the Florida Housing Finance Corporation, (e) the cost of studies, surveys, plans, permits, insurance, interest, financing, tax and assessment costs, and other operating and carrying costs during construction, rehabilitation, or reconstruction of the Project, (f) the cost of the construction, rehabilitation, and equipping of the Project, (g) the cost of land improvements, such as landscaping and offsite improvements related to the Project, whether such costs are paid in cash, property, or services, (h) expenses in connection with initial occupancy of the Project,

(i) allowances for contingency reserves and reserves for any anticipated operating deficits during the first two (2) years after completion of the Project, (j) the cost of such other items, including relocation costs, indemnity and surety bonds, premiums on insurance, and fees and expenses of trustees, depositories, and paying agents for the tax-exempt bonds, for the construction or rehabilitation (as applicable) of the Project. Deferred Developer Fee means the portion of the Developer Fee that has not been paid to the Developer as of the later of (i) construction completion of the Project, (ii) receipt of all equity installments by the investor limited partner of the Maker and (iii) conversion to permanent financing of the first mortgage loan of the Project.

Notwithstanding anything to the contrary contained in this Section 4, or elsewhere in this Note, in no event shall payments made by Maker to Holder under the terms of this Note exceed thirty percent (30%) of then available Net Cash Flow, it being understood that the indebtedness evidenced by this Note is payable only from thirty percent (30%) of Net Cash Flow.

- 5) Any payments of current or deferred interest due annually hereunder shall be deferred until the next annual due date to the extent that Net Cash Flow is insufficient to make said payments pursuant to the payment priority schedule in subparagraph (4) above and as determined by Maker.
- 6) This Note may be prepaid in whole or in part at any time, without penalty or premium. Any prepayment hereunder shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to accrued, deferred and unpaid interest and the balance, if any, to the principal balance.
- 7) After maturity or acceleration, this Note shall bear interest at the Default Interest Rate which shall be the maximum interest rate allowed by applicable law, until paid in full.
- 8) All terms hereunder shall be as construed and defined in Chapter 91-28, Florida Administrative Code.

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

This Note is executed pursuant to the terms and conditions of that certain Loan Agreement dated _____, between Maker, as Borrower, and Holder, as Lender, is secured by a Mortgage and Security Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"), all of even date herewith. The foregoing and all other agreements, instruments and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents". Project is the one hundred twenty (120) unit apartment project, known as Colonial Lakes Apartments, which is more fully described in the Loan Documents.

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of all amounts then due and payable (including, but not limited to, all amounts due and payable by virtue of any default or acceleration or upon maturity) with respect to the indebtedness evidenced by the promissory note which is secured by the Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing by the Borrower in favor of the Housing Finance Authority of Palm Beach County, in the original maximum principal amount of \$9,300,000, executed by Borrower and payable to the Housing Finance Authority of Palm Beach County and endorsed to Citibank, N.A. ("Senior Lender") to the extent and in the manner provided in that certain Subordination and Intercreditor Agreement

(the "Subordination Agreement"), to be entered into between Citibank, N.A., and the Holder of this Note. The rights and remedies of the Holder and each subsequent holder of this Note shall be deemed, by virtue of such subsequent holder's acquisition of this Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Holder aka "Junior Lender" under the Subordination Agreement.

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

Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require the Maker to pay interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to ethical law. Should any interest or other charges paid by the Maker, or parties liable for the payment of this Note, in connection with the Loan Documents result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, any and all such excess shall be and the same is hereby waived

by the Holder, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and a portion of said excess which exceeds the balance due under this indebtedness shall be paid by the Holder to the Maker.

Holder shall have the right to declare the total unpaid balance hereof to be immediately due and payable in advance of the Maturity Date upon the failure of Maker to pay when due any payment of interest or other amount due hereunder; or upon the occurrence of an Event of Default pursuant to any other Loan Documents now or hereafter evidencing, securing or guarantying payment of this Note. Notwithstanding the foregoing, Holder shall not exercise any remedies hereunder prior to the expiration of any notice and cure period in the Loan Agreement.

Any payment hereunder not paid when due (at maturity, upon acceleration or otherwise) shall bear interest at the highest rate allowed by applicable law from the due date until paid.

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

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

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

The remedies of Holder shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of Holder, including specifically any failure to exercise or forbearance in the exercise of any remedy, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing or as constituting a case of dealing, nor shall it be construed as a bar to, or as a waiver or release of, any subsequent remedy as to a subsequent event.

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

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

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

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

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT, SUBJECT TO APPLICABLE NOTICE AND CURE PROVISIONS, BY THE MAKER UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE HOLDER SHALL BE TO FORECLOSE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND IN NO EVENT SHALL THE MAKER HAVE ANY LIABILITY FOR THE PAYMENT OF THE LOAN OR FOR ANY OTHER OBLIGATIONS REFERENCED HEREIN, OR FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THE LOAN.

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

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

COLONIAL LAKES APARTMENTS, LTD.,
a Florida Limited Partnership

By: COLONIAL LAKES APARTMENTS GP, LLC,
a Florida limited liability company, its General Partner

By: TRG Member of FL I, LLC,
a Florida limited liability company,
its sole member

By: _____
Name: William T. Fabbri
Title: Executive Vice-President

EXHIBIT C

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

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this "Mortgage"), executed this _____ day of _____, 2011, by **Colonial Lakes Apartments, Ltd.**, a Florida limited partnership, (the "Mortgagor"), as party of the first part, and **Palm Beach County**, a political subdivision of the State of Florida (the "Mortgagee") (which term as used in every instance shall include the Mortgagee's successors and assigns), as party of the second part;

WITNESSETH:

The Mortgagor is the owner of the premises described in Exhibit A attached hereto (hereinafter the "Premises") and made a part hereof. Mortgagee has this date loaned Five Million Eight Hundred Forty-Six Thousand Nine Hundred Thirty-Four Dollars (\$5,846,934.00) to Mortgagor and in connection therewith Mortgagor has this date executed and delivered to Mortgagee its Promissory Note in that amount (the "Note"). A true copy of the Note is annexed hereto as Exhibit B and forms a part hereof.

This Mortgage is given in accordance with that certain Loan Agreement executed on the _____, 2011 between Mortgagor and Mortgagee. This Mortgage and Security Agreement, the Note, and the Loan Agreement shall hereinafter collectively be referred to as the "Loan Documents".

GRANTING CLAUSE

NOW, THEREFORE, the Mortgagor, in consideration of the premises and in order to secure payment of both the principal of, and the interest and any other sums payable on, the Note or this Mortgage, and the performance and observance of all the provisions hereof, and of the Loan Documents and subject to the Permitted Exceptions identified in the Loan Agreement, hereby gives, leases, bargains, sells, warrants, aliens, remises, releases, conveys, assigns, transfers, mortgages, hypothecates, deposits, pledges, sets over and confirms unto the Mortgagee, all of the Mortgagor's estate, right, title and interest in, to and under any and all of the Premises, improvements (including improvements to be made hereafter), fixtures here and below described and located on the Premises which sometimes collectively referred to hereinafter as the "Mortgaged Property".

TOGETHER with all and singular the rights, interests and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Premises hereinabove mentioned or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor including but not limited to all of Mortgagor's sewer capacity rights, and Mortgagor's rights under contracts, permits, licenses and all other documents and payments affecting the Premises, reserving only the right to the Mortgagor to collect the same so long as the Mortgagor is not in Default hereunder and so long as the same are not subjected to garnishment levy, attachment or lien.

TO HAVE AND TO HOLD the Premises and all parts, rights, members and appurtenances thereof, to the use, benefit and behalf of the Mortgagee, its successors and assigns in fee simple forever, and the Mortgagor covenants that the Mortgagor is lawfully seized and possessed of the Premises in fee simple and has good right to convey the same, that the same are unencumbered excepting taxes accruing subsequent to 2010, and those certain exceptions appearing on the Mortgagee's Title Insurance Policy given in connection herewith and specifically approved by Mortgagee, and that the Mortgagor will warrant and defend the title thereto against the claims of all persons whomsoever, except as hereinafter expressly provided.

Notwithstanding the foregoing, this Mortgage shall be subject and subordinate to separate mortgage and security agreements and related loan documents encumbering the Premises upon their execution by Mortgagor in favor of the Housing Finance Authority of Palm Beach County in an original principal amount not to exceed \$9,300,000 ("First Mortgage"), and

PROVIDED ALWAYS that if the Mortgagor shall pay unto the Mortgagee all sums required under the terms of the Note, which Note is in the original principal amount of \$5,846,934 and has a maturity date of May 31, 2043, unless such maturity is accelerated as set forth in the Note, and shall comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Loan Documents, then in such event this Mortgage and Security Agreement and the estate hereby created shall cease and be null and void.

The Mortgagor covenants with the Mortgagee as follows:

ARTICLE 1

1.1 Payments of Indebtedness:

The Mortgagor shall punctually pay the principal and interest and all other sums to become due in respect to the Note at the time and place and in the manner specified in the Note, according to the true intent and meaning thereof, all and any coin or currency of the United States of America which at the time of such payment shall be legal tender for the payment of public and private debts.

1.2 Taxes, Liens and Other Charges.

(a) The Mortgagor, from time to time when the same shall become due and payable but in any event prior to delinquency, will pay and discharge all taxes of every kind and nature, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges and all other public charges, whether of a like or different nature, imposed upon or assessed against the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof. This requirement does not in any way preclude Mortgagor from contesting real or personal property taxes when appropriate. The Mortgagor will, upon the request of the Mortgagee, deliver to the Mortgagee copies of receipts evidencing the payment of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against the Mortgaged Property or the revenues, rents, issues, income or profits thereof.

(b) The Mortgagor shall pay or cause to be bonded off or insured over, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers, and other persons or entities which, if unpaid, might result in or permit the creation of, a lien on Mortgaged Property or any part hereof, or on the revenues, rents, issues, income and profits arising therefrom whether such lien is or may become prior or remain inferior to the Mortgage and also, irrespective of the priority of such other lien(s). Mortgagor in general will do or cause to be done everything necessary so that the lien hereof shall be fully preserved, at the cost of the Mortgagor, without expense to the Mortgagee.

(c) The Mortgagor shall pay any taxes except income taxes imposed on the Mortgagee by reason of the Mortgagee's ownership of the Note or this Mortgage.

1.3 Insurance:

The Mortgagor will keep the Mortgaged Property continuously insured in an amount no less than full insurable value which coverage shall insure the Mortgaged Property against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the Mortgagee, in its sole discretion, shall from time to time require, for the benefit of the Mortgagee. All such insurance at all times will be in an insurance company or companies in such amounts and with terms reasonably acceptable to the Mortgagee, with loss, if any, payable to the Mortgagee as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to the Mortgagee; and forthwith upon the issuance of such policies they will deliver to the Mortgagee copies of receipts for the premiums paid thereon and certificates of insurance and copies of such policies. In the event of a foreclosure or other transfer of title to the Property in lieu of foreclosure, or by purchase at the foreclosure sale, all interest in any proceeds due in connection with any claims made under the policy(ies) (for events arising prior to the title transfer) shall pass to Mortgagee, transferee or purchaser, as the case may be. Subject to the rights of the Mortgagee pursuant to the First Mortgage, the Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Mortgaged Property jointly with the Mortgagor. Each insurance company is hereby authorized and directed to make payment for all such losses to the Mortgagor and the Mortgagee jointly. Unless Mortgagor and Mortgagee otherwise agree in writing, insurance proceeds shall be applied to restoration or repair, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby materially impaired. In order to determine whether restoration is economically feasible, Mortgagor must provide evidence to the Mortgagee that the Mortgagor has sufficient funds to completely restore or repair the Mortgaged Property to a multi-family affordable housing complex in accord with the Loan Agreement and the NSP2 requirements described therein. If such restoration or repair is not economically feasible or if the security of this Mortgage would be materially impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage with the excess, if any, paid to Mortgagor. The provisions of this Section 1.3 are subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate.

1.4 Care of Premises:

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

(b) If the Premises or any part thereof is damaged by fire or any other cause, which damage exceeds Two Hundred Thousand Dollars (\$200,000.00), the Mortgagor will give immediate written notice of the same to the Mortgagee.

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

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

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

The Mortgagee recognizes that this mortgage will be subordinate to the First Mortgage, and to the extent this provision conflicts with the similar terms and conditions of the First Mortgage, the First Mortgage shall supersede and shall be controlling. Nothing contained herein shall, however, relieve the Mortgagor from its obligation to make payments under the Promissory Note in accordance with its terms.

1.5 Further Assurances; Modifications:

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

1.6 Expenses.

In addition to the expenses described in subparagraph 2.6(b) hereof, the Mortgagor will pay or reimburse the Mortgagee for all reasonable attorney's fees, costs and expenses, including those in connection with appellate proceedings, incurred by the Mortgagee in any proceedings or in any action, legal proceeding or dispute of any kind which relate to or arise from the Mortgage of the interest created herein, or the Premises, including but not limited to foreclosure of this Mortgage, any condemnation action involving the Premises or any action to protect the security hereof; and any such amounts paid by the Mortgagee shall be secured by this Mortgage.

1.7 Estoppels Affidavits:

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

1.8 Subrogation:

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

1.9 Performance by Mortgagee of Defaults by Mortgagor:

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

1.10 Condemnation:

In the event of a condemnation (which term when used in the Mortgage shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), unless Mortgagor and Mortgagee otherwise agree in writing, condemnation awards shall be applied to restoration or repair of the Premises, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby materially impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be materially impaired, the condemnation award shall be applied to the sums secured by this Mortgage with the excess, if any, paid to Mortgagor. In the event of a condemnation, if an Event of Default shall exist hereunder, the Mortgagee shall be entitled to all compensation, awards, and other payments or relief thereof, and is hereby authorized at its option, to commence, appear in, and prosecute, in its own, or the Mortgagor's name, any action or proceeding relating to any condemnation, either to settle or compromise any claim in connection therewith; and all such compensation, awards, damages, claims, rights of action and proceeds, and the right thereto from any condemnation are hereby assigned by the Mortgagor to the Mortgagee. The Mortgagor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds from a condemnation as the Mortgagee may require. The provisions of this Section 1.10 are subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate. Notwithstanding the foregoing, any condemnation for less than twenty percent (20%) of value of the Premises or any condemnation that will not render the Premises unusable shall not be affected by this section.

1.11 Environmental Representations:

- (a) The Mortgagor covenants with the Mortgagee that to the best of Mortgagor's knowledge the Premises have not been used and will not be used in whole or in part for the storage of hazardous waste other than typical cleaning and maintenance supplies kept in accordance with all laws and regulations.
- (b) To the best of Mortgagor's knowledge, no violation of any Federal, State or local environmental regulations now exists regarding the Mortgage Property.
- (c) Mortgagor shall comply with all Federal, State and local environmental regulations during the construction of the improvements on the Premises.
- (d) Mortgagor shall give written notice to Mortgagee immediately upon Mortgagor's acquiring knowledge of the presence of any hazardous substances on the Mortgaged Property or of any hazardous substances contamination thereon, or of any notices received by Mortgagor that are violations or potential violations of any environmental regulation laws, ordinances, rules or regulations exists on the Mortgage Property.

ARTICLE 2

2.1 Due on Sale or Further Encumbrance Clause:

In determining whether or not to make the loan secured hereby, Mortgagee examined the credit-worthiness of Mortgagor, found it acceptable and continues to rely upon the same as the means of repayment of the loan. Mortgagee also evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found it acceptable and continues to rely upon same as the means of maintaining the value of the Premises, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress or any kind for all of the terms and conditions of the loan, including this provision. Mortgagor further recognizes that any secondary or junior financing placed upon the Premises (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrance which would force Mortgagee to take measures and incur expenses to protect its security; (c) could detract from the value of the Premises should Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security both of repayment by Mortgagor and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to charge default rate interest in the case of an uncured Event of Default; and (iv) keeping the Premises free of subordinate financing liens, Mortgagor agrees that if this paragraph be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises or any interest therein except as permitted under the Loan Agreement (whether voluntarily or by operation of law) without the Mortgagee's prior written consent, which consent shall not be unreasonably withheld, or delayed, shall be an Event of Default hereunder. For the purpose of and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the Premises and therefore an Event of Default hereunder:

- (a) any sale, conveyance, assignment or other transfer of or the grant of a security interest in, all or any part of the title to the Premises, other than easements or licenses necessary for the development and use of the Improvements on the Premises, excluding the First Mortgage, and the AHP Mortgage, which shall include tenant services or benefits; or
- (b) any new or additional liabilities secured by the Premises without the prior written consent of Mortgagee.

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

2.2 Events of Default:

An Event of Default ("Default") shall have occurred hereunder if:

- (a) The Mortgagor shall fail to pay in full within fifteen (15) days from the date due and payable any installment of principal, interest, late charges or escrow deposits as required by the Note, this Mortgage and otherwise; or
- (b) The Mortgagor shall fail to duly observe on time any other covenant, condition or agreement of this Mortgage the Loan Documents or of any other instrument evidencing, security or executed in connection with the indebtedness secured hereby, and such failure continues for a period of thirty (30) days following written notice by the Mortgagee or such additional time as may be required, provided a cure is timely commenced and diligently prosecuted; or
- (c) Any warranties or representations made or agreed to be made in any of the Loan Documents shall be breached in any material manner by the Mortgagor or shall prove to be false or misleading in any material manner when made, and such breach is not cured within thirty (30) days following notice from Mortgagee; or
- (d) Any lien for labor or material or otherwise shall be filed against the Premises, and such lien is not canceled, removed, bonded over, insured against or transferred within sixty (60) days after notice of such lien; or
- (e) A levy shall be made under any process on, or a receiver be appointed for, the Premises or any other property of the Mortgagor; or
- (f) The Mortgagor shall file a voluntary petition in bankruptcy, or any other petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation or similar relief for the Mortgagor under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtor; or

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

(h) The Mortgagor shall make any general assignment for the benefit of creditors; or

(i) In any legal proceeding the Mortgagor shall be alleged to be insolvent or unable to pay the Mortgagor's debts as they become due and is not dismissed within sixty (60) days of Filing; or

(j) A breach by Mortgagor of any covenant, representation, or warranty set forth in the Loan Agreement and the expiration of any applicable grace period, or an Event of Default occurs under the terms of the Loan Agreement or any of the other Loan Documents pertaining to the Note and Mortgage; or

(k) One Hundred Percent (100%) of the dwelling units on the Mortgaged Property shall cease to be leased at Affordable Rental Rates (as defined in the Loan Agreement) to households whose incomes, adjusted by family size, are at no more than one hundred and twenty percent (120%) of Area Median Income (hereinafter "AMI") pursuant to U. S. Department of Housing and Urban Development guidelines for a period of thirty (30) years from the date of issuance of the certificate of occupancy for said dwelling units by the building department with jurisdiction over the Mortgaged Property, of which at least sixty-six (66) dwelling units must be leased to households whose incomes, adjusted by family size, are at no more than fifty percent (50%) of AMI, and, of such sixty-six (66) dwelling units, at least thirty (30) dwelling units must be leased to households whose incomes, adjusted by family size, are at no more than thirty percent (30%) of AMI, or

(l) The Mortgagor shall default on the First Mortgage and such default remains uncured after expiration of any applicable cure or grace period; or

(m) If the Mortgagee shall reasonably believe that any one or more of the defaults enumerated in paragraphs (a) through (m) may occur, then the Mortgagee shall notify the Mortgagor of the specific facts which create the reasonable basis for its belief and shall request the Mortgagor to provide satisfactory evidence to the Mortgagee that such default is not likely to occur or that Mortgagor has taken appropriate steps to cure the default if it should occur.

2.3 Special Conditions:

(a) The Note can be assumed upon sale, transfer, or refinancing of the Premises, provided the Mortgagee has obtained the consent of Mortgagor to such sale, transfer or refinancing, or the sale, transfer or refinancing is otherwise permitted under the terms of the Loan Agreement.

In the event the Note will not be assumed upon sale, transfer or refinancing of the Premises, all available proceeds of the sale or refinancing shall be applied to pay the following items in order of priority:

- (1) Expenses of the sale;
- (2) First Mortgage debt in full, including fees;
- (3) All accrued but unpaid interest on the Note;
- (4) This Mortgage debt in full, including fees.

(b) Except as set forth in Section 2.3(a) above, all of the principal and interest of the indebtedness secured hereby shall be due and payable upon sale, transfer, or refinancing.

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

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

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

2.4 Acceleration of Maturity:

If a default shall have occurred hereunder and not cured within applicable cure periods, then the whole unpaid principal sum of the indebtedness secured hereby with interest accrued thereon shall, at the option of the Mortgagee, become due and payable without notice or demand, time being of the essence of this Mortgage and of the Note secured hereby; and no omission on the part of the Mortgagee to exercise such option when entitled so to do shall be considered as a waiver of such right.

2.5 Right of Lender to Enter and Take Possession:

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

(b) For the purpose of carrying out the provisions of this paragraph 2.5, the Mortgagor hereby constitutes and appoints the Mortgagee the true and lawful attorney in fact of the Mortgagor to do and perform, from time to time, any and all actions necessary and incidental to such purpose and does, by these presents, ratify and confirm any and all actions of said attorney in fact in the Premises.

(c) Whenever all such Defaults have been cured and satisfied, the Mortgagee shall surrender possession of the Premises to the Mortgagor, provided that the right of the Mortgagee to take possession, from time to time, pursuant to subparagraph 2.5(a) shall exist if any subsequent default shall occur and be continuing.

(d) The provisions of this Section 2.5 are subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate.

2.6 Appointment of a Receiver and Foreclosure:

(a) If a Default shall have occurred hereunder and not cured within applicable cure periods, then the whole debt secured by this Mortgage, with all interest thereon, and all other amounts hereby secured shall, at the option of Mortgagee, become immediately due and payable, and may forthwith or at any time thereafter be collected by suit at law, foreclosure or other proceeding upon this Mortgage or by any other proper, real or equitable procedure without declaration of such option and without notice.

(b) In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication cost and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstract of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to

prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional debt secured hereby and shall be immediately due and payable with interest thereon at the maximum rate provided by law, when paid or incurred by Mortgagee in connection with (i) any proceeding, including foreclosure, probate and bankruptcy proceedings, to which it shall be a party, either as plaintiff, claimant, or defendant, by reason of this Mortgage, or any indebtedness hereby secured, (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced, or (iii) preparations for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.

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

(d) If a Default shall have occurred hereunder and is not cured within applicable cure periods, Mortgagor shall deliver to Mortgagee at any time on its request, all agreements for deed, contracts, leases, abstracts, title insurance policies, muniments of title, surveys and other papers relating to the Premises, and in case of foreclosure thereof and failure to redeem, the same shall be delivered to and become the property of the person obtaining a deed to the Premises by reason of such foreclosure.

(e) The provisions of this Section 2.6 are subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate.

2.7 Discontinuance of Proceedings and Restoration of the Parties:

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

2.8 Remedies Cumulative:

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

2.9 Stamp and Excise Tax:

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

ARTICLE 3

3.1 Successors and Assigns Included in Parties:

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

3.2 Headings:

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

3.3 Invalid Provisions to Affect No Others:

If fulfillment of any provision hereof or any transaction related hereto or to the Note, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Mortgage in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect. Notwithstanding any provision contained herein, the total liability of Mortgagor for payment of interest, including service charges, penalties or any other fees shall not exceed the maximum amount of such interest permitted by applicable law to be charged, and if any payments by Mortgagor include interest in excess to the reduction of the unpaid principal amount due and pursuant hereto.

3.4 Number and Gender:

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

ARTICLE 4

4.1 Notice:

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

TO MORTGAGOR: Colonial Lakes Apartments, Ltd.
c/o JDF, LLC
340 Pemberwick Road
Greenwich CT 06831
Attn: Joanne D. Flanagan, Esq.

TO MORTGAGEE: Palm Beach County
c/o County Attorney's Office
301 North Olive Avenue, Suite 601
West Palm Beach, FL 33401

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

ARTICLE 5

5.1 Future Advances:

It is agreed that this Mortgage shall also secure such future or additional advances as may be made by the Mortgagee at its option to the Mortgagor, or its successor in title, for any purpose, provided that all those advances are to be made within three (3) years from the date of this Mortgage, or within such lesser period of time as may be provided hereafter by law as a prerequisite for the sufficiency of actual notice or records notice of the optional future or additional advances as against the rights of creditors or subsequent purchasers for valuable consideration. The total amount of indebtedness secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured at any one time shall not exceed twice the principal amount of the Note, plus interest, and any disbursements made for the payment of taxes, levies or insurance on the Premises with interest on those disbursements. If, pursuant to Florida Statutes Section 697.04, Mortgagor files a notice specifying the dollar limit beyond which future advances made pursuant to this Mortgage will not be secured by this Mortgage, then Mortgagor shall, within one (1) year of day of filing such notice, notify Mortgagee and its counsel by certified mail pursuant to Section 4.1 of this Mortgage. In addition, such a filing shall constitute a default hereunder.

5.2 Subordination:

Mortgagee has approved a First Mortgage provided that it does not exceed \$9,300,000 plus any protective advances made in accordance with applicable law, and further has agreed to subordinate to such First Mortgage. The Chair of the Board of County Commissioners of Palm Beach County and the Clerk of the Court for Palm Beach County, are hereby authorized to execute subordination agreements required herein without further approval of the Board of County Commissioners of Palm Beach County, Florida, provided such documents are in a form acceptable to the County Attorney. Nothing contained herein shall, however, relieve the Mortgagor from its obligation to make payments under the Promissory Note in accordance with its terms.

5.3 Lien Priority:

The lien priority of this Mortgage shall not be affected by any changes in the Note including, but not limited to, an increase in the interest rate charged pursuant to the Note. Any parties acquiring an interest in the Premises subsequent to the date of this Mortgage is recorded shall acquire such interest in the Premises with notice that Mortgagee may charge a default rate of interest in the event of an uncured Event of Default, or with the consent of the Mortgagor, otherwise modify the Note and the Note, as modified, and the Mortgage shall remain superior to the interest of any Party in the Premises acquired subsequent to the date of this Mortgage is recorded, other than the First Mortgage.

5.4 Security Agreement:

This instrument also creates a security interest in any and all equipment and furnishings as are considered or determined to be personal property or fixtures, together with all replacements, substitutions, additions, products and proceeds thereof, in favor of the Mortgagee under the Florida Uniform Commercial Code to secure payment of principal, interest and other amounts due Mortgagee now or hereafter secured hereby, and Mortgagee shall also have all the rights and remedies of a secured part under the Florida Uniform Commercial Code shall be cumulative and in addition to all other rights and remedies of Mortgagee arising under the common law or any other laws of the State of Florida or any other jurisdiction.

5.5 Nonrecourse:

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT BY THE MORTGAGOR UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE MORTGAGEE SHALL BE TO FORECLOSE AGAINST THE MORTGAGED PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND IN NO EVENT SHALL THE MORTGAGOR HAVE ANY LIABILITY FOR THE PAYMENT OF THE LOAN OR FOR ANY OTHER OBLIGATIONS REFERENCED HEREIN, OR FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE MORTGAGED PROPERTY GIVEN AS SECURITY FOR THE LOAN.

5.6 Choice of Law:

This Mortgage is to be construed in all respects and enforced according to the laws of the State of Florida and venue shall be in Palm Beach County.

5.7 Binding Effect:

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

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

Signed, sealed and delivered
in the presence of:

Witnesses:

COLONIAL LAKES APARTMENTS, LTD.,
a Florida Limited Partnership

Name: _____

By: COLONIAL LAKES APARTMENTS GP, LLC,
a Florida Limited Liability Company,
its General Partner

Signature: _____

By: TRG Member of FL I, LLC,
a Florida limited liability company,
its sole member

Name: _____

By: _____
Name: William T. Fabbri
Title: Executive Vice-President

Signature: _____

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of, _____, 2011, by _____, who is personally known to me, or who has produced _____ as identification and who did/did not take an oath.

Signature: _____

Notary Name: _____
Notary Public - State of Florida

(NOTARY SEAL ABOVE)

S:\CapImprv\NSP2\ColonialLakes\Mortgage_Final_7_18_11.rtf

EXHIBIT A

LEGAL DESCRIPTION

A PORTION OF SECTION 26, TOWNSHIP 44 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WEST ONE-HALF OF THE EAST ONE-HALF OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 26, TOWNSHIP 44 SOUTH, RANGE 42 EAST, PALM BEACH COUNTY, FLORIDA.

LESS THE NORTH 76 FEET THEREOF.

ALSO LESS:

THAT PORTION OF THE EXTERIOR TRIANGULAR AREA OF THE 35.15 FOOT TANGENT AS SHOWN ON ROAD PLAT BOOK 5, PAGES 125-138 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, FOR ROAD AND CANAL RIGHT-OF-WAY.

SAID LANDS SITUATE IN PALM BEACH COUNTY, FLORIDA, AND CONTAIN 9.844 ACRES, MORE OR LESS.

EXHIBIT D

PERMITTED EXCEPTIONS

1. First Mortgage in favor of the Housing Finance Authority of Palm Beach County in an original principal amount of \$9,300,000.
2. AHP Mortgage in an original principal amount of \$1,000,000.
3. Taxes and assessments for the year 2011 and subsequent years, which are not yet due and payable.
4. Easement granted to Florida Power and Light Company and Southern Bell Telephone & Telegraph Company by instrument recorded August 4, 1964, in Book 1066, Page 298.
5. Standard Potable Water and Wastewater Development Agreement by and between Palm Beach County, Florida, and Colonial Lakes, LLC, recorded March 8, 2006, in Book 20025, Page 819.
6. Contract for the Sale and Purchase of Development Rights recorded in Official Records Book 22683, Page 844, together with Deed conveying Development Rights recorded in Official Records Book 22683, Page 848.
7. Notice of Environmental Resource or Surface Water Management Permit recorded May 11, 2011, in Official Records Book 24518, Page 1811.

NOTE: All of the recording information contained herein refers to the Public Records of Palm Beach County, Florida.

EXHIBIT E

PALM BEACH COUNTY

HOUSING AND COMMUNITY DEVELOPMENT

AFFORDABLE RENTAL RATES COLONIAL LAKES APARTMENTS

Affordable Rental Rates are the lesser of the below Monthly Tenant Rent or the FMR Monthly Rent.

FOR HOUSEHOLDS WHOSE INCOMES, ADJUSTED BY FAMILY SIZE, ARE AT NO MORE THAN THIRTY PERCENT (30%) OF AREA MEDIAN INCOME						
Persons Per Household	Annual Income ^(a)	Monthly Income	30% of Monthly Income	Monthly Tenant Paid Utilities ^(a)	Monthly Tenant Rent	FMR Monthly Rent ^(a)
TWO BEDROOM UNITS						
1	\$16,000	\$1,333.33	\$400.00	\$89.85	\$310.15	\$1,306
2	\$18,300	\$1,525.00	\$457.00	\$89.85	\$367.15	\$1,306
3	\$20,600	\$1,716.67	\$515.00	\$89.85	\$425.15	\$1,306
4	\$22,850	\$1,904.17	\$571.25	\$89.85	\$481.40	\$1,306
THREE BEDROOM UNITS						
1	\$16,000	\$1,333.33	\$400.00	\$100.76	\$299.24	\$1,847
2	\$18,300	\$1,525.00	\$457.00	\$100.76	\$356.24	\$1,847
3	\$20,600	\$1,716.67	\$515.00	\$100.76	\$414.24	\$1,847
4	\$22,850	\$1,904.17	\$571.25	\$100.76	\$470.49	\$1,847
5	\$24,700	\$2,058.33	\$617.50	\$100.76	\$516.74	\$1,847
6	\$26,550	\$2,212.50	\$663.75	\$100.76	\$562.99	\$1,847

FOR HOUSEHOLDS WHOSE INCOMES, ADJUSTED BY FAMILY SIZE, ARE ABOVE THIRTY PERCENT (30%), BUT NO MORE THAN FIFTY PERCENT (50%) OF AREA MEDIAN INCOME						
Persons Per Household	Annual Income ^(a)	Monthly Income	30% of Monthly Income	Monthly Tenant Paid Utilities ^(b)	Monthly Tenant Rent	FMR Monthly Rent ^(c)
TWO BEDROOM UNITS						
1	\$26,650	\$2,220.83	\$666.25	\$89.85	\$576.40	\$1,306
2	\$30,450	\$2,537.50	\$761.25	\$89.85	\$671.40	\$1,306
3	\$34,250	\$2,854.17	\$856.25	\$89.85	\$766.40	\$1,306
4	\$38,050	\$3,170.83	\$951.25	\$89.85	\$861.40	\$1,306
THREE BEDROOM UNITS						
1	\$26,650	\$2,220.83	\$666.25	\$100.76	\$565.49	\$1,847
2	\$30,450	\$2,537.50	\$761.25	\$100.76	\$660.49	\$1,847
3	\$34,250	\$2,854.17	\$856.25	\$100.76	\$755.49	\$1,847
4	\$38,050	\$3,170.83	\$951.25	\$100.76	\$850.49	\$1,847
5	\$41,100	\$3,425.00	\$1,027.50	\$100.76	\$926.74	\$1,847
6	\$44,150	\$3,679.17	\$1,103.75	\$100.76	\$1,002.99	\$1,847

FOR HOUSEHOLDS WHOSE INCOMES, ADJUSTED BY FAMILY SIZE, ARE ABOVE FIFTY PERCENT (50%), BUT NO MORE THAN ONE HUNDRED AND TWENTY PERCENT (120%) OF AREA MEDIAN INCOME						
Persons Per Household	Annual Income ^(a)	Monthly Income	30% of Monthly Income	Monthly Tenant Paid Utilities ^(b)	Monthly Tenant Rent	FMR Monthly Rent ^(c)
TWO BEDROOM UNITS						
1	\$63,960	\$5,330.00	\$1,599.00	\$89.85	\$1,509.15	\$1,306
2	\$73,080	\$6,090.00	\$1,827.00	\$89.85	\$1,737.15	\$1,306
3	\$82,200	\$6,850.00	\$2,055.00	\$89.85	\$1,965.15	\$1,306
4	\$91,320	\$7,610.00	\$2,283.00	\$89.85	\$2,193.15	\$1,306
THREE BEDROOM UNITS						
1	\$63,960	\$5,330.00	\$1,599.00	\$100.76	\$1,498.24	\$1,847
2	\$73,080	\$6,090.00	\$1,827.00	\$100.76	\$1,726.24	\$1,847
3	\$82,200	\$6,850.00	\$2,055.00	\$100.76	\$1,954.24	\$1,847
4	\$91,320	\$7,610.00	\$2,283.00	\$100.76	\$2,182.24	\$1,847
5	\$98,640	\$8,220.00	\$2,466.00	\$100.76	\$2,365.24	\$1,847
6	\$105,960	\$8,830.00	\$2,649.00	\$100.76	\$2,548.24	\$1,847

(a) Based on annual income limits for the West Palm Beach-Boca Raton Metropolitan Statistical Area as of May 31, 2011.

(b) Based on the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services as of March 1, 2011. (Includes: Heating: electric, Cooking: electric, Other Electric, Air Conditioning, Water Heating: electric, Range/Microwave, Refrigerator, and Service Charge: electric)

(c) Based on West Palm Beach-Boca Raton HUD Metro FMR Area (HMFA) as of October 1, 2010.

EXHIBIT F

PALM BEACH COUNTY HOUSING AND COMMUNITY DEVELOPMENT

MONTHLY NARRATIVE REPORT

Report For:	Month: _____ Year: 20____
Project Name:	Colonial Lakes Apartments
Report Prepared By:	<div>Name _____ Signature _____ Date _____</div>

FINANCING ACTIVITIES

Describe your accomplishments during the reporting period: _____

DESIGN AND LAND PLANNING ACTIVITIES

Describe your accomplishments during the reporting period: _____

CONSTRUCTION ACTIVITIES

Describe your accomplishments during the reporting period: _____

MARKETING AND LEASEUP ACTIVITIES

Describe your accomplishments during the reporting period: _____

EXHIBIT G

PALM BEACH COUNTY HOUSING AND COMMUNITY DEVELOPMENT

TENANT INFORMATION REPORT

Project Name:	Colonial Lakes Apartments		
Report Period:	From _____, 20__ to _____, 20__		
Prepared By:			
Report Date:	_____, 20__	Page ____ of ____ Pages	

Fill in the required information for each apartment or place a check mark where applicable.

Building Address:				
	Apartment No. ____	Apartment No. ____	Apartment No. ____	Apartment No. ____
Tenant Name:				
Lease start date:				
No. of bedrooms:				
Household Income at 30% of AMI or less	[]	[]	[]	[]
Household Income at or below 50% of AMI but greater than 30% of AMI	[]	[]	[]	[]
Household Income at or below 80% of AMI but greater than 50% of AMI	[]	[]	[]	[]
Household Income at or below 120% of AMI but greater than 80% of AMI	[]	[]	[]	[]
Female Head of Household	[]	[]	[]	[]
Disabled Head of Household	[]	[]	[]	[]
Hispanic Ethnicity	[]	[]	[]	[]
White	[]	[]	[]	[]
African American	[]	[]	[]	[]
Asian	[]	[]	[]	[]
American Indian or Alaskan Native	[]	[]	[]	[]
Native Hawaiian Pacific Islander	[]	[]	[]	[]
American Indian or Alaskan Native and White	[]	[]	[]	[]
Asian and White	[]	[]	[]	[]
African American and White	[]	[]	[]	[]
American Indian/Alaskan Native and African American	[]	[]	[]	[]
Other Multi-racial	[]	[]	[]	[]

EXHIBIT H

PALM BEACH COUNTY

HOUSING AND COMMUNITY DEVELOPMENT

QUARTERLY JOBS REPORT

Project Name:	Colonial Lakes Apartments	Prepared By:		Page _____ of _____
Report Period:	<input type="checkbox"/> October 1, 20____, to December 31, 20____, due by 5:00 p.m. on the following 5 th of January. <input type="checkbox"/> January 1, 20____, to March 31, 20____, due by 5:00 p.m. on the following 5 th of April. <input type="checkbox"/> April 1, 20____, to June 30, 20____, due by 5:00 p.m. on the following 5 th of July. <input type="checkbox"/> July 1, 20____, to September 31, 20____, due by 5:00 p.m. on the following 5 th of October.			

This quarterly report is intended to collect information on the number of jobs created and jobs retained in connection with all contracts funded, in part or in whole, with NSP2 funds including but not limited to the construction contract, all construction subcontracts, all consultant contracts, and all subconsultant contracts for this project. This covers all employees including but not limited to supervisory, professional, construction, and office employees who performed work in connection with this project.

Definitions:

Job type: this may be a job title (for example: foreman, engineer), a broader labor category (for example: equipment operator), or the prime employer's description of a job based on existing practices as long as the term used is widely understood and describes the general nature of the work.

Job created: this is a new position that is created and filled, or an existing unfilled position that is filled, in connection with this project.

Job retained: this is an existing position employed in connection with this project.

Note: each job reported in connection with this project must either be reported as job created or a job retained, it cannot be reported as both.
(Use additional sheets if needed).

NAME OF EMPLOYER: _____		For County use only.
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE
Employee Name: _____ Job Type: _____ <input type="checkbox"/> Job created <input type="checkbox"/> Job retained	Number of hours worked by this employee on this project during this quarter: _____ hours. Number of hours in a full time schedule for this quarter: _____ hours.	_____/_____ _____=_____ ____FTE

EXHIBIT I

PALM BEACH COUNTY HOUSING AND COMMUNITY DEVELOPMENT
ANNUAL RENT ROLL

Project Name:	Colonial Lakes Apartments		
Report Period:	From _____, 20__ to _____, 20__		
Prepared By:			
Report Date:	_____, 20__	Page ____ of ____ Pages	

Fill in the required information for each apartment or place a check mark where applicable.

Building Address:				
	Apartment No. ____	Apartment No. ____	Apartment No. ____	Apartment No. ____
Tenant Name:				
Lease start date:	/ /	/ /	/ /	/ /
Contract Rent:	\$	\$	\$	\$
Tenant Rent:	\$	\$	\$	\$
No. of bedrooms:				
No. of occupants:				
Date last income certified:	/ /	/ /	/ /	/ /
Annual income:	\$	\$	\$	\$
Household Income at 30% of AMI or less	[]	[]	[]	[]
Household Income at or below 50% of AMI but greater than 30% of AMI	[]	[]	[]	[]
Household Income at or below 80% of AMI but greater than 50% of AMI	[]	[]	[]	[]
Household Income at or below 120% of AMI but greater than 80% of AMI	[]	[]	[]	[]
	Apartment No. ____	Apartment No. ____	Apartment No. ____	Apartment No. ____
Tenant Name:				
Lease start date:	/ /	/ /	/ /	/ /
Contract Rent:	\$	\$	\$	\$
Tenant Rent:	\$	\$	\$	\$
No. of bedrooms:				
No. of occupants:				
Date last income certified:	/ /	/ /	/ /	/ /
Annual income:	\$	\$	\$	\$
Household Income at 30% of AMI or less	[]	[]	[]	[]
Household Income at or below 50% of AMI but greater than 30% of AMI	[]	[]	[]	[]
Household Income at or below 80% of AMI but greater than 50% of AMI	[]	[]	[]	[]
Household Income at or below 120% of AMI but greater than 80% of AMI	[]	[]	[]	[]

**AMENDMENT 001 TO THE LOAN AGREEMENT
WITH
COLONIAL LAKES APARTMENTS, LTD.**

(SEP. 22 2011)

Amendment 001 entered into this ____ day of _____, 20____, by and between **Palm Beach County** (hereinafter "County") and **Colonial Lakes Apartments, Ltd.**, (hereinafter "Borrower").

WITNESSETH:

WHEREAS, the County entered into a Loan Agreement with Borrower on July 21, 2011, to provide a loan in the principal amount of \$5,846,934 of Neighborhood Stabilization Program 2 (NSP2) funds for the construction of 120 apartments to be known as Colonial Lakes Apartments; and

WHEREAS, the parties wish to modify the Loan Agreement to specify the distribution of the apartments to be constructed by bedroom size and by household income of the apartment occupants, and to update one of its exhibits, and

WHEREAS, both parties mutually agree that the original Loan Agreement entered into on July 21, 2011, is hereby amended as follows:

SPECIAL PROVISIONS - Paragraph 6, Sub-Paragraph (c):

Delete the first two (2) paragraphs of Paragraph 6, Sub-Paragraph (c), and replace them with the following:

"All one hundred and twenty (120) apartments to be constructed at Colonial Lakes Apartments shall be leased to households whose incomes, adjusted by family size, are at no more than one hundred and twenty percent (120%) of Area Median Income (hereinafter "AMI") at the time these apartments are first occupied, and thereafter, at any time new tenants occupy these apartments. AMI shall mean the most current area median income published by the U. S. Department of Housing and Urban Development (hereinafter "HUD") for the West Palm Beach-Boca Raton Metropolitan Statistical Area.

At least fifty-five percent (55%) of all one hundred and twenty (120) apartments to be constructed at Colonial Lakes Apartments, that is at least sixty-six (66) apartments, shall be leased to households whose incomes, adjusted by family size, are at no more than fifty percent (50%) of AMI at the time these apartments are first occupied, and thereafter, at any time new tenants occupy these apartments. Of the aforesaid sixty-six (66) apartments, forty-four (44) apartments shall be two-bedroom apartments, and twenty-two (22) apartments shall be three-bedroom apartments.

Furthermore, of the aforesaid sixty-six (66) apartments, at least thirty (30) apartments (that is at least twenty-five (25%) percent of all one hundred and twenty (120) apartments) to be constructed at Colonial Lakes Apartments, shall be leased to households whose incomes, adjusted by family size, are at no more than thirty percent (30%) of AMI at the time these apartments are first occupied, and thereafter, at any time new tenants occupy these apartments. Of the aforesaid thirty (30) apartments, twenty (20) apartments shall be two-bedroom apartments, and ten (10) apartments shall be three-bedroom apartments.

Based on the above, the Parties recognize that no more than fifty-four (54) apartments to be constructed at Colonial Lakes Apartments, may be leased to households whose incomes, adjusted by family size, are more than fifty percent (50%) of AMI, but no more than one hundred and twenty percent (120%) of AMI at the time these apartments are first occupied, and thereafter, at any time new tenants occupy these apartments. Of the aforesaid fifty-four (54) apartments, no more than thirty-six (36) apartments shall be two-bedroom apartments, and no more than eighteen (18) apartments shall be three-bedroom apartments."

EXHIBIT E - AFFORDABLE RENTAL RATES COLONIAL LAKES APARTMENTS

Delete Exhibit E in its entirety and replace it with Attachment 1 to this Amendment.

**AMENDMENT 001 TO THE LOAN AGREEMENT WITH
COLONIAL LAKES APARTMENTS, LTD. - Continued**

NOW THEREFORE, 1) all items in the previous Loan Agreement in conflict with this Amendment shall be and are hereby changed to conform to this Amendment, and 2) all provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Loan Agreement.

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

Signed, sealed and delivered
in the presence of:
Witnesses:

Name: Jesse Wacppel

Signature:

Jesse Wacppel

Name: Damon Kolb

Signature:

Damon Kolb

**STATE OF FLORIDA
COUNTY OF PALM BEACH**

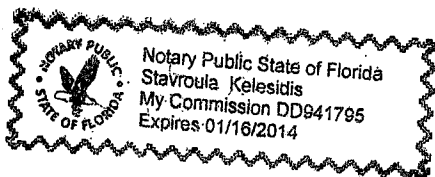
COLONIAL LAKES APARTMENTS, LTD.,
a Florida Limited Partnership

By: COLONIAL LAKES APARTMENTS GP, LLC,
a Florida Limited Liability Company,
its General Partner

By: TRG Member of FL I, LLC,
a Florida limited liability company,
its sole member

By: William T. Fabbri
Name: William T. Fabbri
Title: Executive Vice-President

The foregoing instrument was acknowledged before me this 26th day of, August, 2011, by William T. Fabbri, who is personally known to me, or who has produced _____ as identification and who did/did not take an oath.



(NOTARY SEAL ABOVE)

Signature: Stavroula Kelesidis

Notary Name: Stavroula Kelesidis
Notary Public - State of Florida

**PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida**

FOR ITS BOARD OF COUNTY COMMISSIONERS

By: Shannon R. LaRocque-Baas
Shannon R. LaRocque-Baas, P.E.
Assistant County Administrator

Approved as to Form and
Legal Sufficiency

By: Tammy K. Fields
Tammy K. Fields
Senior Assistant County Attorney

Approved as to Terms and Conditions
Dept. of Housing and Community Development

By: Journey Beard
Journey Beard, Director of Contract
Development and Quality Control

ATTACHMENT 1

PALM BEACH COUNTY

HOUSING AND COMMUNITY DEVELOPMENT

AFFORDABLE RENTAL RATES COLONIAL LAKES APARTMENTS

Borrower may receive rents permissible under the terms of the HUD Section 8 project based voucher program, provided that the tenant's portion does not exceed the Affordable Rental Rates which shall be the lesser of the below Monthly Tenant Rent (shown in Column F) or the FMR Monthly Rent (shown in Column G).

TABLE 1: FOR HOUSEHOLDS WHOSE INCOMES, ADJUSTED BY FAMILY SIZE, ARE AT NO MORE THAN THIRTY PERCENT (30%) OF AREA MEDIAN INCOME						
COLUMN A Persons Per Household	COLUMN B Annual Income (a)	COLUMN C Monthly Income	COLUMN D 30% of Monthly Income	COLUMN E Monthly Tenant Paid Utilities (b)	COLUMN F Monthly Tenant Rent	COLUMN G FMR Monthly Rent (c)
TWO BEDROOM UNITS						
1	\$16,000	\$1,333.33	\$400.00	\$69.85	\$330.15	\$1,306
2	\$18,300	\$1,525.00	\$457.50	\$69.85	\$387.65	\$1,306
3	\$20,600	\$1,716.67	\$515.00	\$69.85	\$445.15	\$1,306
4	\$22,850	\$1,904.17	\$571.25	\$69.85	\$501.40	\$1,306
5	\$24,700	\$2,058.33	\$617.50	\$69.85	\$547.65	\$1,306
THREE BEDROOM UNITS						
1	\$16,000	\$1,333.33	\$400.00	\$80.76	\$319.24	\$1,847
2	\$18,300	\$1,525.00	\$457.50	\$80.76	\$376.74	\$1,847
3	\$20,600	\$1,716.67	\$515.00	\$80.76	\$434.24	\$1,847
4	\$22,850	\$1,904.17	\$571.25	\$80.76	\$490.49	\$1,847
5	\$24,700	\$2,058.33	\$617.50	\$80.76	\$536.74	\$1,847
6	\$26,550	\$2,212.50	\$663.75	\$80.76	\$582.99	\$1,847
7	\$28,350	\$2,362.50	\$708.75	\$80.76	\$627.99	\$1,847

TABLE 2: FOR HOUSEHOLDS WHOSE INCOMES, ADJUSTED BY FAMILY SIZE, ARE ABOVE THIRTY PERCENT (30%), BUT NO MORE THAN FIFTY PERCENT (50%) OF AREA MEDIAN INCOME						
COLUMN A Persons Per Household	COLUMN B Annual Income (a)	COLUMN C Monthly Income	COLUMN D 30% of Monthly Income	COLUMN E Monthly Tenant Paid Utilities (b)	COLUMN F Monthly Tenant Rent	COLUMN G FMR Monthly Rent (c)
TWO BEDROOM UNITS						
1	\$26,650	\$2,220.83	\$666.25	\$69.85	\$596.40	\$1,306
2	\$30,450	\$2,537.50	\$761.25	\$69.85	\$691.40	\$1,306
3	\$34,250	\$2,854.17	\$856.25	\$69.85	\$786.40	\$1,306
4	\$38,050	\$3,170.83	\$951.25	\$69.85	\$881.40	\$1,306
5	\$41,100	\$3,425.00	\$1,027.50	\$69.85	\$957.65	\$1,306
THREE BEDROOM UNITS						
1	\$26,650	\$2,220.83	\$666.25	\$80.76	\$585.49	\$1,847
2	\$30,450	\$2,537.50	\$761.25	\$80.76	\$680.49	\$1,847
3	\$34,250	\$2,854.17	\$856.25	\$80.76	\$775.49	\$1,847
4	\$38,050	\$3,170.83	\$951.25	\$80.76	\$870.49	\$1,847
5	\$41,100	\$3,425.00	\$1,027.50	\$80.76	\$946.74	\$1,847
6	\$44,150	\$3,679.17	\$1,103.75	\$80.76	\$1,022.99	\$1,847
7	\$47,200	\$3,933.33	\$1,180.00	\$80.76	\$1,099.24	\$1,847

COLONIAL LAKES APARTMENTS
AFFORDABLE RENTAL RATES - continued

TABLE 3: FOR HOUSEHOLDS WHOSE INCOMES, ADJUSTED BY FAMILY SIZE, ARE ABOVE FIFTY PERCENT (50%), BUT NO MORE THAN ONE HUNDRED AND TWENTY PERCENT (120%) OF AREA MEDIAN INCOME

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G
Persons Per Household	Annual Income (a)	Monthly Income	30% of Monthly Income	Monthly Tenant Paid Utilities (b)	Monthly Tenant Rent	FMR Monthly Rent (c)
TWO BEDROOM UNITS						
1	\$63,960	\$5,330.00	\$1,599.00	\$69.85	\$1,529.15	\$1,306
2	\$73,080	\$6,090.00	\$1,827.00	\$69.85	\$1,757.15	\$1,306
3	\$82,200	\$6,850.00	\$2,055.00	\$69.85	\$1,985.15	\$1,306
4	\$91,320	\$7,610.00	\$2,283.00	\$69.85	\$2,213.15	\$1,306
5	\$98,640	\$8,220.00	\$2,466.00	\$69.85	\$2,396.15	\$1,306
THREE BEDROOM UNITS						
1	\$63,960	\$5,330.00	\$1,599.00	\$80.76	\$1,518.24	\$1,847
2	\$73,080	\$6,090.00	\$1,827.00	\$80.76	\$1,746.24	\$1,847
3	\$82,200	\$6,850.00	\$2,055.00	\$80.76	\$1,974.24	\$1,847
4	\$91,320	\$7,610.00	\$2,283.00	\$80.76	\$2,202.24	\$1,847
5	\$98,640	\$8,220.00	\$2,466.00	\$80.76	\$2,385.24	\$1,847
6	\$105,960	\$8,830.00	\$2,649.00	\$80.76	\$2,568.24	\$1,847
7	\$113,280	\$9,440.00	\$2,832.00	\$80.76	\$2,751.24	\$1,847

- (a) Based on annual income limits for the West Palm Beach-Boca Raton Metropolitan Statistical Area as of May 31, 2011, as published by HUD.
- (b) Based on the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services as issued by the Palm Beach County Housing Authority on March 1, 2011. (Includes: Heating: electric, Cooking: electric, Other Electric, Air Conditioning, Water Heating: electric, and Service Charge: electric).
- (c) Based on West Palm Beach-Boca Raton HUD Metro FMR Area (HMFA) as of October 1, 2010, as published by HUD.

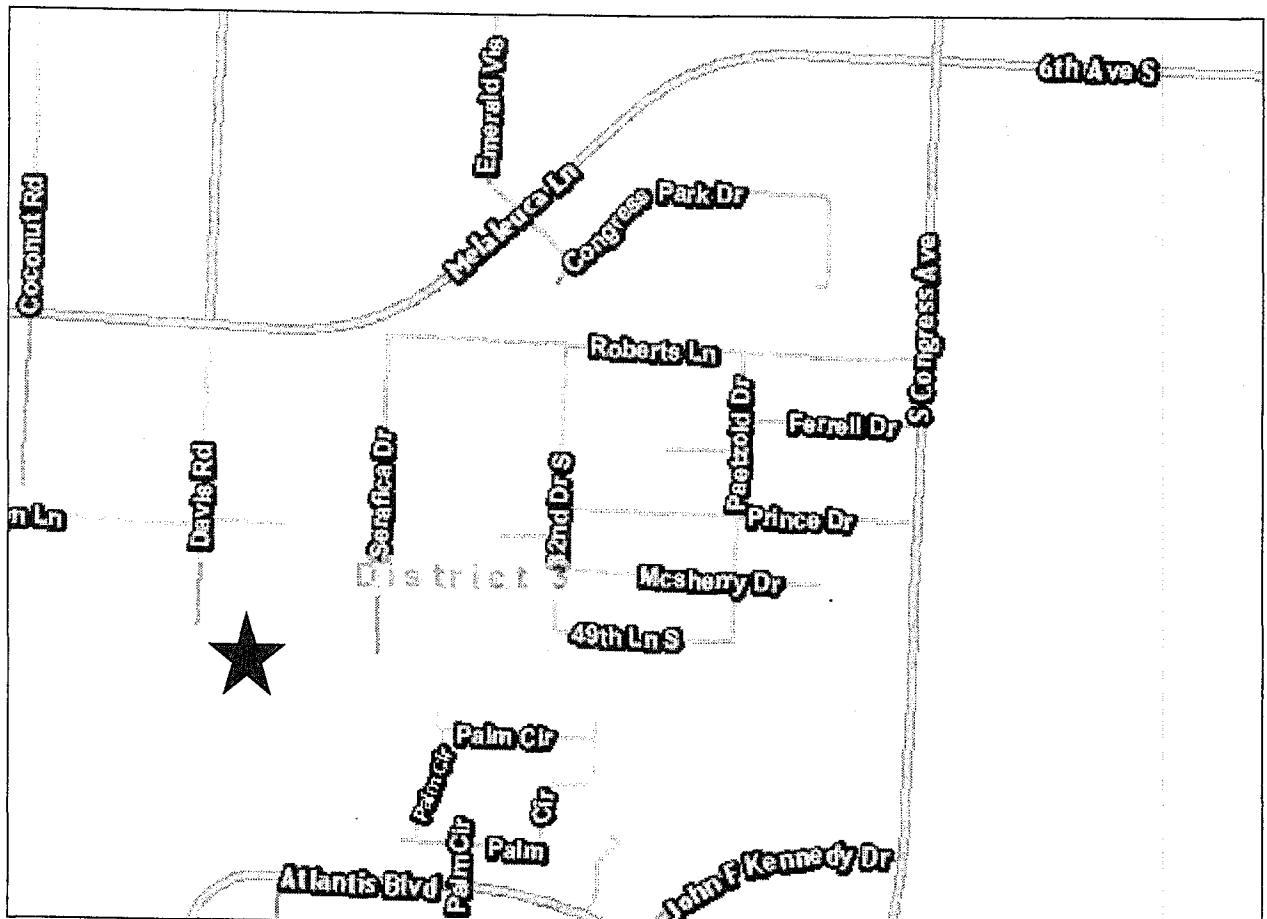
NOTE: The number of persons per household shown in Column A may vary by unit provided that the maximum household size per unit shall be as permitted by the Section 8 Program, applicable housing and building codes, and applicable fair housing laws.

LOCATION MAP



Davis Landings

North



AGREEMENT BETWEEN PALM BEACH COUNTY

AND R 2010 19 44

COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.

THIS AGREEMENT, entered into this _____ day of NOV 16 2010, by and between Palm Beach County, a political subdivision of the State of Florida, for the use and benefit of its Neighborhood Stabilization Program 2 (NSP2), and the Community Land Trust of Palm Beach County, Inc., a non-profit corporation duly organized and existing by virtue of the laws of the State of Florida, having its principal office at 100 Australian Avenue, Suite 400, West Palm Beach, FL 33406, and its Federal Tax Identification number as 20-5090958.

WHEREAS, Palm Beach County has entered into an agreement with the United States Department of Housing and Urban Development for the use of grant funds made available under the American Recovery and Reinvestment Act of 2009 (ARRA); and

WHEREAS, these grant funds were made available pursuant to the authority of ARRA, which established NSP2; and

WHEREAS, Palm Beach County wishes to use grant funds provided under NSP2 for the herein described project; and

WHEREAS, Palm Beach County desires to engage the Community Land Trust of Palm Beach County, Inc., to implement the herein described project; and

WHEREAS, the Community Land Trust of Palm Beach County, Inc., wishes to enter into this Agreement to implement the herein described project.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, it is agreed as follows:

PART I

DEFINITION AND PURPOSE

1. DEFINITIONS

- (1) "County" means Palm Beach County.
- (2) "ARRA" means the American Recovery and Reinvestment Act of 2009 (ARRA).
- (3) "NSP2" means the second appropriation of NSP funds provided under the American Recovery and Reinvestment Act of 2009.
- (4) "HCD" means Palm Beach County Housing and Community Development.
- (6) "Agency" means the Community Land Trust of Palm Beach County, Inc.
- (7) "HCD Approval" means the written approval of the HCD Director or his designee.
- (8) "HUD" means the Secretary of Housing and Urban Development or a person authorized to act on its behalf.
- (9) "Affordable Rent" means the Housing and Urban Development Fair Market Rent Chart, as described in Exhibit "B" of this Agreement.
- (10) "Blighted" means a structure exhibiting objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. To be considered blighted under the terms of any NSP Agreement, the appropriate public entity with jurisdiction must declare the structure blighted.
- (11) "Eligible Property" means a property that the County, in its sole discretion, has determined meets the NSP2 Program Criteria.
- (12) "NSP2-Assisted Units" mean those rental units purchased and constructed on Eligible Properties which are subject to the term of affordability.
- (13) "Area Median Income (AMI)" means the most current income limits published by

NSP2 - COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.

HUD for the West Palm Beach—Boca Raton Metropolitan Statistical Area (Palm Beach County).

- (14) "Cash Flow Dependent Loan" means a loan with debt service payments contingent upon the funded project's cash flow, as documented annually by audited financial statements.
- (15) "Very Low Income" refers to households whose incomes do not exceed thirty (30%) percent of the AML, as determined by HUD.
- (16) "Low Income" refers to households whose incomes exceed thirty percent (30%) but do not exceed fifty (50%) percent of the AML, as determined by HUD.
- (17) "Moderate Income" refers to households whose incomes exceed fifty percent (50%) but do not exceed eighty (80%) percent of the AML, as determined by HUD.
- (18) "Middle Income" refers to households whose incomes exceed eighty percent (80%) but do not exceed one hundred and twenty (120%) percent of AML, as determined by HUD.

2. PURPOSE

The purpose of this Agreement is to state the covenants and conditions under which the Agency will implement the Scope of Services set forth in Part II of this Agreement.

PART II

SCOPE OF SERVICES

The Agency shall, in a satisfactory and proper manner as determined by HCD, perform the tasks necessary to implement the project outlined in Exhibit "A" as attached hereto and made a part hereof.

PART III

COMPENSATION, TIME OF PERFORMANCE, METHOD, AND CONDITIONS OF PAYMENT

1. MAXIMUM COMPENSATION

The Agency agrees to accept as full payment for services rendered pursuant to this Agreement the actual amount of budgeted, eligible, and HCD Director or designee-approved expenditures and encumbrances made by the Agency under this Agreement. Said services shall be performed in a manner satisfactory to HCD. In no event shall the total compensation or reimbursement to be paid hereunder exceed the maximum and total authorized sum of \$4,523,006 for the period of November 16, 2010, through and including December 15, 2012, and as more fully described in Exhibit "A". Any funds not drawn and expended by the expiration date of this Agreement shall automatically revert to the County.

2. TIME OF PERFORMANCE

The effective date of this Agreement and all rights and duties designated hereunder are contingent upon the timely release of funds for this project by HUD under NSP2 grant number B-09-LN-FL-0021. The effective date shall be the date of execution of this Agreement, and the services of the Agency shall be undertaken and completed in light of the purposes of this Agreement. In any event, 100% of all NSP2 funds shall be expended and all services required hereunder shall be completed by the Agency prior to December 15, 2012, unless HCD, at its sole discretion, approves a later date.

3. METHOD OF PAYMENT

The County agrees to make payments and to reimburse the Agency for all budgeted costs permitted by Federal, State, and County guidelines. The Agency shall not request reimbursement for payments made by the Agency before the effective date of this Agreement, nor shall it request reimbursement for payments made after the expiration date of this Agreement, and in no event shall the County provide advance funding to the Agency or any subcontractors hereunder. The Agency shall request payments or reimbursements from the County by submitting to HCD proper documentation of expenditures consisting of originals of invoices, receipts, or other evidence of indebtedness, and when original documents cannot be presented, the Agency may furnish copies if deemed acceptable by HCD. Each request for payment or reimbursement submitted by the Agency shall be accompanied by a letter from the Agency, provided on the Agency's letterhead, referencing the name of the project funded herein, the date of this Agreement and/or its document number, and containing a statement requesting the payment or reimbursement and its amount, as well as the name and signature of the person making the request. Payment shall be made by the Palm Beach

County Finance Department upon presentation of the aforesaid proper documentation of expenditures as approved by HCD. The Agency shall submit all final reimbursement requests for payments made by the Agency during the term of this Agreement no later than January 15, 2013. These requests must be submitted to HCD accompanied by the required documentation of such expenditures, and the Palm Beach County Finance Department shall make payment as stated above, provided that HCD has determined that the funds allocated to the Agency through this agreement are still available for payment, and provided that HCD approves such payment.

4. CONDITIONS ON WHICH PAYMENT IS CONTINGENT

(1) IMPLEMENTATION OF PROJECT ACCORDING TO REQUIRED PROCEDURES

The Agency shall implement this Agreement in accordance with applicable Federal, State, County, and local laws, ordinances and codes and with the procedures outlined in HCD Policies and Procedures memoranda. The Federal, State, and County laws, ordinances and codes are minimal regulations supplemented by more restrictive guidelines set forth by HCD. No payments for projects funded by more than one funding source will be made until a cost allocation plan has been approved by the HCD Director or designee. Should a project receive additional funding after the commencement of this Agreement, the Agency shall notify HCD in writing within thirty (30) days of receiving notification from the funding source and submit a cost allocation plan for approval by the HCD Director or designee within forty-five (45) days of said official notification.

(2) FINANCIAL ACCOUNTABILITY

The County may have a financial systems analysis and/or an audit of the Agency, or of any of its subcontractors, by an independent auditing firm employed by the County or by the County Internal Audit Department at any time the County deems necessary to determine if the project is being managed in accordance with Federal, State, and County requirements.

(3) SUBCONTRACTS

Any work or services subcontracted hereunder shall be specifically by written contract, written agreement, or purchase order. All subcontracts shall be submitted by the Agency to HCD and approved by HCD prior to execution of any subcontract hereunder. All subcontracts shall be subject to Federal, State and County laws and regulations. This includes ensuring that all consultant contracts and fee schedules meet the minimum standards as established by the Palm Beach County Engineering Department and HUD. Contracts for architecture, engineering, survey, and planning shall be fixed fee contracts. All additional services shall have prior written approval with support documentation detailing categories of persons performing work plus hourly rates including benefits, number of drawings required, and all items that justify the "Fixed Fee Contract." Reimbursables will be at cost.

None of the work or services covered by this Agreement, including, but not limited to, consultant work or services, shall be subcontracted or reimbursed without prior written approval of the HCD Director or his designee.

(4) PURCHASING

All purchasing for services and goods, including capital equipment, shall be made by purchase order or by a written contract and in conformity with the procedures prescribed by the Palm Beach County Purchasing Code, as well as Federal Management Circulars A-110, A-122, and 24CFR Part 84, which are incorporated herein by reference.

(5) REPORTS, AUDITS, AND EVALUATIONS

Payment will be contingent on the timely receipt of complete and accurate reports required by this Agreement, and on the resolution of monitoring or audit findings identified pursuant to this Agreement.

(6) ADDITIONAL HCD, COUNTY, AND HUD REQUIREMENTS

HCD shall have the right under this Agreement to suspend or terminate payments if after 15 days written notice the Agency has not complied with any additional conditions that may be imposed, at any time, by HCD, the County, or HUD.

(7) PRIOR WRITTEN APPROVALS-SUMMARY

The following activities among others require the prior written approval of the HCD Director or designee to be eligible for reimbursement or payment:

- (a) All subcontracts and agreements pursuant to this Agreement;
- (b) All capital equipment expenditures of \$1,000 or more;
- (c) All change orders; and
- (d) All requests to utilize uncommitted funds after the expiration of this Agreement for programs described in Exhibit "A"; and
- (e) All rates of pay and pay increases paid out of NSP2 funds, whether for merit or cost of living.

(8) PROGRAM-GENERATED INCOME

The Agency shall comply with the program income requirement imposed by ARRA and NSP2. All income earned by the Agency from activities financed in whole or in part by funds provided hereunder must be **reported and returned** to HCD. Such income would include, but not be limited to, income from service fees, sale of commodities, and rental or usage fees. Accounting and disbursement of such income shall comply with OMB Circular A-110 and other applicable regulations incorporated herein by reference. The Agency may request written approval from the HCD Director to use program income to fund future NSP2-eligible uses.

The requirements of this section shall survive the expiration of this Agreement.

PART IV

GENERAL CONDITIONS

1. OPPORTUNITIES FOR RESIDENTS AND CIVIL RIGHTS COMPLIANCE

The Agency agrees that no person shall on the ground of race, color, disability, national origin, religion, age, financial status, familial status, marital status, sexual orientation, gender, or gender identity or expression, be excluded from the benefits of, or be subjected to discrimination under any activity carried out by the performance of this Agreement. Upon receipt of evidence of such discrimination, the County shall have the right to terminate this Agreement.

To the greatest extent feasible, lower-income residents of the project areas shall be given opportunities for training and employment; and to the greatest feasible extent eligible business concerns located in or owned in substantial part by persons residing in the project areas shall be awarded contracts in connection with the project. The Agency shall comply with the Section 3 Clause of the Housing and Community Development Act of 1968.

2. OPPORTUNITIES FOR SMALL AND MINORITY/WOMEN-OWNED BUSINESS ENTERPRISES

In the procurement of supplies, equipment, construction, or services to implement this Agreement, the Agency shall make a positive effort to utilize small business and minority/women-owned business enterprises of supplies and services, and provide these sources the maximum feasible opportunity to compete for contracts to be performed pursuant to this Agreement. To the maximum extent feasible these small business and minority/women-owned business enterprises shall be located in or owned by residents of the CDBG areas designated by Palm Beach County in the CDBG Annual Consolidated Plan approved by HUD.

3. EVALUATION AND MONITORING

The Agency agrees that HCD will carry out periodic monitoring and evaluation activities as determined necessary by HCD or the County and that payment, reimbursement, or the continuation of this Agreement is dependent upon satisfactory evaluation conclusions based on the terms of this Agreement. The Agency agrees to furnish upon request to HCD, the County, or the County's designees copies of transcriptions of such records and information as is determined necessary by HCD or the County. The Agency shall submit status reports required under this Agreement on forms approved by HCD to enable HCD to evaluate progress. The Agency shall provide information as requested by HCD to enable HCD to complete reports required by the County or HUD. The Agency shall allow HCD, County, or HUD to monitor the Agency on-site until December 15, 2042. Such visits may be scheduled or unscheduled as determined by HCD or HUD.

4. AUDITS AND INSPECTIONS

At any time during normal business hours and as often as HCD, the County, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts and transcripts of all relevant data with respect to all matters covered by this Agreement. Any deficiencies noted in audit reports must be fully cleared by the Agency within thirty (30) days after receipt by the Agency. Failure to the Agency to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments or termination of this Agreement.

If during the year, the Agency expends over \$500,000 of Federal awards, the Agency shall comply with the provisions of OMB Circular A-133. The Agency shall submit a single audit, including any management letter, made in accordance with the general program requirements of OMB Circulars A-110, A-122, A-133, and other applicable regulations within the earlier of, 30 days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period in which HCD-administered funds are expended. Said audit shall be made by a Certified Public Accountant of the Agency's choosing, subject to the County's approval. In the event the Agency anticipates a delay in producing such audit, the Agency shall request an extension in advance of the deadline. The cost of said audit shall be borne by the Agency. In the event the Agency is exempt from having an audit conducted under A-133, the Agency shall submit audited financial statements and/or the County reserves the right to conduct a "limited scope audit" of the Agency as defined by A-133. The County will be responsible for providing technical assistance to the Agency, as deemed necessary by the County.

5. UNIFORM ADMINISTRATIVE REQUIREMENTS

The Agency agrees to comply with the applicable uniform administrative requirements as described in Federal Community Development Block Grant Regulations 24 CFR 570.502.

6. REVERSION OF ASSETS

Upon expiration of this Agreement, the Agency shall transfer to the County any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. Any real property under the Agency's control upon expiration of this Agreement which was acquired or improved in whole or part with CDBG in the excess of \$25,000 must either be used to meet one of the national objectives in Federal Community Development Block Grant Regulations 24 CFR 570.508 for a period of five years after expiration of this Agreement (unless a longer period is specified elsewhere in this Agreement), or, the Agency shall pay the County an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

7. DATA BECOMES COUNTY PROPERTY

All reports, plans, surveys, information, documents, maps, and other data procedures developed, prepared, assembled, or completed by the Agency for the purpose of this Agreement shall be made available to the County by the Agency at any time upon request by the County or HCD. Upon completion of all work contemplated under this Agreement, copies of all documents and records relating to this Agreement shall be surrendered to HCD if requested. In any event, the Agency shall keep all documents and records for five (5) years after expiration of this Agreement.

8. INDEMNIFICATION

The Agency shall protect, defend, reimburse, indemnify and hold the County, its agents, its employees and elected officers harmless from and against any and all claims, liability, expense, loss, cost, damages or causes of action of every kind or character, including attorney's fees and costs, whether at trial or appellate levels or otherwise, arising during the performance of the terms of this Agreement, or due to the acts or omissions of the Agency. Agency's aforesaid indemnity and hold harmless obligation, or portion or applications thereof, shall apply to the fullest extent permitted by law. The Agency will hold the County harmless and will indemnify the County for funds which the County is obligated to refund the Federal Government arising out of the conduct of activities and administration of Agency.

9. INSURANCE

Unless otherwise specified in this Agreement, the Agency shall, at its sole expense, maintain in full force and effect at all times during the life of this Agreement, insurance coverage, limits, including endorsements, as described herein. The requirements

contained herein as to types and limits, as well as the County's review or acceptance of insurance maintained by the Agency, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Agency under this Agreement.

(1) PROPERTY, WIND, & FLOOD INSURANCE

The Agency shall agree to maintain: (1) Property insurance written on a replacement cost basis in an amount not less than 100% of the replacement cost of Agency's building(s) and contents, including Betterments and Improvements made by or on behalf of County, located on the Premises. Coverage shall be written on a replacement cost basis and include an endorsement for Ordinance & Law coverage, (2) Flood insurance, regardless of the flood zone, in an amount not less than 100% of the actual cash value of Agency building(s) and contents, including Betterments and Improvements made by or on behalf of County, located on the Premises; or the maximum amount available from the National Flood Insurance Program, whichever is less. (3) Windstorm insurance, unless included as a covered peril in the property insurance, in an amount not less than 100% of the actual cash value of Agency building(s) and contents, including Betterments and Improvements made by or on behalf of County, located on the Premises; or the maximum amount available under the Florida Windstorm Underwriting Association, whichever is less. The Agency shall agree to be fully responsible for any deductible or self-insured retention, and to provide these coverages on a primary basis.

(2) COMMERCIAL GENERAL LIABILITY

The Agency shall agree to maintain Commercial General Liability at a limit of liability not less than \$500,000 Each Occurrence. Coverage shall not contain any endorsement excluding Contractual Liability or Cross Liability unless granted by the County's Risk Management Department. The Agency agrees this coverage shall be provided on a primary basis.

(3) BUSINESS AUTOMOBILE LIABILITY

The Agency shall agree to maintain Business Automobile Liability at a limit of liability not less than \$500,000 Each Occurrence for all owned, non-owned and hired automobiles. In the event the Agency does not own any automobiles, the Business Auto Liability requirement shall be amended allowing the Agency to agree to maintain only Hired & Non-Owned Auto Liability. This amended requirement may be satisfied by way of endorsement to the Commercial General Liability, or separate Business Auto coverage form. The Agency shall agree this coverage shall be provided on a primary basis.

(4) WORKERS COMPENSATION INSURANCE

The Agency shall agree to maintain Workers' Compensation Insurance & Employers Liability in accordance with Florida Statute Chapter 440. The Agency agrees this coverage shall be provided on a primary basis.

(5) ADDITIONAL INSURED

The Agency shall agree to endorse the County as an Additional Insured with a CG 2026 Additional Insured - Designated Person or Organization endorsement, or its equivalent, to the Commercial General Liability. The Additional Insured endorsement shall read "Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Housing and Community Development". The Agency shall agree the Additional Insured endorsements provide coverage on a primary basis.

(6) CERTIFICATE OF INSURANCE

The Agency shall agree to deliver to the County a certificate(s) of insurance evidencing the required insurance is in full force and effect within thirty (30) calendar days prior to the execution of this Agreement by the County. A minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage shall be included on the certificate(s). The Agency shall deliver the certificate(s) to HCD at its office at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

(7) RIGHT TO REVIEW AND ADJUST

The Agency shall agree that the County, by and through its Risk Management Department, in cooperation with the Department of Housing and Community Development, reserves the right to periodically review, modify, reject or accept

any required policies of insurance, including limits, coverage, or endorsements, herein from time to time throughout the life of this Agreement. The County reserves the right, but not the obligation, to review and reject any insurer providing coverage because of its poor financial condition or failure to operate legally.

10. MAINTENANCE OF EFFORT

The intent and purpose of this Agreement is to increase the availability of the Agency's services. This Agreement is not to substitute for or replace existing or planned projects or activities of the Agency. The Agency agrees to maintain a level of activities and expenditures, planned or existing, for projects similar to those being assisted under this Agreement which is not less than that level existing prior to this Agreement.

11. CONFLICT OF INTEREST

The Agency covenants that no person who presently exercises any functions or responsibilities in connection with the Project, has any personal financial interest, direct or indirect, in the target areas or any parcels therein, which would conflict in any manner or degree with the performance of this Agreement and that no person having any conflict of interest shall be employed by or subcontracted by the Agency. Any possible conflict of interest on the part of the Agency or its employees shall be disclosed in writing to HCD provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation of low and moderate-income residents of the project target area.

12. CITIZEN PARTICIPATION

The Agency shall cooperate with HCD in the implementation of the Citizen Participation Plan by establishing a citizen participation process to keep residents informed of the activities the Agency is undertaking in carrying out the provisions of this Agreement. Representatives of the Agency shall attend meetings and assist HCD in the implementation of the Citizen Participation Plan, as requested by HCD.

13. RECOGNITION AND SIGNAGE:

The Agency shall erect a sign in a prominent place at the job site clearly identifying and providing notice for the funding of the project by including the following statement: **"Funding for this project has been provided by Palm Beach County Board of County Commissioners from the U.S. Department of HUD's Neighborhood Stabilization Program."** All activities, facilities, publications, publicity, and items utilized pursuant to this Agreement shall be prominently labeled as above.

14. AGREEMENT DOCUMENTS

The following documents are herein incorporated by reference and made a part hereof, and shall constitute and be referred to as the Agreement; and all of said documents taken as a whole constitute the Agreement between the parties hereto and are as fully a part of the Agreement as if they were set forth verbatim and at length herein:

- (1) This Agreement, including its Exhibits;
- (2) Office of Management and Budget Circulars A-110, A-122, A-133, and 24CFR Part 84
- (3) Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Title II of the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973 (29 USC 794);
- (4) Executive Orders 11246, 11478, 11625, 12432, the Davis Bacon Act, and Section 3 of the Housing and Community Development Act of 1968, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended;
- (5) Executive Orders 11063, 12259, 12892, the Fair Housing Act of 1988, and Section 109 of the Housing and Community Development Act of 1974, as amended;
- (6) Florida Statutes, Chapter 112;
- (7) Palm Beach County Purchasing Code;
- (8) Federal Community Development Block Grant Regulations (24 CFR Part 570), and Federal Consolidated Plan Regulations (24 CFR Part 91), as amended;
- (9) The Housing and Economic Recovery Act of 2008 (HERA);
- (10) The Agency's personnel policies and job descriptions;
- (11) The Agency's incorporation Certificate and Articles of Incorporation;
- (12) The Agency's By-laws;
- (13) The Agency's Certificate of Insurance;

- (14) Current list of the Agency's officers and members of its Board of Directors; and
- (15) Proof of the Agency's 501(c)(3) certification from the Internal Revenue Service.
- (16) Lead-Based Paint Regulations (24 CFR 570.487 and 24 CFR Part 35, Subpart B); Environmental Protection Agency (EPA) NESHAP, 40 CFR Parts 61 Subpart M B National Emission Standard for Asbestos, revised July 1991; Occupational Health and Safety Administration (OSHA) Construction Industry Standard, 29 CFR 1926.1101; Florida State Licensing and Asbestos Laws; Title XVIII, Chapter 255.

All of these documents will be maintained on file at HCD. The Agency shall keep an original of this Agreement, including its Exhibits, and all amendments thereto, on file at its principal office.

15. TERMINATION

In the event of termination for any of the following reasons, all finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports prepared, and capital equipment secured by the Agency with funds under this Agreement shall be returned to HCD or the County.

In the event of termination, the Agency shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the Agreement by the Agency, and the County may withhold any payment to the Agency for set-off purposes until such time as the exact amount of damages due to the County from the Agency is determined.

(1) TERMINATION FOR CAUSE

If through any cause either party shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if either party shall violate any of the covenants, agreements, or stipulations of this Agreement, either party shall thereupon have the right to terminate this Agreement in whole or part by giving a fifteen (15) working day written notice of such termination to the other party and specifying therein the effective date of termination.

(2) TERMINATION FOR CONVENIENCE

At any time during the term of this Agreement, either party may, at its option and for any reason, terminate this Agreement upon ten (10) working days written notice to the other party. Upon termination, the County shall pay the Agency for services rendered pursuant to this Agreement through and including the date of termination.

(3) TERMINATION DUE TO CESSATION

In the event the grant to the County under Title I of the Housing and Community Development Act of 1974 (as amended) is suspended or terminated, this Agreement shall be suspended or terminated effective on the date HUD specifies.

16. SEVERABILITY OF PROVISIONS

If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

17. AMENDMENTS

The County may, at its discretion, amend this Agreement to conform with changes required by Federal, State, County, or HUD guidelines, directives, and objectives. Such amendments shall be incorporated by written amendment as a part of this Agreement and shall be subject to approval of the Palm Beach County Board of County Commissioners. Except as otherwise provided herein, no amendment to this Agreement shall be binding on either party unless in writing, approved by the Board of County Commissioners and signed by both parties.

18. NOTICES

All notices required to be given under this Agreement shall be sufficient when delivered to HCD at its office at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406, and to the Agency when delivered to its office at the address listed on page one (1) of this Agreement.

19. INDEPENDENT AGENT AND EMPLOYEES

The Agency agrees that, in all matters relating to this Agreement, it will be acting as an independent agent and that its employees are not Palm Beach County employees and are not subject to the County provisions of the law applicable to County employees

relative to employment, hours of work, rates of compensation, leave, unemployment compensation and employee benefits.

20. NO FORFEITURE

The rights of the County under this Agreement shall be cumulative and failure on the part of the County to exercise promptly any rights given hereunder shall not operate to forfeit or waive any of the said rights.

21. PUBLIC ENTITY CRIMES

As provided in F.S. 287.133 by entering into this Agreement or performing any work in furtherance hereof, the Agency certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the 36 months immediately preceding the date hereof. This notice is required by F.S. 287.133 (3)(a).

22. PALM BEACH COUNTY OFFICE OF THE INSPECTOR GENERAL

Pursuant to Ordinance No. 2009-049, Palm Beach County has established the Office of the Inspector General, which is authorized and empowered to review past, present, and proposed County agreements, contracts, transactions, accounts, and records. All parties doing business with the County and receiving County funds, including the Community Land Trust of Palm Beach County, Inc., shall fully cooperate with the Inspector General. The Inspector General has the power to subpoena witnesses, administer oaths, required the production of records, and to audit, investigate, monitor, and inspect the activities of the Community Land Trust of Palm Beach County, Inc., its officers, agents, employees, and lobbyists in order to ensure compliance with this Agreement, and to detect waste, corruption, and fraud.

23. PROHIBITED ACTIVITIES

The Agency is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

24. COUNTERPARTS OF THE AGREEMENT

This Agreement, consisting of fifty-six (56) enumerated pages which include the exhibits referenced herein, shall be executed in three (3) counterparts, each of which shall be deemed to be an original, and such counterparts will constitute one and the same instrument.

25. ENTIRE UNDERSTANDING

This Agreement and its provisions merge any prior agreements, if any, between the parties hereto and constitutes the entire understanding. The parties hereby acknowledge that there have been and are no representations, warranties, covenants, or undertakings other than those expressly set forth herein.

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WITNESS our Hands and Seals on this NOV 16 day of 2010.

(AGENCY SEAL BELOW)

COMMUNITY LAND TRUST OF
PALM BEACH COUNTY, INC.

BY: [Signature]
James Titcomb, President

BY: [Signature]
Teresa Johnson, Secretary

R2010-1944

PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of
Florida

FOR ITS BOARD OF COUNTY
COMMISSIONERS

Sharon R. Bock, Clerk & Comptroller

Palm Beach County

By: [Signature]

Deputy Clerk

By: [Signature]

Karen T. Marcus

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Dept. of Housing and Community
Development

By: [Signature]

Tammy K. Fields

Senior Assistant County Attorney

By: [Signature]

Edward Lowery, Director

Housing and Community Development

EXHIBIT "A"

WORK PROGRAM NARRATIVE

I. THE AGENCY AGREES TO:

A. PROFESSIONAL SERVICES: The Agency shall retain architectural, engineering, and land planner consultant services (to include a Florida professional engineer or registered architect) and a project manager/development consultant for this project to provide professional services in connection with the design and construction of twenty-five (25) multi-family rental units in an affordable housing development located in the Lake Worth Corridor South Target Area, south of Melaleuca Lane on Davis Road, and within the County's Urban Redevelopment Area (URA). The consultant's services shall include, but not be limited to, the following:

- Design services to create plans and specifications for the construction that conform to program construction standards
- Prepare construction cost estimates
- Submit drawings for plan review by the building and zoning departments of jurisdiction
- Prepare, obtain and review bids
- Prepare contract documents
- Inspect work in progress, recommend payment to contractors
- Manage the construction process
- Provide other professional services customarily provided by similar professionals for this type of project

The procurement process of these consultants shall also incorporate any sub-consultants which shall be funded as reimbursables under the consultant's contract for services. Reimbursement for sub-consultants shall be at cost. Such sub-consultants may include surveyors, engineers, testing services, or others as deemed necessary for the nature of the project.

The subject property is located on Davis Road south of Melaleuca Lane in unincorporated Palm Beach County. More specifically, it bears property control numbers 00-43-44-30-01-119-0032, 00-43-44-30-01-121-0030, 00-43-44-30-01-121-0041, and 00-43-44-30-01-120-0041, as recognized by the office of the Palm Beach County Property Appraiser.

B. PROJECT SCOPE : The scope of this project, subject to funding availability, shall include the following :

i) **NEW CONSTRUCTION:** Construction of two garden-style buildings, one of which will contain twelve (12) rental housing units, a second building which will contain thirteen (13) rental housing units, and a community room, for a total of twenty-five (25) rental housing units. The two multi-family rental buildings shall be located on the east side of Davis Road, and will be called 'Davis Landings'.

All such properties shall be developed, constructed, and rented by the Agency according to NSP2 Program requirements, and the requirements of this Agreement, as approved (and amended from time to time) by the County. The Agency shall seek a determination from HCD for any conflicting requirements contained in the aforesaid that the Agency believes to exist. HCD shall advise the Agency of its determination in writing and the Agency shall accept, and abide by, such determination.

ii) **SITE WORK:** Site grading, clearing, demolition, off-site improvements, soil testing, site security, sidewalks, fencing, parking paving and striping, landscaping, storm water drainage, site utilities, driveway aprons, curbs, and other incidental work associated with such construction.

iii) **OFF-SITE WORK:** The Agency shall cause the installation of a Wastewater Force Main (4" to be extended from project site a distance of approximately 1,200 feet to Maleleuca Lane for connection to an existing Palm Beach County Water Utilities Department force main); and Wastewater Pump Station designed for public ownership/maintenance by Palm Beach County Water Utilities Department, complete with all appurtenances including wet well and telemetric public pump station.

This redevelopment effort will bring surrounding roads up to County Code and include

the installation of new drainage and sidewalks to encourage a pedestrian-friendly environment as well as bring sanitary sewer into the neighborhood to service the existing residents.

Site improvement cost estimates will be completed for each improvement and based on take-offs of quantities of materials and labor required.

The Agency shall complete the development and construction of all multi-family rental units, obtain certificates of occupancy, and rent at least 55% of the housing units to households with incomes at or below 50% of the AMI, of which 25% of the housing units must be rented to households with incomes at or below 30% of the AMI, no later than December 15, 2012.

Beginning from the initial date of occupancy and continuing for an affordability period of thirty (30) years, the Agency shall assure that at least fifty-five (55%) of the multi-family rental units constructed by the Agency shall be rented to households with incomes at or below 50% of the AMI, of which 25% of the housing units must be rented to households with incomes at or below 30% of the AMI. The remaining housing units shall be rented to households with incomes at or below 120% of the AMI. HCD may monitor these income certification requirements at any time during the affordability period, and if determined to be non-compliant with the above requirements, the Agency must repay to County any funds received during the period of non-compliance.

NOTE 1: The Agency's Procurement Policy and Procedures have received prior County staff approval and a copy has been provided to HCD. The Agency shall have the option of procuring any portion of the above mentioned consultant's services described above by using its six-page Community Land Trust of Palm Beach County Procurement Policy and Procedures, adopted May 22, 2009.

In accordance with the Agency's Procurement Policy referenced above, the Agency shall prepare a Request for Qualifications (RFQ) document for the Architect, Engineer, and Land Planner and a Request for Proposals (RFP) for the Development Consultant/Project Manager, both of which must describe in detail the services it wishes the consultant to provide, and then procure these services in accord with this Agreement. **The Agency must obtain HCD approval of the proposed RFQ and RFP documents prior to each being published.** Within the RFQ and RFP, the Agency shall divide the services to be provided by the consultants into phases and identify such phases. The phases of the consultant services shall be divided in such a manner to account for the schedule of availability of funds to pay for the services associated with each phase. The work for each phase shall be awarded as funds become available. The Agency is responsible for monitoring the quality, completeness, and conformity to specifications of all work performed by third party contractors, subcontractors, and sub-consultants.

In the event the Agency does not wish to use its own Procurement Policy and Procedures for any portion of the development and construction project, **the Agency shall submit its bid package (drawings/specifications and instructions to bidders), and an itemized opinion of probable construction cost prepared by its consultant, to HCD and obtain a letter of approval prior to bidding the construction work.** In submitting the bid package to HCD, the Agency shall also demonstrate that it has submitted its drawings/specifications to the Palm Beach County Building Department for plan review, and that these drawings/specifications comply with all applicable building and zoning codes. **The Agency shall obtain HCD approval prior to issuing any addenda to its bid documents for this project.**

NOTE 2: The Agency shall prioritize the work in the project, and shall bid such work in a manner that would allow the receipt of itemized costs from bidders which would then allow the award of items that can be funded by the budget provided that the extent of work awarded will result in a functioning facility in the opinion of HCD.

NOTE 3: The Agency shall not award the construction contract for the project until sufficient funding is available to complete the established scope of work. All construction work shall be included in one contract. **The Agency shall obtain HCD approval prior to awarding the construction contract to be funded through this Agreement. After awarding such contract, the Agency shall obtain HCD approval prior to executing any change orders to such contract.**

NOTE 4: Should the development contract amount for this project exceed the amount to be funded by the County through this Agreement, then the Agency shall fund all such

excess development costs which exceed the amount to be funded by the County.

NOTE 5: The Agency shall not request reimbursement from HCD for materials or equipment received and stored on the project site or elsewhere. The Agency shall only request reimbursement for materials and equipment that have been installed.

The Agency further agrees that HCD, in consultation with any parties it deems necessary, shall be the final arbiter of the Agency's compliance with the above.

C. FUNDING OBLIGATION, EXPENDITURES, AND PROJECT BUDGET:

1. Total Funding Amount: The County shall provide NSP2 funds in an amount not to exceed \$4,523,006.00 for the sole and express purpose of undertaking the project specified in this Agreement. It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed the above mentioned NSP2 funds. The Agency is solely responsible for obtaining any additional funding required in the event that development costs exceed the total amount of funding provided by the County in this Agreement.

2. Project Expenditures: The Agency must expend at least 50% (\$2,261,503.00) of their total NSP2 funding allocation by December 15, 2011. If Agency fails to expend 50% of its NSP2 funds (as indicated with regard to the goals and delivery schedule deadline set forth above), HCD at its sole discretion may recapture a portion or all of the Agency's NSP2 funding allocation. The recaptured portion will be equal to HCD's estimate of the amount of NSP2 funds that would remain unspent by the spending deadlines described herein, based on the Agency's activities to date and capacity to complete the work.

One hundred percent (100%) of the Agency's NSP2 funds associated with this Agreement shall be expended by December 15, 2012, unless such date is changed by HUD. The Agency expressly agrees to complete all work required in accordance with the timetable as outlined in this Agreement. It shall be the responsibility of the Agency to notify HCD promptly in writing whenever a delay is anticipated or experienced, and to inform HCD of all facts and details related to the delay.

3. Fees and Interest: Fees and interest payments for lines of credit and construction loans are not eligible costs for reimbursement by HCD with NSP2 funds and will not be counted toward the total cost basis of the redevelopment of the property.

4. Funding Terms and Conditions: Financial assistance to the Agency shall be provided in the form of a loan in an amount not to exceed the principal amount of \$4,523,006.00 upon the terms and conditions set forth herein, and at the rates and terms set forth in its Mortgage and Note attached hereto as Exhibit "H" and "I" respectively, and Agency shall take the Loan and expressly agrees to comply with and to perform all the terms and conditions of this Note and Mortgage, and any other documents evidencing and securing this Loan.

5. Project Budget: A Project Budget submitted by the Agency is included as Exhibit "J". The County may require more detailed or different budget breakdowns than the one contained herein, and the Agency shall provide supplementary budget information in a timely fashion in the form and content prescribed by HCD.

D. WORK SCHEDULE: The time frame for completion of the outlined activities shall be December 15, 2012.

	<u>Completion Date</u>
Complete Design & Bid Documents (incl. all permits)	<u>September 1, 2011</u>
Advertise & Accept Proposals by	<u>September 15, 2011</u>
Award Consultant Services Contract by	<u>October 1, 2011</u>
Start Construction by	<u>October 15, 2011</u>
50% Expenditure of NSP2 Funds by	<u>December 15, 2011</u>
100% Expenditure of NSP2 Funds by	<u>December 15, 2012</u>
Submit Final Reimbursement Request by	<u>January 15, 2013</u>

E. ALLOWABLE COSTS:

The Agency shall ensure that all expenditures of NSP2 funds are in compliance with the NSP2 Program requirements, and acknowledges that NSP2 funds will only be provided as reimbursement for eligible costs incurred, including actual expenditures or invoices, for work completed. Hard and soft costs that may be funded through this Agreement, subject to HCD approval, may include but are not limited to, site development, building construction, contingency, project management, architectural, engineering, soil reports, survey and platting, legal, accounting, marketing, permit fees, utility connection fees, land planning fees, soft cost contingency, and other costs related to the development and construction of the property as deemed eligible by HCD. Requests for NSP2 funding of eligible soft costs must be accompanied by invoices or other documents from subcontractors or other third parties indicating payment of eligible construction and soft costs as indicated by the Project Budget line items, and submitted on Exhibit "D".

F. AFFORDABLE RENTS:

All resulting rental units must be leased to eligible beneficiaries at affordable rental rates. Affordable rents shall be governed by Housing and Urban Development (HUD) Fair Market Rent Chart, as specified on Exhibit "B", and as provided in the NSP2 regulations. On an annual basis, the County shall provide the Agency with the maximum allowable schedule of rents for the property. In no event shall Agency charge any tenant more than such amount. All rental units constructed pursuant to the terms of this Agreement and utilizing NSP2 funds shall remain affordable for at least thirty (30) years.

G. INCOME CERTIFICATION:

The Agency shall take all necessary steps to certify the income of all prospective tenants.

H. MAINTENANCE:

Agency shall maintain the property (and all abutting grounds, sidewalks, roads, parking and landscape areas which Agency is otherwise required to maintain) in good condition and repair; shall operate the property in a businesslike manner; shall prudently preserve and protect its own as well as the County's interests in connection with the property; shall not commit or permit any waste or deterioration of the property (except for normal wear and tear); shall not abandon any portion of the property or leave the property unguarded or unprotected; and shall not otherwise act, or fail to act, in such a way as to unreasonably increase the risk of any damage to the property or of any other impairment of County's interests under this Agreement. Except as may be otherwise agreed by County, in writing, from time to time, Agency shall promptly and faithfully perform and observe each of the following provisions:

- Alterations and Repairs: Agency shall not remove, demolish, or materially alter any part of the property without County's prior written consent, except to make non-structural repairs which preserve or increase the property's value, and shall promptly restore, in a good and professional manner, any improvement that is damaged or destroyed from any cause.

I. TAXES:

Agency shall pay, prior to delinquency, all of the following:

- All general and special real property taxes and assessments imposed on the Property;
- all other taxes and assessments and charges of every kind that are assessed upon the property (or upon the owner and/or operator of the property) and that may create a lien upon the property (or upon any personal property or fixtures used in connection with the property), including but not limited to, non-governmental levies and assessments pursuant to applicable covenants, conditions, or restrictions; and
- all license fees, taxes, and assessments imposed on County (other than County's income or franchise taxes) which are measured by or based upon (in whole or in part) the amount of the obligations secured by the property.

J. PROJECT OPERATING ACCOUNT:

Agency must promptly deposit all project income directly into a segregated depository account called 'Davis Landings Project Account' established exclusively for this project. Withdrawals from this account may be made only in accordance with the provisions of this Agreement and the approved budget, as it may be revised from time to time with HCD approval.

K. REPORTS:

The Agency shall submit a detailed Monthly Narrative Report, attached as Exhibit "C", to HCD outlining the status of specific activities under this project until occupancy of all units has been achieved. Each report must account for the total activity for which the Agency is reimbursed, in part or in whole, with NSP2 funds and which is required in fulfillment of their obligations regarding the projects. The progress reports shall be mainly in the form of a narrative, and shall be submitted to HCD by the 10th day of each month. The progress reports shall be used as an additional basis for invoice reimbursement.

L. CONSTRUCTION COSTS:

1. Cost Estimates: The cost estimates for this NSP2 project must be reviewed by HCD to determine cost-reasonableness and approved by HCD. When approved, the cost estimate becomes a schedule of values which is used by HCD's construction inspector to determine the value of work completed for the purpose of approving draw requests.
2. Construction Monitoring Inspections: The County will monitor the performance of the Agency based on goals and performance standards as stated in this Agreement, along with all other applicable federal, state, and local laws, regulations, and policies governing NSP2 funds. Substandard performance, as determined by the County, will constitute non-compliance with this Agreement. If corrective action is not taken by the Agency within a reasonable period of time after being notified by the County, contract suspension or termination procedures may be initiated.
3. Construction Draws:
Construction draw requests will be presented to HCD along with lien waivers and/or releases (if applicable) and any other required attachments, satisfactory to HCD, including in any event partial lien releases executed by each contractor and subcontractor who has received any payment for work performed, contracts, vouchers, other data as appropriate, and all other documents and information reasonably required by HCD. HCD staff may require additional detail budget breakdown, and Agency shall provide supplementary budget information in a timely fashion in the form and content prescribed by HCD. Construction draw requests may include requests for reimbursement of soft costs in the approved Project Budget, up to the aggregate total amount of the line item budget amounts for construction and soft costs. HCD is responsible for reviewing, approving, and processing draw requests in a timely manner.

Construction drawdown requests for the payment of eligible expenses shall be made against the project and in accordance with performance. Expenses for general administration shall also be paid against the budget specified above and in accordance with performance.
4. Change Orders: Agency may approve change orders up to a combined amount equal to the construction contingency budget line item. Agency is responsible for all construction costs exceeding the contingency budget amount, unless HCD at its sole discretion approves a revised construction budget and project budget and reviews and approves a change order for additional scope of work and costs in excess of the total construction budget.
5. Punch List, Final Inspection, and Final Draw: The Agency's and HCD's representatives must jointly approve the punch list during or immediately after the punch list inspection and approve the clearing of punch list items after subsequent inspection(s). All punch list items reasonable required by HCD must be included. Upon satisfactory completion of the punch items, and all applicable paperwork, HCD will issue a notice of final completion to Agency in a document approved by HCD. The final draw will include the payment of any remaining eligible construction costs, aggregate construction retainage, applicable soft costs and any other costs determined by HCD to be owed to Agency payable upon completion of construction.
6. Cost Over-Runs: The Agency assumes all risks of cost overruns in excess of the development, construction, and contingency budget line items. In the event that, at any time and for any reason, (a) the actual cost reasonably estimated by Agency to be required to complete all matters included in the "Project Scope"

exceeds the amount allocated, (b) development and/or construction costs for any matters not covered have been or will be incurred, or (c) the undisbursed portion of the development and/or construction costs is or may be insufficient to pay all costs that may be payable under this Agreement, the Agency shall, within ten (10) days after it receives written notice from County of any of the foregoing matters, do one or more of the following:

- a. provide satisfactory evidence to County that Agency has previously paid such excess or otherwise provided for such insufficiency (the "excess cost") with funds from a source other than the NSP2 funds;
- b. reallocate sufficient funds to pay the Excess Cost from funds allocated to "Contingency" in the Agency's development and construction budget; provided, however, the HCD Director's consent to any such reallocation shall be required; or
- c. deposit an amount equal to the Excess Cost in a non-interest bearing account (the "Overrun Account") with County from which withdrawals may be made only with the consent of the HCD Director but which will be exhausted prior to any further disbursement for any line item, so that any resulting surplus in any line item of the development and construction budget will then be reallocated to the line item(s) in which the Excess Costs are expected to be incurred.

New construction projects must include at least a 5% contingency line item with the total project budget.

The County shall have no obligation to make further disbursements until Agency has paid or otherwise provided for the overrun as required above. Amounts deposited by Agency in an overrun account for any excess costs shall be disbursed by County prior to the disbursement of any remaining development and construction portion.

M. AIR AND WATER REQUIREMENTS:

The Agency shall comply with the following requirements insofar as they apply to the performance of this Agreement: Clean Air Act (42 USC 7401, et. seq.); Federal Water Pollution Control Act, as amended (33 USC 1251 et. seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in Section 114 and Section 308, and all regulations and guidelines issued thereunder); Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended; Flood Disaster Protection Act of 1973 (42 USC 4001); and National Environmental Policy Act of 1969 and related environmental regulations at 24 CFR Part 50 or 58.

N. PRESENCE OF HAZARDOUS MATERIALS:

Agency shall not, and shall not permit anyone else to, generate, use, treat, store, release, or dispose of hazardous waste on the property, or transport or permit the transportation of hazardous materials to or from the property, except for de minimis quantities used at the property in compliance with applicable environmental laws and required with the routine operation and maintenance of the property.

O. ENVIRONMENTAL INDEMNIFICATION BY THE AGENCY:

Agency agrees to defend, indemnify and hold harmless the County and its officers, directors, employees and agents from and against any and all obligations (including removal and remediation), losses, claims (including third-party claims), suits, judgments, liabilities, penalties, damages (including consequential and punitive), costs and expenses (including consultants, and attorneys' fees) of whatever kind or nature whatsoever that may at any time be incurred by, imposed on, or asserted against the aforementioned County, directly or indirectly, based on, or arising or resulting from the actual or alleged presence of hazardous materials on the property.

P. ENERGY EFFICIENCY CHECKLIST:

The Agency will ensure that, to the greatest extent possible, all new construction and rehabilitation undertaken with NSP2 funds meets standards established by the U.S. Environmental Protection Agency, the publication titled *A Green Home Begins with ENERGY STAR Blue* or the Version 6.0 Standard of the Florida Green Building Coalition (www.floridagreenbuilding.org), as fully set forth in Exhibit "E".

Q. DAVIS-BACON ACT:

The Agency shall request the County to obtain a Davis-Bacon wage decision for the

project prior to advertising the construction work. The Agency shall incorporate a copy of the Davis-Bacon wage decision and disclose the requirements of the Davis-Bacon Act in its construction bid solicitation and contract. The Agency shall comply with the Davis-Bacon Act and Related Acts (DBRA) (29 CFR, Parts 1, 3, 5, and 7), as amended, the provisions of Contract Work Hours and Safety Standards Act (40 USC 327 et. seq.), and all other applicable federal, state, and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Agency shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

R. BONDING REQUIREMENTS:

The Agency shall comply with the requirements of 24 CFR Part 85 in regard to bid guarantees, performance bonds, and payment bonds.

S. CONSTRUCTION PAYMENT RETAINAGE:

The Agency shall apply a retainage of at least 5% on all construction draws which retainages shall be released in conjunction with the final draw upon satisfactory completion of the project. The Agency agrees not to release such retainages until, among other requirements listed herein, it has obtained approval from the County that the contractor and subcontractors have complied with the requirements of the Davis-Bacon Act.

T. USE OF THE PROJECT FACILITY:

The Agency agrees in regard to the use of the facility/property whose acquisition, development, and construction is being funded in part or in whole by NSP2 funds as provided by this Agreement, that it will comply with the provisions of Exhibit "F", and that for a period of thirty (30) years after the expiration date of this Agreement (as may be amended from time to time):

- (1) The Agency may not change the use or planned use, or discontinue use, of the facility/property (including the beneficiaries of such use) from that for which the acquisition or improvements are made, unless the Agency provides affected citizens with reasonable notice of, and opportunity to comment on, any such proposed change and either:
 - a. The new use of the facility/property qualifies as meeting one of the national objectives defined in the regulations governing the NSP2 program, and is not a building for the general conduct of government; or
 - b. The requirements of paragraph (2) of this section are met.
- (2) If the Agency determines after consultation with affected citizens, that it is appropriate to change the use of the facility/property to a use which does not qualify under paragraph (1)(a) of this section or discontinue the use of the facility/property, it may retain or dispose of the facility for such use if the County is reimbursed in the amount of the current fair market value of the facility/property less any portion thereof attributable to expenditures of non-NSP2 funds for acquisition of, development, and construction to the facility/property. The final determination of the amount of any such reimbursement to the County under this paragraph shall be made by the County.
- (3) Following the reimbursement of NSP2 funds by the Agency to the County pursuant to paragraph (2) above, the facility/property will then no longer be subject to any NSP2 requirements.

Upon execution of this Agreement, the Agency shall execute and deliver to the County Exhibit "F", which the County shall record in the public records. Recording fees associated with this Exhibit shall be charged to the Project Budget identified in this Agreement.

The provisions of this clause shall survive the expiration of this Agreement.

The Agency recognizes and understands that by entering into this Agreement, the County wishes to further its provision of affordable housing to income eligible renters in a timely manner. As such, the Agency's performance as established under this Agreement is critical to the County's effort in providing affordable housing by the aforementioned dates, and therefore time is of the essence in regard to the Agency's performance in connection with each and every date and deadline stated herein.

U. SECTION 3 REQUIREMENTS:

The Agency agrees to comply with all Section 3 requirements applicable to contracts funded through this Agreement, and attached hereto as Exhibit "G". The Agency shall include the following, referred to as the Section 3 Clause, in every solicitation and every contract for every Section 3 covered project:

Section 3 Clause

1. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U. S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
2. The parties to this contract agree to comply with HUD's requirements in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractor's commitment under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
4. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
6. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

V. MARKETING AND RENTAL OF NSP2 PROPERTIES TO TENANT OCCUPANTS:

For properties developed and constructed by the Agency for rent, the Agency shall market the availability of such properties to persons likely to meet the HUD definition of Middle Income Households, Moderate Income Households, Low Income Households, Very Low Income Households. The latter category should focus on formerly homeless persons being served through Palm Beach County's Continuum of Care. The Agency shall rent these properties to tenants according to the income level associated with each property as established herein.

1. Income Verification and Affordability Review of Prospective Tenants:
The Agency shall cause each prospective tenant of each property intended for rent to apply to the County in order to be income qualified at the income level associated with the desired property. The Agency shall facilitate the income qualification process by submitting to HCD income information collected from the prospective tenant. At such time, the County shall also determine whether the proposed financial obligations that will result from the proposed rental will be affordable to such prospective tenant. Affordability shall be regarded as being achieved when requirements specific in Exhibit "B" are satisfied. HCD must

NSP2 - COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.

review and approve the language included in the lease documents prior to their execution by the tenant(s). The Agency shall provide HCD with a copy of the signed lease(s).

2. Tenant Income Monitoring:

The Agency shall certify the income of all prospective tenants in order to assure compliance with its obligation hereunder for multi-family rental units. After the initial occupancy of these units, and as future units become vacant and available for rent by prospective new tenants, Agency shall certify all prospective new tenants to assure compliance.

3. Rental Management Activities:

Subject to HCD approval, the Agency shall conduct the following rental management activities, including but not limited to, marketing of available rental units to prospective tenants, maintaining tenant waiting lists, lease development and execution, maintenance of tenant files, tenant reporting, monthly rental payment collection, evictions, and grievances. The Agency will provide to HCD its methods of affirmative outreach to resident of target areas; provide other means of advertising rental units, including such means as Multiple Listing Service, advertising, flyers; printed materials and advertisements must include equal opportunity language; policy for managing a waiting list of potential tenants, and sample lease agreements. The Agency will maintain staffing as necessary to conduct these activities.

W. TERMITE INSPECTION REPORT:

Agency shall deliver to HCD a termite report pertaining to the property on the first month of every third (3rd) year, beginning on or before January 31st, 2016.

X. RIGHT OF ACCESS:

For purposes of assuring compliance with this Agreement, representatives from HCD and the County shall have the right of access to the property, without charges or fees, at normal construction hours during the period of construction. The right of access purposes may include, but are not limited to, inspection of the work being performed, compliance by Agency of all safety rules, and Agency's compliance with all other terms of this Agreement.

Y. CLOSE-OUTS:

The Agency's obligation to the County shall not end until the U.S. Department of Housing and Urban Development completes all close-out requirements for the NSP2 grant. Activities during this close-out period shall include, but are not limited to: making final payments; disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivables to the County; and determining the custodianship of records. However, the terms of this Agreement shall remain in effect during any period that the Agency has control over NSP2 funds, including program income.

Z. TIME IS OF THE ESSENCE:

Time is of the essence under this Agreement and in the performance of every term, covenant, and obligation contained herein. The NSP2 funds are subject to Federal deadlines and failure to comply could result in the loss of the Federal funds. Since it is mutually agreed that time is of the essence, the Agency shall cause appropriate provisions to be inserted in all contracts or subcontracts relative to the work tasks required by this Agreement in order to ensure that the project will be completed according to the timetable set forth above.

II. THE COUNTY AGREES TO:

A. Provide funding for the above specified development and construction activities described above in "Project Scope", during the term of this Agreement, in the amount of \$4,523,006.00, provided that Agency is successfully meeting the timetables and deadlines specified herein.

B. Provide project administration and inspection to the Agency to ensure compliance with U.S. HUD and the Department of Labor, and applicable State, Federal and County laws and regulations.

C. Monitor the Agency at any time during the term of this Agreement. Visits may be scheduled or unscheduled as determined by HCD, be conducted by HCD staff or its contractor, and will serve to ensure compliance with U.S. Department of HUD

regulations, that planned activities are conducted in a timely manner, and to verify the accuracy of reporting to HCD on program activities. HCD may assign a representative to accompany Agency's representation in construction meetings, construction draw inspections, and the punch list inspection. HCD may approve draw requests or deny all or a portion of a draw request for cause.

- D. If applicable, the County shall perform an environmental review of the project, and review and approve project design and bids submitted for the work. The County shall also perform Davis Bacon Act Labor Standards monitoring and enforcement. Environmental review costs incurred by the County may be charged to the project budget identified above.
- E. Allowable costs that may be paid by the County under this Agreement in addition to those stated above may include costs of any other services customarily associated with projects of the nature of the project contemplated by this Agreement.
- F. The County shall review construction draw requests by the Agency for expenditures on the above items prior to undertaking the services associated with them, and approve any such draw requests it deems appropriate for this project.
- G. The County will manage all reimbursements of NSP2 funds from HUD and payment of valid and properly documented draw requests from Agency. County will process requests for disbursements of NSP2 funds, including necessary construction inspections, in a timely manner. County will clearly and promptly describe any deficiencies identified by County that prevent a disbursement or portion of a disbursement from being approved.

EXHIBIT "B"

Housing and Urban Development (HUD) Fair Market Rent Chart - 2010

The maximum rents that may be charged in any NSP2-assisted rental housing will be the **lesser** of:

- 1) The fair market rent for existing comparable housing units, as established by HUD under 24 CFR 888.111 (see chart below); or
- 2) A rent that does not exceed thirty (30) percent of the adjusted income of a tenant family whose annual income equals 50% of AMI (for units so designated) or 120% of AMI (for units so designated), with adjustments for number of bedrooms in the unit. The County may require that certain NSP2 assisted units be made available to other tenant income groups where the incomes of households comprising the group are no greater than 120% AMI (ex: 30% AMI, 80% AMI). In such instances, maximum affordable rents will be calculated through the same method, utilizing the applicable income percentage.

West Palm Beach – Boca Raton, FL HMFA	0 BR	1BR	2BR	3BR	4BR
	\$910	\$1066	\$1259	\$1780	\$1834

EXHIBIT "C"

PALM BEACH COUNTY

HOUSING & COMMUNITY DEVELOPMENT

MONTHLY NARRATIVE REPORT

Report For:	Month: _____ Year: _____		
Subrecipient Name:	COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.		
Project Name:	Davis Road: Multi-Family Rental Housing		
Report Prepared By:	<div style="display: flex; justify-content: space-between;"> <div>_____</div> <div>Signature</div> <div>Date</div> </div>		

BUDGETING AND EXPENDITURES

Amounts Expended this Reporting Period: NSP2 Funds:\$_____ Other Funds:\$_____

Amounts Expended to Date:

////////////////////	BUDGETED	EXPENDED	PERCENTAGE
NSP2 Funds:	\$ _____	\$ _____	% _____
Other Funds:	\$ _____	\$ _____	% _____
Other Funds:	\$ _____	\$ _____	% _____
TOTAL:	\$ _____	\$ _____	% _____

Describe any changes in budgeted amounts during this reporting period and the source of funds:

SITE DEVELOPMENT ACTIVITIES

Describe your accomplishments during the reporting period:

PROJECT ACTIVITIES

Describe your accomplishments during the reporting period:

Describe any problems encountered during this reporting period:

CONSTRUCTION ACTIVITIES

Describe your accomplishments during the reporting period:

Other comments:

Send Report to: Amin Houry
Department of Housing and Community Development
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

EXHIBIT "D"

LETTERHEAD STATIONARY

TO: Ed Lowery, Director
Housing and Community Development
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

FROM: _____

Address: _____

Name of Project: Davis Road – Multi-Family Rental Housing

Phone: _____

RE: INVOICE REIMBURSEMENT

Attached please find Invoice # _____, requesting reimbursement in the amount of \$ _____. The expenditures for this invoice cover the period _____ through _____.

You will also find attached back-up documentation relating to the expenditures being invoiced.

Approved Payment

EXHIBIT "E"

Energy Efficiency Checklist

Energy-Efficient Construction Techniques and Products

- Proper installation of insulation to ensure even temperatures throughout the house.
- Installation of high performance impact windows.
- Installation of energy-efficient HVAC systems.
- Installation of new Energy Star qualified products including light fixtures, compact fluorescent bulbs, ventilation fans and appliances (refrigerators, dishwashers and washing machines).

Improved Indoor Environments

- Properly sealed cracks and holes in the envelope of the home as well as in the duct system
- Installation of Carpet and Rug Institute's Green Label Certified carpets and pads
- Utilization of only low Volatile Organic Carbon paints and sealants
- Utilization of proper water sealing methods to eliminate any possibility of mold
- Installation of programmable thermostats

Increased Water Efficiency

- Installation of low volume, non-spray irrigation systems
- Incorporation of landscape practices recommended by the University of Florida's Florida-Friendly Landscaping Program (fyn.ifas.ufl.edu/index.html)
- Installation of low flow toilets, showerheads and sink faucets

Renewable Energy Options

- Building orientation to take advantage of passive solar heating and cooling
- Building design and construction to accommodate installation of photovoltaic panels now or in the future

Waste Reduction and Recycling During the Construction Process

- Create a partnership with the Solid Waste Authority (SWA) Building Materials Reuse Center II to reuse waste building materials

EXHIBIT "F"

Return to:

Palm Beach County
Housing & Community Development
100 Australian Avenue, Suite 500
West Palm Beach, Florida 33406
Prepared by: Tammy K. Fields,
Senior Assistant County Attorney
Attention: Amin Houry

DECLARATION OF RESTRICTIONS
FOR RENTAL PROPERTIES

The undersigned, Community Land Trust Of Palm Beach County, Inc., having its principal office at 100 Australian Avenue, Suite 400, West Palm Beach, FL 33406, (hereinafter referred to as "Agency", which term as used in every instance herein shall include Agency's successors and assigns), for the property described below, in consideration of funding in the amount of \$4,523,006.00 received from the Palm Beach County Board of County Commissioners (the "County") does hereby grant to the County the following restrictions against the subject property, hereinafter referred to as the Property, and described as:

Tracts C, D and E, Block 119 and Tracts C, D and E, Block 120, Palm Beach Farms Company Plat No. 7, according to the map or plat thereof as recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida, LESS that portion of Lot C, Tracts 119 and 120 lying in the Plat of "Augustine Acres" as recorded in Plat Book 26, Page 55, Public Records of Palm Beach County, Florida;

LESS that parcel described in O.R. Book 2169, Page 961, more particularly described as: A parcel of land located in Section 30, Township 44 South, Range 43 East, Palm Beach County, Florida, described as commencing at the Northwest corner of Lot 9, Augustine Acres, according to the plat thereof as recorded in Plat Book 26, Page 55, Palm Beach County records, said point being the Point of Beginning. Proceeding thence South 02°51'40" West 120 feet along the West side of Lot 9, to the Southwest corner thereof; thence North 87°08'20" West 75 feet; thence North 02°51'40" East 120 feet; thence south 87°08'20" East 75 feet to the Point of Beginning;

AND LESS that parcel described in O.R. Book 2997, Page 1708, more particularly described as follows: From the Northeast corner of said Tract 120 according to the Palm Beach Farms Company's Plat No. 7, recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida; thence bear South 01°56'30" West, along the East line of said Tract 120, a distance of 300.04 feet to the Point of Beginning; thence continue South 01°56'30" West along said East line of Tract 120, a distance of 120.02 feet; thence North 87°08'20" West a distance of 94.81 feet; thence North 02°51'40" East, a distance of 120 feet to the South line of Augustine Acres as recorded in Plat Book 26, Page 55; thence South 87°08'20" East along said South line a distance of 92.89 feet to the Point of Beginning;

AND LESS the South 25.0 feet thereof for canal Right of Way

AND

Tracts C, D and E, Block 121, Palm Beach Farms Company Plat No. 7, according to the map or plat thereof as recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida.

Property Control Number(s): 00-43-44-30-01-119-0032
00-43-44-30-01-121-0030
00-43-44-30-01-121-0041
00-43-44-30-01-120-0041

1. These restrictions shall be deemed a covenant running with the land and are binding upon the undersigned, their heirs, executors, successors, and assigns. These restrictions can only be terminated or released by the Palm Beach County Board of County Commissioners, and/or those persons to whom such authority is formally delegated, and executed with the same

formalities as this document.

2. In consideration of the County's grant for the purchase of the Property, as provided through a grant Agreement with the County dated November 16, 2010, the Agency hereby covenants and agrees until thirty (30) years from the date of project completion, December 15, 2042:

- (a) To develop and construct the Property, consisting of twenty-five (25) multi-family dwelling units and ancillary improvements, and render each dwelling unit suitable for occupancy, on the portion of the land lying east of Davis Road, and shall thereafter,
- (b) 100% of all multi-family rental units will be rented to income eligible renters whose incomes are at or below 80% of the area median income, according to the terms contained in this Agreement,
- (c) To charge rental rates affordable to the tenants based on their incomes in accord with the terms of the aforesaid Agreement,
- (d) To diligently market the availability of vacant dwelling units at the Property to persons likely to meet the definition of Low Income Households,
- (e) To maintain the Property in a state of repair pursuant to applicable housing and building codes,
- (f) To maintain insurance as required in the Agreement, and
- (g) To comply with the provisions, terms, and conditions set forth herein.

For the purpose of this Declaration of Restrictions, a Low Income Household shall be defined as a household whose income is at or below fifty percent (50%) of the median income for the West Palm Beach - Boca Raton Metropolitan Statistical Area adjusted by family size, as determined by the County at its sole discretion.

3. The Agency shall in connection with the lease or sale of the Property comply with all federal, state and local Fair Housing laws.

4. Should Agency change the use or planned use, or discontinue use, of the Property (including the beneficiaries of such use) from that for which the acquisition or improvements were made, or should the Agency sell, convey or transfer title to the Property, then the Agency shall pay the County an amount equal to the entire amount expended by the County in connection with the acquisition, development, and construction of the Property.

5. The Agency shall pay, or cause to be paid, all taxes due while the Property is in its possession and/or in the possession of the County Approved Homeowners, and the Agency shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Property, or any part thereof, any lien superior to the lien of this Declaration of Restrictions, except with the County's prior written consent. The Agency shall keep and maintain the Property free from the claims of all parties supplying labor or materials unto the same. The Agency agrees to notify the County of any liens, judgments or pending foreclosure on the Property within five (5) working days of the receipt of said notice by Agency.

6. The Agency acknowledges and covenants that the provisions specified below constitute a default under this Declaration of Restrictions for which there may be a forfeiture of the Agency's title to the Property:

- (a) Failure of the Agency to perform any covenant, agreement, term, or condition contained herein or in the Agreement referenced in Section 2 above.

Notwithstanding the foregoing, and at the sole discretion of the County, upon providing notice to the Agency of its determination that the Agency is in default of the terms of this Declaration of Restrictions, the County may, from time to time, at its sole discretion, cure each default under any covenant so curable in this Declaration of Restrictions, or in any instrument creating a lien upon the Property, or any part thereof, to such extent that the County, at its sole discretion, determines, and each amount paid, if any, by the County to cure any such default shall be paid by the Agency to the County in addition to the legal rate of interest from the time of expenditure and shall constitute a lien against the property which may be foreclosed if not discharged and satisfied within three (3) months of expenditure of such funds by the County. The County shall also become subrogated to whatever rights the holders of a prior lien might have under such instrument.

7. If the Agency fails, neglects or refuses to perform any of the provisions, terms and conditions set forth herein, for any breach of this Declaration of Restrictions, the County shall have the right to file in court of competent jurisdiction an action for:

- (a) Forfeiture of all the Agency's right, title, and interest in the Property for a breach

NSP2 - COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.

- of the restrictive covenants contained in this Declaration of Restrictions; and
- (b) Collection of due and unpaid real estate taxes, assessments, charges and penalties for which the Agency is obligated to pay, or cause to be paid.

In addition to any remedy set forth herein the County shall have such other remedies as are available at law or equity. The exercise or attempted exercise by the County of any right or remedy available under this Declaration of Restrictions shall not preclude the County from exercising any other right or remedy so available, nor shall any such exercise or attempted exercise constitute or be construed as an election of remedies. The Agency shall pay any reasonable expenses, including reasonable attorney's fees and costs incurred by the County, under this Declaration of Restrictions and the preparation and delivery of notices required hereunder. The failure or omission by the County to enforce any of its rights or remedies upon breach of any of the covenants, terms or conditions of this Declaration of Restrictions shall not bar or breach any of the County's rights or remedies on any subsequent default.

Before the County shall pursue any of its rights or remedies under this Declaration of Restrictions, the County shall first give the Agency written notice of the default complained of which such notice shall be given to the Agency at their address shown above. The Agency shall then have ten (10) working days from the date such notice is given to cure or correct any default.

8. The Agency shall submit to the County once each year a report detailing the Agency's compliance with the terms of the grant Agreement and this Declaration of Restrictions.

9. In the event of any litigation necessary to enforce the terms of this Declaration of Restrictions, the Agency agrees to reimburse the County for attorneys' fees and costs associated with litigation.

10. The Agency shall cause this Declaration of Restrictions to be recorded in the Public Records of Palm Beach County, Florida, and thereafter the Agency shall provided it to the Director of Housing and Community Development Department, at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

Executed this _____ day of _____, 20____.

SIGNED, SEALED, AND DELIVERED IN
THE PRESENCE OF:

Witness Name: _____
X _____ Witness Signature
Witness Name: _____
X _____ Witness Signature

**COMMUNITY LAND TRUST OF
PALM BEACH COUNTY, INC.**

By: James Titcomb, President
Signature: _____

X (DO NOT SIGN THIS EXHIBIT)

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by James Titcomb, President, who is personally known to me or has produced as identification and who did / did not take an oath.

(DO NOT SIGN THIS EXHIBIT)

Signature: _____
Notary Public - State of Florida

(NOTARY SEAL ABOVE)

EXHIBIT "G"

SECTION 3 REQUIREMENTS

PURPOSE

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended, is to ensure that employment and other economic opportunities generated through the use of federal funds (NSP/CDBG) shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low-and very-low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very-low-income persons.

APPLICABILITY/COVERED PROJECTS

Section 3 applies to training, employment, contracting, and other economic opportunities arising in connection with expenditure of NSP/CDBG funds. Covered projects that are funded in part or in whole with NSP/CDBG funds include contracts, subcontracts, and professional service agreements, awarded for:

- 1) construction, reconstruction, conversion, or rehabilitation of housing (including reduction and abatement of lead-based paint hazards).
- 2) public construction which includes buildings or improvements regardless of ownership.

The above includes management and administrative jobs including architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups, and jobs directly related to administrative support of these activities, e.g. construction manager, relocation specialist, payroll clerk, etc. Exclusions from the above are:

- 1) contracts awarded under HUD's procurement program which are governed by the Federal Acquisition Regulation System (48 CFR, Chapter 1).
- 2) contracts for the purchase of supplies and materials. However, whenever a contract for materials (or equipment) includes the installation, the contract constitutes a Section 3 covered project, and is consequently not excluded.

DEFINITIONS

A. SUBRECIPIENT:

For the purposes of Section 3, a subrecipient is any entity which receives NSP/CDBG funds from Palm Beach County Department of Housing and Community Development (HCD) for Section 3 covered projects including, but not limited to, any State, unit of local government, public housing authority, or other public body, public or private nonprofit organization, private agency or institution, Agency, builder, property manager, and community housing development organization.

B. SECTION 3:

Means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C.1701u) (24CFR Part 135).

C. SECTION 3 RESIDENT:

Means:

- 1) a resident of public housing (24 CFR Part 963), or
- 2) a resident of Palm Beach County whose household income, by household size, is at or below 80% of the median income for Palm Beach County.

(Note: Information on income limits at 80% of median income for Palm Beach County, by household size, is available through HCD and provided in the accompanying chart. As this information is periodically revised by HUD, subrecipients shall assure that they have current information for use on their projects).

D. SECTION 3 BUSINESS CONCERN:

Means any entity which contracts to perform work generated by the expenditure of NSP/CDBG funds, which is a business entity formed in accordance with state law, and which is licensed under state, county, or municipal law to engage in the type of business activity for which it was formed. A Section 3 Business Concern is further defined as a business concern:

- 1) that is 51% or more owned by Section 3 Residents, or
- 2) whose permanent full-time employees include persons, at least 30% of whom are

- currently Section 3 Residents, or who, within three years of the date of first employment with the business concern, were Section 3 Residents, or
- 3) that provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in the above two definitions.

E. NEW HIRES:

Means full-time employees for permanent, temporary or seasonal employment opportunities.

SUBRECIPIENT OBLIGATIONS

A. DISCLOSURE OF APPLICABILITY:

Subrecipients shall in every bid solicitation for every Section 3 covered project disclose to bidders the applicability of Section 3 to any such project and include the Section 3 clause shown below in its entirety in any such bid solicitation. Subrecipients may include further information on Section 3 in the bid solicitation documents, or indicate in such documents that Section 3 information is available at the Subrecipient offices for review by any bidder.

B. SECTION 3 CLAUSE IN EVERY CONTRACT:

Every contract awarded by Subrecipients for a Section 3 covered project shall include the following Section 3 clause in its entirety:

Section 3 Clause:

- 1) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall to the greatest extent feasible, be directed to low-and very-low income persons, particularly persons who are recipients of HUD assistance for housing.
- 2) The parties to this contract agree to comply with HUD's requirements in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- 3) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractor's commitment under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- 4) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in the Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- 5) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- 6) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

C. SUBRECIPIENT GOALS:

Subrecipients may demonstrate compliance with the "greatest extent feasible" requirement of Section 3 by meeting the numerical goals set forth for providing training, employment, and contracting opportunities to Section 3 Residents and Section Business Concerns. The numerical goals established below represent minimum numerical targets.

- 1) Training and Employment. Subrecipients and their contractors and

subcontractors may demonstrate compliance with this requirement by committing to employ Section 3 Residents amounting to 30% of the aggregate number of new hires generated by Section 3 covered Projects.

- 2) Contracts. The numerical goals set forth below apply to contracts awarded in connection with all Section 3 covered activities. Subrecipients and their contractors and subcontractors may demonstrate compliance with the below requirements by committing to award to Section 3 Business Concerns:
 - At least 10% of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
 - At least 3% of the total dollar amount of all other Section 3 covered contracts.

In the absence of evidence to the contrary, a subrecipient that meets the minimum numerical goals set forth above will be considered to have complied with the Section 3 preference requirements. In evaluating compliance, a subrecipient that has not met the numerical goals set forth above has the burden of demonstrating why it was not feasible to meet these numerical goals. Such justification may include impediments encountered despite actions taken. A subrecipient may also indicate other economic opportunities, such as those listed below, which were provided in its efforts to comply with Section 3 and the requirements listed below.

D. SUBRECIPIENT RESPONSIBILITIES:

Each subrecipient has the responsibility to comply with Section 3 in its own operations, and ensure compliance in the operations of its contractors and subcontractors. This responsibility includes, but may not be necessarily limited to:

- 1) Implementing procedures designed to notify Section 3 Residents about training and employment opportunities generated by Section 3 Business Concerns about contracting opportunities generated by Section 3 covered assistance;
- 2) Notifying potential contractors for Section 3 covered projects of the requirements of this part, and incorporating the Section 3 clause set forth above in all solicitations and contracts.
- 3) Facilitating the training and employment of Section 3 Residents and the award of contracts to Section 3 Business Concerns by undertaking activities such as described in the Appendix to this document, as appropriate, to reach the goals set forth above. Subrecipients, at their own discretion, may establish reasonable numerical goals for the training and employment of Section 3 Residents and contract award to Section 3 Business Concerns that exceed those specified above.
- 4) Assisting and actively cooperating with the Assistant Secretary of HUD in obtaining the compliance of contractors and subcontractors with the requirements of Section 3, and refraining from entering into any contract with any contractor where the recipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 135.
- 5) Documenting actions taken to comply with the requirements set forth in this document, the results of actions taken, and impediments, if any.

E. PREFERENCE FOR SECTION 3 RESIDENTS:

Subrecipients, contractors and subcontractors shall direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated from the expenditure of Section 3 covered assistance to Section 3 Residents in the order of priority provided below.

Priority consideration shall be given, where feasible to:

- 1) Section 3 Residents residing in the service area or neighborhood in which the Section covered project is located (collectively, referred to as category 1 residents); and
- 2) Participants in HUD Youthbuild programs (category 2 residents).
- 3) Where the Section 3 project is assisted under The Stewart B. McKenney Homeless Assistance Act (42 U.S.C. 11301 et seq.), homeless persons residing in the service area or neighborhood in which the Section 3 covered project is located shall be given the highest priority;
- 4) Other Section 3 Residents.

Subrecipients may at their own discretion, provide priority to recipients of government assistance for housing, including recipients of certificates or vouchers under the Section 8

housing assistance program, within the service area or neighborhood where the Section 3 covered project is located. A Section 3 Resident seeking the preference in training and employment described above shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 Resident, as defined above. Nothing in the above shall be construed to require the employment of a Section 3 Resident who does not meet the qualifications of the position to be filled.

E. PREFERENCE FOR SECTION 3 BUSINESS CONCERNS:

Subrecipients, contractors and subcontractors shall direct their efforts to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 Business Concerns in the order of priority provided below. Priority consideration shall be given, when feasible, to:

- 1) Section 3 Business Concerns that provide economic opportunities for Section 3 Residents in the service area or neighborhood in which the Section 3 covered project is located (category 1 business); and
- 2) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
- 3) Other Section 3 Business Concerns.

A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, if requested that the business concern is a Section 3 Business Concern as defined above. A Section 3 Business Concern seeking a contract or subcontract shall submit evidence to the Subrecipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to reform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to the procurement standards of 24 CFR 85.36 (see 24 CFR 85.36(b)(8)).) This regulation requires consideration of, among other factors, the potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

PROVIDING OTHER ECONOMIC OPPORTUNITIES

In accordance with the findings of the Congress, as stated in Section 3, that other economic opportunities offer an effective means of empowering low-income persons, a subrecipient is encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards in connection with Section 3 covered assistance.

- 1) Other economic opportunities to train and employ Section 3 Residents include, but need not be limited to, use of "upward mobility", "bridge" and trainee positions to fill vacancies; Section 3 Residents in management and maintenance positions within other housing developments; and hiring Section 3 Residents in part-time positions.
- 2) A subrecipient or contractor may provide economic opportunities to establish, stabilize or expand Section 3 Business Concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of Section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses, purchase of materials and supplies from PHA resident-owned business and use of procedures in 24 CFR part 963 regarding HA contracts to HA resident-owned businesses. A subrecipient contractor may employ these methods directly or may provide incentives to Non-Section 3 Businesses to utilize such methods to provide other economic opportunities to low-income persons.

A Section 3 joint venture means an association of business concerns, one of which qualifies as a Section 3 Business Concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 Business Concern:

- 1) Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
- 2) Performs at least 25 percent of the work and its contractually entitled to compensation proportionate to its work.

REPORTING REQUIREMENTS

Subrecipients shall submit the enclosed Section 3 Subrecipient Report for each contract or

agreement funded in part or in whole through HCD. Said report shall accompany the final reimbursement request submitted by the subrecipient for each such contract or agreement. Furthermore, for each covered project, the subrecipient shall also submit a letter with the report that is submitted for the final reimbursement request of the last contract or agreement being funded for the project through HCD. The letter shall indicate what goals have been met by the subrecipient as required herein, and if not entirely met, the letter should demonstrate why it was not feasible to meet these goals, document actions taken to comply, the results of actions taken, and impediments, if any.

For example, a subrecipient is being funded for a certain project by HCD. The project includes an agreement with a consultant for services and a construction contract with a contractor. The consultant's work is completed first. The subrecipient would submit the above mentioned report for the consultant's agreement with the consultant's final reimbursement request. Then, when the construction contract is completed, the subrecipient would submit the report for the construction contract with the stated letter.

COMPLAINTS

Complaints alleging noncompliance with Section 3 (24 CFR Part 135) may be filed with the Assistant Secretary of HUD, for Fair Housing and Equal Opportunity by any Section 3 Resident on behalf of himself or herself, or as a representative of persons similarly situated, seeking employment, training or other economic opportunities generated from Section 3 covered projects, or by a representative who is not a Section 3 Resident but who represents one or more Section 3 residents. Similarly complaints may be filed by any Section 3 Business Concern on behalf of itself, or as a representative of other Section 3 Business Concerns similarly situated, seeking contract opportunities generated from Section 3 covered projects, or by an individual representative of Section 3 Business Concerns. Where to file, time of filing, content of complaints, and other related matters are contained in the regulations et 24 CFR Part 135.

No subrecipient or other person shall intimidate, threaten, coerce, or discriminate against any person or business because the person or business has made a complaint, testified, assisted or participated in any manner in an investigation, proceeding, or hearing under the Section 3 regulations. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of the Section 3 regulations, including the conduct of any investigation, hearing or judicial proceeding arising thereunder. Nothing herein precludes a Section 3 Resident or Section 3 Business Concern from exercising the right, which may otherwise be available, to seek redress directly through judicial procedures.

APPENDIX

A. EXAMPLES OF EFFORTS TO OFFER TRAINING AND EMPLOYMENT OPPORTUNITIES TO SECTION 3 RESIDENTS:

- 1) Entering into "first sources" hiring agreements with organizations representing Section 3 Residents.
- 2) Sponsoring a HUD certified "Step-Up" employment and training program for Section 3 Residents.
- 3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other Section 3 Residents in the building trades.
- 4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments where category 1 or category 2 persons (as these terms are defined in 135.34) reside.
- 5) Advertising the training and employment positions by posting flyers (which identify the position to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAS, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other subrecipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the Section 3 covered project.
- 6) Contacting resident councils, resident management corporations. Or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

- 7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the Section 3 covered project.
- 8) Arranging assistance in conducting job interviews and the housing development or developments where category 1 or category 2 persons reside and in the neighborhood or service area in which a Section 3 project is located.
- 9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a subrecipient or contractor representative or representatives.
- 10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the Section 3 covered project.
- 11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.
- 12) Consulting with State and local agencies administering training programs funded through TPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 Residents for the HA's or contractor's training and employment positions.
- 13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- 14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 Business Concerns identified in part 135), that will undertake, on behalf of the HA, other subrecipients or contractor, the efforts to match eligible and qualified Section 3 Residents with the training and employment positions that the HA or contractor intends to fill.
- 15) For an HA, employing section residents directly on either a permanent or a temporary basis to perform work generated by Section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and 905.201(a)(6).)
- 16) Where there are more qualified section 3 residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 Residents for future employment positions.
- 17) Undertaking job counseling, education and related programs in association with local educational institutions.
- 18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 Residents previously hired for employment opportunities.
- 19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other Section 3 Residents to be trained or employed on the Section 3 covered assistance.
- 20) Coordinating plans and implementation of economic development (e.g. job training and preparation, business development assistance for residents) with the planning for housing and community development.

B. EXAMPLES OF EFFORTS TO AWARD CONTRACTS TO SECTION 3 BUSINESS CONCERNS:

- 1) Utilizing procurement procedures for Section 3 Business Concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans.
- 2) In determining the responsibility of potential contractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
- 3) Contracting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 business which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
- 4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.

- 5) Providing written notice to all known Section 3 Business Concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 Business Concerns to respond to the bid invitations or request for proposals.
- 6) Following up with Section 3 Business Concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.
- 7) Coordinating pre-bid meetings at which Section 3 Business Concerns could be informed of upcoming contracting and subcontracting opportunities.
- 8) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 Business Concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.
- 9) Advising section 3 business concerns as to where they may seek assistance in overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
- 10) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 Business Concerns.
- 11) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 Business Concerns.
- 12) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.
- 13) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- 14) Developing a list of eligible Section 3 Business Concerns.
- 15) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.
- 16) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 Businesses Concerns.
- 17) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.
- 18) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.
- 19) Actively supporting joint ventures with Section 3 Business Concerns.
- 20) Actively supporting the development or maintenance of business incubators which assist Section 3 Business Concerns.

EXHIBIT "H"

Project Budget

SOURCES & USES OF FUNDS

Davis Landing

9/15 2010

Uses	TOTAL	At Closing	Through design Construction	100% Completion	Stabilization
<u>Acquisition Costs:</u>					
Land	-	-			
Building					
Other Acquisition Costs					
Sub-Total	-	-	-	-	-
<u>Hard Costs:</u>					
Site Development	532,000		532,000		
Building Construction	2,118,959	-	2,013,011	105,948	
Insurance Risk	16,775	16,775	-		
Contingency	211,898		211,898		
Other Hard Costs	-		-		
Contractor Overhead Profit	455,720		335,434	20,286	
Other Hard Costs	-		-		
Sub-Total	3,265,350	16,775	3,142,341	126,234	-
<u>Financing Costs:</u>					
Title & Recording-Construction	22,500	22,500	-		
Sub-Total	22,500	22,500	-		
<u>Soft Costs:</u>					
Appraisal	-		-		
Market Study	-		-		
Environmental	5,000		5,000		
Architectural	69,260		69,260		
Engineering Soil Report Construction Admin	50,000		50,000		
Survey Planning	25,000		25,000		
Legal	60,000		60,000		
Accounting	8,000		8,000		
Insurance	25,000	-	25,000		
Marketing	25,000		5,000	5,000	15,000
Permit Fees	149,600		149,600		
Impact Fees	167,000		167,000		
Utility Connection Fees	115,000	-	115,000		
Tax Credit Fees	-	-	-		
Inspection Fees Threshold Imp. FFL Fee	20,000	-	20,000		
Land Planners/Misc./PR	20,000		20,000		
Builder's Risk	20,787		20,787		
Security	5,000	-	5,000		
Taxes	-	-	-		
Soft Cost Contingency	60,676	-	60,676		
Sub-Total	855,323	-	855,323	5,000	15,000
<u>Reserve:</u>					
Operating Reserve	59,833				59,833
Lease Up-Reserve					-
<u>Project Management and Overhead</u>	300,000		150,000	150,000	-
TOTAL USES	4,523,006	39,275	4,127,664	281,234	74,833
<u>Sources:</u>					
Tax Credit Equity		15.00%	24.00%	47.99%	13.01%
Historic Credits Equity		-	-	-	-
County NSP Loan 0.00% 4,523,006		39.275	4,127,664	281,234	(4,446,173)
PNC Bridge Loan 4.50%		-	-	-	-
Perm County NSP Loan 0.00% 30 years 4,523,006		-	-	-	4,523,006
HUD Grant		-	-	-	-
Deferred Develop. Fee 0.00%		-	-	-	-
TOTAL SOURCES	4,523,006	39.275	4,127,664	281,234	74,833
Excess (-) / Shortfall (+)		(3)	0	0	0

Return to:

EXHIBIT "I"

Palm Beach County
Housing & Community Development
3323 Belvedere Road, Building 501
West Palm Beach, Florida 33406
Prepared by: Tammy K. Fields
Senior Assistant County Attorney

MORTGAGE AND SECURITY AGREEMENT

Executed this _____ day of _____, 2010, by Community Land Trust of Palm Beach County, Inc., whose current address is 100 Australian Avenue, Suite 400, West Palm Beach, Florida 33304 hereinafter called the Mortgagor(s), to Palm Beach County, Board of County Commissioners whose address is 301 North Olive Ave., West Palm Beach, Florida 33401, hereinafter called the Mortgagee:

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

WITNESSETH, that to secure the payment of an indebtedness in the principal amount of **FOUR MILLION FIVE HUNDRED TWENTY-THREE THOUSAND AND SIX DOLLARS and 00/100 (\$4,523,006.)** with interest thereon, if any, which shall be payable in accordance with one or more certain note, bond or other obligation, which notes, bonds or obligations are hereinafter called "Note", bearing even date herewith, a copy of each of which is attached hereto and made a part hereof, and all other indebtedness which the Mortgagor is obligated to pay to the Mortgagee pursuant to the provisions of the Note and this Mortgage, the Mortgagor hereby grants, conveys and mortgages to the Mortgagee:

ALL that certain lot, piece or parcel of land situate in the County of Palm Beach, State of Florida bounded and described as follows:

Tracts C, D and E, Block 119 and Tracts C, D and E, Block 120, Palm Beach Farms Company Plat No. 7, according to the map or plat thereof as recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida, LESS that portion of Lot C, Tracts 119 and 120 lying in the Plat of "Augustine Acres" as recorded in Plat Book 26, Page 55, Public Records of Palm Beach County, Florida;

LESS that parcel described in O.R. Book 2169, Page 961, more particularly described as: A parcel of land located in Section 30, Township 44 South, Range 43 East, Palm Beach County, Florida, described as commencing at the Northwest corner of Lot 9, Augustine Acres, according to the plat thereof as recorded in Plat Book 26, Page 55, Palm Beach County records, said point being the Point of Beginning. Proceeding thence South 02 51'40" West 120 feet along the West side of Lot 9, to the Southwest corner thereof; thence North 87 08'20" West 75 feet; thence North 02 51'40" East 120 feet; thence south 87 08'20" East 75 feet to the Point of Beginning;

AND LESS that parcel described in O.R. Book 2997, Page 1708, more particularly described as follows: From the Northeast corner of said Tract 120 according to the Palm Beach Farms Company's Plat No. 7, recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida; thence bear South 01 56'30" West, along the East line of said Tract 120, a distance of 300.04 feet to the Point of Beginning; thence continue South 01 56'30" West along said East line of Tract 120, a distance of 120.02 feet; thence North 87 08'20" West a distance of 94.81 feet; thence North 02 51'40" East, a distance of 120 feet to the South line of Augustine Acres as recorded in Plat Book 26, Page 55; thence South 87 08'20" East along said South line a distance of 92.89 feet to the Point of Beginning;

AND LESS the South 25.0 feet thereof for canal Right of Way

AND Tracts C, D and E, Block 121, Palm Beach Farms Company Plat No. 7, according to the map or plat thereof as recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida.

Property Control Number(s): 00-43-44-30-01-119-0032
00-43-44-30-01-121-0030
00-43-44-30-01-121-0041
00-43-44-30-01-120-0041

TOGETHER with all right, title, and interest of the Mortgagor in and to the land lying with

the streets and roads in front of and adjoining the above described land, all improvements now or hereafter erected on the property, and all easements, appurtenances, other structures, fixtures, articles of personal property, awards and other rights and interests now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Mortgaged Property".

TOGETHER with any and all awards now or hereafter made for the taking of the property mortgaged hereby, or any part thereof (including any easement) by the exercise of the power of eminent domain, including any award for change of grade of any street or other roadway, which awards are hereby assigned to the Mortgagee and are deemed a part of the property mortgaged hereby, and the Mortgagee is hereby authorized to collect and receive the proceeds of such awards, to give proper receipts and acquittances, and to apply the same toward the payment of the indebtedness secured by this Mortgage, notwithstanding the fact that the amount owing thereon may not then be due and payable; and the Mortgagor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning each such award to the Mortgagee, free, clear and discharged of any encumbrances of any kind or nature whatsoever; and

TO HAVE AND TO HOLD the Mortgaged Property and every part thereof unto the Mortgagee, its successors and assigns forever for the purposes and uses herein set forth.

AND the Mortgagor further covenants and agrees with the Mortgagee, during the term of this Mortgage as follow:

1. Payments of Indebtedness. The Mortgagor shall promptly pay the principal of and interest, if any, on the indebtedness evidenced by the Note, and all other charges and indebtedness provided therein and in this Mortgage, at the times and in the manner provided in the Note and in this Mortgage.

2. Taxes, Liens and Other Charges. The Mortgagor shall pay when due, as hereinafter provided, all ground rents, if any, and all taxes, assessments, water rates and other governmental charges, fines and impositions, of every kind and nature whatsoever, now or hereafter imposed on the Mortgaged Property, or any part thereof.

3. This Mortgage and the Note were executed and delivered to secure monies advanced in full to the Mortgagor by the Mortgagee as or on account of a loan evidenced by the Note, for the purpose of acquisition of the Mortgaged Property.

4. No building or other structure or improvement, fixture or personal property mortgaged hereby shall be removed or demolished without the prior written consent of the Mortgagee. The Mortgagor shall not make, permit or suffer any alteration of or addition to any building or other structure or improvement now or which may hereafter be erected or installed upon the Mortgaged Property, or any part thereof, nor shall the Mortgagor use, or permit or suffer the use of, any of the Mortgaged Property for any purpose other than the purpose or purposes for which the same is now intended to be used, without the prior written consent of the Mortgagee. The Mortgagor shall maintain the Mortgaged Property in good condition and state of repair and will not suffer or permit any waste to any part thereof, and will promptly with all the requirements of Federal, State and Local Governments, or of any departments, divisions or bureaus thereof, pertaining to such property or any part thereof.

5. The Mortgagor shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Mortgaged Property, or any part thereof, any lien superior to the lien of this Mortgage.

6. (a) The Mortgagor shall keep all buildings, other structures and improvements, including equipment, now existing or which may hereafter be erected or installed on the land mortgaged hereby, insured against loss by fire and other hazards, casualties and contingencies, including flood insurance in such amounts and manner, and for such periods, all as may be required from time to time by the Mortgagee. Unless otherwise required by the Mortgagee, all such insurance shall be effected by Standard Fire and Extended Coverage Insurance policies, in amounts not less than necessary to comply with the co-insurance clause percentage of the value applicable to the location and character of the property to be covered, but at no time shall the amount of coverage be less than the remaining principal balance on the Note. All such insurance shall be carried in companies approved by the Mortgagee and all policies therefore shall be in such form and shall have attached thereto loss payable clauses in favor of the Mortgagee and any other parties as shall be satisfactory to the Mortgagee. All such policies and attachments thereto shall be delivered promptly to the Mortgagee, unless they are required to be delivered to the holder of a lien of a Mortgage or similar instrument to which this Mortgage is

expressly subject, in which latter event, certificates thereof, satisfactory to the Mortgagee, shall be delivered promptly to the Mortgagee. The Mortgagor shall pay promptly when due, as hereinafter provided, any and all premiums on such insurance, and in every case in which payment thereof is not made from the deposits therefore required by this Mortgage, promptly submit to the Mortgagee for examination receipts or other evidence of such payment as shall be satisfactory to the Mortgagee. The Mortgagee may obtain and pay the premium on (but shall be under no obligation to do so) every kind of insurance required hereby if the amount of such premium has not been deposited as required by this Mortgage, in which event the Mortgagor will pay to the Mortgagee every premium so paid by the Mortgagee, all of which amounts so paid by the Mortgagee, with interest, if any, thereon from the date of each such payment, at the rate, if any, provided in the Note, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage.

(b) In the event of loss or damage to the Mortgaged Property, the Mortgagor shall give to the Mortgagee immediate notice thereof by mail, and the Mortgagee may make and file proof of loss if not made otherwise promptly by or on behalf of the Mortgagor. Each insurance company issuing any such policy is hereby authorized and directed to make payment thereunder for such loss to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, if received by the Mortgagee, may be applied by the Mortgagee, at its option, either in reduction of the indebtedness hereby secured, or to the restoration or repair of the Mortgaged Property damaged. In the event of foreclosure of this Mortgage, or of any transfer of title to the Mortgaged Property in extinguishment of such indebtedness, all right, title and interest of the Mortgagor in and to every such insurance policy then in enforce, subject to the rights and interest of the holder of any such prior lien, shall pass to the Borrower acquiring title to the Mortgaged Property together with such policy and appropriate assignment of such right, title and interest which shall be made by the Mortgagor.

7. (a) In order to more fully protect the security of this Mortgage, the Mortgagor shall deposit with the Mortgagee, at the Mortgagee's option to receive such deposits, together with, and in addition to, the payment of principal and interest, if any, monthly on account of the Note secured hereby, until the Note is paid in full, an amount of money equal to the total amount of (i) ground rents, if any, next becoming due (ii) the premiums next becoming due on the policies of fire and all other hazard insurance required by this Mortgage with respect to the Mortgaged Property, (iii) taxes, assessments, water rates and other governmental charges next becoming due on the Mortgaged Property (all the foregoing amounts as estimated by the Mortgagee and set forth in a written notice of such estimate by the Mortgagee to the Mortgagor from time to time), less all amounts that may already have been paid therefore, divided by the number of calendar months to elapse before one calendar month prior to the date when such ground rents, premiums, taxes, assessments, water rates and other governmental charges, respectively, will become due and payable. If any amount referred to in clauses (i) through (iii) hereof is required to be deposited by the Mortgagor under a Mortgage or similar instrument having priority over the lien of this Mortgage, the Mortgagor shall make the deposits required by this Paragraph 7 only in the event of the termination of such obligation under the prior Mortgage or similar instrument. The Mortgagor shall give prompt notice, in writing, to the Mortgagee of the occurrence of the last mentioned event. All such amounts so deposited with the Mortgagee shall be held by the Mortgagee, or any agent designated by it, in trust to be used only for the payment of such ground rents, premiums, taxes, assessments, water rates and other governmental charge

No interest shall be payable by the Mortgagee on any sum so deposited.

(b) All amounts required to be deposited, if any, with the Mortgagee monthly in accordance with Paragraph 7 (a) hereof, and the amount of principal and interest to be paid, if any, each month on account of the Note, shall be added together, and the aggregate amount thereof shall be paid by the Mortgagor to the Mortgagee in a single payment to be applied by the Mortgagee on account of the indebtedness of the Mortgagor pursuant to the Note and this Mortgage (to the extent that monies are available from the amount so deposited), in the order, any provision of the Note to the contrary notwithstanding, as follows:

FIRST, to the amount of such ground rents, if any, fire and other hazard insurance premiums, taxes, assessments, water rates and other governmental charges required to be paid under the provisions of this Mortgage, in whatever sequence the Mortgagee may exclusively determine;

SECOND, to interest due on the Note;

THIRD, to the principal due on the Note; and

FOURTH, the remainder to the late charges, if any, referred to in the Note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless paid by the Mortgagor prior to the due date of the next such deposit payable, constitute an event of default under this Mortgage.

(c) Any excess funds that may be accumulated by reason of deposits required under Paragraph 7 (a) hereof, remaining after payment of the amounts described in clauses (i), (ii) and (iii) hereof, shall be credited to subsequent respective monthly amounts of the same nature required to be paid thereunder. If any such amount shall exceed the estimate therefore, the Mortgagor shall forthwith pay to the Mortgagee the amount of such deficiency upon written notice by the Mortgagee of the amount thereof. Failure to do so before the due date of such amount shall be an event of default under this Mortgage. If the Mortgaged Property is sold under foreclosure or is otherwise acquired by the Mortgagee, after default by the Mortgagor, any remaining balance of the accumulations under Paragraph 7(a) hereof, shall be credited to the principal amount owing on the Note as of the date of commencement of foreclosure proceedings for the Mortgaged Property, or as of the date the Mortgaged Property is otherwise so acquired.

8. The Mortgagee shall comply with all applicable municipal, state, or county ordinances, laws, regulations and rules made or promulgated by lawful authority, including but not limited to the rules of the Board of Fire Underwriters having jurisdiction and the Universal Housing Trust Fund policy guidelines adopted by Palm Beach County.

9. Upon any failure by the Mortgagor to comply with or perform any of the terms, covenants or conditions of this Mortgage requiring the payment of any amount of money by the Mortgagor, other than the principal amount of the loan evidenced by the Note, interest and other charges, as provided in the Note, the Mortgagee may at its option make such payment. Every payment so made by the Mortgagee (including reasonable attorney's fees incurred thereby), with interest thereon from the date of such payment, at the rate, if any, provided in the Note, except any payment for which a different rate of interest is specified herein, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage. This Mortgage with respect to any such amount and the interest thereon shall constitute a lien on the Mortgaged Property prior to any other lien attaching or accruing subsequent to the lien of this Mortgage.

10. The Mortgagee, by any of its agents or representatives, shall have the right to inspect the Mortgaged Property from time to time at any reasonable hour of the day. Should the Mortgaged Property, or any part thereof, at any time require inspection, repair, care or attention of any kind or nature not provided by this Mortgage as determined by the Mortgagee in its sole discretion, the Mortgagee may, after notice to the Mortgagor, enter or cause entry to be made upon the Mortgaged Property and inspect, repair, protect, care for or maintain such property, as the Mortgagee may in its sole discretion deem necessary, and may pay all amounts of money therefore, as the Mortgagee may in its sole discretion deem necessary, all of which amounts so paid by the Mortgagee, with interest thereon from the date of each such payment, at the rate, if any, provided in the Note, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage.

11. The principal amount owing on the Note together with interest thereon, if any, and all other charges, as therein provided, and all other amounts of money owing by the Mortgagor to the Mortgagee pursuant to and secured by this Mortgage, shall immediately become due and payable without notice or demand upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the Mortgagor or any of the property of the Mortgagor, or upon the filing of a petition by or against the Mortgagor under the provisions of any State insolvency law, or under the provisions of the Federal Bankruptcy Act, as amended, or upon the making by the Mortgagor of an assignment for the benefit of the Mortgagor's creditors. The Mortgagee is authorized to declare, at its option, all or any part of such indebtedness immediately due and payable upon the happening of any of the following events:

(a) Failure to pay the amount of any installment of principal and interest, or other charges payable on the Note, which shall have become due, prior to the due date of the next such installment;

(b) Nonperformance by the Mortgagor of any covenant, agreement, term or condition of this Mortgage, or of the Note (except as otherwise provided in subdivision (a) hereof) or of any other agreement heretofore, herewith or hereafter made by the Mortgagor with the Mortgagee in connection with such indebtedness, after the Mortgagor has been given due notice by the Mortgagee of such nonperformance;

(c) Failure of the Mortgagor to perform any covenant, agreement, term or condition in

any instrument creating a lien upon the Mortgaged Property, or any part thereof, which shall have priority over the lien of this Mortgage;

(d) The Mortgagee's discovery of the Mortgagor's failure in any application of the Mortgagor to the Mortgagee to disclose any fact deemed by the Mortgagee to be material, or of the making therein, or in any of the agreements entered into by the Mortgagor with the Mortgagee (including, but not limited to, the Note, and this Mortgage) of any misrepresentation by, on behalf of, or for the benefit of the Mortgagor;

(e) The sale, lease, transfer, or disposition of any kind, sort, nature or description of the Mortgaged Property, or any part thereof, without the prior written consent of the Mortgagee, except that the lease of non-owner occupied dwelling units at the Mortgaged Property shall not constitute an event of default if the mortgaged property contains two to four dwelling units.

The Mortgagee's failure to exercise any of its rights hereunder shall not constitute a waiver thereof. All the events in this Paragraph enumerated upon the happening of any of which the Note shall become or may be declared to be, immediately due and payable are in this Mortgage called "events of default."

12. The Mortgagee may from time to time cure each default under any covenant or agreement in any instrument creating a lien upon the Mortgaged Property, or any part thereof, which shall have priority over the lien of this Mortgage, to such extent as the Mortgagee may exclusively determine, and each amount paid, if any, by the Mortgagee to cure any such default shall be paid by the Mortgagor to the Mortgagee, and the Mortgagee shall also become subrogated to whatever rights the holder of the prior lien might have under such instrument and amounts so paid by the Mortgagee, with interest thereon from the date of each such payment, at the rate, if any, provided in the Note, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage.

13. (a) After the happening of any default hereunder, the Mortgagor shall, upon demand of the Mortgagee, surrender possession of the Mortgaged Property to the Mortgagee, and the Mortgagee may enter such property, and let the same and collect all the rents which are due or to become due, and apply the same, after payment of all charges and expenses, on account of the indebtedness hereby secured, and all such rents and all leases existing at the time of such default are hereby assigned to the Mortgagee as further security for the payment of the indebtedness secured hereby; and the Mortgagee may also dispossess, by the usual summary proceedings, any tenant defaulting in the payment of any rent to the Mortgagee.

(b) In the event that the Mortgagor occupies the Mortgaged Property or any part thereof, the Mortgagor agrees to surrender possession of such property to the Mortgagee immediately after any such default hereunder, and if the Mortgagor remains in possession after such default, such possession shall be as a tenant of the Mortgagee, and the Mortgagor shall pay in advance, upon demand by the Mortgagee, as a reasonable monthly rental for the premises occupied by the Mortgagor, an amount at least equivalent to one-twelfth of the aggregate of the twelve monthly installments payable in the current calendar year, plus the actual amount of the annual ground rent, if any, taxes, assessments, water rates, other governmental charges, and insurance premiums payable in connection with the Mortgaged Property during such year, and upon the failure of the Mortgagor to pay such monthly rental, the Mortgagor may also be dispossessed by the usual summary proceedings applicable to tenants. This covenant shall become effective immediately upon the happening of any such default, as determined in the sole discretion of the Mortgagee, who shall give notice of such determination to the Mortgagor; and in the case of foreclosure and the appointment of a receiver of the rents, the within covenant shall inure to the benefit of such receiver.

14. The Mortgagee in any action to foreclose this Mortgage shall be entitled to the appointment of a receiver without notice, as a matter of right and without regard to the value of the Mortgaged Property, or the solvency or insolvency of the Mortgagor or other party liable for the payment of the Note and other indebtedness secured by this Mortgage.

15. Any notice to the Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Mortgagor's place of residence whose address is shown on the face of this Mortgage, or any other address that the Mortgagor designates by notice to the Mortgagee. Any notice to the Mortgagee including, but not limited to notices of any fire, damage or other casualty affecting the Mortgaged Property, or of any conveyance, transfer or change in ownership of such property, or any part thereof, shall be given by first class mail to the Mortgagee's address: Palm Beach County, Housing and Community Development, 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406, with a copy to: Palm Beach

County, County Attorney, 301 N. Olive Avenue, P.O. Box 1989, West Palm Beach, Florida 33402-1989, or any other address that the Mortgagee designates by notice to the Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to the Mortgagor, or the Mortgagee, when given as provided in this paragraph.

16. Except as otherwise provided herein, notice and demand or request may be made in writing and may be served in person or by mail.
17. In case of a foreclosure sale of the Mortgaged Property, it may be sold in one parcel.
18. The Mortgagor shall not assign the rents, if any, in whole or in part, from the Mortgaged Property, or any part thereof, without the prior written consent of the Mortgagee.
19. The Mortgagor is lawfully seized of the Mortgaged Property and has good right, full power and lawful authority to sell and convey the same in the manner above provided, and will warrant and defend the same to the Mortgagee forever against the lawful claims and demands of any and all parties whatsoever.
20. The Mortgagor hereby waives the benefit of all homestead exemptions as to the debt secured by this Mortgage and as to any expenditure for insurances, taxes, levies, assessments, due or charges incurred by the Mortgagee pursuant to any provision of this Mortgage.
21. The Mortgagor reserves the right to prepay at any time all or any part of the principal balance and interest, if any, provided in the Note, without the payment of penalties or premiums.
22. It is further covenanted and agreed by the parties hereto that this Mortgage also secures the payment of and includes all future, or further advances as shall be made by the Mortgagee herein or its successors or assigns, to or for the benefit of the Mortgagor, or their heirs, personal representatives, or assigns, for the term of indebtedness under this Mortgage, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured at any one time shall not exceed any amount equal to twice the principal amount stated in the Note secured hereby, together with interest thereon and any and all disbursements made by the Mortgagee for the payment of taxes, levies or insurance on the property covered by the lien of this Mortgage with interest on such disbursements at the rate specified in the Note referred to in this Mortgage, and for reasonable attorneys' fees and court costs incurred in the collection of any and all of such sums of money. Such further or future advances shall be wholly optional with the Mortgagee, and the same shall bear interest at the rate as specified in the Note referred to herein, unless said interest shall be modified by subsequent agreement.
23. The Mortgagor warrants that the Mortgagor presently occupies the Mortgaged Property, and if not, that the Mortgagor shall occupy the Mortgaged Property without undue delay upon Closing on the acquisition of the Property and shall continue occupancy of the Mortgaged Property as the Mortgagor's principal place of residence for a continuous period for the term of this mortgage, provided that the Mortgagee may waive this requirement in the event of undue hardship, impossibility of performance, or other justifiable reason in the opinion of the Mortgagee.
24. This Mortgage and all the covenants, agreements, terms and conditions herein contained shall be binding upon and inure to the benefit of the Mortgagor and the heirs, legal representatives and assign of the Mortgagor, and to the extent permitted by law, every subsequent owner of the Mortgaged Property, and shall be binding upon and inure to the benefit to the Mortgagee and its assigns. If the Mortgagor, as define herein, consists of two or more parties, this Mortgage shall constitute a grant and Mortgage by all of them jointly and severally, and they shall be obligated jointly and severally under all the provisions hereof and under the Note. The word "Mortgagee" shall include any person, corporation or other party who may from time to time be the holder of this Mortgage. Wherever used herein, the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall be applicable to all genders wherever the sense requires.

IN WITNESS WHEREOF, this Mortgage has been duly signed and sealed by the Mortgagor on
or as of the day and year first above written.

In the presence of:

Witness Name: _____

Mortgagor Name

Mortgagor Signature

Witness Name: _____

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss

The foregoing instrument was acknowledged before me this ____ day of _____,
2010, by _____, who is personally known to me or who has
produced _____ as identification and who did not take an oath.

Notary Public - State of Florida

(NOTARY SEAL)

Name

Please Return to:

Palm Beach County Housing & Community Development
100 Australian Avenue, Suite 500
West Palm Beach, Florida 33406

EXHIBIT "J"

PROMISSORY NOTE

\$4,523,006.00

West Palm Beach, Florida
_____, 2010

FOR VALUE RECEIVED the undersigned, COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC., a Florida not-for-profit corporation ("Maker"), promises to pay to the order of PALM BEACH COUNTY, a political subdivision of the State of Florida, together with any other holder hereof ("Holder"), at 301 North Olive Avenue, West Palm Beach, Florida 33401, or such other place as Holder may from time to time designate in writing, the principal sum of Four Million Five Hundred Twenty-Three Thousand and Six Dollars (\$4,523,006.00) plus accrued interest, to be paid in lawful money of the United States of America, as follows:

- 1) This Note shall bear interest computed at the stated rate of two (2%) percent per annum on outstanding principal balance from time to time remaining unpaid from the date of each disbursement.
- 2) Repayment hereunder shall occur as follows:
 - (a) Repayment shall be limited to the actual cash flow of the Project which shall be determined annually on a calendar year basis, commencing with the year 2013, and certified by an independent Certified Public Accountant acceptable to the County, prior to the annual payment due date. The first annual payment shall be on December 15, 2013, with respect to all payments due under subparagraph 4 below for the preceding calendar year. Subsequent annual payments shall be on the 15th day of December for each preceding calendar year thereafter through December 15, 2042 (Maturity Date), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon shall be due and payable, unless acceleration is made by Holder pursuant to the provisions hereof.
 - (b) On December 15, 2042 ("Maturity Date"), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon, if any, shall be due and payable, unless acceleration is made by Holder pursuant to the provisions.
- 3) Maker agrees to provide annually to Holder a certification of Project income and expenses, and certified by an independent Certified Public Accountant acceptable to the County, which shall be used by Holder to determine payments due hereunder. Said certification shall be provided prior to each annual due date commencing in the year 2013.
- 4) Commencing with the year 2013, payments from Project income as determined by Holder shall be applied to pay the following items in order of priority:
 - a) First Mortgage and debt service, and Project expenses;
 - b) Base interest payment on principal balance equal to two percent (2%) per annum; and
 - c) Any such base payment or interest hereunder deferred from previous years commencing with the year 2013;
 - d) Second Mortgage principal, including fees.
- 5) Any payments of current or deferred base interest due annually hereunder shall be deferred until the next due date to the extent that Project income is insufficient to make said payments pursuant to the payment priority schedule in paragraph (4) above and as determined by Maker.
- 6) This Note may be prepaid in whole or in part at any time, without penalty or

premium. Any prepayment hereunder shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to the balance, if any, to the principal balance.

- 7) After maturity or acceleration, this Note shall bear interest at the Default Interest Rate which shall be the maximum interest rate allowed by applicable law until paid in full.
- 8) All terms hereunder shall be as construed and defined in Chapter 91-28, Florida Administrative Code.

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

This Note is executed pursuant to the terms and conditions of that certain Loan Agreement dated _____, 2010, between Maker, as Borrower, and Holder, as Lender, is secured by a Mortgage and Security Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"), all of even date herewith. The foregoing and all other agreements, instruments, and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents".

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

Nothing herein contained, nor any transaction related thereto, shall be construed or so operated as to require the Maker to pay interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to ethical law. Should any interest or other charges paid by the Maker, or parties liable for the payment of this Note, in connection with the Loan Documents result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, any and all such excess shall be and the same is hereby waived by the Holder, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and a portion of said excess which exceeds the balance due under this indebtedness shall be paid by the Holder to the Maker.

Holder shall have the right to declare the total unpaid balance hereof to be immediately due and payable in advance of the Maturity Date upon the occurrence of an Event of Default and the expiration of all notice and cure periods pursuant to any other Loan Documents now or hereafter evidencing, securing or guarantying payment of this Note. Exercise of this right shall be without notice to Maker or to any other person liable for payment hereof, notice of such exercise being hereby expressly waived.

Any payment hereunder not paid when due (at maturity, upon acceleration or otherwise) shall bear interest at the highest rate allowed by applicable law from the due date until paid.

Provided Holder has not accelerated this Note, Maker shall pay Holder a late charge of five percent (5%) of any required payment which is not received by Holder within fifteen (15) days following the date when said payment is due pursuant to the Mortgage. The parties agree that said charge is a fair and reasonable charge for the late payment and shall not be deemed a penalty.

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

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

The remedies of Holder shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of Holder, including specifically any failure to exercise or forbearance in the exercise of any remedy, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release

with reference to any one event shall not be construed as continuing or as constituting a case of dealing, nor shall it be construed as a bar to, or as a waiver or release of, any subsequent remedy as to a subsequent event.

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

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

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

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

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT BY THE BORROWER UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE HOLDER SHALL BE TO FORECLOSE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND IN NO EVENT SHALL THE BORROWER HAVE ANY LIABILITY FOR THE PAYMENT OF THE LOAN OR ANY OTHER OBLIGATIONS REFERENCED HEREIN, OR FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THE LOAN.

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

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

COMMUNITY LAND TRUST OF PALM
BEACH COUNTY, a Florida Not-for-Profit
Corporation

By: _____
James Titcomb, President

By: _____
Teresa Johnson, Secretary

Property Address:

The subject property is located on Davis Road south of Melaleuca Lane in unincorporated Palm Beach County. More specifically, it bears the following property control numbers, as recognized by the office of the Palm Beach County Property Appraiser:

00-43-44-30-01-119-0032
00-43-44-30-01-121-0030
00-43-44-30-01-121-0041
00-43-44-30-01-120-0041

EXHIBIT "K"

LOAN AGREEMENT

THIS AGREEMENT, dated as of this ____ day of _____, 2010, by and between Palm Beach County, a political subdivision of the State of Florida, (hereinafter referred to as the "County" and the "Lender") and COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC., a non-profit corporation, whose Federal Tax I.D. number is 20-5090958 (the "Borrower").

1. RECITALS.

(a) Borrower is the owner of approximately 7.29 acres of real property located on Davis Road just south of Melaleuca Lane, Palm Beach County, Florida, as more particularly described herein, (the "Premises").

(b) Borrower has applied to the County for a Loan in the principal amount of \$4,523,006.00 (the "Loan") to be used by Borrower to construct multi-family rental units on the Premises. Borrower intends to construct a twenty-five (25) unit affordable housing development to serve low income households on the east side of Davis Road premises (the "Improvements"). Fifty-five percent (55%) of the rental housing units will be reserved for households with incomes at or below 50% of the adjusted median income of which twenty-five percent (25%) must be reserved for households with incomes at or below thirty percent (30%) of the adjusted median income. This multi-family rental housing project will be known as Davis Landings.

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

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

2. **THE LOAN.** The County shall make the Loan to Borrower in an amount not to exceed the principal amount of \$4,523,006.00 upon the terms and conditions set forth herein, and at the rates and terms set forth in its Mortgage and Note attached hereto as Exhibit "I" and "J" respectively, and Borrower shall take the Loan and expressly agrees to comply with and to perform all of the terms and conditions of this Loan Agreement, the Note, the Mortgage, and any other document evidencing and securing this Loan (collectively hereinafter referred to as the "Loan Documents"). The closing of the Loan, including the execution of the Note and Mortgage, shall occur at the offices of the County Attorney or such mutually agreed upon site no later than _____, 2010.

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

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

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

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

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

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

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

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

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

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

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

(vi) satisfactory soil test report;

(g) Corporate Documents: Borrower shall deliver to the County the following documents:

(i) the Articles of Incorporation of the Borrower and all amendments thereof, certified by the appropriate official of the State of Florida, together with certificates of such official to the effect that Borrower is in good standing therein;

(ii) certified resolutions of the Borrower authorizing the execution and delivery of the Loan, the Mortgage and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement;

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

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

(i) This Loan Agreement and all Loan Documents and any other documents required to be delivered hereunder have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms.

(ii) that Borrower is a Florida not-for-profit corporation in good standing under the laws of the State of Florida and has all the necessary power and authority to undertake its obligations hereunder,

(iii) that Borrower is in compliance with all laws, regulations, ordinances and

orders of all governmental authorities, including, but not limited to, if applicable, the Interstate Land Sales Full Disclosure Act, all applicable federal and state securities laws, and all laws of the State of Florida, applicable to the type of development contemplated hereunder,

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

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

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

(vii) that the Mortgage will be a valid encumbrance on the Premises.

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

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

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

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

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

5. DISBURSEMENT OF LOAN FUNDS: Upon receipt of documentation evidencing payment of construction costs or invoices for work completed associated with the construction of the Improvements on the Premises by Borrower, the County shall disburse the Loan funds to Borrower in an amount not to exceed Four Million Five Hundred Twenty-Three and Six Dollars (\$4,523,006.00). Payment will not be made hereunder for any other purpose or purposes except with prior written approval of the Board of County Commissioners of Palm Beach County.

6. EXPENSES: Borrower shall pay fees and charges incurred in the procuring and making of this Loan if applicable, and other expenses incurred by the County during the term of the Loan, recording expenses, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon the Premises, and any other amounts necessary for the payment of the costs of Improvements.

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

(a) Borrower agrees that the Improvements will consist of a twenty-five (25) multi-family rental development on the east side of Davis Road, and that, of all of the apartment units to be constructed on the Premises, fifty-five percent (55%) of the rental housing units will be reserved for households with incomes at or below 50% of the adjusted median income of which twenty-five percent (25%) of the rental housing units must be reserved for households with incomes at or below thirty percent (30%) of the adjusted median income pursuant to U.S. HUD guidelines, for a period of thirty (30) years.

(b) The Borrower shall not discriminate on the basis of race, creed, religion, color, sex, marital status, sexual orientation, national origin, age, gender identity or expression, familial status or disability in the use, or occupancy of any housing constructed on the Premises.

(c) Borrower agrees that the affordable housing units in the project will:

- (i) provide energy efficient heating and cooling;
- (ii) provide awnings, blinds, sun screening or similar window treatment;
- (iii) provide high efficiency appliances compliant with local building codes;
- (iv) provide high efficiency water heater;
- (v) provide wall insulation R-13 or better (wood) or R-7 or better (CBS);
- (vi) provide washer and dryer hook up in each unit;
- (vii) provide age appropriate playground and equipment;
- (viii) maximize open space (25% or more of site);
- (ix) provide resident programs in the form of first-time homebuyer education; financial counseling; resident activities; health and nutrition classes; computer lab; welfare to work sufficiency programs; afterschool program for children; literacy training; and daily activities;
- (x) conduct background checks on adult members of households prior to occupancy;
- (xi) utilize leases which require parents to be held legally and financially liable for the acts of their children in the complex and allows management to terminate the lease of any household where a household member is engaged in illegal or criminal activity or where a household member is engaged in anti-social behavior which denies the project's residents or area residents the quiet and peaceful enjoyment of their homes or businesses;

Conditions (a) and (b) above shall, upon closing become covenants running with the land for a period of thirty (30) years and shall survive the closing, and the payment or other termination of the Mortgage and Note. These conditions and covenants will be recorded in the land records of Palm Beach County, Florida, by inclusion in the mortgage.

8. **AFFIRMATIVE MARKETING:** In furtherance of Palm Beach County's commitment to non-discrimination and equal opportunity in housing, the County's Department of Housing and Community Development (HCD) has established policies and procedures to affirmatively market housing units produced under the HOME and any other applicable regulations.

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

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

Palm Beach County Department of HCD, therefore, ensures that housing programs are advertised periodically through general circulation and minority newspapers, as well as through community information meetings at various countywide locations.

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

- (i) The Equal Opportunity logo or slogan will be used in advertisements;
- (ii) Borrower will be requested to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach. Borrower satisfies this requirement by posting a notice of vacancies in any or all of the following:
 - Community Organizations
 - Fair Housing Groups
 - Housing Counseling Agencies
 - Commercial Media
 - Employment Centers
 - Local Public Housing Authorities (PHA's), or
 - Other Similar Agencies

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

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

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

(a) Organization Status. Borrower is a Florida not-for-profit corporation duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein. Borrower is duly authorized to receive from County the principal sum of \$4,523,006.00 and execute all Loan documents pertaining thereto;

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

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

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

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

(f) Pending Litigation. There are no actions, suits or proceedings pending before any court or law equity, or any Administrative Board, or, to the knowledge of the Borrower, threaten against or affecting it or the Premises, or, involving the validity or enforceability of the Mortgage, or any of the Loan Documents.

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

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

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

(j) No Default. There is no default on the part of the Borrower under this Loan

Agreement, the Note or the Mortgaged, and no event has occurred and is continuing which with notice, or the passage of time, or either, would constitute a default under any provision thereof; and

(k) Advertising. The Agency shall erect a sign in a prominent place at the job site clearly identifying and providing notice for the funding of the project by including the following statement: "Funding for this project has been provided by Palm Beach County Board of County Commissioners from the U.S. Department of HUD's Neighborhood Stabilization Program." All activities, facilities, publications, publicity, and items utilized pursuant to this Agreement shall be prominently labeled as above.

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

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

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

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

In addition, Borrower agrees, at its sole cost and expense, to have any mechanics' lien or equitable lien which may be filed against the Premises or undisbursed funds of this Grant released, bonded or insured over within sixty (60) days of the date of filing same, time being of the essence. The County shall be under no obligation to make further disbursements while any such lien remains outstanding against the Premises.

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

(b) No Transfer of Premises. Except as specifically set forth in the Mortgage or herein, including in the Permitted Exceptions, the Premises or any part thereof shall not be sold, leased (except for tenant lease), conveyed, mortgaged or encumbered in any way without the prior written consent of the County and other mortgage lien holder except as provided elsewhere

herein or in the Mortgage, it being understood and agreed that part of the consideration for the Loan is the obligation of Borrower. Notwithstanding the foregoing, Borrower may enter in to utility easements or licenses or leases for tenant services, such as laundry or concessions.

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

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

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

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

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

(iii) with the statements submitted under (ii) above, a certificate signed by the principal financial officer of Borrower to the effect that no Event of Default specified herein, nor any event which upon event or lapse of time or both, would constitute such an Event of Default, has occurred which has not been cured or otherwise waived in writing by the Lender; and

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

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

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

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

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

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

11. INSPECTIONS. Borrower will permit County, or its representatives to enter upon the Premises, inspecting Improvements and all materials to be used in the construction thereof, and to examine all details, plans and shop drawings which are kept at the construction site, and will cooperate, and cause Borrower's general contractor and subcontractors to cooperate with the County's representative.

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

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

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

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

(d) Borrower shall fail to expend 50% of the NSP2 funds under this Loan Agreement for costs associated with the development and construction of the Premises by December 15, 2011. In the event Borrower fails to use these NSP2 funds as required, all remaining funds shall revert to the County and the County may reallocate for other projects or needs.

(e) Borrower shall fail to complete construction of the Improvements, secure a Certificate of Occupancy for the Improvements, and rent the housing units to eligible tenants by December 15, 2012.

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

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

(a) Cancel this Loan Agreement;

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

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

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

(a) Rights of Third Parties. All conditions of the County hereunder are imposed solely and exclusively for the benefit of the County and its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or be entitled to assume that the County will make Disbursements in the absence of strict compliance with any or all thereof,

and no other person shall, under any circumstances, be deemed to be a beneficiary of this Loan Agreement or the Loan Documents, any provisions of which may be freely waived in whole or in part by the County at any time if, in its sole discretion, it deems it desirable to do so. In particular, the County makes no representations and assumes no duties or obligations as to third parties concerning the quality of the construction by Borrower of the Improvements or the absence thereof of defects.

(b) Borrower is not the County's Agent. Nothing in this Agreement, or any other Loan Document shall be construed to make the Borrower the County's agent for any purpose whatsoever, or the Borrower and the County partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.

(c) The County Not Liable for Damage or Loss. All inspections and other services rendered by or on behalf of the County pursuant to this Loan Agreement shall be rendered solely for the protection and benefit of the County. Neither Borrower nor other third persons shall be entitled to claim any loss or damage against the County or against its agents or employees for failure to properly conduct inspections and other such services contemplated by this Loan Agreement.

(d) The County Not Obligated to Ensure Proper Disbursement of Funds to Third Parties. Nothing contained in this Agreement, or any Loan documents, shall impose upon the County any obligation to oversee the proper use or application of any disbursements and disbursements of funds made hereunder.

(e) Indemnification from Third Party Claims. Borrower shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Loan proceeds to Borrower or from the condition of the Premises, whether related to the quality of construction or otherwise, and whether arising during or after the term of the Loan. This provision shall survive the repayment of the Loan and shall continue in a full force and effect so long as the possibility of such liability, claims, or losses exists.

(f) Rights of Subcontractors, Laborers and Materialmen. In no event shall this Agreement be construed to make the County, Title Company or agent of the County liable to Borrower's Contractor or any subcontractors, laborers, materialmen, craftsmen, or others for labor, materials, or services delivered to the Premises or goods specially fabricated for incorporation therein, or for debts or liens accruing or arising to such persons or parties against Borrower or Borrower's Contractor. It is distinctly understood and agreed that there is no relation of any type whatsoever, contractual or otherwise, whether express or implied, between the County and Borrower's Contractor, any materialman, subcontractor, craftsman, laborer or any other person or entity supplying any labor, materials or services to the Premises or specially fabricating goods to be incorporated therein. Except as otherwise specifically provided herein, no such person or entities are intended to be third party beneficiaries of this Agreement or any document or instrument related to the Loan or to have any claim or claims in or to any undisbursed or retained Loan proceeds.

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

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

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

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

(k) Governing Law. The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement and the venue shall be in Palm Beach County.

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

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

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

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

TO LENDER:

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

TO BORROWER:

COMMUNITY LAND TRUST OF
PALM BEACH COUNTY, INC.
100 Australian Avenue, Suite 400
West Palm Beach, FL 33406
Attn: Cindee Lacourse-Blum, Executive Director

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

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

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

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

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

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

Signed, sealed and delivered
in the presence of:

Witness:

Witness:

COMMUNITY LAND TRUST OF
PALM BEACH COUNTY, INC., a Florida
Not-for-Profit Corporation

By: _____
James Titcomb, President

By: _____
Teresa Johnson, Secretary

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by James Titcomb, President, who is personally known to me or who has produced as identification and who did/did not take an oath.

(Signature of Notary)

(Typed, Printed, or Stamped
Name of Notary)

My Commission Expires:

ATTEST:

SHARON R. BOCK, CLERK &
COMPTROLLER

PALM BEACH COUNTY, FLORIDA,
a Political Subdivision of the State
of Florida

BY ITS BOARD OF COUNTY
COMMISSIONERS

BY: _____
Clerk

BY: _____
Robert Weisman, County Administrator

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

BY: _____
County Attorney

BY: _____
Department Head

Property Address:

The subject property is located on Davis Road south of Melaleuca Lane in unincorporated Palm Beach County. More specifically, it bears the following property control numbers, as recognized by the office of the Palm Beach County Property Appraiser:

00-43-44-30-01-119-0032
00-43-44-30-01-121-0030
00-43-44-30-01-121-0041
00-43-44-30-01-120-0041

**AMENDMENT 001 TO THE AGREEMENT
WITH
COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.**

Amendment 001 entered into this 3rd day of August, 2011, by and between Palm Beach County and Community Land Trust of Palm Beach County, Inc.

WITNESSETH:

WHEREAS, Palm Beach County entered into an Agreement (R2010-1944) with Community Land Trust of Palm Beach County, Inc., on November 16, 2010, to make available \$4,523,006 of Neighborhood Stabilization Program - 2 (NSP2) funds to provide development and construction of twenty-five (25) multi-family rental units in an affordable housing development located in the Lake Worth Corridor South Target Area, south of Melaleuca Lane on Davis Road, and within the County's Urban Redevelopment Area (URA), and

WHEREAS, both parties wish to modify the Agreement, and

WHEREAS, both parties mutually agree that the Agreement entered into on November 16, 2010, is hereby amended as follows:

A. Exhibit "A" – WORK PROGRAM NARRATIVE - Section I(B) – PROJECT SCOPE

Delete the contents of this section and replace with the following:

B. PROJECT SCOPE: The scope of work of this project, subject to funding availability, shall include the following:

- i) NEW CONSTRUCTION: Construction of two garden-style buildings, one of which will contain twenty-four (24) rental housing units, a second building which will contain one (1) rental housing unit, and a community room and management office, for a total of twenty-five (25) rental housing units. The two multi-family rental buildings shall be located on the east side of Davis Road, and will be called 'Davis Landings'.

All such properties shall be developed, constructed, and rented by the Agency according to NSP2 Program requirements, and the requirements of this Agreement, as approved (and amended from time to time) by the County. The Agency shall seek a determination from HCD for any conflicting requirements contained in the aforesaid that the Agency believes to exist. HCD shall advise the Agency of its determination in writing and the Agency shall accept, and abide by, such determination.

- ii) SITE WORK: Site grading, importing, placing, and compacting fill, clearing, demolition, off-site improvements, soil testing, site security, sidewalks, fencing, parking paving and striping, landscaping, storm water drainage, site utilities, driveway aprons, curbs, and other incidental work associated with such construction.

- iii) OFF-SITE WORK: The Agency shall cause the installation of a new Wastewater Force Main under Davis Road (to be extended from project site to Maleleuca Lane for connection to an existing Palm Beach County Water Utilities Department force main) and a Wastewater Pump Station designed for private ownership/maintenance by the Community Land Trust of Palm Beach County, Inc.

The Agency shall cause the widening of Davis Road to minimum County standards of 20' wide from the southern end of Davis Road (just north of the Lake Worth Drainage Ditch canal) to +/- 170 feet north of the intersection of Davis Road with Brooklyn Road, which will include a new overlay of asphalt on this portion of the road and re-striping.

Site improvement cost estimates will be completed for each improvement and based on take-offs of quantities of materials and labor required.

The Agency shall complete the development and construction of all multi-family rental units, obtain certificates of occupancy, and rent at least 55% of the housing units to households with incomes at or below 50% of the AMI, and rent at least 25% of the housing

units to households with incomes at or below 30% of the AMI, no later than December 15, 2012.

Beginning from the initial date of occupancy and continuing for an affordability period of thirty (30) years, the Agency shall assure that at least fifty-five (55%) of the multi-family rental units constructed by the Agency shall be rented to households with incomes at or below 50% of the AMI, and 25% of the housing units must be rented to households with incomes at or below 30% of the AMI. The remaining housing units shall be rented to households with incomes at or below 120% of the AMI. HCD may monitor these income certification requirements at any time during the affordability period, and if determined to be non-compliant with the above requirements, the Agency must repay to County any funds received during the period of non-compliance.

NOTE 1: The Agency's Procurement Policy and Procedures have received prior County staff approval and a copy has been provided to HCD. The Agency shall have the option of procuring any portion of the above mentioned consultant's services described above by using its six-page Community Land Trust of Palm Beach County Procurement Policy and Procedures, adopted May 22, 2009.

In accordance with the Agency's Procurement Policy referenced above, the Agency shall prepare a Request for Qualifications (RFQ) document for the Architect, Engineer, and Land Planner and a Request for Proposals (RFP) for the Development Consultant/Project Manager, both of which must describe in detail the services it wishes the consultant to provide, and then procure these services in accord with this Agreement. **The Agency must obtain HCD approval of the proposed RFQ and RFP documents prior to each being published.** Within the RFQ and RFP, the Agency shall divide the services to be provided by the consultants into phases and identify such phases as Phase I or II. The phases of the consultant services shall be divided in such a manner to account for the schedule of availability of funds to pay for the services associated with each phase. The work for each phase shall be awarded as funds become available. The Agency is responsible for monitoring the quality, completeness, and conformity to specifications of all work performed by third party contractors, subcontractors, and sub-consultants.

Notwithstanding the use or non-usage of the Agency's own Procurement Policy and Procedures for any portion of the development and construction project, **the Agency shall submit its bid package (drawings/specifications and instructions to bidders), and an itemized opinion of probable construction cost prepared by its consultant, to HCD and obtain a letter of approval prior to bidding the construction work.** In submitting the bid package to HCD, the Agency shall also demonstrate that it has submitted its drawings/specifications to the Palm Beach County Building Department for plan review, and that these drawings/specifications comply with all applicable building and zoning codes. **The Agency shall obtain HCD approval prior to issuing any addenda to its bid documents for this project.**

NOTE 2: The Agency shall prioritize the work in the project, and shall bid such work in a manner that would allow the receipt of itemized costs from bidders which would then allow the award of items that can be funded by the budget provided that the extent of work awarded will result in a functioning facility as determined by HCD.

NOTE 3: The Agency shall not award the construction contract for the project until sufficient funding is available to complete the established scope of work. All construction work shall be included in one contract. **The Agency shall obtain HCD approval prior to awarding the construction contract to be funded through this Agreement. After awarding such contract, the Agency shall obtain HCD approval prior to executing any change orders to such contract.**

NOTE 4: Should the development contract amount for this project exceed the amount to be funded by the County through this Agreement, then the Agency shall fund all such excess development costs which exceed the amount to be funded by the County. The Agency shall document such available funding in a manner satisfactory to HCD.

NOTE 5: The Borrower may request draws for payments to be made under the construction contract for materials stored on the Premises or in a bonded warehouse provided that such

materials are securely stored, properly inventoried, and clearly stenciled or otherwise marked to indicate that they are the property of the Borrower, and provided that the County shall have received, reviewed, and approved documentation from the Borrower evidencing that for the life of the project:

- the Borrower's Builder's Risk Insurance policy includes a sublimit of coverage for the full replacement value of supplies that are awaiting installation, and that said policy includes a provision whereby the loss, if any, is payable to the County as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to the County, or

- the Borrower has insurance coverage in place in the form of an Installation Floater or Inland Marine coverage for the full replacement value of supplies that are awaiting installation, and that said policy includes a provision whereby the loss, if any, is payable to the County as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to the County.

The Agency further agrees that HCD, in consultation with any parties it deems necessary, shall be the final arbiter of the Agency's compliance with the above.

B. Exhibit "A" – WORK PROGRAM NARRATIVE - Section I(C) – FUNDING OBLIGATION, EXPENDITURES, AND PROJECT BUDGET

Delete the contents of this section and replace with the following:

C. FUNDING OBLIGATION, EXPENDITURES, AND PROJECT BUDGET:

1. Total Funding Amount: The County shall provide NSP2 funds in an amount not to exceed \$4,523,006.00 for the sole and express purpose of undertaking the project specified in this Agreement. It is expressly agreed and understood that the total amount to be paid by the County under this Agreement shall not exceed the above mentioned NSP2 funds. The Agency is solely responsible for obtaining any additional funding required in the event that development costs exceed the total amount of funding provided by the County in this Agreement.
2. Project Expenditures: The Agency must expend at least 50% (\$2,261,503.00) of their total NSP2 funding allocation by December 15, 2011. If Agency fails to expend 50% of its NSP2 funds (as indicated with regard to the goals and delivery schedule deadline set forth above), HCD at its sole discretion may recapture a portion or the entire Agency's NSP2 funding allocation. The recaptured portion will be equal to HCD's estimate of the amount of NSP2 funds that would remain unspent by the spending deadlines described herein, based on the Agency's activities to date and capacity to complete the work.

One hundred percent (100%) of the Agency's NSP2 funds associated with this Agreement shall be expended by December 15, 2012, unless such date is changed by HCD. The Agency expressly agrees to complete all work required in accordance with the timetable as outlined in this Agreement. It shall be the responsibility of the Agency to notify HCD promptly in writing whenever a delay is anticipated or experienced, and to inform HCD of all facts and details related to the delay.

3. Interest Payments: Interest payments for lines of credit and construction loans are not eligible costs for reimbursement by HCD with NSP2 funds and will not be counted toward the total cost basis of the redevelopment of the property.
4. Funding Terms and Conditions: Financial assistance to the Agency shall be provided in the form of a loan in an amount not to exceed the principal amount of \$4,523,006.00 upon the terms and conditions set forth herein, and at the rates and terms set forth in its Mortgage and Note attached hereto as Exhibit "H" and "I" respectively, and Agency shall take the Loan and expressly agrees to comply with and to perform all the terms and conditions of this Note and Mortgage, and any other documents evidencing and securing this Loan.
5. Project Budget: A revised Project Budget submitted by the Agency is included as Exhibit "H". The County may require more detailed or different budget breakdowns than the one contained herein, and the Agency shall provide supplementary budget information in a timely fashion in the form and content prescribed by HCD.

6. Title and Recording Fees: The Borrower may request the County for reimbursement of payments made by the Borrower for title examination costs and title insurance costs associated with the Borrower's acquisition of the Palm Beach County Housing Finance Authority Revolving Loan financing for Phase I of the Davis Landings project, as well as costs to record, in the Public Records of Palm Beach County, these Loan Documents and the loan documents pertaining to the Borrower's Palm Beach County Housing Finance Authority Revolving Loan financing for Phase I of the Davis Landings, provided that:

- (i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement request pertaining to the aforesaid title and recording costs. The letter shall reference the Davis Landings project, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said costs, as well as the name and signature of a person authorized by the Borrower to make such a request.
- (ii) Evidence of payment made by the Borrower for said title and recording costs shall accompany each reimbursement request letter provided. Such evidence of payment shall demonstrate that payment was made after the effective date of this Agreement.
- (iii) A copy of the statement, invoice, closing document (or similar document) showing the amount owed in title and recording costs shall accompany each reimbursement request letter.

C. Exhibit "A" – WORK PROGRAM NARRATIVE - Section I(E) – ALLOWABLE COSTS

Delete the contents of this section and replace with the following:

E. ALLOWABLE COSTS:

The Agency shall ensure that all expenditures of NSP2 funds are in compliance with the NSP2 Program requirements, and acknowledges that NSP2 funds for soft costs will only be provided as reimbursement for eligible costs incurred, including actual expenditures or invoices, for work completed. Hard costs will be funded on a draw basis provided construction draw requests are presented to HCD along with lien waivers and/or releases (if applicable) and any other required attachments, satisfactory to HCD, including in any event partial lien releases executed by each contractor and subcontractor who has received any payment for work performed, contracts, vouchers, other data as appropriate, and all other documents and information reasonably required by HCD. Hard and soft costs that may be funded through this Agreement, to the extent allowable under the NSP2 program as determined by HCD, may include but are not limited to all line items in the Project Budget in Exhibit "H" of the Agreement or any subsequent revised version of the Project Budget as approved by HCD, and other costs related to the development and construction of the property as deemed eligible by HCD. Requests for NSP2 funding of eligible soft costs must be accompanied by invoices or other documents from subcontractors or other third parties indicating payment of eligible soft costs as indicated by the Project Budget line items, and submitted on Exhibit "D".

D. Exhibit "A" – WORK PROGRAM NARRATIVE - Section I

Add the following to the end of Section I, after paragraph Z.

AA. BUY AMERICAN REQUIREMENTS: Pursuant to the "Buy American" provisions of Section 1605 of the American Recovery and Reinvestment Act of 2009 (ARRA), and as may be subsequently amended, the Agency shall comply, and require the prime contractor and all subcontractors to also comply, with Section 1605, which states:

"Sec. 1605. Use of American Iron, Steel, and Manufactured Goods.

(a) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

(b) Subsection (a) shall not apply in any case or category of cases in which the head of the Federal department or agency involved finds that--

- (1) applying subsection (a) would be inconsistent with the public interest;
- (2) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- (3) inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.

(c) If the head of a Federal department or agency determines that it is necessary to waive the application of subsection (a) based on a finding under subsection (b), the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived.

(d) This section shall be applied in a manner consistent with United States obligations under international agreements”.

Should the Agency and HCD disagree on whether the contractor (including all subcontractors) has complied with the provisions of Section 1605 of ARRA, then the Agency agrees that HCD, in consultation with any parties it deems necessary, shall be the final arbiter on the contractor's compliance with the provisions of such Section 1605.

E. Exhibit “A” – Section L.2 – CONSTRUCTION MONITORING INSPECTIONS

Delete the contents of this section and replace with the following:

2. Construction Monitoring Inspections: The County will monitor the performance of the Agency based on goals and performance standards as stated in this Agreement, along with all other applicable federal, state, and local laws, regulations, and policies governing NSP2 funds. Substandard performance, as determined by the County, will constitute non-compliance with this Agreement. If corrective action is not taken by the Agency within ten (10) days after being notified by the County, contract suspension or termination procedures may be initiated.

F. Exhibit “A” –Section L.5 – PUNCH LIST, FINAL INSPECTION, AND FINAL DRAW

Delete the contents of this section and replace with the following:

5. Final Draw: The final draw will include the payment of any remaining eligible construction costs, aggregate construction retainage, applicable soft costs and any other costs determined by HCD to be owed to Agency payable upon completion of construction.

G. PART III.4(8) - MONTHLY PROGRAM INCOME

Delete the contents of this section and replace with the following:

(8) PROGRAM-GENERATED INCOME

All income earned by the Agency from activities financed, in whole or in part, by funds provided hereunder must be reported and returned monthly to HCD. Such income shall only be used to undertake the activities authorized by this Agreement. HCD must verify and approve the eligibility and reasonableness of all expenses which the Agency requests to be deducted. Accounting and disbursement of such income shall comply with OMB Circular A-110 and other applicable regulations incorporated herein by reference. For properties acquired by the Agency for rental, the program income must be reported and returned to the County every month.

The Agency may request that said program income be used to fund other eligible uses, subject to HCD approval, and provided that the Agency is in compliance with its obligations as contained within this Agreement (including the attached Exhibits herein). The Agency shall only use such program income to fund "basic eligible activities" as defined by Federal Community Development Block Grant Regulations (24 CFR Part 570). The Agency hereby agrees that the provisions of this Agreement shall also apply to these "basic eligible activities" as funded with the Agency's program income.

The requirements of this section shall survive the expiration of this Agreement.

H. Exhibit “F” – DECLARATION OF RESTRICTIONS

Delete the contents of this section and replace with Exhibit "A"

I. Exhibit "H" – PROJECT BUDGET

Delete the contents of this section and replace with Exhibit "B"

J. Exhibit "I" – MORTGAGE AND SECURITY AGREEMENT

Delete the contents of this section and replace with Exhibit "C"

K. Exhibit "J" – PROMISSORY NOTE

Delete the contents of this section and replace with Exhibit "D"

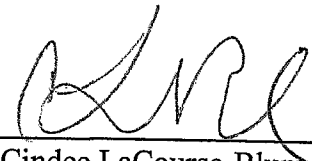
L. Exhibit "K" – LOAN AGREEMENT

Delete the contents of this section and replace with Exhibit "E"

NOW THEREFORE, 1) all items in the previous Agreement in conflict with this Amendment shall be and are hereby changed to conform to this Amendment, and 2) all provisions not in conflict with this aforementioned Amendment are still in effect and shall be performed at the same level as specified in the Agreement.

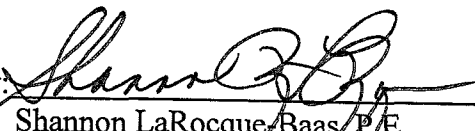
(AGENCY SEAL BELOW)

**COMMUNITY LAND TRUST OF PALM
BEACH COUNTY, INC., a Florida Not-for-Profit
Corporation**

By: 
Cindee LaCourse-Blum, Executive Director

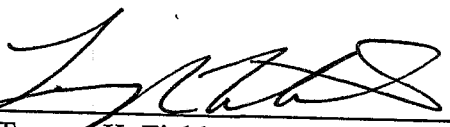
(COUNTY SEAL BELOW)

**PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida
FOR ITS BOARD OF COUNTY
COMMISSIONERS**

By: 
Shannon LaRocque Baas, P.E.
Assistant County Administrator

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Dept. of Housing and Community Development

By: 
Tammy K. Fields
Senior Assistant County Attorney

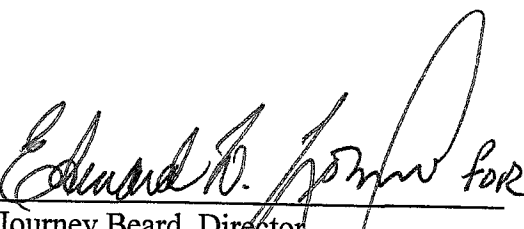
By: 
Journey Beard, Director
Contract Development & Quality Control

EXHIBIT "A"

Return to:

Palm Beach County
Housing & Community Development
100 Australian Avenue, Suite 500
West Palm Beach, Florida 33406
Prepared by: Tammy K. Fields,
Senior Assistant County Attorney

**DECLARATION OF RESTRICTIONS
FOR RENTAL PROPERTIES**

The undersigned, Community Land Trust Of Palm Beach County, Inc., having its principal office at 2240 Palm Beach Lakes Boulevard, Suite 302, West Palm Beach, Florida 33409, (hereinafter referred to as "Agency", which term as used in every instance herein shall include Agency's successors and assigns), for the property described below, in consideration of funding in the amount of \$4,523,006.00 received from the Palm Beach County Board of County Commissioners (the "County") does hereby grant to the County the following restrictions against the subject property, hereinafter referred to as the Property, and described as:

Tracts C, D and E, Block 119 and Tracts C, D and E, Block 120, Palm Beach Farms Company Plat No. 7, according to the map or plat thereof as recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida, LESS that portion of Lot C, Tracts 119 and 120 lying in the Plat of "Augustine Acres" as recorded in Plat Book 26, Page 55, Public Records of Palm Beach County, Florida;

LESS that parcel described in O.R. Book 2169, Page 961, more particularly described as: A parcel of land located in Section 30, Township 44 South, Range 43 East, Palm Beach County, Florida, described as commencing at the Northwest corner of Lot 9, Augustine Acres, according to the plat thereof as recorded in Plat Book 26, Page 55, Palm Beach County records, said point being the Point of Beginning. Proceeding thence South 02°51'40" West 120 feet along the West side of Lot 9, to the Southwest corner thereof; thence North 87°08'20" West 75 feet; thence North 02°51'40" East 120 feet; thence south 87°08'20" East 75 feet to the Point of Beginning;

AND LESS that parcel described in O.R. Book 2997, Page 1708, more particularly described as follows: From the Northeast corner of said Tract 120 according to the Palm Beach Farms Company's Plat No. 7, recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida; thence bear South 01°56'30" West, along the East line of said Tract 120, a distance of 300.04 feet to the Point of Beginning; thence continue South 01°56'30" West along said East line of Tract 120, a distance of 120.02 feet; thence North 87°08'20" West a distance of 94.81 feet; thence North 02°51'40" East, a distance of 120 feet to the South line of Augustine Acres as recorded in Plat Book 26, Page 55; thence South 87°08'20" East along said South line a distance of 92.89 feet to the Point of Beginning;

AND LESS the South 25.0 feet thereof for canal Right of Way

AND

Tracts C, D and E, Block 121, Palm Beach Farms Company Plat No. 7, according to the map or plat thereof as recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida.

Property Control Number(s): 00-43-44-30-01-119-0032
00-43-44-30-01-121-0030
00-43-44-30-01-121-0041
00-43-44-30-01-120-0041

1. These restrictions shall be deemed a covenant running with the land and are binding upon the undersigned, their heirs, executors, successors, and assigns. These restrictions can only be terminated or released by the Palm Beach County Board of County Commissioners, and/or those persons to whom such

authority is formally delegated, and executed with the same formalities as this document.

2. In consideration of the County's grant for the purchase of the Property, as provided through a grant Agreement with the County dated November 16, 2010, as amended on August 2, 2011, hereinafter collectively referred to as the "Agreement", the Agency hereby covenants and agrees until December 15, 2042:

- (a) To develop and construct the Property, consisting of twenty-five (25) multi-family dwelling units and ancillary improvements, and render each dwelling unit suitable for occupancy, on the portion of the land lying east of Davis Road, and shall thereafter,
- (b) 100% of all multi-family rental units will be rented to income eligible renters whose incomes are at or below 120% of the area median income, according to the terms contained in this Agreement,
- (c) To charge rental rates affordable to the tenants based on their incomes in accord with the terms of the aforesaid Agreement,
- (d) To diligently market the availability of vacant dwelling units at the Property to persons likely to meet the definition of Low Income Households,
- (e) To maintain the Property in a state of repair pursuant to applicable housing and building codes,
- (f) To maintain insurance as required in the Agreement, and
- (g) To comply with the provisions, terms, and conditions set forth herein.

For the purpose of this Declaration of Restrictions, a Low Income Household shall be defined as a household whose income is at or below fifty percent (50%) of the median income for the West Palm Beach - Boca Raton Metropolitan Statistical Area adjusted by family size, as determined by the County at its sole discretion.

3. The Agency shall in connection with the lease or sale of the Property comply with all federal, state and local Fair Housing laws.

4. Should Agency change the use or planned use, or discontinue use, of the Property (including the beneficiaries of such use) from that for which the acquisition or improvements were made, or should the Agency sell, convey or transfer title to the Property, then the Agency shall pay the County an amount equal to the entire amount expended by the County in connection with the acquisition, development, and construction of the Property.

5. The Agency shall pay, or cause to be paid, all taxes due while the Property is in its possession and/or in the possession of the County Approved Homeowners, and the Agency shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Property, or any part of thereof, any lien superior to the lien of this Declaration of Restrictions, except with the County's prior written consent. The Agency shall keep and maintain the Property free from the claims of all parties supplying labor or materials unto the same. The Agency agrees to notify the County of any liens, judgments or pending foreclosure on the Property within five (5) working days of the receipt of said notice by Agency.

6. The Agency acknowledges and covenants that the provisions specified below constitute a default under this Declaration of Restrictions for which there may be a forfeiture of the Agency's title to the Property:

- (a) Failure of the Agency to perform any covenant, agreement, term, or condition contained herein or in the Agreement referenced in Section 2 above.

Notwithstanding the foregoing, and at the sole discretion of the County, upon providing notice to the Agency of its determination that the Agency is in default of the terms of this Declaration of Restrictions, the County may, from time to time, at its sole discretion, cure each default under any covenant so curable in this Declaration of Restrictions, or in any instrument creating a lien upon the Property, or any part thereof, to such extent that the County, at its sole discretion, determines, and each amount paid, if any, by the County to cure any such default shall be paid by the Agency to the County in addition to the legal rate of interest from the time of expenditure and shall constitute a lien against the property which may be foreclosed if not discharged and satisfied within three (3) months of expenditure of such funds by the County. The County shall also become subrogated to whatever rights the holders of a prior lien might have under such instrument.

7. If the Agency fails, neglects or refuses to perform any of the provisions, terms and conditions set

forth herein, for any breach of this Declaration of Restrictions, the County shall have the right to file in court of competent jurisdiction an action for:

- (a) Forfeiture of all the Agency's right, title, and interest in the Property for a breach of the restrictive covenants contained in this Declaration of Restrictions; and
- (b) Collection of due and unpaid real estate taxes, assessments, charges and penalties for which the Agency is obligated to pay, or cause to be paid.

In addition to any remedy set forth herein, the County shall have such other remedies as are available at law or equity. The exercise or attempted exercise by the County of any right or remedy available under this Declaration of Restrictions shall not preclude the County from exercising any other right or remedy so available, nor shall any such exercise or attempted exercise constitute or be construed as an election of remedies. The Agency shall pay any reasonable expenses, including reasonable attorney's fees and costs incurred by the County, under this Declaration of Restrictions and the preparation and delivery of notices required hereunder. The failure or omission by the County to enforce any of its rights or remedies upon breach of any of the covenants, terms or conditions of this Declaration of Restrictions shall not bar or breach any of the County's rights or remedies on any subsequent default.

Before the County shall pursue any of its rights or remedies under this Declaration of Restrictions, the County shall first give the Agency written notice of the default complained of which such notice shall be given to the Agency at their address shown above. The Agency shall then have ten (10) working days from the date such notice is given to cure or correct any default.

8. The Agency shall submit to the County **once each year** a report detailing the Agency's compliance with the terms of the grant Agreement and this Declaration of Restrictions.

9. The Agency shall cause this Declaration of Restrictions to be recorded in the Public Records of Palm Beach County, Florida, and thereafter the Agency shall provide it to the Director of Housing and Community Development Department, at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Executed this _____ day of _____, 20____.

SIGNED, SEALED, AND DELIVERED IN
THE PRESENCE OF:

Witness Name: _____
X _____ Witness Signature
Witness Name: _____
X _____ Witness Signature

**COMMUNITY LAND TRUST OF
PALM BEACH COUNTY, INC.**

By: Cindee LaCourse-Blum, Executive Director
X _____ Signature:

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss

The foregoing instrument was acknowledged before me this____ day of_____, 2011, by Cindee LaCourse-Blum, Executive Director, who is personally known to me or has produced as identification and who did / did not take an oath.

(NOTARY SEAL ABOVE)

Signature: _____
Notary Public - State of Florida

EXHIBIT "B"
REVISED PROJECT BUDGET

Community Land Trust of P.B.C.
Davis Landings



Revised Project Budget #2

7/28/2011

	Revised Budget 3/28/01	Change	Revised Budget 7/28/11
Hard Costs			
Site Development	\$ 532,000.00		\$ 532,000.00
Construction	\$ 2,118,959.00		\$ 2,118,959.00
Insurance Risk	\$ 16,775.00		\$ 16,775.00
Contingency	\$ 211,896.00		\$ 211,896.00
Contractor Overhead / Profit	\$ 405,720.00		\$ 405,720.00
Total Hard Costs	\$ 3,285,350.00		\$ 3,285,350.00
Financing Costs			
Title and Recording-Construction	\$ 22,500.00		\$ 22,500.00
Total Financing Cost	\$ 22,500.00		\$ 22,500.00
Soft Costs			
Architectural	\$ 90,200.00	\$ 18,000.00	\$ 108,200.00
Engineering/Soil Report/Contract Administration	\$ 102,746.00		\$ 102,746.00
Survey / Platting	\$ 16,200.00		\$ 16,200.00
Legal	\$ 43,497.00		\$ 43,497.00
Accounting	\$ 8,000.00		\$ 8,000.00
Insurance	\$ 25,000.00		\$ 25,000.00
Marketing	\$ 25,000.00		\$ 25,000.00
Permit Fees	\$ 149,600.00		\$ 149,600.00
Impact Fees	\$ 167,000.00		\$ 167,000.00
Utility Connection Fees	\$ 115,000.00		\$ 115,000.00
Inspection / Thresh. Insp. / FPL Fees	\$ 20,000.00		\$ 20,000.00
Land Planner / Misc. / P.R.	\$ 56,617.00		\$ 56,617.00
Builders Risk	\$ 20,787.00		\$ 20,787.00
Security	\$ 5,000.00		\$ 5,000.00
Project Management and Overhead	\$ 250,000.00	\$ (18,000.00)	\$ 232,000.00
Soft Cost Contingency	\$ 60,676.00		\$ 60,676.00
Total Soft Costs	\$ 1,155,323.00		\$ 1,155,323.00
Reserves			
Operating Reserve	\$ 59,833.00		\$ 59,833.00
Total Reserves	\$ 59,833.00		\$ 59,833.00
Total Budget	\$ 4,523,006.00		\$ 4,523,006.00

Labik
 & Associates, Inc.

Printed: 7/28/2011

EXHIBIT "C"

Return to:
Palm Beach County
Housing & Community Development
100 Australian Ave, Suite 500
West Palm Beach, Florida 33406
Prepared by: Tammy K. Fields
Senior Assistant County Attorney

MORTGAGE AND SECURITY AGREEMENT

NOTE TO RECORDER: THIS MORTGAGE IS EXECUTED AND DELIVERED BY A "CHARITABLE ORGANIZATION" WITHIN THE MEANING OF SECTION 199.183(2)(c)(2), FLORIDA STATUTES AND ACCORDINGLY NO INTANGIBLE TAX IS DUE HEREON.

Executed this _____ day of _____, 2011, by **Community Land Trust of Palm Beach County, Inc.**, whose current address is **2240 Palm Beach Lakes Boulevard, Suite 302, West Palm Beach, Florida 33409**, hereinafter called the Mortgagor(s), to **Palm Beach County Board of County Commissioners** whose address is **301 North Olive Ave., West Palm Beach, Florida 33401**, hereinafter called the Mortgagee:

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

WITNESSETH, that to secure the payment of an indebtedness in the principal amount of **FOUR MILLION FIVE HUNDRED TWENTY-THREE THOUSAND SIX DOLLARS AND 00/100 (\$4,523,006.00)** with interest thereon, if any, which shall be payable in accordance with one or more certain note, bond or other obligation, which notes, bonds or obligations are hereinafter called "Note", bearing even date herewith, a copy of each of which is attached hereto and made a part hereof, and all other indebtedness which the Mortgagor is obligated to pay to the Mortgagee pursuant to the provisions of the Note and this Mortgage, the Mortgagor hereby grants, conveys and mortgages to the Mortgagee:

ALL that certain lot, piece or parcel of land situate in the County of Palm Beach, State of Florida bounded and described as follows:

Tracts C, D and E, Block 119 and Tracts C, D and E, Block 120, Palm Beach Farms Company Plat No. 7, according to the map or plat thereof as recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida, LESS that portion of Lot C, Tracts 119 and 120 lying in the Plat of "Augustine Acres" as recorded in Plat Book 26, Page 55, Public Records of Palm Beach County, Florida;

LESS that parcel described in O.R. Book 2169, Page 961, more particularly described as: A parcel of land located in Section 30, Township 44 South, Range 43 East, Palm Beach County, Florida, described as commencing at the Northwest corner of Lot 9, Augustine Acres, according to the plat thereof as recorded in Plat Book 26, Page 55, Palm Beach County records, said point being the Point of Beginning. Proceeding thence South 02°51'40" West 120 feet along the West side of Lot 9, to the Southwest corner thereof; thence North 87°08'20" West 75 feet; thence North 02°51'40" East 120 feet; thence south 87°08'20" East 75 feet to the Point of Beginning;

AND LESS that parcel described in O.R. Book 2997, Page 1708, more particularly described as follows: From the Northeast corner of said Tract 120 according to the Palm Beach Farms Company's Plat No. 7, recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida; thence bear South 01°56'30" West, along the East line of said Tract 120, a distance of 300.04 feet to the Point of Beginning; thence continue South 01°56'30" West along said East line of Tract 120, a distance of 120.02 feet; thence North 87°08'20" West a distance of 94.81 feet; thence North 02°51'40" East, a distance of 120 feet to the South line of Augustine Acres as recorded in Plat Book 26, Page 55; thence South 87°08'20" East along said South line a distance of 92.89 feet to the Point of Beginning;

AND LESS the South 25.0 feet thereof for canal Right of Way

AND Tracts C, D and E, Block 121, Palm Beach Farms Company Plat No. 7, according to the map or plat thereof as recorded in Plat Book 5, Page 72, Public Records of Palm Beach County, Florida.

Property Control Number(s): 00-43-44-30-01-119-0032
00-43-44-30-01-121-0030
00-43-44-30-01-121-0041
00-43-44-30-01-120-0041

TOGETHER with all right, title, and interest of the Mortgagor in and to the land lying with the streets and roads in front of and adjoining the above described land, all improvements now or hereafter erected on the property, and all easements, appurtenances, other structures, fixtures, articles of personal property, awards and other rights and interests now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Mortgaged Property".

TOGETHER with any and all awards now or hereafter made for the taking of the property mortgaged hereby, or any part thereof (including any easement) by the exercise of the power of eminent domain, including any award for change of grade of any street or other roadway, which awards are hereby assigned to the Mortgagee and are deemed a part of the property mortgaged hereby, and the Mortgagee is hereby authorized to collect and receive the proceeds of such awards, to give proper receipts and acquittances, and to apply the same toward the payment of the indebtedness secured by this Mortgage, notwithstanding the fact that the amount owing thereon may not then be due and payable; and the Mortgagor hereby agrees, upon request, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning each such award to the Mortgagee, free, clear and discharged of any encumbrances of any kind or nature whatsoever; and

TO HAVE AND TO HOLD the Mortgaged Property and every part thereof unto the Mortgagee, its successors and assigns forever for the purposes and uses herein set forth.

AND the Mortgagor further covenants and agrees with the Mortgagee, during the term of this Mortgage as follow:

1. The Mortgagor shall promptly pay the principal of and interest, if any, on the indebtedness evidenced by the Note, and all other charges and indebtedness provided therein and in this Mortgage, at the times and in the manner provided in the Note and in this Mortgage.
2. The Mortgagor shall pay when due, as hereinafter provided, all ground rents, if any, and all taxes, assessments, water rates and other governmental charges, fines and impositions, of every kind and nature whatsoever, now or hereafter imposed on the Mortgaged Property, or any part thereof.
3. This Mortgage and the Note were executed and delivered to secure monies advanced in full to the Mortgagor by the Mortgagee as or on account of a loan evidenced by the Note, for the purpose of acquisition of the Mortgaged Property.
4. No building or other structure or improvement, fixture or personal property mortgaged hereby shall be removed or demolished without the prior written consent of the Mortgagee. The Mortgagor shall not make, permit or suffer any alteration of or addition to any building or other structure or improvement now or which may hereafter be erected or installed upon the Mortgaged Property, or any part thereof, nor shall the Mortgagor use, or permit or suffer the use of, any of the Mortgaged Property for any purpose other than the purpose or purposes for which the same is now intended to be used, without the prior written consent of the Mortgagee. The Mortgagor shall maintain the Mortgaged Property in good condition and state of repair and will not suffer or permit any waste to any part thereof, and will promptly with all the requirements of Federal, State and Local Governments, or of any departments, divisions or bureaus thereof, pertaining to such property or any part thereof.
5. The Mortgagor shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Mortgaged Property, or any part thereof, any lien superior to the lien of this Mortgage.
6. (a) The Mortgagor shall keep all buildings, other structures and improvements, including equipment, now existing or which may hereafter be erected or installed on the land mortgaged hereby, insured against loss by fire and other hazards, casualties and contingencies, including flood insurance in such amounts and manner, and for such periods, all as may be required from time to time by the Mortgagee. Unless otherwise required by the Mortgagee, all such insurance shall be effected by Standard Fire and Extended Coverage Insurance policies, in amounts not less than necessary to comply with the co-insurance clause percentage of the value applicable to the location and character of the property to be covered, but at no time shall the amount of coverage be less than the remaining principal

balance on the Note. All such insurance shall be carried in companies approved by the Mortgagee and all policies therefore shall be in such form and shall have attached thereto loss payable clauses in favor of the Mortgagee and any other parties as shall be satisfactory to the Mortgagee. All such policies and attachments thereto shall be delivered promptly to the Mortgagee, unless they are required to be delivered to the holder of a lien of a Mortgage or similar instrument to which this Mortgage is expressly subject, in which latter event, certificates thereof, satisfactory to the Mortgagee, shall be delivered promptly to the Mortgagee. The Mortgagor shall pay promptly when due, as hereinafter provided, any and all premiums on such insurance, and in every case in which payment thereof is not made from the deposits therefore required by this Mortgage, promptly submit to the Mortgagee for examination receipts or other evidence of such payment as shall be satisfactory to the Mortgagee. The Mortgagee may obtain and pay the premium on (but shall be under no obligation to do so) every kind of insurance required hereby if the amount of such premium has not been deposited as required by this Mortgage, in which event the Mortgagor will pay to the Mortgagee every premium so paid by the Mortgagee, all of which amounts so paid by the Mortgagee, with interest, if any, thereon from the date of each such payment, at the rate, if any, provided in the Note, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage.

(b) In the event of loss or damage to the Mortgaged Property, the Mortgagor shall give to the Mortgagee immediate notice thereof by mail, and the Mortgagee may make and file proof of loss if not made otherwise promptly by or on behalf of the Mortgagor. Each insurance company issuing any such policy is hereby authorized and directed to make payment thereunder for such loss to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, if received by the Mortgagee, may be applied by the Mortgagee, at its option, either in reduction of the indebtedness hereby secured, or to the restoration or repair of the Mortgaged Property damaged. In the event of foreclosure of this Mortgage, or of any transfer of title to the Mortgaged Property in extinguishment of such indebtedness, all right, title and interest of the Mortgagor in and to every such insurance policy then in enforce, subject to the rights and interest of the holder of any such prior lien, shall pass to the Borrower acquiring title to the Mortgaged Property together with such policy and appropriate assignment of such right, title and interest which shall be made by the Mortgagor.

7. (a) In order to more fully protect the security of this Mortgage, the Mortgagor shall deposit with the Mortgagee, at the Mortgagee's option to receive such deposits, together with, and in addition to, the payment of principal and interest, if any, monthly on account of the Note secured hereby, until the Note is paid in full, an amount of money equal to the total amount of (i) ground rents, if any, next becoming due (ii) the premiums next becoming due on the policies of fire and all other hazard insurance required by this Mortgage with respect to the Mortgaged Property, (iii) taxes, assessments, water rates and other governmental charges next becoming due on the Mortgaged Property (all the foregoing amounts as estimated by the Mortgagee and set forth in a written notice of such estimate by the Mortgagee to the Mortgagor from time to time), less all amounts that may already have been paid therefore, divided by the number of calendar months to elapse before one calendar month prior to the date when such ground rents, premiums, taxes, assessments, water rates and other governmental charges, respectively, will become due and payable. If any amount referred to in clauses (i) through (iii) hereof is required to be deposited by the Mortgagor under a Mortgage or similar instrument having priority over the lien of this Mortgage, the Mortgagor shall make the deposits required by this Paragraph 7 only in the event of the termination of such obligation under the prior Mortgage or similar instrument. The Mortgagor shall give prompt notice, in writing, to the Mortgagee of the occurrence of the last mentioned event. All such amounts so deposited with the Mortgagee shall be held by the Mortgagee, or any agent designated by it, in trust to be used only for the payment of such ground rents, premiums, taxes, assessments, water rates and other governmental charge. No interest shall be payable by the Mortgagee on any sum so deposited.

(b) All amounts required to be deposited, if any, with the Mortgagee monthly in accordance with Paragraph 7 (a) hereof, and the amount of principal and interest to be paid, if any, each month on account of the Note, shall be added together, and the aggregate amount thereof shall be paid by the Mortgagor to the Mortgagee in a single payment to be applied by the Mortgagee on account of the indebtedness of the Mortgagor pursuant to the Note and this Mortgage (to the extent that monies are available from the amount so deposited), in the order, any provision of the Note to the contrary notwithstanding, as follows:

FIRST, to the amount of such ground rents, if any, fire and other hazard insurance premiums, taxes, assessments, water rates and other governmental charges required to be paid under the provisions of this Mortgage, in whatever sequence the Mortgagee may exclusively determine;

SECOND, to interest due on the Note;

THIRD, to the principal due on the Note; and

FOURTH, the remainder to the late charges, if any, referred to in the Note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless paid by the Mortgagor prior to the due date of the next such deposit payable, constitute an event of default under this Mortgage.

(c) Any excess funds that may be accumulated by reason of deposits required under Paragraph 7 (a) hereof, remaining after payment of the amounts described in clauses (i), (ii) and (iii) hereof, shall be credited to subsequent respective monthly amounts of the same nature required to be paid thereunder. If any such amount shall exceed the estimate therefore, the Mortgagor shall forthwith pay to the Mortgagee the amount of such deficiency upon written notice by the Mortgagee of the amount thereof. Failure to do so before the due date of such amount shall be an event of default under this Mortgage. If the Mortgaged Property is sold under foreclosure or is otherwise acquired by the Mortgagee, after default by the Mortgagor, any remaining balance of the accumulations under Paragraph 7(a) hereof, shall be credited to the principal amount owing on the Note as of the date of commencement of foreclosure proceedings for the Mortgaged Property, or as of the date the Mortgaged Property is otherwise so acquired.

8. The Mortgagee shall comply with all applicable municipal, state, or county ordinances, laws, regulations and rules made or promulgated by lawful authority, including but not limited, to the rules of the Board of Fire Underwriters having jurisdiction and the Universal Housing Trust Fund policy guidelines adopted by Palm Beach County.

9. Upon any failure by the Mortgagor to comply with or perform any of the terms, covenants or conditions of this Mortgage requiring the payment of any amount of money by the Mortgagor, other than the principal amount of the loan evidenced by the Note, interest and other charges, as provided in the Note, the Mortgagee may at its option make such payment. Every payment so made by the Mortgagee (including reasonable attorney's fees incurred thereby), with interest thereon from the date of such payment, at the rate, if any, provided in the Note, except any payment for which a different rate of interest is specified herein, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage. This Mortgage with respect to any such amount and the interest thereon shall constitute a lien on the Mortgaged Property prior to any other lien attaching or accruing subsequent to the lien of this Mortgage.

10. The Mortgagee, by any of its agents or representatives, shall have the right to inspect the Mortgaged Property from time to time at any reasonable hour of the day. Should the Mortgaged Property, or any part thereof, at any time require inspection, repair, care or attention of any kind or nature not provided by this Mortgage as determined by the Mortgagee in its sole discretion, the Mortgagee may, after notice to the Mortgagor, enter or cause entry to be made upon the Mortgaged Property and inspect, repair, protect, care for or maintain such property, as the Mortgagee may in its sole discretion deem necessary, and may pay all amounts of money therefore, as the Mortgagee may in its sole discretion deem necessary, all of which amounts so paid by the Mortgagee, with interest thereon from the date of each such payment, at the rate, if any, provided in the Note, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage.

11. The principal amount owing on the Note together with interest thereon, if any, and all other charges, as therein provided, and all other amounts of money owing by the Mortgagor to the Mortgagee pursuant to and secured by this Mortgage, shall immediately become due and payable without notice or demand upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the Mortgagor or any of the property of the Mortgagor, or upon the filing of a petition by or against the Mortgagor under the provisions of any State insolvency law, or under the provisions of the Federal Bankruptcy Act, as amended, or upon the making by the Mortgagor of an assignment for the benefit of the Mortgagor's creditors. The Mortgagee is authorized to declare, at its option, all or any part of such indebtedness immediately due and payable upon the happening of any of the following events:

(a) Failure to pay the amount of any installment of principal and interest, or other charges payable on the Note, which shall have become due, prior to the due date of the next such installment;

(b) Nonperformance by the Mortgagor of any covenant, agreement, term or condition of this Mortgage, or of the Note (except as otherwise provided in subdivision (a) hereof) or of any other agreement heretofore, herewith or hereafter made by the Mortgagor with the Mortgagee in connection

with such indebtedness, after the Mortgagor has been given due notice by the Mortgagee of such nonperformance;

(c) Failure of the Mortgagor to perform any covenant, agreement, term or condition in any instrument creating a lien upon the Mortgaged Property, or any part thereof, which shall have priority over the lien of this Mortgage;

(d) The Mortgagee's discovery of the Mortgagor's failure in any application of the Mortgagor to the Mortgagee to disclose any fact deemed by the Mortgagee to be material, or of the making therein, or in any of the agreements entered into by the Mortgagor with the Mortgagee (including, but not limited to, the Note, and this Mortgage) of any misrepresentation by, on behalf of, or for the benefit of the Mortgagor;

(e) The sale, lease, transfer, or disposition of any kind, sort, nature or description of the Mortgaged Property, or any part thereof, without the prior written consent of the Mortgagee, except that the lease of non-owner occupied dwelling units at the Mortgaged Property shall not constitute an event of default if the mortgaged property contains two to four dwelling units.

The Mortgagee's failure to exercise any of its rights hereunder shall not constitute a waiver thereof. All the events in this Paragraph enumerated upon the happening of any of which the Note shall become or may be declared to be, immediately due and payable are in this Mortgage called "events of default."

12. The Mortgagee may from time to time cure each default under any covenant or agreement in any instrument creating a lien upon the Mortgaged Property, or any part thereof, which shall have priority over the lien of this Mortgage, to such extent as the Mortgagee may exclusively determine, and each amount paid, if any, by the Mortgagee to cure any such default shall be paid by the Mortgagor to the Mortgagee, and the Mortgagee shall also become subrogated to whatever rights the holder of the prior lien might have under such instrument and amounts so paid by the Mortgagee, with interest thereon from the date of each such payment, at the rate, if any, provided in the Note, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage.

13. (a) After the happening of any default hereunder, the Mortgagor shall, upon demand of the Mortgagee, surrender possession of the Mortgaged Property to the Mortgagee, and the Mortgagee may enter such property, and let the same and collect all the rents which are due or to become due, and apply the same, after payment of all charges and expenses, on account of the indebtedness hereby secured, and all such rents and all leases existing at the time of such default are hereby assigned to the Mortgagee as further security for the payment of the indebtedness secured hereby; and the Mortgagee may also dispossess, by the usual summary proceedings, any tenant defaulting in the payment of any rent to the Mortgagee.

(b) In the event that the Mortgagor occupies the Mortgaged Property or any part thereof, the Mortgagor agrees to surrender possession of such property to the Mortgagee immediately after any such default hereunder, and if the Mortgagor remains in possession after such default, such possession shall be as a tenant of the Mortgagee, and the Mortgagor shall pay in advance, upon demand by the Mortgagee, as a reasonable monthly rental for the premises occupied by the Mortgagor, an amount at least equivalent to one-twelfth of the aggregate of the twelve monthly installments payable in the current calendar year, plus the actual amount of the annual ground rent, if any, taxes, assessments, water rates, other governmental charges, and insurance premiums payable in connection with the Mortgaged Property during such year, and upon the failure of the Mortgagor to pay such monthly rental, the Mortgagor may also be dispossessed by the usual summary proceedings applicable to tenants. This covenant shall become effective immediately upon the happening of any such default, as determined in the sole discretion of the Mortgagee, who shall give notice of such determination to the Mortgagor; and in the case of foreclosure and the appointment of a receiver of the rents, the within covenant shall inure to the benefit of such receiver.

14. The Mortgagee in any action to foreclose this Mortgage shall be entitled to the appointment of a receiver without notice, as a matter of right and without regard to the value of the Mortgaged Property, or the solvency or insolvency of the Mortgagor or other party liable for the payment of the Note and other indebtedness secured by this Mortgage.

15. Any notice to the Mortgagor provided for in this Mortgage shall be given by delivering it or by mailing it via U.S. First Class Mail unless applicable law requires use of another method. The notice shall be directed to the Mortgagor's place of residence whose address is shown on the face of this Mortgage, or any other address that the Mortgagor designates by notice to the Mortgagee. Any notice to

the Mortgagee including, but not limited to notices of any fire, damage or other casualty affecting the Mortgaged Property, or of any conveyance, transfer or change in ownership of such property, or any part thereof, shall be given via U.S. First Class Mail to the Mortgagee's address: Palm Beach County, Housing and Community Development, 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406, with a copy to: Palm Beach County, County Attorney, 301 N. Olive Avenue, P.O. Box 1989, West Palm Beach, Florida 33402-1989, or any other address that the Mortgagee designates by notice to the Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to the Mortgagor, or the Mortgagee, when given as provided in this paragraph.

16. Except as otherwise provided herein, notice and demand or request may be made in writing and may be served in person or by mail.

17. In case of a foreclosure sale of the Mortgaged Property, it may be sold in one parcel.

18. The Mortgagor shall not assign the rents, if any, in whole or in part, from the Mortgaged Property, or any part thereof, without the prior written consent of the Mortgagee.

19. The Mortgagor is lawfully seized of the Mortgaged Property and has good right, full power and lawful authority to sell and convey the same in the manner above provided, and will warrant and defend the same to the Mortgagee forever against the lawful claims and demands of any and all parties whatsoever.

20. The Mortgagor hereby waives the benefit of all homestead exemptions as to the debt secured by this Mortgage and as to any expenditure for insurances, taxes, levies, assessments, due or charges incurred by the Mortgagee pursuant to any provision of this Mortgage.

21. The Mortgagor reserves the right to prepay at any time all or any part of the principal balance and interest, if any, provided in the Note, without the payment of penalties or premiums.

22. It is further covenanted and agreed by the parties hereto that this Mortgage also secures the payment of and includes all future, or further advances as shall be made by the Mortgagee herein or its successors or assigns, to or for the benefit of the Mortgagor, or their heirs, personal representatives, or assigns, for the term of indebtedness under this Mortgage, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured at any one time shall not exceed any amount equal to twice the principal amount stated in the Note secured hereby, together with interest thereon and any and all disbursements made by the Mortgagee for the payment of taxes, levies or insurance on the property covered by the lien of this Mortgage with interest on such disbursements at the rate specified in the Note referred to in this Mortgage, and for reasonable attorneys' fees and court costs incurred in the collection of any and all of such sums of money. Such further or future advances shall be wholly optional with the Mortgagee, and the same shall bear interest at the rate as specified in the Note referred to herein, unless said interest shall be modified by subsequent agreement.

23. The Mortgagor warrants that the Mortgagor presently occupies the Mortgaged Property, and if not, that the Mortgagor shall occupy the Mortgaged Property without undue delay upon Closing on the acquisition of the Property and shall continue occupancy of the Mortgaged Property as the Mortgagor's principal place of residence for a continuous period for the term of this mortgage, provided that the Mortgagee may waive this requirement in the event of undue hardship, impossibility of performance, or other justifiable reason in the opinion of the Mortgagee.

24. This Mortgage and all the covenants, agreements, terms and conditions herein contained shall be binding upon and inure to the benefit of the Mortgagor and the heirs, legal representatives and assign of the Mortgagor, and to the extent permitted by law, every subsequent owner of the Mortgaged Property, and shall be binding upon and inure to the benefit to the Mortgagee and its assigns. If the Mortgagor, as define herein, consists of two or more parties, this Mortgage shall constitute a grant and Mortgage by all of them jointly and severally, and they shall be obligated jointly and severally under all the provisions hereof and under the Note. The word "Mortgagee" shall include any person, corporation or other party who may from time to time be the holder of this Mortgage. Wherever used herein, the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall be applicable to all genders wherever the sense requires.

IN WITNESS WHEREOF, this Mortgage has been duly signed and sealed by the Mortgagor on or as of the day and year first above written.

In the presence of:

Witness Name: _____

Witness Name: _____

COMMUNITY LAND TRUST OF
PALM BEACH COUNTY, INC., a Florida
Not-for-Profit Corporation

By: _____
Cindee LaCourse-Blum, Executive Director

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by Cindee LaCourse-Blum, Executive Director, who is personally known to me or who has produced _____ as identification and who did not take an oath.

Signature

(NOTARY SEAL)

Notary Public - State of Florida

EXHIBIT "D"
PROMISSORY NOTE

Please Return to:

Palm Beach County Housing & Community Development
100 Australian Avenue, Suite 500
West Palm Beach, Florida 33406

PROMISSORY NOTE

\$4,523,006.00

West Palm Beach, Florida
_____, 2011

FOR VALUE RECEIVED the undersigned, COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC., a Florida not-for-profit corporation ("Maker"), promises to pay to the order of PALM BEACH COUNTY, a political subdivision of the State of Florida, together with any other holder hereof ("Holder"), at 301 North Olive Avenue, West Palm Beach, Florida 33401, or such other place as Holder may from time to time designate in writing, the principal sum of Four Million Five Hundred Twenty-Three Thousand Six Dollars and 00/100 (\$4,523,006.00) plus accrued interest, to be paid in lawful money of the United States of America, as follows:

1) This Note shall bear interest computed at the stated rate of two (2%) percent per annum on outstanding principal balance from time to time remaining unpaid from the date of each disbursement.

2) Repayment hereunder shall occur as follows:

On December 15, 2042 ("Maturity Date"), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon, if any, shall be due and payable, unless acceleration is made by Holder pursuant to the provisions.

3) Repayment shall be limited to the actual cash flow of the Project which shall be determined annually on a calendar year basis, commencing with the year 2013, and certified by an independent Certified Public Accountant acceptable to the County, prior to the annual payment due date. The first annual payment shall be on December 15, 2013, with respect to all payments due under subparagraph 4 below for the preceding calendar year. Subsequent annual payments shall be on the 15th day of December for each preceding calendar year thereafter through December 15, 2042 (Maturity Date), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon shall be due and payable, unless acceleration is made by Holder pursuant to the provisions hereof.

4) Maker agrees to provide annually to Holder a certification of Project income and expenses, and certified by an independent Certified Public Accountant acceptable to the County, which shall be used by Holder to determine payments due hereunder. Said certification shall be provided prior to each annual due date commencing in the year 2013.

5) Commencing with the year 2013, payments from Project income as determined by Holder shall be applied to pay the following items in order of priority:

- a) First Mortgage and debt service, and Project expenses;
- b) Base interest payment on principal balance equal to two percent (2%) per annum;
- c) Any such base payment or interest hereunder deferred from previous years commencing with the year 2013; and
- d) Second Mortgage principal, including fees.

6) Any payments of current or deferred base interest due annually hereunder shall be deferred until the next due date to the extent that Project income is insufficient to make said payments pursuant to the payment priority schedule in paragraph (4) above and as determined by Maker.

- 7) This Note may be prepaid in whole or in part at any time, without penalty or premium. Any prepayment hereunder shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to the balance, if any, to the principal balance.
- 8) After maturity or acceleration, this Note shall bear interest at the Default Interest Rate which shall be the maximum interest rate allowed by applicable law until paid in full.
- 9) All terms hereunder shall be as construed and defined in Chapter 91-28, Florida Administrative Code.

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

This Note is executed pursuant to the terms and conditions of that certain Loan Agreement dated _____, 2011, between Maker, as Borrower, and Holder, as Lender, is secured by a Mortgage and Security Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"), all of even date herewith. The foregoing and all other agreements, instruments, and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents".

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

Nothing herein contained, nor any transaction related thereto, shall be construed or so operated as to require the Maker to pay interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to ethical law. Should any interest or other charges paid by the Maker, or parties liable for the payment of this Note, in connection with the Loan Documents result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, any and all such excess shall be and the same is hereby waived by the Holder, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and a portion of said excess which exceeds the balance due under this indebtedness shall be paid by the Holder to the Maker.

Holder shall have the right to declare the total unpaid balance hereof to be immediately due and payable in advance of the Maturity Date upon the occurrence of an Event of Default and the expiration of all notice and cure periods pursuant to any other Loan Documents now or hereafter evidencing, securing or guarantying payment of this Note. Exercise of this right shall be without notice to Maker or to any other person liable for payment hereof, notice of such exercise being hereby expressly waived.

Any payment hereunder not paid when due (at maturity, upon acceleration or otherwise) shall bear interest at the highest rate allowed by applicable law from the due date until paid.

Provided Holder has not accelerated this Note, Maker shall pay Holder a late charge of five percent (5%) of any required payment which is not received by Holder within fifteen (15) days following the date when said payment is due pursuant to the Mortgage. The parties agree that said charge is a fair and reasonable charge for the late payment and shall not be deemed a penalty.

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

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

The remedies of Holder shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of Holder, including specifically any failure to exercise or

forbearance in the exercise of any remedy, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing or as constituting a case of dealing, nor shall it be construed as a bar to, or as a waiver or release of, any subsequent remedy as to a subsequent event.

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

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

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

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

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT BY THE BORROWER UNDER THE LOAN REFERENCED HEREIN, THE HOLDER MAY FORECLOSE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND THE BORROWER SHALL HAVE LIABILITY FOR ALL PAYMENTS MADE AND COSTS INCURRED PURSUANT TO THE LOAN OR ANY OTHER OBLIGATIONS REFERENCED HEREIN, AND FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THE LOAN.

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

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

COMMUNITY LAND TRUST OF PALM BEACH
COUNTY, a Florida Not-for-Profit Corporation

By: _____
Cindee LaCourse-Blum, Executive Director

Property Address:

The subject property is located on Davis Road south of Melaleuca Lane in unincorporated Palm Beach County. More specifically, it bears the following property control numbers, as recognized by the office of the Palm Beach County Property Appraiser:

00-43-44-30-01-119-0032
00-43-44-30-01-121-0030
00-43-44-30-01-121-0041
00-43-44-30-01-120-0041

EXHIBIT "E"

LOAN AGREEMENT

THIS AGREEMENT, dated as of this ____ day of _____, 2011, by and between PALM BEACH COUNTY, a political subdivision of the State of Florida, (hereinafter referred to as the "County" and the "Lender") and COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC., a non-profit corporation, whose Federal Tax I.D. number is 20-5090958 (the "Borrower").

1. RECITALS.

(a) Borrower is the owner of approximately 7.29 acres of real property located on Davis Road just south of Melaleuca Lane, Palm Beach County, Florida, as more particularly described herein, (the "Premises").

(b) Borrower has applied to the County for a Loan in the principal amount of \$4,523,006.00 (the "Loan") to be used by Borrower to construct multi-family rental units on the Premises. Borrower intends to construct a twenty-five (25) unit affordable housing development to serve low income households on the east side of Davis Road premises (the "Improvements"). Fifty-five percent (55%) of the rental housing units will be reserved for households with incomes at or below 50% of the adjusted median income of which twenty-five percent (25%) must be reserved for households with incomes at or below thirty percent (30%) of the adjusted median income. This multi-family rental housing project will be known as "Davis Landings".

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

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

2. THE LOAN. The County shall make the Loan to Borrower in an amount not to exceed the principal amount of \$4,523,006.00 upon the terms and conditions set forth herein, and at the rates and terms set forth in its Mortgage and Note attached hereto as Exhibit "I" and "J" respectively, and Borrower shall take the Loan and expressly agrees to comply with and to perform all of the terms and conditions of this Loan Agreement, the Note, the Mortgage, and any other document evidencing and securing this Loan (collectively hereinafter referred to as the "Loan Documents"). The closing of the Loan, including the execution of the Note and Mortgage, shall occur at the offices of the County Attorney or such mutually agreed upon site no later than December 15, 2011.

3. RIGHT TO AUDIT. The Borrower shall maintain adequate records to justify all charges, expenses and costs incurred for the acquisition of the Premises and the completion of the Improvements for at least five (5) years after completion. The County shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the Borrower's place of business.

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

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

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

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

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

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

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

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

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

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

(vi) satisfactory soil test report;

(e) Corporate Documents: Borrower shall deliver to the County the following documents:

(i) the Articles of Incorporation of the Borrower and all amendments thereof, certified by the appropriate official of the State of Florida, together with certificates of such official to the effect that Borrower is in good standing therein;

(ii) certified resolutions of the Borrower authorizing the execution and delivery of the Loan, the Mortgage and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement;

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

(i) This Loan Agreement and all Loan Documents and any other documents required to be delivered hereunder have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms.

(ii) that Borrower is a Florida not-for-profit corporation in good standing under the laws of the State of Florida and has all the necessary power and authority to undertake its obligations hereunder,

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

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

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

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

(vii) that the Mortgage will be a valid encumbrance on the Premises.

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

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

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

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

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

5. DISBURSEMENT OF LOAN FUNDS. Upon receipt of documentation evidencing payment of soft costs or invoices for work completed associated with the construction of the Improvements on the Premises by Borrower, the County shall disburse the Loan funds to Borrower in an amount not to exceed Four Million Five Hundred Twenty-Three Six Dollars and 00/100 (\$4,523,006.00). Payment will not be made hereunder for any other purpose or purposes except with prior written approval of the Board of County Commissioners of Palm Beach County.

6. EXPENSES: Borrower shall pay fees and charges incurred in the procuring and making of this Loan if applicable, and other expenses incurred by the County during the term of the Loan, recording expenses, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon the Premises, and any other amounts necessary for the payment of the costs of Improvements.

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

(a) Borrower agrees that the Improvements will consist of a twenty-five (25) multi-family rental development on the east side of Davis Road, and that, of all of the apartment units to be constructed on the Premises, fifty-five percent (55%) of the rental housing units will be reserved for households with incomes at or below 50% of the adjusted median income of which twenty-five percent (25%) of the rental housing units must be reserved for households with incomes at or below thirty percent (30%) of the adjusted median income pursuant to U.S. HUD guidelines, for a period of thirty (30) years.

(b) The Borrower shall not discriminate on the basis of race, creed, religion, color, sex, marital status, sexual orientation, national origin, age, gender identity or expression, familial status or disability in the use, or occupancy of any housing constructed on the Premises.

(c) Borrower agrees that the affordable housing units in the project will:

- (i) provide energy efficient heating and cooling;
- (ii) provide awnings, blinds, sun screening or similar window treatment;
- (iii) provide high efficiency appliances compliant with local building codes;
- (iv) provide high efficiency water heater;

- (v) provide wall insulation R-13 or better (wood) or R-7 or better (CBS);
- (vi) provide washer and dryer hook up in each unit;
- (vii) provide age appropriate playground and equipment;
- (viii) maximize open space (25% or more of site);
- (ix) provide resident programs in the form of first-time homebuyer education; financial counseling; resident activities; health and nutrition classes; computer lab; welfare to work sufficiency programs; afterschool program for children; literacy training; and daily activities;
- (x) conduct background checks on adult members of households prior to occupancy;
- (xi) utilize leases which require parents to be held legally and financially liable for the acts of their children in the complex and allows management to terminate the lease of any household where a household member is engaged in illegal or criminal activity or where a household member is engaged in anti-social behavior which denies the project's residents or area residents the quiet and peaceful enjoyment of their homes or businesses;

Conditions (a) and (b) above shall, upon closing become covenants running with the land for a period of thirty (30) years and shall survive the closing, and the payment or other termination of the Mortgage and Note. These conditions and covenants will be recorded in the land records of Palm Beach County, Florida, by inclusion in the mortgage.

8. **AFFIRMATIVE MARKETING:** In furtherance of Palm Beach County's commitment to non-discrimination and equal opportunity in housing, the County's Department of Housing and Community Development (HCD) has established policies and procedures to affirmatively market housing units produced under the HOME and any other applicable regulations.

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

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

Palm Beach County Department of HCD, therefore, ensures that housing programs are advertised periodically through general circulation and minority newspapers, as well as through community information meetings at various countywide locations.

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

- (i) The Equal Opportunity logo or slogan will be used in advertisements;
- (ii) Borrower will be requested to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach. Borrower satisfies this requirement by posting a notice of vacancies in any or all of the following:
 - Community Organizations
 - Fair Housing Groups
 - Housing Counseling Agencies
 - Commercial Media
 - Employment Centers
 - Local Public Housing Authorities (PHA's), or
 - Other Similar Agencies
- (iii) Palm Beach County HCD will keep records of their efforts to affirmatively market

units and will require Borrower to provide copies of its records, including advertisements, minutes of meetings, income documentation, and census tract information as applicable.

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

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

(a) Organization Status: Borrower is a Florida not-for-profit corporation duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein. Borrower is duly authorized to receive from County the principal sum of \$4,523,006.00 and execute all Loan documents pertaining thereto;

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

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

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

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

(f) Pending Litigation: There are no actions, suits or proceedings pending before any court or law equity, or any Administrative Board, or, to the knowledge of the Borrower, threaten against or affecting it or the Premises, or, involving the validity or enforceability of the Mortgage, or any of the Loan Documents.

(g) Availability of Utilities: All utility services necessary for the construction of the Improvements and the operation thereof for their intended purpose are or will be available at the boundaries of the Premises, including water supply, storm and sanitary sewer facilities, and electric and telephone facilities, and Borrower will obtain all necessary permits and permissions required from governmental authorities for unrestricted access to and use of such services in connection with the construction and use of the intended Improvements;

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

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

(j) No Default: There is no default on the part of the Borrower under this Loan Agreement, the

Note or the Mortgaged, and no event has occurred and is continuing which with notice, or the passage of time, or either, would constitute a default under any provision thereof; and

(k) Advertising: The Agency shall erect a sign in a prominent place at the job site clearly identifying and providing notice for the funding of the project by including the following statement: "Funding for this project has been provided by Palm Beach County Board of County Commissioners from the U.S. Department of HUD's Neighborhood Stabilization Program." All activities, facilities, publications, publicity, and items utilized pursuant to this Agreement shall be prominently labeled as above.

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

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

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

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

In addition, Borrower agrees, at its sole cost and expense, to have any mechanics' lien or equitable lien which may be filed against the Premises or undisbursed funds of this Grant released, bonded or insured over within sixty (60) days of the date of filing same, time being of the essence. The County shall be under no obligation to make further disbursements while any such lien remains outstanding against the Premises.

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

(b) No Transfer of Premises: Except as specifically set forth in the Mortgage or herein, including in the Permitted Exceptions, the Premises or any part thereof shall not be sold, leased (except for tenant lease), conveyed, mortgaged or encumbered in any way without the prior written consent of the County

and other mortgage lien holder except as provided elsewhere herein or in the Mortgage, it being understood and agreed that part of the consideration for the Loan is the obligation of Borrower. Notwithstanding the foregoing, Borrower may enter in to utility easements or licenses or leases for tenant services, such as laundry or concessions.

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

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

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

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

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

(iii) with the statements submitted under (ii) above, a certificate signed by the principal financial officer of Borrower to the effect that no Event of Default specified herein, nor any event which upon event or lapse of time or both, would constitute such an Event of Default, has occurred which has not been cured or otherwise waived in writing by the Lender; and

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

(f) Borrower to Maintain Bookkeeping System: Borrower shall, if required by the County, maintain a bookkeeping system to the construction project in form and content sufficient for the County and Inspector to conduct reviews, inspections, certifications and reports required by this Agreement. The County shall have full access, as allowed under the Public Records Law, at any reasonable time to the books, records and contracts pertaining to the Premises and Borrower.

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

(h) Indebtedness: With respect to the Premises encumbered by the Borrower of even date herewith, Borrower will not incur, create, assume or permit to exist any indebtedness constituting the deferred purchase price of any property or assets, or any indebtedness or liability evidenced by notes, bonds, debentures or similar obligations without the written approval of the County, except indebtedness owed the County and the aforementioned Mortgages; provided however, that the Mortgage shall not

exceed the amounts contained in the recitals incorporated in this Loan Agreement.

(i) Further Assurances and Preservation of Premises: Borrower will do all acts and execute all documents for the better and more effective carrying out of the intent and purposes of this Grant Agreement, as the County shall reasonably require from time to time, and will do such other acts necessary or desirable to preserve and protect the Premises to secure the Note, as the County may reasonably require.

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

11. INSPECTIONS: Borrower will permit County, or its representatives to enter upon the Premises, inspecting Improvements and all materials to be used in the construction thereof, and to examine all details, plans and shop drawings which are kept at the construction site, and will cooperate, and cause Borrower's general contractor and subcontractors to cooperate with the County's representative.

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

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

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

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

(d) Borrower shall fail to expend 50% of the NSP2 funds under this Loan Agreement for costs associated with the development and construction of the Premises by December 15, 2011. In the event Borrower fails to use these NSP2 funds as required, all remaining funds shall revert to the County and the County may reallocate for other projects or needs.

(e) Borrower shall fail to complete construction of the Improvements, secure a Certificate of Occupancy for the Improvements, and rent the housing units to eligible tenants by December 15, 2012.

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

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

(a) Cancel this Loan Agreement;

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

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

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

(a) Rights of Third Parties: All conditions of the County hereunder are imposed solely and exclusively for the benefit of the County and its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or be entitled to assume that the County will make Disbursements in the absence of strict compliance with any or all thereof, and no other person shall, under any circumstances, be deemed to be a beneficiary of this Loan Agreement or the Loan Documents, any provisions of which may be freely waived in whole or in part by the County at any time if, in its sole discretion, it deems it desirable to do so. In particular, the County makes no representations and assumes no duties or obligations as to third parties concerning the quality of the construction by Borrower of the Improvements or the absence therefrom of defects.

(b) Borrower is not the County's Agent: Nothing in this Agreement, or any other Loan Document shall be construed to make the Borrower the County's agent for any purpose whatsoever, or the Borrower and the County partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.

(c) The County Not Liable for Damage or Loss: All inspections and other services rendered by or on behalf of the County pursuant to this Loan Agreement shall be rendered solely for the protection and benefit of the County. Neither Borrower nor other third persons shall be entitled to claim any loss or damage against the County or against its agents or employees for failure to properly conduct inspections and other such services contemplated by this Loan Agreement.

(d) The County Not Obligated to Ensure Proper Disbursement of Funds to Third Parties: Nothing contained in this Agreement, or any Loan documents, shall impose upon the County any obligation to oversee the proper use or application of any disbursements and disbursements of funds made hereunder.

(e) Indemnification from Third Party Claims: Borrower shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Loan proceeds to Borrower or from the condition of the Premises, whether related to the quality of construction or otherwise, and whether arising during or after the term of the Loan. This provision shall survive the repayment of the Loan and shall continue in a full force and effect so long as the possibility of such liability, claims, or losses exists.

(f) Rights of Subcontractors, Laborers and Materialmen: In no event shall this Agreement be construed to make the County, Title Company or agent of the County liable to Borrower's Contractor or any subcontractors, laborers, materialmen, craftsmen, or others for labor, materials, or services delivered to the Premises or goods specially fabricated for incorporation therein, or for debts or liens accruing or arising to such persons or parties against Borrower or Borrower's Contractor. It is distinctly understood and agreed that there is no relation of any type whatsoever, contractual or otherwise, whether express or implied, between the County and Borrower's Contractor, any materialman, subcontractor, craftsman, laborer or any other person or entity supplying any labor, materials or services to the Premises or specially fabricating goods to be incorporated therein. Except as otherwise specifically provided herein, no such person or entities are intended to be third party beneficiaries of this Agreement or any document or instrument related to the Loan or to have any claim or claims in or to any undisbursed or retained Loan proceeds.

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

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

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

(j) Application of Interest to Reduce Principal Sums Due: In the event that any charge, interest or late charge is above the maximum rate provided by law, then any excess amount over the lawful rate

shall be applied by the County to reduce the principal sum of the Loan or any other amounts due the County hereunder.

(k) Governing Law: The laws of the State of Florida shall govern the interpretation and enforcement of this Agreement and the venue shall be in Palm Beach County.

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

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

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

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

TO LENDER: Board of County Commissioners
c/o Palm Beach County Attorney's Office
301 N. Olive Avenue, Suite 601
West Palm Beach, FL 33401
Attn: Tammy K. Fields

TO BORROWER: COMMUNITY LAND TRUST OF
PALM BEACH COUNTY, INC.
2240 Palm Beach Lakes Blvd, Suite 302
West Palm Beach, FL 33409
Attn: Cindee Lacourse-Blum, Executive Director

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

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

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

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

15. EFFECTIVE DATE OF AGREEMENT: This Agreement is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners, or signature authority delegated to the County Administrator via Resolution R2009-1122 and by subsequent Interoffice Memorandum dated July 19, 2011, from the County Administrator to Assistant County Administrator Shannon R. LaRocque-Baas, and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners. The Effective Date shall be the date on which this Loan Agreement is executed by the Board of County Commissioners, or its designee.

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

Signed, sealed and delivered
in the presence of:

Witness:

COMMUNITY LAND TRUST OF
PALM BEACH COUNTY, INC., a Florida
Not-for-Profit Corporation

Witness:

By: _____
Cindee LaCourse-Blum, Executive Director

STATE OF FLORIDA)
COUNTY OF PALM BEACH) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by Cindee LaCourse-Blum, Executive Director, who is personally known to me or who has produced as identification and who did/did not take an oath.

My Commission Expires:

Signature of Notary

(Typed, Printed, or Stamped Name of Notary)

PALM BEACH COUNTY, FLORIDA, a
Political Subdivision of the State of Florida

BY ITS BOARD OF COUNTY
COMMISSIONERS

ATTEST:

By: _____
Shannon LaRocque-Baas,
Assistant County Administrator

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

By: _____
Tammy K. Fields
Senior Assistant County Attorney

By: _____
Journey Beard, Director of Contract
Development & Quality Control

Property Address:
The subject property is located on Davis Road south of Melaleuca Lane in unincorporated Palm Beach County. More specifically, it bears the following property control numbers, as recognized by the office of the Palm Beach County Property Appraiser:

- 00-43-44-30-01-119-0032
- 00-43-44-30-01-121-0030
- 00-43-44-30-01-121-0041
- 00-43-44-30-01-120-0041