

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: March 6, 2012 [X] Consent [ ] Regular  
[ ] Ordinance [ ] Public Hearing

Department: Department of Economic Sustainability

I. EXECUTIVE BRIEF

**Motion and Title:** Staff recommends motion to approve: a First Mortgage and Note Modification Agreement with Neighborhood Renaissance, Inc. (NRI) to extend the deadline for the construction and conveyance of five (5) homes from January 1, 2010 to December 31, 2013.

**Summary:** On October 21, 2008, the County entered into a Conditional Grant Agreement with NRI (R2008-1870) to provide \$375,000 in State Housing Initiatives Partnership Program (SHIP) funds towards the construction of five (5) homes. According to the Mortgage and Promissory Note executed to secure these funds, NRI was to have completed and conveyed these homes to County approved homeowners whose incomes are at or below 60% of the area median income by January 1, 2010. To date, NRI has been able to convey one (1) of these homes to a County approved homeowner. NRI entered into lease-to-purchase agreements for the remaining four (4) homes which were completed in 2008. Homebuyers for the remaining homes have had difficulty obtaining private financing to complete their purchases of these homes. In addition, the discontinuation of funding from various down payment assistance programs has hindered progress on these anticipated sales. NRI continues to work with its lenders and homebuyers in an effort to meet its obligations and has requested a time extension to December 31, 2013, to enable it to do so. These are SHIP grant funds which require no local match. (Contract Development) District 7 (TKF)

**Background and Justification:** In addition to the SHIP funds provided by the County, NRI obtained private lender financing to construct these five (5) homes which are located at the following addresses in the City of West Palm Beach: 714 38<sup>th</sup> Street, 611 39<sup>th</sup> Street, 638 41<sup>st</sup> Street, 710 48<sup>th</sup> Street, and 608 54<sup>th</sup> Street. The Conditional Grant Agreement establishes not-to-exceed sales prices for these homes and requires NRI to also sell each at least \$75,000 below the cost of land acquisition, development, and construction. Failure to sell these homes to a County approved homeowner by the established deadline requires NRI to pay the County back \$75,000 per home that is not sold.

**Attachments:**

1. First Mortgage and Note Modification Agreement with Neighborhood Renaissance, Inc.
2. Mortgage and Security Agreement and Promissory Note from Neighborhood Renaissance, Inc.
3. Letter from Neighborhood Renaissance, Inc. dated December 21, 2011

Recommended By: *Edward W. Jones* 1/27/2012  
Department Director Date

Approved By: *Sharon G. Lopez* 2/8/12  
Assistant County Administrator Date

## II. FISCAL IMPACT ANALYSIS

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

Fiscal Years	2012	2013	2014	2015	2016
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>	-0-				

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
---	-----	--	--	--	--

Is Item Included In Current Budget? Yes \_\_\_\_\_ No \_\_\_\_\_


Budget Account No.:

Fund \_\_\_\_\_ Dept \_\_\_\_\_ Unit \_\_\_\_\_ Object \_\_\_\_\_ Program Code/Period \_\_\_\_\_.

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

**No fiscal impact.**

### C. Departmental Fiscal Review:

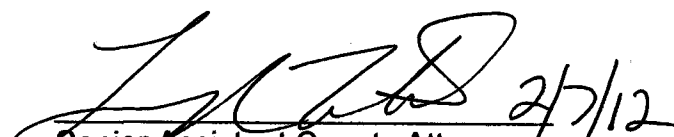
  
 1-26-12  
 Shairette Major, Fiscal Manager I

## III. REVIEW COMMENTS

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

<p>OFMB  2/3/12          JG 2/2          2/1/12</p>	<p> 2/6/12          Contract Development and Control          2-6-12 Bickells</p>
--	---

### B. Legal Sufficiency:

  
 Senior Assistant County Attorney 2/7/12

### C. Other Department Review:

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

**FIRST MORTGAGE AND NOTE MODIFICATION AGREEMENT BETWEEN**  
**PALM BEACH COUNTY**  
**AND**  
**NEIGHBORHOOD RENAISSANCE, INC.**

THIS MORTGAGE AND NOTE MODIFICATION AGREEMENT executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by NEIGHBORHOOD RENAISSANCE, INC., (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:**

WHEREAS, Mortgagee is the owner of that certain Mortgage and Security Agreement executed by Neighborhood Renaissance, Inc., as Mortgagor, to the Mortgagee, on December 12, 2008, said Mortgage being recorded in Official Records Book 22998, Page 1305, in the Public Records of Palm Beach County, Florida, on December 17, 2008, (the "Mortgage") and is the holder of a certain Promissory Note, of which a copy is attached to the Mortgage, and which is dated December 12, 2008, and recorded in Official Records Book 22998, Page 1317, in the Public Records of Palm Beach County, Florida, in the original principal sum of Three Hundred and Seventy Five Thousand and 00/100 DOLLARS (\$375,000.00) (the "Note"); and

WHEREAS, the parties desire to modify said Mortgage and Note as hereinafter set out.

NOW THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable considerations paid by the Mortgagor to the Mortgagee, receipt of which is hereby acknowledged by Mortgagee, it is mutually understood and agreed that said Mortgage and Note be modified as follows:

1. Mortgage, Page 1: The term "Loan Documents" found on Page 1 of the Mortgage is hereby revised to include the Mortgage and Security Agreement, the Note, the Conditional Grant Agreement, the Declaration of Restrictive Covenant, this Mortgage and Note Modification Agreement, and any amendments to the aforesaid entered into by the parties from time to time.
2. Mortgage, Page 2: Replace "January 1, 2010" as found on Page 2 of the Mortgage with "December 31, 2013".
3. Note, Paragraph 2(a): Replace "January 1, 2010" as found in Paragraph 2(a) of the Note with "December 31, 2013".
4. Note, Paragraph 2(c): Replace "January 1, 2010" as found in Paragraph 2(c) of the Note with "December 31, 2013".
5. This Mortgage and Note Modification Agreement, consisting of two (2) enumerated pages, 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.

THIS SPACE HAS BEEN INTENTIONALLY LEFT BLANK

FIRST MORTGAGE AND NOTE MODIFICATION AGREEMENT BETWEEN  
PALM BEACH COUNTY AND NEIGHBORHOOD RENAISSANCE, INC. - Continued

6. All other terms and conditions of the original Mortgage and Note, unless specifically changed herein, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in their respective names and have caused their seals to be affixed by their respective proper officers thereunto duly authorized.

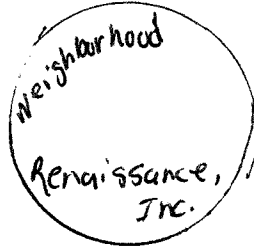
Signed, sealed, and delivered in  
the presence of:  
Witness Name: Terri Murray  
Witness Signature: Terri Murray

**NEIGHBORHOOD RENAISSANCE, INC.**

By: Carl A. Flick  
Carl A. Flick, Chair

Witness Name: Jenny Bretz  
Witness Signature: Jenny Bretz

(AGENCY SEAL BELOW)



(COUNTY SEAL BELOW)

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

ATTEST: Sharon R. Bock  
Clerk & Comptroller

By: \_\_\_\_\_  
Shelly Vana, Chair  
Board of County Commissioners

By: \_\_\_\_\_  
Deputy Clerk

Document No.: \_\_\_\_\_

Approved as to Form and  
Legal Sufficiency

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

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

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



CFN 20080449701  
 OR BK 22998 PG 1305  
 RECORDED 12/17/2008 12:58:52  
 Palm Beach County, Florida  
 Sharon R. Bock, CLERK & COMPTROLLER  
 Pgs 1305 - 1319; (15pgs)

This instrument prepared by  
 and to be returned to:

**LEWIS, LONGMAN & WALKER, P.A.**  
 ATTORNEYS AT LAW  
 1700 Palm Beach Lakes Boulevard  
 Suite 1000  
 West Palm Beach, Florida 33401

**MORTGAGE AND SECURITY AGREEMENT**

THIS MORTGAGE INDENTURE, executed this \_\_\_ day of December, 2008, by NEIGHBORHOOD RENAISSANCE, INC., a Florida not-for-profit corporation, (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 Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) 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 Grant Agreement executed on the 21st day of October, 2008 between Mortgagor and Mortgagee. This Mortgage and Security Agreement, the Note, and the Grant Agreement and the Declaration of Restrictive Covenants 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 grant documents, 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

Note to recorder:

This instrument is not subject to Florida Documentary Stamp Tax or Intangible Tax.

CF

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 2008 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.

PROVIDED ALWAYS that if the Mortgagor shall pay unto the Mortgagee all sums required under the terms of the Note or complied with all conditions of the Note, which Note is in the original principal amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) and has a maturity date of January 1, 2010, 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 Grant 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:

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 and/or comply with all conditions of 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 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. 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. Nothing stated herein shall preclude the Mortgagor from contesting its taxes pursuant to a lawful process.

(b) The Mortgagor shall pay, 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 there from 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 acceptable to the Mortgagee, with loss, if any, payable to the Mortgagee as its interest may appear, pursuant to a noncontributory mortgagee clause which shall

CP

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 certified copies of such policies. Any policies furnished the Mortgagee shall become its property in the event the Mortgagee becomes the owner of the Premises by foreclosure or otherwise. The Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Mortgaged Property. Each insurance company is hereby authorized and directed to make payment for all such losses to the Mortgagor and the Mortgagee jointly. Mortgagee and Mortgagor shall jointly elect to use the proceeds for the reconstruction and repair of the Mortgaged Property unless an uncured event of Default then exists, in which case Mortgagee may elect to apply the net proceeds to the payment of the indebtedness hereby secured.

#### 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, the Mortgagee 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.

(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 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. 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 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 Mortgagee 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 the exercise of the power of sale 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 Estoppel Affidavits. The Mortgagor, upon ten days' prior written notice, shall

furnish the Mortgagee 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 notice and expiration of any applicable cure periods, 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, without demand, immediately repaid by the Mortgagor to the Mortgagee with interest thereon at the maximum rate provided by law. The Mortgagee shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim, premium and obligation, of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. 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) either temporarily or permanently, of any part of the Premises constituting twenty percent (20%) or more of the full value of the Premises, or in the event such condemnation makes the Premises unusable for the purposes contemplated herein and in the Loan Agreement, then in such event, the entire indebtedness secured hereby shall at the option of the Mortgagee, become immediately due and payable. Such events shall be a Condemnation Event ("Condemnation Event"); however, any condemnation for less than twenty percent (20%) of value or not rendering the Premises unusable, shall not be affected by this section. In the event of a Condemnation Event: 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, any 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 Event are hereby assigned by the Mortgagor to the Mortgagee, who, after deducting there from, all its expenses, including attorneys fees, may release any monies received by it without further affecting this Mortgage and may apply the same in such manner as the Mortgagee shall determine, to the reduction of the sum secured hereby, and any balance of such monies then remaining shall be paid to the Mortgagor. The Mortgagor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds from a Condemnation Event as the Mortgagee may require.

1.11 Environmental Representations.

(a) The Mortgagor covenants with the Mortgagee that the Premises have not been used by Mortgagor and will not be used in whole or in part for the storage of hazardous waste.

(b) To the best of Mortgagor's knowledge, no violations of any Federal, State or local environmental regulations now exists regarding the Mortgage Property.

CF



(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 Mortgage 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 II.

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.

Subject to the provisions of Section 6.2 below, in the event of a sale, transfer, conveyance or assignment of the Premises or a grant of a security interest in the Premises, then the Loan, together with accrued interest and any other expenses shall become due and payable. Notwithstanding, the income restrictions set forth in the Grant Agreement shall remain in full force and effect for thirty (30) years from the date of completion of the units. The County may consent to a transfer of the whole Premises provided the transferee demonstrates to the County that it is creditworthy and has appropriate financial management skills and experience with affordable housing. The County may consent to an encumbrance and subordination of such encumbrance if the Mortgagee obtains construction financing from an independent lender, provided that sufficient documentation is presented to the County that the improved value of the property will adequately secure the County's interest in the property.

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 Default. A 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 Grant 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

(c) Any warranties or representations made or agreed to be made in any of the Grant Documents shall be breached 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

CF

(d) Any lien for labor or material or otherwise shall be filed against the Premises, and such lien is not canceled, removed 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) The Mortgagor shall do, or shall omit to do, any act, or any event shall occur, as a result of which any obligation of the Mortgagor, not arising hereunder, may be declared immediately due and payable by the holder thereof; or

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

(l) If the Mortgagee shall reasonably believe that any one or more of the defaults enumerated in paragraphs (a) through (k) 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) Upon sale, transfer, or refinancing of the Premises other than the sale of units to Eligible Households in the ordinary course, all available proceeds of the sale shall be applied to pay the following items in order of priority:

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

(b) Subject to the provisions of Article VI, below, 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.

CF

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, 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 there from. 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 2.6, 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 2.6(a) shall exist if any subsequent default shall occur and be continuing.

**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 of 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) 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.

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 III.

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 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 IV.**

**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:

Mortgagor: Neighborhood Renaissance, Inc.  
510 24<sup>th</sup> Street, Suite A  
West Palm Beach, FL 33407  
Attn: Terri Murray, Executive Director

Mortgagee: Palm Beach County  
c/o County Attorney's Office  
301 North Olive Avenue, Suite 601  
West Palm Beach, FL 33401  
Attn: Tammy K. Fields, Sr. Assistant County Attorney

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 V.**

**5.1 Future Advances.** It is agreed that this Mortgage shall also secure such future or additional advances as may be made by the Mortgage 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 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 increase the interest rate charged pursuant to the Note or 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.

5.3 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.

5.4 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.

5.5 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.

#### ARTICLE VI

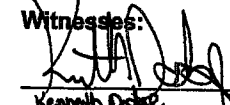
6.1 Satisfaction of Mortgage. This Mortgage may be satisfied by successful completion of all the terms and conditions of the Grant Agreement, including, but not limited to completion of all five (5) single family affordable housing units and conveyance to Eligible Households and execution and recording of the required Declaration of Restrictive Covenants.

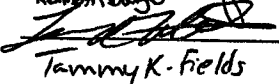
6.2 Partial Satisfaction of Mortgage. Partial releases of mortgage may be obtained by:

- (a) payment of \$75,000.00 per unit to be released; or
- (b) successful completion of a single family affordable housing unit and conveyance to an Eligible Household and the execution and recording of the required Declaration of Restrictive Covenants.

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

Witnesses:

  
\_\_\_\_\_  
Kenneth Dodge

  
\_\_\_\_\_  
Tammy K. Fields

NEIGHBORHOOD RENAISSANCE,  
INC., a Florida not-for-profit corporation

BY: Carl A. Flick  
Carl A. Flick, President

**STATE OF FLORIDA  
COUNTY OF PALM BEACH**

The foregoing instrument was acknowledged before me this 12 day of Dec., 2008 by Carl A. Flick, as President of Neighborhood Renaissance, Inc., who is personally known to me or who has produced \_\_\_\_\_ as identification and who did/did not take an oath.



Jessica Bollman  
(Signature of Notary)

Jessica Bollman  
(Typed, Printed, or Stamped)

(Name of Notary)

My Commission Expires:

G:\WPDATA\ENGT\KFHTF.AGT\Neighborhood-Renaissance-Mortgage-09-04-08.doc

## Exhibit A

All of Lots 26, 27 and 28, and the East Half of Lot 29, Block 23, NORTH PALM BEACH PLAT NO. 2, according to the plat thereof as recorded in Plat Book 6, Page(s) 89, Public Records of Palm Beach County, Florida.

Parcel Identification Number: 74-43-43-04-05-023-0270

and

Lots 62 and 63, Block 31, NORTH PALM BEACH PLAT NO. 2, according to the plat thereof as recorded in Plat Book 6, Page(s) 89, Public Records of Palm Beach County, Florida.

Parcel Identification Number: 74-43-43-04-05-031-0620

and

Lots 9 and 10, Block 61, NORTH PALM BEACH PLAT NO. 4, according to the plat thereof as recorded in Plat Book 7, Page(s) 71, Public Records of Palm Beach County, Florida.

Parcel Identification Number: 74-43-43-04-08-061-0090

and

Lot 54, Block 33, NORTHWOOD ADDITION TO WEST PALM BEACH (PLAT NO. 6), according to the plat thereof as recorded in Plat Book 11, Page(s) 18, Public Records of Palm Beach County, Florida.

Parcel Identification Number: 74-43-43-09-03-033-0540

and

Lot 18, Block 35, NORTHWOOD ADDITION TO WEST PALM BEACH (PLAT NO. 6), according to the plat thereof as recorded in Plat Book 11, Page(s) 18, Public Records of Palm Beach County, Florida.

Parcel Identification Number: 74-43-43-09-05-035-0180



**PROMISSORY NOTE**

\$375,000.00

West Palm Beach, Florida  
December 12, 2008

FOR VALUE RECEIVED the undersigned, NEIGHBORHOOD RENAISSANCE, 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 Three Hundred Seventy-Five Thousand Dollars (\$375,000.00) plus accrued interest, to be paid in lawful money of the United States of America, as follows:

- 1) This Note shall bear interest only computed at the stated rate of three (3%) percent per annum on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement.
- 2) Repayment hereunder shall occur as follows:
  - (a) From the date hereof until **January 1, 2010** no payments will be required and interest will not accrue and be payable at the maturity date.
  - (b) Repayment thereafter shall be dependent upon the successful completion of 5 single family homes for eligible 1 households (Subject Affordable Housing Units) pursuant to the terms of the Conditional Grant Agreement dated **October 21, 2008**. If all Subject Affordable Housing Units have been completed in accordance with the Conditional Grant Agreement and conveyed to eligible households and the Declaration of Restrictive Covenants required under the Conditional Grant Agreement has been executed and recorded, then no repayment will be required, and this note shall be marked "cancelled" and returned to maker.
  - (c) In the event the 5 single family homes have not been completed and conveyed to eligible households on or before January 1, 2010, or the Declaration of Restrictive Covenants has not been filed, then repayment will be immediately due and payable at the rate of \$75,000.00 per Unit uncompleted or unconveyed to an eligible household.
- 3) 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.
- 4) After maturity or acceleration, this Note shall bear interest at the Maximum Interest Rate allowed by law until paid in full.

PALM BEACH COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA IS EXEMPT FROM PAYMENT OF EXCISE TAX ON DOCUMENTS.

This Note is executed pursuant to the terms and conditions of that certain Conditional Grant Agreement dated **October 21, 2008** 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 Grant Documents including but not limited to the Declaration of Restrictive Covenants, Conditional Grant Agreement and Mortgage and Security 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 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 Grant 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 Grant 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 Grant 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.

CP

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 Grant 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 grant 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 GRANT REFERENCED HEREIN, THE SOLE REMEDY OF THE HOLDER SHALL BE TO FORECLOSE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THIS GRANT, AND IN NO EVENT SHALL THE BORROWER HAVE ANY LIABILITY FOR THE PAYMENT OF THE GRANT OR ANY OTHER OBLIGATIONS REFERENCED HEREIN, OR FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THE GRANT.

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.

NEIGHBORHOOD RENAISSANCE, INC., a not-for-profit corporation

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

G:\WPDATA\ENGT\KF\HTF.AGT\Neighborhood Renaissance Prom-Note-09-04-08.doc



# Neighborhood Renaissance

Diverse Communities – Strong Economies

December 21, 2011

Edward Lowery, Director  
Palm Beach County  
Housing and Community Development Department  
100 Australian Avenue North, 5<sup>th</sup> Floor  
West Palm Beach, FL 33406

Re: Request to Extend Maturity Date for \$375,000 Conditional Grant Agreement for the Construction of 5 Homes for Very-low Income Households

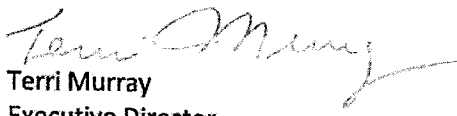
Dear Mr. Lowery,

I am writing to request a promissory note maturity date extension to December 31, 2013 for a \$375,000 Conditional Grant made to Neighborhood Renaissance to construct 5 homes for very low-income households in Northwood. Upon construction completion in 2008, Neighborhood Renaissance entered into lease to purchase agreements with 5 very low-income families in anticipation of conveying the homes by January 1, 2010. During the lease period, the households committed to take the necessary steps to qualify for a mortgage in anticipation of buying their home.

With the exception of Janita Finley, one of the original lease/purchase households income certified by HCD, who is purchasing 638 41<sup>st</sup> St. through a short sale approved by PNC Bank, we have had difficulties finding income qualified homebuyers that are able to obtain a private mortgage since the grant requires that households earn no more than 60% AMI. At the time the grant was made there were down payment assistance programs available to facilitate the purchase of these homes; however, funding for these programs discontinued with the onset of the economic downturn.

Our lenders, Comerica and LISC have agreed to sale price amounts that will allow us to convey the homes to income qualified buyers. Currently we are marketing 2 vacated homes to income qualified buyers and have the properties listed with a realtor. We continue to provide housing counseling to the 2 remaining tenants with the goal of mortgage approval. They have also been informed that their lease will not be renewed if they are unable to exercise their purchase option within the next 6 months. This will allow us to take the necessary steps to market and convey the homes to mortgage qualified households by the requested extension date. Please let me know if you have any questions. I appreciate your consideration of this matter.

Sincerely,



Terri Murray  
Executive Director

---

510 24th Street, Suite A • West Palm Beach, FL 33407 • 561.832.6776 • Fax: 561.832.0483

[www.neighborhoodrenaissance.org](http://www.neighborhoodrenaissance.org)

ATTACHMENT 3