

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: April 2, 2013 ☒ Consent ☐ Regular
☐ Ordinance ☐ Public Hearing

Department: Department of Economic Sustainability

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to Receive and File: Three (3) Agreements, three (3) Amendments to Agreements, and one (1) Partial Release of Mortgage, as follows:

- A) Amendment No. 004 to the Agreement (R2011-1030) with Community Land Trust of Palm Beach County, Inc. under the Neighborhood Stabilization Program 2 (NSP2);
- B) Amendment No. 004 to the Agreement (R2011-1031) with Westgate/Belvedere Homes Community Redevelopment Agency under NSP2;
- C) Amendment No. 003 to the Agreement (R2011-1029) with Neighborhood Renaissance, Inc. under NSP2;
- D) Partial Release of Mortgage in connection with the Pine Run Villas project as funded under NSP2 and the Home Investment Partnership Program (HOME);
- E) Agreement with the Palm Beach County Housing Authority under the Neighborhood Stabilization Program 3 (NSP3);
- F) Agreement with Pahokee Housing Authority, Inc. under NSP3; and
- G) Grant Agreement with HTG McClure, LLC under NSP3.

Summary: In accordance with County PPM CW-0-051, all delegated contracts, agreements and grants must be submitted by the initiating Department as a receive and file agenda item. The attached Agreements, Amendments and Partial Release of Mortgage have been fully executed on behalf of the Board of County Commissioners (Board) by the County Administrator, or designee, in accordance with Agenda Items R2009-1122, R2011-0082 and 5C-2, as approved by the Board on July 7, 2009, January 11, 2011 and June 5, 2012, respectively. These executed documents are now being submitted to the Board to receive and file. **These Federal NSP2, NSP3 and HOME funds require no local match.** (DES Contract Development) Districts 2, 3, 6 and 7 (TKF)

Background and Justification: On May 5, 2011, the County entered into an Agreement (R2011-1030) with the Community Land Trust of Palm Beach County, Inc., as amended by Amendment No. 001 (R2012-0135) on December 20, 2011, Amendment No. 002 (R2012-0854) on June 5, 2012, and Amendment No. 003 (R2013-0152) to provide \$2,465,395 of NSP2 funds for the acquisition and rehabilitation of properties. Amendment No. 004 extends the benchmark dates and modifies the construction contract retainage requirement.

On May 5, 2011, the County entered into an Agreement (R2011-1031) with Westgate/Belvedere Homes Community Redevelopment Agency, as amended by Amendment No. 001 (R2012-0136) on December 20, 2011, Amendment No. 002 (R2012-0856) on June 5, 2012, and Amendment No. 003 (R2012-1802) on September 26, 2012, to provide \$2,441,578 in NSP2 funds for the acquisition and rehabilitation of properties. Amendment No. 004 extends the benchmark dates, modifies the construction contract retainage requirement and modifies the reimbursement requirements.

(Continued on Page 3)

Attachments: Documents as listed in A through G above.

Recommended By: Edward C. Jerny 3/6/2013
Department Director Date

Approved By: Sharon G. L. B. 3/31/13
Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures					
Operating Costs	\$3,416,043				
External Revenues	(\$3,132,631)				
Program Income (County)	(\$283,412)				
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				
# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				

Is Item Included In Current Budget? Yes X No

Budget Account No.:

Neighborhood Renaissance, Inc.

Fund 1112 Dept 143 Unit 1426 Object 8201 Prog Code/Period N213A1/GY09: \$216,588

Fund 1112 Dept 143 Unit 1426 Object 8201 Prog Code/Period N213A1-PI/GY09: \$283,412

Palm Beach County Housing Authority

Fund 1113 Dept 143 Unit 1428 Object 8201 Prog Code/Period N320/GY10: \$1,408,021.50

Pahokee Housing Authority, Inc.

Fund 1113 Dept 143 Unit 1428 Object 8201 Prog Code/Period N330/GY10: \$39,021.50

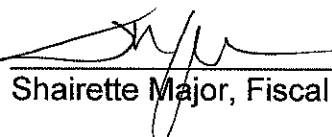
HTG McClure, LLC

Fund 1113 Dept 143 Unit 1428 Object 8201 Prog Code/Period N330A/GY10: \$1,469,000

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

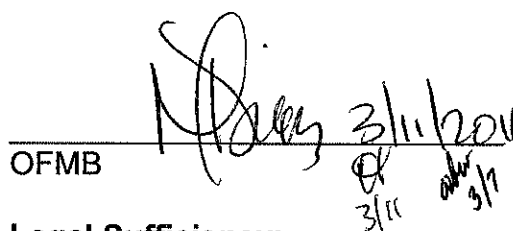
Approval of this agenda item will allocate an additional \$500,000 to Neighborhood Renaissance, Inc., and will allocate \$1,408,021.50 to the Palm Beach County Housing Authority, \$39,021.50 to Pahokee Housing Authority, Inc., and \$1,469,000 to HTG McClure, LLC.

C. Departmental Fiscal Review:

 3-6-13
Shairette Major, Fiscal Manager I

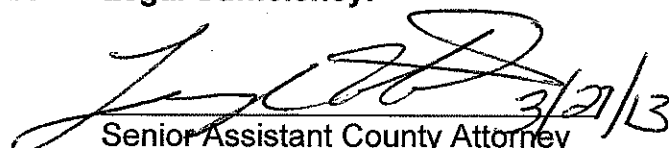
III. REVIEW COMMENTS

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

 3/11/2013
OFMB

 3/20/13
Contract Development and Control

B. Legal Sufficiency:

 3/27/13
Senior Assistant County Attorney

C. Other Department Review:

Department Director

Background and Justification: (Continued from Page 1)

On May 5, 2011, the County entered into an Agreement (R2011-1029) with Neighborhood Renaissance, Inc., as amended by Amendment No. 001 (R2012-0134) on January 5, 2012, and Amendment No. 002 (R2012-0635) on February 3, 2012, to provide \$11,500,000 of NSP2 funds for the acquisition and rehabilitation of properties. Amendment No. 003 extends the benchmark dates, modifies the construction contract retainage requirement and increases the funded amount by \$500,000.

On October 9, 2012, the County entered into a Loan Agreement (R2012-1800) with HTG Palm Beach II, LLC to provide \$5,536,818 of NSP2 and HOME funds for the construction of 63 affordable rental units. As a condition to its issuance of a Certificate of Occupancy for this project, the County's Planning Building and Zoning Department required the conveyance to it of a small triangular parcel at the southeast corner of the property for right-of-way purposes. In order to provide clear title to this parcel, a Partial Release of Mortgage was executed to remove the lien of the County's mortgage taken to secure the funding provided to the project.

On January 11, 2011, the Board approved the allocation of \$1,408,021.50 in NSP3 funds to the Palm Beach County Housing Authority for a housing project in the Glades. On January 21, 2013, the County entered into an Agreement with the Palm Beach County Housing Authority for the acquisition and rehabilitation of 65 affordable rental units known as South Bay Villas.

On January 11, 2011, the Board approved the allocation of \$1,408,021.50 in NSP3 funds to the Pahokee Housing Authority for a housing project in the Glades. On February 11, 2013, the County entered into an Agreement to provide \$39,021.50 of these funds to Pahokee Housing Authority, Inc. for the development of five (5) affordable rental units at the McClure Village housing development, and simultaneously entered into a Grant Agreement to provide \$1,469,000 of these funds to HTG McClure, LLC as the Pahokee Housing Authority's developer for this project.

**AMENDMENT 004 TO THE AGREEMENT
WITH
COMMUNITY LAND TRUST OF PALM BEACH COUNTY, INC.**

Amendment 004 entered into on 01-31-2013 by and between **Palm Beach County** and **Community Land Trust of Palm Beach County, Inc.**

WITNESSETH:

WHEREAS, Palm Beach County entered into an Agreement with Community Land Trust of Palm Beach County, Inc., on May 5, 2011 (R2011-1030), as amended on December 20, 2011, by Amendment 001 (R2012-0135), on June 5, 2012, by Amendment 002 (R2012-0854), and by Amendment 003 on December 6, 2012, to provide \$2,337,451 of Neighborhood Stabilization Program-2 (NSP-2) funds for the acquisition and rehabilitation of properties;

WHEREAS, the parties wish to further modify the Agreement; and

WHEREAS, both parties mutually agree that the Agreement, as amended, is hereby further amended as follows:

A. PART III - SECTION 1 - MAXIMUM COMPENSATION

Replace "January 31, 2013" with "February 11, 2013".

Add the following to the end of the Section:

"The period for compensation or reimbursement is extended through and including February 11, 2013, for the total authorized sum of \$2,337,451. After February 11, 2013, Agency may submit for reimbursement under program income process set forth in Part III.4(8) of the Agreement, whereby such expenses may be reimbursed at County's sole discretion."

B. PART III - SECTION 2 - TIME OF PERFORMANCE

Replace "January 31, 2013" with "February 11, 2013, subject to the provisions contained herein."

Add the following to the end of the Section:

"The deadline for completion of services is extended from January 31, 2013, to February 11, 2013, (the "Extension Period") in order to allow payment for eligible expenses that might be processed for payment during the Extension Period. February 11, 2013, is the last day funds are available from HUD under NSP2 Grant Number B-09-LN-FL-0021. The County will endeavor to timely process requests for payment/reimbursement received during the Extension Period, but may not be able to process all such requests prior to HUD's deadline. Agency acknowledges that submittal of requests for payment/reimbursement during the Extension Period does not guarantee that County can process requests for payment in a timely manner."

C. PART III - SECTION 3 - METHOD OF PAYMENT

Replace "November 15, 2012", with "February 11, 2013".

D. PART III - SECTION 4(8) - MONTHLY PROGRAM INCOME

Add the following after the fourth paragraph:

"After February 11, 2013, and up to December 31, 2013, the Agency may receive reimbursement for eligible costs hereunder as incurred by the Agency in an amount not to exceed the difference between the amount received by the Agency from the \$2,377,451 allocation, as described above, and the amount of \$2,377,451 (the "Program Income Allocation"). The Program Income Allocation may be made available to the Agency as funds become available to the County from NSP-2 program income. DES shall, from time to time, inform the Agency in writing of amounts it has made available to the Agency as its Program

Income Allocation. In this regard, the Agency acknowledges and understands that the County will endeavor to make the amount of the Program Income Allocation available to the Agency by December 31, 2013, but that the County, however, does not guarantee the Agency the availability of such funds."

E. PART IV – SECTION 25 – EXCLUSION OF THIRD PARTY BENEFICIARIES

Add Section 25 to PART IV of the Agreement as follows:

25. EXCLUSION OF THIRD PARTY BENEFICIARIES

No provision of this Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the County and/or the Agency.

F. EXHIBIT A – SECTION I.B.1 - FUNDING AND EXPENDITURE REQUIREMENTS

Replace "January 31, 2013" with "February 11, 2013".

G. EXHIBIT A.1 – SECTION 1.K.3 – ACQUISITION CLOSING

Add the following to the end of Section I.K.3:

"The Agency hereby agrees to, from time to time, on a date to be established by the County, cooperate with the County to amend Declarations of Restrictions executed in connection with this Agreement in order to modify the terms, conditions, and covenants therein to become consistent with the requirements of this Agreement."

H. EXHIBIT A – SECTION I.O – REHABILITATION CONSTRUCTION

Delete the first and second paragraph.

NOW THEREFORE, 1) all items in the 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.**

By: 

Cynthia LaCourse-Blum
Executive Director

**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

By: 

Tammy K. Fields
Chief Assistant County Attorney

Approved as to Terms and Conditions
Department of Economic Sustainability

By: 

Sherry Howard, Deputy Director

AMENDMENT 004 TO THE AGREEMENT
WITH
WESTGATE/ BELVEDERE HOMES COMMUNITY REDEVELOPMENT AGENCY

01-31-2013

Amendment 004 entered into on _____, by and between **Palm Beach County** and **Westgate/ Belvedere Homes Community Redevelopment Agency**.

WITNESSETH:

WHEREAS, **Palm Beach County** entered into an Agreement (R2011-1031) on May 5, 2011, with the **Westgate/ Belvedere Homes Community Redevelopment Agency**, as amended by Amendment 001 (R2012-0136) on December 20, 2011, by Amendment 002 (R2012-0856) on June 5, 2012, and by Amendment 003 (R2012-1802) on September 26, 2012, hereinafter collectively the "Agreement", to provide \$2,441,578 of Neighborhood Stabilization Program - 2 (NSP- 2) Grant funds for the acquisition and rehabilitation of properties; and

WHEREAS, the parties wish to further amend the Agreement; and

WHEREAS, both parties mutually agree that the Agreement, as amended, is hereby further amended as follows:

A. PART III - SECTION 1 – MAXIMUM COMPENSATION

Replace "January 31, 2013" with "February 11, 2013".

Add the following to the end of the Section:

"The period for compensation or reimbursement is extended through and including February 11, 2013, for the total authorized sum of \$2,441,578. After February 11, 2013, Agency may submit for reimbursement under program income process set forth in Part III.4(8) of the Agreement whereby expenses may be reimbursed at County's sole discretion".

B. PART III – SECTION 2 – TIME OF PERFORMANCE

Replace "January 31, 2013" with "February 11, 2013", subject to the provisions contained herein."

Add the following to the end of the Section:

"The deadline for completion of services is extended from January 31, 2013, to February 11, 2013 (the "Extension Period"), in order to allow payment for eligible expenses that might be processed for payment during the Extension Period. February 11, 2013, is the last day funds are available from HUD under NSP2 Grant Number B-09-LN-FL-0021. The County will endeavor to timely process requests for payment/reimbursement received during the Extension Period, but may not be able to process all such requests prior to HUD's deadline. Agency acknowledges that submittal of requests for payment/reimbursement during the Extension Period does not guarantee that County can process requests for payment in a timely manner.

C. PART III – SECTION 3 – METHOD OF PAYMENT

Replace "November 15, 2012 with February 11, 2013".

D. PART III – SECTION 4(8) – MONTHLY PROGRAM INCOME

Add the following after the fourth paragraph:

After February 11, 2013 and up to December 31, 2013, the Agency may receive reimbursement for eligible costs hereunder as incurred by the Agency in an amount not to exceed the difference between the amount received by the Agency from the \$2,441,578 allocation, as described above, and the amount of \$2,441,578 (the "Program Income Allocation"). The Program Income Allocation may be made available to the Agency as funds become available to the County from NSP-2 program income. DES shall, from time to time, inform the Agency in writing of amounts it has made available to the Agency as its Program Income Allocation. In this regard, the Agency acknowledges and understands that the County will endeavor to make the amount of Program Income Allocation available to the Agency by December 31, 2013, but that the County, however, does not guarantee the Agency availability of such funds".

E. PART IV – SECTION 25 – EXCLUSION OF THIRD PARTY BENEFICIARIES

Add Section 25 to PART IV of the Agreement as follows:

25. Exclusion of Third Party Beneficiaries

No provision of this Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the County and/or the Agency.

F. EXHIBIT A – SECTION I.B.1 - FUNDING AND EXPENDITURE REQUIREMENTS

Replace "January 31, 2013" with "February 11, 2013".

G. EXHIBIT A – SECTION I.C.13.d.(1) – PERFORMANCE BENCHMARKS

Delete the contents of Subsection (1) and replace them with the following: "The Agency shall expend \$1,831,183 that is (75% of \$2,441,578) by December 20, 2012."

H. EXHIBIT A – SECTION I.I. 3 – CARRYING COSTS FOR RESALE PROPERTIES

Insert the words "and marketing" after the word "maintenance" in the first and third lines of the second paragraph.

I. EXHIBIT A – SECTION 1.K.3 – ACQUISITION COSTS

Add the following to the end of Section 1.K.3:

"The Agency hereby agrees, from time to time, and on dates to be established by the County, to cooperate with the County to amend Declarations of Restrictions executed in connection with the Agreement in order to modify the terms, conditions, and covenants therein to become consistent with the requirements of the Agreement".

J. EXHIBIT A – SECTION I.L.3.i. – CONSTRUCTION

In connection with both the final payment and the final draw, replace "Certificate of Occupancy" with "Temporary Certificate of Occupancy".

K. EXHIBIT A – SECTION I.O – REHABILITATION CONSTRUCTION

Delete the second sentence in paragraph one and replace with:

“The Agency shall not be required to withhold retainage on progress draws and shall release accumulated retainages on all projects, with the exception of those projects requiring compliance with the Davis-Bacon Act. For projects requiring Davis-Bacon compliance, the Agency shall withhold a two percent (2%) retainage until approval is received from DES. DES approval will be issued following a determination that the Agency and its contractors have complied with the DBRA requirements”.

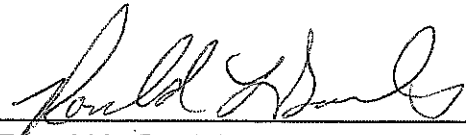
Delete the first sentence in paragraph two and replace with:

“The Agency shall not be required to withhold retainage on construction draws and shall release accumulated retainages on all projects, with the exception of those draws requiring compliance with the Davis-Bacon Act. For projects requiring Davis-Bacon compliance, the Agency shall withhold a two percent (2%) retainage until approval is received from DES”.

NOW THEREFORE, 1) all items in the 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.

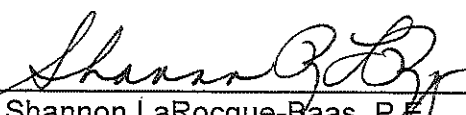
(AGENCY SEAL BELOW)

**WESTGATE/ BELVEDERE HOMES
COMMUNITY REDEVELOPMENT AGENCY**

By: 
Ronald L. Daniels, Chair


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

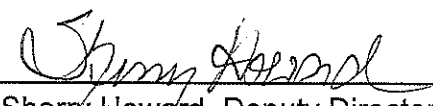
**FOR ITS BOARD OF COUNTY
COMMISSIONERS**

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

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

By: 
Tammy K. Fields
Chief Assistant County Attorney

By: 
Sherry Howard, Deputy Director
Department of Economic Sustainability

**AMENDMENT 003 TO THE AGREEMENT
WITH
NEIGHBORHOOD RENAISSANCE, INC.**

Amendment 003 entered into on JAN 31 2013, by and between Palm Beach County and Neighborhood Renaissance, Inc.

WITNESSETH:

WHEREAS, Palm Beach County entered into an Agreement with Neighborhood Renaissance, Inc. on May 5, 2011 (R2011-1030), as amended by Amendment 001 (R2012-0134), on January 5, 2012, and by Amendment 002 (R2012-0635), on February 3, 2012 to provide \$11,500,000 of Neighborhood Stabilization Program 2 (NSP-2) Grant funds for the acquisition and rehabilitation of properties;

WHEREAS, the parties wish to further modify the Agreement to extend the Agreement conditionally, increase the funding amount, and modify construction retainage requirements; and

WHEREAS, both parties mutually agree that the Agreement entered into on May 5, 2011, as amended, is hereby further amended as follows:

A. PART III, SECTION 1 – MAXIMUM COMPENSATION

Replace "January 31, 2013" with "February 11, 2013".

Add the following to the end of the Section:

"The period for compensation or reimbursement is extended through and including February 11, 2013, for the total authorized sum of \$12,000,000. After February 11, 2013, Agency may submit for reimbursement under the program income process whereby expenses may be reimbursed at County's sole discretion".

"The Agency shall also have access to Program Income generated from NSP-2 properties. Funding will be available following County receipt of the income from the NSP-2 properties."

B. PART III – SECTION 2 – TIME OF PERFORMANCE

Replace "January 31, 2013" with "February 11, 2013", subject to the provisions contained herein."

Add the following to the end of the Section:

"The deadline for completion of services is extended from January 31, 2013, to February 11, 2013 (the "Extension Period"), in order to permit payment for any eligible expenses that might be processed for payment during the Extension Period. February 11, 2013, is the last day funds are available from HUD under NSP2 Grant Number B-09-LN-FL-0021. The County will endeavor to timely process requests for payment/reimbursement received during the Extension Period, but may not be able to process all such requests prior to HUD's deadline. The Agency acknowledges that submittal of requests for payment/reimbursement during the Extension Period does not guarantee that County can process requests for payment in a timely manner."

C. PART III – SECTION 4(8) – MONTHLY PROGRAM INCOME

Add the following after the fourth paragraph:

"After February 11, 2013, and up to December 31, 2013, the Agency may receive reimbursement for eligible costs hereunder as incurred by the Agency. The Program Income may be made available to the Agency as funds become available to the County from NSP-2 program income. DES shall, from time to time, inform the Agency

in writing of amounts it has made available to the Agency as its Program Income. In this regard, the Agency acknowledges and understands that the County will endeavor to make the amount of the Program Income Allocation available to the Agency by December 31, 2013, but that the County, however, does not guarantee the Agency the availability of such funds."

D. EXHIBIT "A.1" - SECTION I.B.1 - FUNDING AND EXPENDITURE REQUIREMENTS

Replace "January 31, 2013" with "February 11, 2013"; and
Replace "\$11,500,000" with "\$12,000,000".

E. EXHIBIT "A.1" - SECTION 1(B)(13)(d) - PERFORMANCE BENCHMARKS

Replace "January 31, 2013" with "February 11, 2013"; and
Replace "\$11,500,000" with "\$12,000,000".

F. EXHIBIT "A.1" - SECTION I.O - REHABILITATION CONSTRUCTION

Delete the second sentence in the first paragraph and replace with:

"The Agency shall not be required to withhold retainage on progress draws and shall release accumulated retainages on all projects, with the exception of those projects requiring compliance with the Davis-Bacon Act. For projects requiring Davis-Bacon compliance, the Agency shall withhold a two percent (2%) retainage until approval is received from DES. DES approval will be issued following a determination that the Agency and its contractors have complied with the DBRA requirements".

Delete the first sentence in the second paragraph and replace with:

"The Agency shall not be required to withhold retainage on construction draws and shall release accumulated retainages on all projects, with the exception of those draws requiring compliance with the Davis-Bacon Act. For projects requiring Davis-Bacon compliance, the Agency shall withhold a two percent (2%) retainage until approval is received from DES".

G. EXHIBIT "A.1" WORK PROGRAM NARRATIVE, SECTION II (A)

Replace "\$11,500,000" with "\$12,000,000"; and

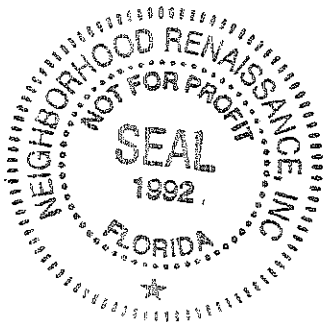
Add the following paragraph: "The Agency shall also have access to Program Income generated from NSP-2 properties. Funding will be available following County receipt of the income from the NSP-2 properties. Funds will be utilized for the rehabilitation of NSP-2 properties".

H. Any reference in Amendment 002 (R2012-0635) to Exhibit "A" shall mean Exhibit "A.1".

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

NOW THEREFORE, 1) all items in the 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)



NEIGHBORHOOD RENAISSANCE, INC.

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

By: Terri Murray
Terri Murray, Executive Director

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

FOR ITS BOARD OF COUNTY
COMMISSIONERS

By: Shannon LaRocque-Baas
Shannon LaRocque-Baas
Assistant County Administrator

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

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

By: Sherry Howard
Sherry Howard, Deputy Director
Department of Economic Sustainability

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--This Instrument Was Prepared By:

Richard E. Deutch, Jr., Esq.

Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 2200
Miami, Florida 33130

PARTIAL RELEASE OF MORTGAGE

WHEREAS, HTG Palm Beach II, LLC, a Florida limited liability company (the "Mortgagor"), by Mortgage and Security Agreement dated the 10th day of October, 2012, and recorded in the Office of the Clerk of the Circuit Court, in and for the County of Palm Beach, State of Florida, in Official Records Book 25520, Page 845, mortgaged unto PALM BEACH COUNTY, a political subdivision of the State of Florida, (the "Mortgagee"), the premises therein particularly described, to secure the payment of the sum of Five Million Five Hundred Thirty-Six Thousand Eight Hundred Eighteen and No/100 Dollars (\$5,536,818.00) of Neighborhood Stabilization Program 2 (NSP2) funds with interest as therein mentioned; and

WHEREAS, Mortgagor has requested Mortgagee to release the premises hereinafter described, being part of said mortgaged premises, from the lien and operation of said Mortgage in order to obtain a certificate of occupancy from Palm Beach County's Planning Zoning and Building Department;

NOW, THEREFORE, KNOW THAT Mortgagee, in consideration of the sum of TEN (\$10.00) DOLLARS and other good and valuable consideration, to it paid by Mortgagor at the time of execution of this partial release of mortgage, the receipt whereof is hereby acknowledged, does remise, unto Mortgagor, its successors and assigns, all that piece, parcel or tract of land, being a part of the premises conveyed by said mortgage, to-wit:

Tract RW, PINERUN VILLAS, according to the Plat thereof, as recorded in Plat Book 109, Pages 169 and 170 of the Public Records of Palm Beach County, Florida.

TO HAVE AND TO HOLD, the same, with the appurtenances, unto Mortgagor, its successors and assigns, forever, freed, exonerated and discharged of and from the lien of said mortgage and every part thereof; provided, always, nevertheless, that nothing herein contained shall in anywise impair, alter or diminish the effect, lien or incumbrance of the aforesaid mortgage on the remaining part of said mortgaged premises not hereby released therefrom or any of the rights and remedies of the holder thereof.

IN WITNESS WHEREOF, Mortgagee has caused these presents to be executed in its name
this 11th day of February, 2013.

Signed, sealed and delivered
in the presence of:

Witness Name: Jaqueline H. Mobley
Witness Signature:

By: Shannon R. LaRocque-Baas, P.E.
Assistant County Administrator
On behalf of Palm Beach County, Florida

X Jaqueline H. Mobley

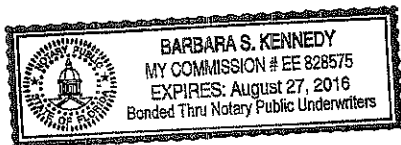
X Shannon R. LaRocque-Baas

Witness Name: Theresa Lawrence
Witness Signature:

X Theresa Lawrence

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 11th day of February, 2013, by
Shannon R. LaRocque-Baas, who is personally known to me or who has produced N/A as
identification and who did not take an oath.



Signature: [Signature]

Notary Name: _____
Notary Public - State of Florida

(NOTARY SEAL ABOVE)

Approved as to Form and Legal Sufficiency

By: [Signature]
Tammy K. Fields
Chief Assistant County Attorney

AGREEMENT BETWEEN PALM BEACH COUNTY

AND

PALM BEACH COUNTY HOUSING AUTHORITY

THIS AGREEMENT, entered into on JAN 21 2013, by and between Palm Beach County, a political subdivision of the State of Florida, for the use and benefit of its Neighborhood Stabilization Program (NSP3), and the Palm Beach County Housing Authority, a Special District of the State of Florida, under F.S. Chapter 421, having its principal office at 3432 West 45th Street, West Palm Beach, FL 33407, and its Federal Tax Identification number as 59-1296315; and

WHEREAS, Palm Beach County has entered into an agreement with the United States Department of Housing and Urban Development for the use of \$11,264,172 in NSP3 grant funds; and

WHEREAS, Palm Beach County Housing Authority applied to the County for the use of the aforesaid NSP3 funds for affordable rental housing; and

WHEREAS, Palm Beach County wishes to use grant funds provided under NSP3 for the herein described affordable rental housing project; and

WHEREAS, Palm Beach County desires to engage Palm Beach County Housing Authority to implement the herein described affordable rental housing project and has allocated \$1,408,021.50 for such purpose; and

WHEREAS, Palm Beach County Housing Authority wishes to enter into this Agreement to implement the herein described affordable rental housing project.

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

1. DEFINITIONS

- (1) "County" means Palm Beach County.
- (2) "NSP3" means the Neighborhood Stabilization Program as authorized under Section 1497 of the Dodd-Frank Act, Title XII of Division A of ARRA, and Sections 2301-2304 of HERA.
- (3) "CDBG" means the Community Development Block Grant Program of the United States Department of Housing and Urban Development.
- (4) "DES" means Palm Beach County Department of Economic Sustainability.
- (5) "Agency" means Palm Beach County Housing Authority.
- (6) "DES Approval" means the written approval of the DES Director or his designee.
- (7) "HUD" means the Secretary of Housing and Urban Development or a person authorized to act on its behalf.
- (8) "NSP3 Assisted Units" means the improvements comprising all sixty-five (65) apartments and their ancillary betterments located at South Bay Villas, 110 Harrelle Drive, in the City of South Bay, Florida, which improvements shall be as determined by the County in its sole opinion. The laundry facility, child development center and their ancillary improvements are not included in the improvements at SBV.

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 below.

3. SCOPE OF SERVICES

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

4. MAXIMUM COMPENSATION

The Agency agrees to accept as full payment for services rendered pursuant to this Agreement the actual amount of budgeted, eligible, and DES Director or designee-approved expenditures and encumbrances made by the Agency under this Agreement. Said services shall be performed in a manner satisfactory to DES. In no event shall the total compensation or reimbursement to be paid hereunder exceed the maximum and total authorized sum of \$1,408,021.50 from the date of this Agreement through and including February 15, 2014, and as more fully described in Exhibit A. Any funds not drawn and expended by the expiration dates set forth in this Agreement shall automatically revert to the County.

5. 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 NSP3 Grant Number B-11-UN-12-0013. 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. The Agency shall expend all \$1,408,021.50 made available through this Agreement on the acquisition and rehabilitation of the herein described property in the manner specified herein. More specifically, the Agency shall diligently carry out the Project such that at least 50% of the \$1,408,021.50, that is no less than \$704,010.75, have been drawn from the County's NSP3 funds by February 15, 2013, unless DES, in its sole discretion, approves a later date. Thereafter, the Agency shall diligently continue to carry out the Project such that the remainder of allocated funds have been drawn from the County's NSP3 funds by February 15, 2014, unless DES, in its sole discretion, approves a later date.

The Agency shall complete all services required hereunder by February 15, 2014. This Agreement shall expire on February 15, 2014.

This Agreement may be amended to decrease and/or recapture grant funds from the Agency depending upon the timely completion of the Project and/or the rate of expenditure of funds, as determined by DES. Failure by the Agency to diligently carry out the Project may negatively impact ability to receive future grant awards.

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

6. METHOD OF PAYMENT

The County agrees to make payments and to reimburse the Agency for all eligible 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 except as expressly set forth herein in connection with the acquisition of property. The Agency shall request payments or reimbursements from the County by submitting to DES 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 DES. 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 DES. The Agency shall submit all final reimbursement requests for payment made by the Agency during the term of this Agreement no later than February 15, 2014. DES will review and forward properly documented payment requests to the Palm Beach County Finance Department within 15 days of receipt. These requests must be submitted to DES accompanied by the required documentation of such expenditures, and the Palm Beach County Finance department shall make payment as stated above, provided that DES has determined

that the funds allocated to the Agency through this Agreement are still available for payment, and provided that DES approves such payment.

7. 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. The Federal, State, and County laws, ordinances and codes are minimal regulations supplemented by more restrictive guidelines set forth by DES. No payments for projects funded by more than one funding source will be made until a cost allocation plan has been approved by the DES Director or designee. Should a project receive additional funding after the commencement of this Agreement, the Agency shall notify DES in writing within thirty (30) days of receiving notification from the funding source and submit a cost allocation plan for approval by the DES 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 relating to the acquisition and rehabilitation of South Bay Villas shall be subcontracted by written contract, written agreement, or purchase order. All covered subcontracts shall be submitted by the Agency to DES and approved by DES prior to execution of any subcontract hereunder. All covered subcontracts shall be subject to Federal, State and County laws and regulations. This includes ensuring that all covered 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 funded by this Agreement 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 DES Director or his designee.

(4) PURCHASING

All purchasing for services and goods to be funded by this Agreement, 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-87, and 24 CFR Part 85, 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 DES, COUNTY, AND HUD REQUIREMENTS

DES 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 reasonable conditions that may be imposed, at any time, by DES or the County, or any additional conditions that may be imposed by HUD.

(7) PRIOR WRITTEN APPROVALS - SUMMARY

The following activities, among others, require the prior written approval of the DES 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 out-of-county travel; (travel shall be reimbursed in accordance with Florida Statutes, Chapter 112.061);
- (D) All change orders;
- (E) All requests to utilize unexpended funds after the expiration of this Agreement for programs described in Exhibit A; and
- (F) All rates of pay and pay increases paid out of NSP3 funds, whether for merit or cost of living.

(8) PROGRAM-GENERATED INCOME

The Agency shall comply with the program income requirements imposed by NSP3. The Agency recognizes that the acquisition and rehabilitation of property through the use of NSP3 funds made available under this Agreement will result in its ownership of income producing property. The Agency further acknowledges that the rental proceeds from said property, less property operating expenses prior to debt service, shall be regarded as program income as described below. Accordingly, upon the acquisition and rehabilitation of the property, all program income earned by the Agency from the property shall be reported annually and returned to DES at the end of the Agency's fiscal year and each year thereafter for the duration of the affordability period as set forth in this Agreement. The Agency shall, no later than February 1 of each year during said affordability period, provide DES audited financial statements in connection with the rental and other income and expenses associated with the property.

Accounting and disbursement of program income shall comply with OMB Circular A-87 and other applicable regulations that are incorporated herein by reference. DES must verify and approve the eligibility and reasonableness of all expenses which the Agency requests to be deducted from gross revenues in the calculation of program income.

After the return of program income to DES for accounting purposes, DES will return the program income, less 10% for administrative expenses, to the Agency to fund other NSP3 eligible activities, provided that the Agency is in compliance with its obligations as contained in this Agreement (including its Exhibits). The Agency shall use such program income for the sole purpose of funding "NSP3 eligible uses", as defined in NSP3 regulations and subsequent applicable HUD regulations, at SBV.

The requirements of this section shall survive the expiration of this Agreement and shall end upon the expiration or termination of the Declaration of Restrictions.

8. OPPORTUNITIES FOR RESIDENTS AND CIVIL RIGHTS COMPLIANCE

The Agency agrees that no person shall on the grounds of race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, 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.

9. 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 Five-Year Annual Consolidated Plan approved by HUD.

10. EVALUATION AND PERFORMANCE MONITORING

The Agency agrees that DES will carry out regular performance monitoring and evaluation activities as determined necessary by DES or the County, along with other applicable federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. **Due to the strict HUD expenditure and completion deadlines, performance requirements as detailed herein will be closely monitored by DES. Substandard performance, as determined by DES, will constitute noncompliance with this Agreement. If corrective action is not undertaken by the Agency within a reasonable period of time after being notified by DES, contract termination or suspension procedures will be initiated. The Agency agrees 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 DES, the County, or the County's designees copies of transcriptions of such records and information as is determined necessary by DES or the County. The Agency shall submit status reports required under this Agreement on forms approved by DES to enable DES to evaluate progress. The Agency shall provide information as requested by DES to enable DES to complete reports required by the County or HUD. The Agency shall allow DES, the County, or HUD to monitor the Agency on site. Such visits may be scheduled or unscheduled as determined by DES or HUD.

11. AUDITS AND INSPECTIONS

At any time during normal business hours and as often as DES, the County, HUD, or the Comptroller General of the United States may deem necessary, there shall be made available by the Agency to DES, the County, HUD, or the Comptroller General for examination all its records with respect to all matters covered by 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-87, 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 DES-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.

12. 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.

13. REVERSION OF ASSETS

Any real property under the Agency's control upon expiration of this Agreement which was acquired or improved in whole or part with NSP3 in excess of \$25,000 must either be used to provide affordable housing to HSP3 eligible households as specified herein for a period of five years after expiration of this Agreement (unless a longer period is specified in the Declaration of Restriction attached as Exhibit "B"), 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-NSP3 funds for the acquisition of, or improvement to, the property.

14. 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 DES. Upon completion of all work contemplated under this Agreement copies of all documents and records relating to this Agreement shall be surrendered to DES if requested. In any event, the Agency shall keep all documents and records for five (5) years after expiration of this Agreement.

15. INDEMNIFICATION

To the extent permitted by law, 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. To the 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.

Notwithstanding the forgoing, the County acknowledges and agrees that the Agency has no authority to provide the County with guaranties or indemnifications involving public housing or Section 8 rental voucher assets. Therefore, the recourse for all obligations under this Agreement is limited to the Agency's unrestricted non-federal funds. Furthermore, the County shall have no legal right of recourse under this Agreement against: (i) any public housing units, (ii) any operating receipts of the Agency (as the term "Operating Receipts" is defined in any Annual Contributions Contract with HUD governing public housing units), (iii) any program receipts of the Agency (as the term "Program Receipts" is defined in any Annual Contributions Contract between the Agency and HUD pertaining to the Section 8 rental voucher programs), or (iv) any public housing operating reserve or Section 8 voucher reserve.

16. 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 coverages, 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) 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.

(2) 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.

(3) WORKER'S COMPENSATION INSURANCE

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

(4) 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 Economic Sustainability". The Agency shall agree the Additional Insured endorsements provide coverage on a primary basis.

(5) 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. In addition, the Agency agrees to notify the County of any cancellation, material change, or non-renewal of coverage taking place during the term of this Agreement. The Agency shall deliver the certificate(s) to DES at its office at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

(6) RIGHT TO REVIEW AND ADJUST

The Agency shall agree that the County, by and through its Risk Management Department, in cooperation with DES, reserves the right to periodically review, modify, reject or accept any required policies of insurance, including limits, coverages, 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.

17. 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.

18. 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 any properties targeted for NSP3 assistance under this Agreement, 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 DES 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.

19. CITIZEN PARTICIPATION

The Agency shall cooperate with DES 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 DES in the implementation of the Citizen Participation Plan, as requested by DES.

20. RECOGNITION

All facilities purchased or constructed pursuant to this Agreement shall be clearly identified as to funding source. The Agency will include a reference to the financial support herein provided by DES in all publications and publicity. In addition, the Agency will make a good faith effort to recognize DES's support for all activities made possible with funds made available under this Agreement.

21. 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, which the County may revise from time to time, as required, and to be provided for use by the Agency;
- (2) Office of Management and Budget Circulars A-87, A-133, and 24 CFR Part 85
- (3) Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and Title II of the Americans with Disabilities Act of 1990;
- (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, Protecting Tenants at Foreclosure Act of 2009 (PFTA), Public Law No. 111-22;
- (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) Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants (Docket No. FR-5447-N-01, October 19, 2010) (NSP3 Notice)
- (8) Federal Community Development Block Grant Regulations (24 CFR Part 570) as modified by the NSP3 Notice as now in effect and as may be amended from time to time;
- (9) Title III of the Housing and Economic Recovery Act of 2008 (HERA), as amended by Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), and as further amended by Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act);
- (10) The Agency's personnel policies and job descriptions;
- (11) The Agency's Bylaws;
- (12) The Agency's Certificate of Insurance;
- (13) Current list of the Agency's officers and members of its Board of Directors;
- (14) 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 National Emission Standard for Asbestos, revised July 1991; Clean Air and Clean Water Acts; Energy Policy and Conservation Act of 1975; Occupational Health and Safety Administration (OSHA) Construction Industry Standard, 29 CFR 1926.1101; Florida State Licensing and Asbestos Laws; Title XVIII, Chapter 255;
- (15) Section 504 of the Rehabilitation Act of 1973, as amended;
- (16) Section 8 Housing Quality Standards
- (17) Implementation of Section 418 of Division A of the Consolidated Appropriations Act, 2010, Public Law 111-117, Title IV, 123 Statute 3034, 3112 (ACORN-affiliated organizations are not eligible to receive NSP funding)
- (18) Palm Beach County Purchasing Code

The Agency shall keep an original of this Agreement, including its Exhibits, and all amendments thereto, on file at its principal office.

22. TERMINATION

In 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 DES 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, provided, however, that with

respect to non-monetary defaults, the County shall give written notice to the Agency, who shall have ninety (90) calendar days to cure, and provided that, with respect to monetary defaults, the County shall give written notice to the Agency, who shall have thirty (30) calendar days to cure, and provided that the Agency promptly initiates and diligently pursues such cure.

(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.

23. 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.

24. 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.

25. NOTICES

All notices required to be given under this Agreement shall be sufficient when delivered to DES 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 the first page of this Agreement.

26. 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.

27. 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.

28. EXCLUSION OF THIRD PARTY BENEFICIARIES

No provision of this Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the County and/or the Agency.

29. 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).

PALM BEACH COUNTY HOUSING AUTHORITY

30. PALM BEACH COUNTY OFFICE OF THE INSPECTOR GENERAL

Palm Beach County has established the Office of Inspector General in Palm Beach County Code, Section 2-421 - 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the Agency, its officers, agents, employees, and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with Inspector General or interfering with or impeding any investigation shall be in violation of Palm Beach County Code, Section 2-421 - 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

31. 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.

32. COUNTERPARTS OF THE AGREEMENT

This Agreement, consisting of forty-eight (48) 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.

WITNESS our Hands and Seals on this 21 day of January, 2013.

(AGENCY SEAL BELOW)

**PALM BEACH COUNTY HOUSING
AUTHORITY**

By: Marcia Hayden
Marcia Hayden, Chair

By: Van Johnson
Van Johnson, Executive Director

**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
Chief Assistant County Attorney

Approved as to Terms and Conditions
Department of Economic Sustainability

By: Sherry Howard
Sherry Howard
Deputy Director

EXHIBIT A**WORK PROGRAM NARRATIVE****I. THE AGENCY AGREES TO:****A. OVERVIEW OF THE PROJECT:**

The Agency shall acquire and rehabilitate a housing development of approximately 3.99 acres located at 110 Harrelle Drive, in the City of South Bay, Florida. The housing development, known as South Bay Villas (hereinafter "SBV"), containing sixty-five (65) apartments, a laundry facility and a child development center, is located on a parcel of land having Property Control Number 58-36-44-14-15-350-0020 which is more fully described in Exhibit B and hereinafter referred to as the "Premises".

The Agency shall fund the acquisition of SBV with NSP3 funds made available through this Agreement. Thereafter, the Agency shall rehabilitate the improvements as specified herein using the balance of NSP3 funds and, to extent necessary, other funds secured by the Agency. Subsequently, the Agency shall assure that such units are occupied by households whose incomes meet the requirements specified herein, for the period specified herein, and at the rental rates specified herein.

B. APPLICABILITY OF THE URA:

The Agency acknowledges and understands that the use of NSP3 funds made available through this Agreement for property acquisition and rehabilitation activities triggers the applicability of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) as relates to the owner (seller) of the property and to all residential and non-residential tenants at SBV. Accordingly, the Agency shall comply with the URA in connection with the acquisition and rehabilitation activities contained in this Agreement. In order to comply with the requirements of the URA, the Agency shall maintain on its staff person(s) who are skilled, knowledgeable, and have the capacity to carry out all actions required of the Agency in order to comply with the URA in a timely manner, or in the alternative, the Agency shall retain the services of a qualified consultant to carry out such actions in same manner.

In this regard, the Agency shall:

1. Before full execution of this Agreement, have provided the County with a rent roll of all residential and non-residential tenants at SBV and a listing of all business operations undertaken at SBV by the owner (seller) of the property.
2. Before full execution of this Agreement, have provided the County with a copy of its General Information Notice and a copy of the required accompanying brochures to all residential and non-residential tenants at SBV and to the owner (seller) of the property in connection with all business operations undertaken at SBV by such owner. The Agency shall provide DES documentation evidencing the manner by which these notices were delivered and the date of delivery (e.g. certified mail, return receipt requested).
3. Provide all other notices required by the URA, document its actions in compliance with the URA, provide counseling to affected parties, and compensate all eligible parties as required by the URA and any other related applicable regulations.

The Agency acknowledges and understands that the County may, at its discretion, withhold any sums made available through this Agreement to enable it to use withheld sums to compensate eligible parties that are due payment under the URA upon the County's determination that Agency failed to do so in a timely manner.

C. ACQUISITION OF SBV:**1. Prerequisite to Acquisition of SBV:**

The Agency has executed a Real Estate Sales Contract, dated December 20, 2012, with NOAH Development Corporation (the "Seller") for the purchase of SBV in the amount of \$1,000,000 (the "Acquisition Contract"). The Agency shall, in regard to said purchase, comply with the following:

- (a) The Agency shall have provided the County an executed copy of said

Acquisition Contract

- (b) The Agency shall have provided the County a copy of an appraisal of SBV that is acceptable to the County and that shows the "as is" fair market value of SBV (as established by an appraiser qualified to perform property appraisal services in the State of Florida) and which has been prepared according to the "GUIDANCE ON NSP APPRAISALS" shown in Exhibit C. The appraisal shall have been completed within 60 days of the Agency's offer to acquire SBV.
- (c) The purchase price to be paid by the Agency for SBV, as shown in the Acquisition Contract, shall be at a discount of at least one percent (1%) from the appraised market value of SBV as established in the above described appraisal.
- (d) The Agency shall have assured that the acquisition of SBV as provided for in this Agreement is a voluntary acquisition as defined by the URA.
- (e) The Agency shall have, in conjunction with the execution of the Acquisition Contract, and prior to the date of this Agreement, provided the Seller a letter that includes:
 - (i) A notification that Federal financial assistance will be used for the acquisition of the Seller's property.
 - (ii) A statement that the Agency has the authority to acquire the Seller's property by eminent domain, has elected not to exercise such authority, and that the acquisition of the Seller's property is not subject to eminent domain proceedings.
 - (iii) The Agency's estimate of the fair market value of the Seller's property. Such estimate of the fair market value shall be the amount acceptable to the County as described above.
 - (iv) A statement that advises the Seller that in the event the Agency and the Seller cannot reach an amicable agreement for the purchase of the Seller's property, the Agency will not pursue the proposed acquisition.

The Agency shall provide the County a copy of the aforesaid letter no later than the date of this Agreement, and shall demonstrate to the County in writing the manner by which the letter was delivered and its delivery date.

- (f) In the event the County determines that the cost of completing the acquisition and rehabilitation of SBV as described herein exceeds the amount of NSP3 funds made available through this Agreement, then the County shall inform the Agency of its determination upon which the Agency shall provide the County evidence, acceptable to the County, that the Agency possesses sufficient funding to complete the acquisition and rehabilitation of SBV as described herein.

2. The Closing for the Acquisition of SBV:

The Agency shall use the funds made available through this Agreement for the acquisition of SBV including the payment of applicable eligible closing costs (the Agency shall fund all closing costs not eligible for payment by the County from its own sources). The amount of the purchase price to be funded by the County at closing shall be subject to the County's approval and the Agency shall fund the portion, if any, of the purchase price that is above the amount acceptable to the County.

Upon receipt of the following documentation from the Agency, and provided the below listed Conditions Precedent to the County's acceptance of the Declaration of Restrictions document have been met, the County shall disburse certain of the NSP3, for the benefit of the Agency, to the Agency's closing agent, for the acquisition of SBV:

- (a) The closing on the acquisition of SBV shall take place by January 31, 2013, unless DES, in its sole discretion, approves a later date.
- (b) A copy of the closing statement prepared by the Agency's closing agent received by the County no more than ten (10) days prior to the closing date.
- (c) A letter from the Agency, provided on the Agency's letterhead received by the County no more than ten (10) days prior to the closing date. The letter shall reference the SBV project funded herein, the date of this Agreement and its document number, and shall contain a statement requesting the payment of the amount acceptable to the County for the acquisition SBV (including applicable eligible closing costs), as well as the name and signature of a person authorized by the Agency to make such a request.
- (d) Wire transfer instructions from the Agency's closing agent received by the County no more than ten (10) days prior to the closing date.

3. Disposition of Certain Encumbrances on the Premises:

- (a) The Agency acknowledges the presence of an encumbrance on the Premises in favor of the County in the form of a Mortgage and a Corrective Mortgage as recorded in the Public Records of Palm Beach County, in Official Records Book 5101, at Page 0277, and in Official Records Book 5496, at Page 1536, respectively. The Agency shall cause the proceeds from the closing contemplated herein to be disbursed by the closing agent to the County in exchange for the receipt of a satisfaction of mortgage from the County that removes the encumbrance resulting from said Mortgage and Corrective Mortgage. The execution and delivery of said satisfaction of mortgage is hereby delegated to the County Administrator, or his designee, and shall not require any further action by the Palm Beach County Board of County Commissioners.
- (b) The Agency acknowledges the presence of an encumbrance on the Premises in favor of the County in the form of a Declaration of Restrictions dated May 27, 2010, as recorded in the Public Records of Palm Beach County, in Official Records Book 23880, at Page 0981. The Agency shall accept title to the Premises subject to the Declaration of Restrictions of May 27, 2010, and shall provide the County a written commitment, in a form acceptable to the County, confirming its acceptance of the restrictions and conditions contained in said Declaration of Restrictions for the duration provided therein. The Agency shall execute such commitment at closing and shall cause it to be recorded in the Public Records of Palm Beach County simultaneous with recording its deed for the Premises.

4. Conditions Precedent:

The conditions listed below are a condition precedent to the County's acceptance of the Declaration of Restrictions attached hereto as Exhibit B, and the disbursement of funds and shall be complied with in form and substance satisfactory to the County prior to the closing:

(a) Title Insurance:

- (i) The Agency shall in connection with its acquisition of the Premises obtain an Owner's Title Insurance Policy in the amount of the purchase price. Within fifteen (15) days of the effective date hereof, the Agency shall deliver to the County a title commitment issued by a title insurance company qualified to do business in the State of Florida and acceptable to the County, agreeing to issue to the Agency upon recording of the deed to the Premises, an Owner's Title Insurance Policy subject only to those exceptions to title that have been approved by the County ("Permitted Exceptions"). The Agency shall not allow any matter to be or become a Permitted Matter or Exception unless the County has approved such matter as a Permitted Exception. Said commitment shall have attached to it copies of all

exceptions referred to in the title commitment. The Agency shall, prior to closing, request the cure or removal of any Permitted Exceptions not agreeable to the County. If the Permitted Exceptions objected to by the County shall not have been cured or removed from the commitment prior to closing, the County shall have the option of allowing the Agency to proceed with the acquisition of the Premises or terminating this Agreement, by giving written notice thereof to the Agency, in which event the parties shall be relieved of all further obligations hereunder.

- (ii) The 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 that the County does not approve as a Permitted Exception, the County shall notify the Agency of its objections thereto. The Agency shall timely act to have such exceptions removed, which exceptions shall be deemed to constitute title defects. If the defect shall not have been so cured or removed from the commitment by endorsement thereto prior to the Agency's closing on the acquisition of the SBV, the County shall have the option of accepting title as it then exists or terminating this Agreement by giving written notice thereof to the Agency, in which event the parties shall be relieved of all further obligations hereunder. The Agency shall ensure that no title exception to which County objects becomes a Permitted Matter or Exception pursuant to the terms of the Acquisition Contract. Notwithstanding the foregoing, the 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 or pre-conditions to the issuance of a Owner's 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 SBV; (c) unrecorded easements and claims of liens; (d) taxes for the year 2012 and all prior years; (e) matters arising or attaching subsequent to the effective date of the commitment but before the deed becomes recorded in the Public Records, except those matters necessary for the construction and development of the improvements.

(b) Survey:

Agency shall deliver to the County a current certified survey of SBV prepared by a surveyor acceptable to the County. The survey shall show the following:

- (i) The location of the perimeter of SBV 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 SBV.
- (iii) The location of all building setback lines.
- (iv) The lines of the streets abutting SBV and the width thereof.
- (v) All encroachments, and the extent thereof in feet and inches, upon SBV.
- (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 I.C(4)(a) above and any other requirements requested by the County.

(c) Declaration:

The Declaration of Restrictions, attached hereto as Exhibit B, 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 lien on the Premises and on all fixtures and personal property owned by Agency to be used in connection with SBV. The following conditions shall apply to the Declaration:

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

(d) Agency's Affidavit:

An affidavit of Agency shall be executed and delivered to the County as required by the title insurer as noted in Paragraph I.C(4)(a) 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 Premises for taxes not yet due and payable and that no other parties are entitled to possession except as otherwise provided therein.

(e) Agency Documents:

Agency shall deliver to the County a Certified resolutions of the governing body of the Agency authorizing the execution and delivery of this Agreement, the Declaration of Restrictions, and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement.

(f) Property, Wind, & Flood Insurance:

The Agency shall, at or before the closing, provide DES documentation evidencing that the Agency shall have the below described insurance coverages in place for SBV. Applicable insurance coverages shall take effect on the closing date and the Agency shall pay all costs associated with the property insurance coverages specified below.

The Agency agrees to maintain, for the duration of the Declaration of Restrictions:

- (i) Property insurance written on a replacement cost basis in an amount not less than 100% of the replacement cost of the 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.
- (ii) 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.
- (iii) 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's 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 agrees to be fully responsible for any deductible or self-insured retention, and agrees to provide these coverages on a primary basis.

The Agency shall provide the County within 10 working days after the closing with a certificate of property, windstorm, and flood insurance as specified above.

The requirements of this clause shall survive the expiration of this Agreement and shall end upon the expiration or termination of the Declaration of Restrictions.

(g) Opinion of Agency's Counsel:

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

- (i) This Agreement and the Declaration of Restrictions 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 Agency is a Special District of the State of Florida, under F.S. Chapter 421, and is 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 Declaration of Restrictions, the performance by the Agency of its obligations under the Declaration of Restrictions, and the exercise by the Agency of the rights created by the Declaration of Restrictions do not violate any Federal, Florida, or local law, rule or regulation.
- (iv) That the execution and delivery of the Declaration of Restrictions, the performance by the Agency of its obligations under the Declaration of Restrictions, and the exercise by the Agency of the rights created by the Declaration of Restrictions do not, to the best of counsel's knowledge: (i) violate the Agency's status as a Special District of the State of Florida, or (ii) constitute a breach of or a default under any agreement or instrument to which the Agency 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 Agency (except as set forth in the Declaration of Restrictions), or (iii) violate a judgment, decree or order of any court or administrative tribunal, which judgment, decree or order is binding on the Agency or its assets.
- (v) That to counsel's knowledge, and based on a certificate to be provided by Agency, there are no proceedings pending or threatened before any court or administrative agency which will materially adversely affect the financial condition or operation of the Agency, 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 Declaration of Restrictions is a valid lien on the Premises and the security interest described in the Declaration of Restrictions is a good and valid security interest.
- (vii) Such other matters as the County may reasonable require.

(h) Expenses:

The Agency shall pay reasonable and customary fees and charges incurred

in procuring the funding provided hereunder, if applicable; and other expenses, including the Title Insurance Company's fees and premiums, charges for examination of title to SBV, expenses of surveys, recording expenses, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon SBV, and any other amounts necessary for the payment of the costs of SBV.

(i) Other Documents:

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

(j) Representations and Warranties:

The representations and warranties of Agency as set forth in this Agreement and the Declaration of Restrictions are true and correct.

D. REHABILITATION OF SBV:

1. Consultant Services:

The Agency shall retain the services of an architectural consultant (a Florida Registered Architect) for this project to provide (design services to create plans and specifications) for the rehabilitation of SBV. The consultant shall prepare, obtain and review bids; prepare contract documents; inspect work in progress; recommend payment to contractors; and provide other professional services customarily provided by similar professionals for this type of project. The consultant shall also coordinate the design and construction work with the asbestos abatement contractor, in the event such abatement becomes necessary.

2. Project Scope:

The Agency shall undertake the rehabilitation of SBV in order to achieve a fully functioning facility. The rehabilitation bid and contract documents shall be prepared in recognition that work associated with certain portions of SBV may be funded, in part or in whole, through this Agreement, and that work associated with other portions of SBV may not be funded through this Agreement, and therefore, shall be funded exclusively from sources other than NSP3. As such the separate portions of SBV, as described below, shall be clearly identified in the rehabilitation bid and contract documents in order to enable the attribution of expenditures to the source of funding used to pay for each such portion.

The Agency may receive funding through this Agreement for work associated with NSP3 Assisted Units. The rehabilitation bid and contract documents shall clearly show the work associated with the NSP3 Assisted Units.

The laundry facility, child development center and their ancillary improvements at SBV may not be funded through this Agreement. The rehabilitation bid and contract documents shall clearly show the work associated with these portions of SBV.

3. Asbestos Survey:

The Agency shall obtain an asbestos survey of all building components and materials at SBV that will be disturbed in the course of rehabilitation. The survey shall be performed by Florida licensed asbestos consultants and shall comply with the requirements shown in Exhibit D.

The Agency shall provide the County a copy of the asbestos survey. The consultant shall use the results of the survey in preparing the bid documents such that they incorporate specifications that address the funding of the survey.

4. Bid Documents:

The Agency shall submit its bid documents (drawings/specifications and instructions to bidders), and an itemized opinion of probable construction cost prepared by its consultant, to DES and obtain a letter of approval prior to bidding the construction work. Furthermore, the Agency shall obtain DES approval prior to issuing any addenda to its bid documents for this project.

All construction work in connection with this Agreement shall be included in the bid documents and shall be awarded in one contract.

The bid documents shall include specifications the execution of which will correct the deficiencies at SBV and will upgrade the property to the extent practicable and feasible to applicable housing and building code standards (including at a minimum the HUD Section 8 Housing Quality Standards). The bid documents shall also address the below requirements including asbestos remediation, energy efficiency and conservation, and the removal of architectural barriers, as well as any construction related improvements to the property in order to comply with the requirements of the environmental review.

(a) Lead-Based Paint:

The parties acknowledge that SBV was built in 1987 (being after January 1, 1978). As such, the rehabilitation of this property shall not be affected by NSP3 regulations pertaining to lead-based paint.

(b) Asbestos Abatement:

Should the above mentioned asbestos survey of the property reveal the presence of any asbestos containing materials that require abatement in the opinion of the County, then the Agency shall include the such abatement in the bid documents and shall comply with the requirements contained in Exhibit D, attached hereto, as well as any directives from the County regarding such abatement. All asbestos abatement work shall be performed by a Florida licensed asbestos abatement contractor, and when required by the County, shall be monitored by a Florida licensed asbestos consultant. The Agency shall comply with the requirements of the County's Risk Management Department in connection with all asbestos abatement work. If feasible in DES's opinion, the Agency shall include the asbestos abatement work in the bid and contract for construction, otherwise such work shall be procured separately by the Agency in accord with the requirements of this Agreement

NOTE: The Agency shall in connection with the rehabilitation work to be performed at SBV, and according to applicable laws and regulations, disclose to SBV occupants the presence of any asbestos containing materials present at the property.

(c) Energy Efficiency:

The Agency shall ensure that the rehabilitation of SBV shall meet the current edition of the Model Energy Code published by the Council of American Building Officials, and, to the greatest extent possible, shall meet the 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 Agency shall incorporate the following elements into its bid documents:

(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.

(d) Accessibility Requirements:

The Agency shall comply with the provisions of 24 CFR Part 8.22(b) in connection with the rehabilitation of SBV. As such, the NSP3 Assisted Units shall, to the maximum extent feasible, be made to be readily accessible to and usable by individuals with handicaps. If alterations of single elements or spaces of an NSP3 Assisted Unit, when considered together, amount to an alteration of a dwelling unit, the entire NSP3 Assisted Unit shall be made accessible. Once five percent (5%) of the NSP3 Assisted Units are readily accessible to and usable by individuals with mobility impairments, then no additional elements of dwelling units, or entire dwelling units, are required to be accessible under this paragraph. Alterations to common areas or parts of facilities that affect accessibility of existing housing facilities shall, to the maximum extent feasible, be made to be accessible to and usable by individuals with handicaps. For purposes of this paragraph, the phrase *to the maximum extent feasible* shall not be interpreted as requiring the Agency make a dwelling unit, common area, facility or element thereof accessible if doing so would impose undue financial and administrative burdens on the operation of SBV.

(d) Use of Brand Names:

Should the Agency use brand names in its bid documents for the SBV project, then these documents shall:

- (i) Clearly note that the specified brand name is used for descriptive purposes only,
- (ii) State that "equal" equipment or materials will be accepted, and
- (iii) Identify the minimum requirements to establish equality.

The Agency agrees that the use of more than one brand name shall not be regarded as having met the above requirements.

5. Federal Requirements:

Prior to soliciting bids, the Agency shall obtain from the County, and include in its bid and contract documents the applicable Federal requirements for the project being bid, which shall include the applicable Davis-Bacon wage decision, if any, for the project. The Agency shall incorporate a copy of the Davis-Bacon wage decision and disclose the requirements of the Davis-Bacon and Related Acts (DBRA) in its construction bid solicitation and contract.

The Agency shall comply with all applicable Federal requirements, including, but not limited to, the following:

(a) Section 3 Requirements:

The Agency agrees to comply with all Section 3 requirements applicable to contracts funded through this Agreement. The Section 3 requirements are contained in Exhibit E attached hereto. 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

- (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. 170 1u (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 implements 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.
- (b) Labor Standards:
 The Agency 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 Agency 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 Agency shall maintain documentation that demonstrates compliance with hour and wage requirements of this part, and shall make it available to the County for review upon request.

The Agency agrees that the prime contractor, all its subcontractors, and all lower tier subcontractors engaged under contracts in excess of \$2,000 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 Agency of its obligation, if any, to require payment of the higher wage. 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, and shall make such contracts available to the County upon request

The Agency shall require the prime contractor, all its subcontractors, and all lower tier subcontractors to permit the County's representatives, representatives of HUD, the Department of Labor, and their designees, to interview employees who perform work on the Project, and shall require the prime contractor, all its subcontractors, and all lower tier subcontractors to require their employees to respond to any such interviews.

(c) Bonding Requirements:

The Agency shall comply with the requirements of OMB Circular A-110 and 24 CFR Part 84 in regard to bid guarantees, performance bonds, and payment bonds.

(d) Vicinity Hiring:

The Agency shall in connection with activities funded through this Agreement comply with NSP3 requirements for vicinity hiring, and to the maximum extent feasible, provide for the hiring of employees who reside in the "vicinity" of the SBV project and the Agency shall contract with small businesses that are owned and operated by persons residing in the "vicinity" of the SBV project. For the purposes of this Agreement "vicinity" is defined as the County's NSP3 Target Area E. The Agency may obtain a map of this area from the County.

6. Construction Contract Award:

The Agency shall not award the construction contract for the SBV project until sufficient funding is available to complete the established scope of work. Should the construction contract amount for this project exceed the balance of NSP3 funds remaining available through this Agreement for construction costs, then the Agency shall fund all amounts in excess of the amount to be funded by the County. In such instance, the Agency shall provide the County documentation evidencing that it has the balance of funds needed to fund the full cost of construction.

All construction work shall be included in one construction contract and the construction contract shall contain a schedule of values for the SBV project providing a detailed cost breakdown. The Agency shall obtain DES approval prior to awarding the construction contract to be funded through this Agreement. After awarding such contract, the Agency shall obtain DES approval prior to executing any change orders to such contract.

The Agency shall provide the County a copy of the executed construction contract. Subsequently, the Agency shall provide the County a copy of all executed change orders to the construction contract.

7. Reimbursement for Construction Costs:

Reimbursements by the County to the Agency for construction costs shall be limited to costs associated with the sixty-five (65) apartments at SBV and their ancillary improvements that in the sole opinion of the County are eligible under NSP3, and the schedule of values contained in the construction contract shall clearly show the items pertaining to this work. No reimbursement shall be made through this Agreement for costs associated with the laundry facility, child development center and their ancillary improvements at SBV, and the schedule of values contained in the construction contract shall clearly show the items pertaining to this work.

The Agency shall, for each reimbursement request for construction costs, provide a reimbursement request letter as specified herein along with evidence of the Agency's payment for construction costs and a copy of the prime contractor's request for payment prompting the Agency's payment. The contractor shall be required to use American Institute of Architects (AIA) form G702/703, or an equivalent form, to request payment, and the consultant shall approve the contractor's payment request on each such form.

- (a) Condition Precedent to Release of NSP3 Funds for Construction:
The Agency acknowledges receipt of a letter from DES dated December 7, 2012, regarding the Environmental Review of the SBV project. The Agency understands that the results of the Environmental Review require the Agency to mitigate an aboveground propane gas storage tank in the proximity of the child development center described herein. The Agency is accordingly required to relocate said propane gas storage tank by burying it underground as described in the afore stated letter. The Agency shall accomplish said mitigation, at its own cost, and in a manner satisfactory to the County, as a precondition to the release of NSP3 funds in connection with the rehabilitation of SBV. Said mitigation shall be accomplished by the Agency as a separate activity independent of the rehabilitation construction contract described herein.
- (b) Construction Costs in Excess for NSP3 Funds Available for Construction:
Should the cost of construction associated with the rehabilitation of SBV exceed the balance of NSP3 funds available through this Agreement for construction costs, then the Agency shall first fund the cost of work in excess of such balance before requesting reimbursement from the County. In such instance, the Agency shall provide the County documentation evidencing its expenditures on the excess costs. Nothing contained herein shall obligate the Agency to fund the rehabilitation of the laundry facility, child development center and their ancillary improvements prior to seeking reimbursement from the County for other rehabilitation work using NSP3 funds.
- (c) Reimbursement for Stored Materials:
The Agency may request reimbursement for payments made under the construction contract for materials purchased and stored at SBV 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 Agency, and provided that the County shall have received, reviewed, and approved documentation from the Agency evidencing that for the life of the Project:
- The Agency's Builder's Risk Insurance policy includes a sub-limit 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 Agency 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.

Note: The Agency may not receive any reimbursement through this Agreement for stored materials purchased in connection with the laundry facility, child development center and their ancillary improvements at SBV.

- (d) Retainage and Release of Retainage:
The Agency 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 NSP3 funds for the SBV project (such as the Davis-Bacon and Related Acts). The Agency shall obtain the County's approval prior to releasing the accumulated retainage with the final payment.

8. Termite Inspection and Treatment:

The Agency shall obtain an inspection of SBV to determine the presence of any termites or other wood destroying organisms. The Agency shall provide the County a copy of such inspection. If any such infestation is found that affects any NSP3 Assisted Units, then the Agency shall procure the services of a company licensed in Florida in order to treat such termites.

E. OCCUPANCY AND AFFORDABILITY OF TENANT OCCUPIED UNITS AT SBV:

The Agency represents to the County that for the duration of the Declaration of Restrictions, that is for the duration of the herein specified twenty (20) year affordability period, all sixty-five (65) apartments at SBV, that is the NSP3 Assisted Units, shall be rented to tenants according to the occupancy and affordability requirements enumerated below.

1. Permanent Housing:

All NSP3 Assisted Units shall be "permanent housing" meaning housing which is intended to be the tenant's home under the limits of a signed legal lease document. It does not include transitional housing or emergency shelters, as these are not eligible activities.

2. Income of Occupants, Rental Rates and Affordability Period:

All NSP3 Assisted Units shall, for a period of at least twenty (20) years from the date of issuance of the Certificate of Completion by the Building Department with jurisdiction over SBV evidencing the completion of rehabilitation of all NSP3 Assisted Units, be leased by the Agency as follows:

- (a) At least thirty-two (32) units of the NSP3 Assisted Units shall be leased by the Agency to households whose incomes, adjusted by family size, are at no more than fifty percent (50%) of Area Median Income (hereinafter "AMI") at the time these units are first occupied, and thereafter, at any time new tenants occupy these units. AMI shall mean the most current area median income published by HUD for the West Palm Beach-Boca Raton Metropolitan Statistical Area. The Agency shall follow the current guidelines of HUD Occupancy Handbook 4350 in regard to eligibility for assistance and occupancy.

The aforesaid units shall be as follows: At least two (2) units shall be one-bedroom units, at least twenty-six (26) units shall be two-bedroom units, and at least four (4) units shall be three-bedroom units.

The aforesaid units shall be leased by the Agency at a rate such that the tenant's payment is no more than the Low HOME Rent Limit in effect at the time the lease is executed less any tenant paid utilities using the then current local utility allowances in the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services as published by HUD. The Low HOME Rent Limit, by bedroom size, shall be as published by HUD, from time to time, for the West Palm Beach-Boca Raton HUD Metro FMR Area pursuant to 24 CFR 92.252.

The above specified rates shall apply to all initial leases with tenants, as well as all subsequent leases and lease renewals.

- (b) No more than thirty-three (33) units of the NSP3 Assisted Units shall be leased by the Agency to households whose incomes, adjusted by family size, are more than fifty percent (50%) of AMI, but not more than one hundred and twenty percent (120%) of AMI at the time these units are first occupied, and thereafter, at any time new tenants occupy these units.

The aforesaid units shall be as follows: No more than two (2) units shall be one-bedroom units, no more than twenty-seven (27) units shall be two-bedroom units, and no more than four (4) units shall be three-bedroom units.

Of the aforesaid units, those units that are leased by the Agency to households whose incomes, adjusted by family size, are more than fifty percent (50%) of AMI, but no more than eighty percent (80%) of AMI, shall be leased by the Agency at a rate such that the tenant's payment is no more than the High HOME Rent Limit in effect at the time the lease is executed less any tenant paid utilities using the then current local utility allowances in the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services as published by HUD. The High HOME Rent Limit, by bedroom size, shall be as published by HUD, from time to time, for the West Palm Beach-Boca Raton HUD Metro FMR Area pursuant to 24 CFR 92.252.

Of the aforesaid units, those units that are leased by the Agency to households whose incomes, adjusted by family size, are more than eighty percent (80%) of AMI, but no more than one hundred and twenty percent (120%) of AMI, shall be leased at a rate such that the tenant's payment is no more than the Fair Market Rents in effect at the time the lease is executed less any tenant paid utilities using the then current local utility allowances in the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services as published by HUD. The Fair Market Rents, by bedroom size, shall be as published by HUD for existing housing, for comparable units in the area, pursuant to 24 CFR Part 888.111.

The above specified rates shall apply to all initial leases with tenants, as well as all subsequent leases and lease renewals.

3. Leases to be Maintained:

The Agency shall, for each household that is leased an NSP3 Assisted Unit, maintain a file that, at minimum, contains the following:

- (a) 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.
- (b) At the time an NSP3 Assisted Unit is first occupied, and thereafter, at any time new tenants occupy an NSP3 Assisted Unit, source documentation evidencing the Agency's verification of the applicant's household income and a computation sheet demonstrating the Agency's determination of the applicant's income eligibility to occupy the unit. Household income computation shall follow the HUD Section 8 method (24 CFR 5.609). The Agency shall follow the current guidelines of HUD Occupancy Handbook 4350 in regard to determining income.
- (c) A copy of the HUD income levels in effect at the time the initial lease is signed.
- (d) A computation sheet and supporting documentation demonstrating that the rent charged by the Agency is at the applicable rental rate specified herein.
- (e) An original of all executed leases with the applicant/tenant identifying the unit number/address and the rental rate.
- (f) A copy of the below described criminal and credit background check.
- (g) Any other documentation evidencing the Agency's compliance with this Agreement.

4. Background Check, Tenant Selection, and Lease Requirements:

The Agency shall conduct a criminal and credit background check on all adult members of households prior to occupancy.

The Agency shall comply with the following tenant selection and lease requirements:

- (a) The Agency shall adopt, and submit to the County for review, written tenant selection policies and criteria that:
 - (i) Are consistent with the purpose of providing housing to families at the income levels specified herein.
 - (ii) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease.
 - (iii) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable.
 - (iv) Give prompt written notification to any rejected applicant of the grounds for any rejection.
- (b) The Agency shall submit a copy of its proposed Lease Agreement for approval by DES. In the event that future material revisions may occur, Agency shall submit an updated Lease Agreement for approval (which shall not be unreasonably withheld or delayed) as revisions occur.
- (c) The lease between a tenant and the Agency must be for not less than one (1) year, unless by mutual agreement between the tenant and the Agency.
- (d) The Agency 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 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 or area residents the right to quiet and peaceful enjoyment of their homes or businesses.
- (e) The Agency may not terminate the tenancy or refuse to renew the lease of a tenant at an NSP3 Assisted Unit, except for serious or repeated violation of the terms and conditions of the lease; violation of applicable Federal, State, or local law; or for other good cause. To terminate or refuse to renew tenancy, the Agency must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy unless such delay would cause substantial potential harm to the other tenants of the Project or the Agency.
- (f) The Agency is prohibited, from including any of the following lease terms in the Lease Agreement of NSP3 Assisted Units:
 - (i) Agreement to be Sued: Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Agency in a lawsuit brought in connection with the lease.
 - (ii) Treatment of Property: Agreement by the tenant that the Agency may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The Agency may dispose of this personal property in accordance with State law.
 - (iii) Excusing Agency from Responsibility: Agreement by the tenant not to hold the Agency or the Agency's agents legally responsible for any action or failure to act, whether intentional or negligent.
 - (iv) Waiver of Notice: Agreement of the tenant that the Agency may institute a lawsuit without notice to the tenant.

- (v) Waiver of Legal Proceedings: Agreement by the tenant that the Agency may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
- (vi) Waiver of a Jury Trial: Agreement by the tenant to waive any right to a trial by jury.
- (vii) Waiver of Right to Appeal Court Decision: Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
- (viii) Tenant Chargeable with Cost of Legal Actions Regardless of Outcome: Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Agency against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

5. Changes in Tenant Income:

Tenants in NSP3 Assisted Units whose incomes no longer meet federal income guidelines shall have their rents adjusted in accordance with federal NSP3 guidelines. NSP3 Assisted Units continue to qualify as affordable housing despite temporary non-compliance caused by increases in the incomes of existing tenants if actions consistent with HUD regulations are being taken to ensure that all vacancies are filled in accordance with affordability requirements until the non-compliance is corrected.

6. Affirmative Marketing:

The Agency shall take the necessary steps to affirmatively market the NSP3 Assisted Units and shall establish an affirmative marketing plan to do so. In its affirmative marketing plan, the Agency's shall comply with the following procedures:

- (a) Use the Equal Opportunity logo or slogan in advertisements.
- (b) Solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach. The Agency may satisfy 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
 - Mobile Home Communities
 - Agencies for the disabled
 - Churches and other related organizations
- (c) Maintain records of the Agency's efforts to affirmatively market units including advertisements, minutes of meetings, income documentation, census tract information, copies of brochures, news clippings, press releases, sign-in logs from community meetings, and any letters of inquiry written to or from prospective clients, as applicable, as evidence of the Agency's efforts.

The County will also assess the Agency's affirmative marketing program to determine the success of affirmative marketing actions (such as advertisements, etc.), and address the potential necessity for corrective actions, making distinctions between failures based upon marketing/targeting problems, those based on systemic (program eligibility) factors or lack of interest. Affirmative marketing success will be specifically tracked through the various program applications by notations of racial/ethnic/gender distinctions on program documents. The County recognizes that the volume of response from racial/ethnic/gender groups may not be an indication of affirmative marketing efforts, and, therefore, it will make periodic adjustments in its affirmative marketing techniques with consultation from

specialized Equal Housing Opportunity, fair housing and racial and gender-based minority groups.

The requirements of this section shall survive the expiration of this Agreement and shall end upon the expiration or termination of the Declaration of Restrictions.

F. ELIGIBLE PROJECT COSTS:

Allowable costs that may be paid/reimbursed with NSP3 funds, subject to the requirements of this Agreement and subject to approval by DES, are as follows:

Property acquisition costs, customary closing costs (title insurance, settlement fee, recording fees, real estate taxes due at settlement, state documentary stamp and intangible taxes, wire and courier charges), property, wind, and flood insurance as specified herein, reasonable attorney costs, appraisal costs, land surveys, building permit fees, builder's risk insurance, rehabilitation inspections, reasonable and necessary rehabilitation consultant services (including property inspections, cost estimating, writing of rehabilitation specification, review and evaluation of bids, pre-bid conferences, pre-job meeting, construction monitoring inspections, contractor payment approvals, and processing of change orders), lead-based paint inspection/risk assessment, asbestos inspection, construction rehabilitation, lead-based paint/asbestos abatement, extermination of wood destroying organisms, costs of securing buildings or properties during the development period, and any other costs related to the acquisition and rehabilitation of the property as deemed eligible by DES.

G. OTHER REQUIREMENTS:

The Agency shall for the duration of the Declaration of Restrictions, that is, for the duration of the twenty (20) year affordability period described herein, comply with the following requirements:

1. Operating Budget and Operating Account:

No later than thirty (30) days after the execution of this Agreement, and no later than thirty (30) days after the beginning of each fiscal year thereafter, for the duration of the Declaration of Restrictions, the Agency shall submit to DES for approval an annual Operating Budget for SBV. Thereafter, the Agency shall obtain DES approval for any changes to the annual Operating Budget. The annual Operating Budget shall project all revenues and expenses at SBV.

The Agency shall promptly deposit gross revenues from all sources at SBV directly into a segregated depository account established exclusively for SBV (hereinafter "Operating Account"). Withdrawals from the Operating Account may only be made in accordance with the Operating Budget as approved by the County, with the exception that Agency does not need County approval for payment of routine operational work where the actual cost of such work exceeds the budgeted amount by no more than 10%.

2. Repair & Replacement Reserve Account:

The Agency must establish, or cause to be established, a segregated interest-bearing replacement reserve depository account ("Repair & Replacement Reserve Account") for SBV. The Agency must make monthly deposits totaling no less than 2.5% of each monthly rental payment from all sources at SBV into the Repair & Replacement Reserve in accordance with Agency's Operating Budget. The Agency may withdraw funds from the Repair & Replacement Reserve Account solely to fund capital improvements for SBV, such as replacing or repairing structural elements, fixtures or equipment at SBV that are reasonably required to preserve the Project. The Agency may not withdraw funds from the Repair & Replacement Reserve Account for any other purpose without the prior written approval of the County so that the County may ensure that any withdrawn funds are being used solely for SBV. If the property is sold, any funds remaining within this account shall be returned to DES at the time of closing. The Agency may retain the reserve funds at the end of the twenty (20) year affordability period.

3. Termite Inspection Report:

The Agency shall deliver a wood destroying organisms report to DES for all structures at SBV no later than the January 31st of every third (3rd) year, beginning January 2016. Should the report indicate the presence of wood destroying organisms, the Agency may undertake extermination of wood destroying organisms the cost of which may be deducted

from gross revenues consistent with the herein provided program income requirements.

The requirements of this section shall survive the expiration of this Agreement and shall end upon the expiration or termination of the Declaration of Restrictions.

H. REPORTS:

The Agency shall submit to DES detailed reports as described below, and any additional reports as may be required by DES and HUD:

1. Monthly Performance Report:

The Agency shall submit to the County a Monthly Performance Report in the form provided as Exhibit F to this Agreement. The Agency shall first submit this report on the last day of the month during which this Agreement is executed, and thereafter, on the last day of each subsequent month. After the Agency provides a report for the month during which the Building Department with jurisdiction over SBV issues the Certificate of Completion evidencing the completion of rehabilitation of all NSP3 Assisted Units, the Agency may cease submitting this report.

2. Tenant Information Report:

The Agency shall submit to the County a Tenant Information Report in the form provided as Exhibit G to this Agreement. The Agency shall first submit this report on the last day of the month during which this Agreement is executed, and thereafter, on the last day of each subsequent month. After the Agency provides this report for all NSP3 Assisted Units described herein, the Agency may cease submitting this Report.

3. Annual Rent Roll:

The Agency shall submit to the County an Annual Rent Roll in the form provided as Exhibit H to this Agreement. The Agency 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 Declaration of Restrictions.

4. Section 3 Report:

The Agency shall submit to the County a Section 3 Report to be provided on a monthly basis. The format and content of said report shall be determined by the County at a later date and promptly communicated to the Agency.

5. Other Reports:

The Agency agrees to submit to DES any other reports required by HUD and/or DES in connection with activities undertaken through this Agreement.

II. THE COUNTY AGREES TO:

- A.** Provide funding for the above described property acquisition and rehabilitation during the term of this Agreement in the amount of \$1,408,021.50.
- B.** Provide project administration and inspection to the Agency to ensure compliance with 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 DES, be conducted by DES staff or its contractor, and will serve to ensure compliance with HUD regulations, that planned activities are conducted in a timely manner, and to verify the accuracy of reporting to DES on program activities.
- D.** The County shall perform an environmental review of the projects, and shall 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.

EXHIBIT BDECLARATION OF RESTRICTIONS**Return to:**

Palm Beach County
 Department of Economic Sustainability
 100 Australian Avenue, Suite 500
 West Palm Beach, FL 33406
 Prepared by: Tammy K. Fields,
 Chief Assistant County Attorney

The undersigned, **Palm Beach County Housing Authority**, having its principal office at **3432 West 45th Street, West Palm Beach, FL 33407**, (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 **One Million Four Hundred Eight Thousand Twenty-One and 50/100 Dollars (\$1,408,021.50)** expended by the Palm Beach County Board of County Commissioners (the "County") on the acquisition of, and improvements to, the subject property described below and hereinafter referred to as the "Premises", the Agency does hereby grant to the County the following restrictions against Premises.

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PALM BEACH, STATE OF FLORIDA, AND IS DESCRIBED AS FOLLOWS:

THE NORTH 635.69 FEET OF TRACT 35 OF THE AMENDED PLAT AND RESUBDIVISION OF SECTION 14, TOWNSHIP 44 SOUTH, RANGE 36 EAST AND PLAT OF THE TOWN OF SOUTH BAY, CITY OF SOUTH BAY, PALM BEACH COUNTY, FLORIDA; AS RECORDED IN PLAT BOOK 7, PAGE 46, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, LESS AND EXCEPTING THE NORTH 33 FEET THEREOF AND ALSO LESS AND EXCEPTING THE FOLLOWING PARCEL OF LAND:

THE NORTH 183 FEET OF TRACT 35 OF THE AMENDED PLAT AND RESUBDIVISION OF SECTION 14, TOWNSHIP 44 SOUTH, RANGE 36 EAST AND PLAT OF THE TOWN OF SOUTH BAY, CITY OF SOUTH BAY, PALM BEACH COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 7, PAGE 46, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, THAT IS LYING EAST OF THE SOUTHERLY PROLONGATION OF THE EASTERLY RIGHT-OF-WAY OF NORTHWEST 9TH AVENUE.

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 expenditure of funds for the acquisition and rehabilitation of the Agency's Premises, as provided through an Agreement with the County dated _____, 2013, the Agency hereby covenants and agrees that for a period of twenty (20) years beginning from the date of issuance of the Certificate of Completion by the Building Department with jurisdiction over the premises evidencing the completion of rehabilitation improvements of the apartments at the Premises, and as described in said Agreement, the Agency agrees to:

- (a) To cause the rehabilitation of the structures on the Premises as specified in the Agreement.
- (b) To, thereafter, lease all sixty-five (65) apartments at the Premises to households whose incomes are as specified in the Agreement.
- (c) To lease the sixty-five (65) apartments at the Premises at rental rates that are affordable to the tenants based on their incomes in accord with the terms of the Agreement.
- (d) To affirmatively market the sixty-five (65) apartments at the Premises as specified in the Agreement.

- (e) To maintain the Premises in a state of repair pursuant to applicable housing and building codes.
- (f) To maintain property, flood, and windstorm insurance on the Premises and its improvements as specified in the Agreement.
- (g) To maintain records and submit reports and audited statements as specified in the Agreement.
- (h) To comply with the program generated income requirements specified in the Agreement.
- (i) To comply with the provisions, terms, and conditions set forth herein and in the Agreement.

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

4. Should Agency change the use or planned use, or discontinue use, of the Premises (including the beneficiaries of such use) from that for which the acquisition or improvements were made, without the prior approval of the County, or should the Agency sell, convey or transfer title to the Premises without the prior approval of the County, then the Agency shall pay the County an amount equal to the current market value of the Premises, and the improvements thereon, less any portion thereof attributable to the Agency's expenditures of non-NSP3 funds for acquisition of, or improvements to the property. The final determination of the amount of any such payment to the County under this paragraph shall be made by the County.

5. The Agency shall pay, or cause to be paid, all taxes due while the Premises is in its possession and/or in the possession of the Agency's tenants, and the Agency shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Premises, 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 Premises 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 Premises 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 Premises:

- (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 Premises, 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 Premises for a breach of the restrictive covenants contained in this Declaration of Restrictions; and

PALM BEACH COUNTY HOUSING AUTHORITY

- (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 the Department of Economic Sustainability, at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

Executed this _____ day of _____, 20____.

SIGNED, SEALED, AND DELIVERED IN
THE PRESENCE OF:

PALM BEACH COUNTY
HOUSING AUTHORITY

Witness Name: _____
Witness Signature: _____

X _____

Witness Name: _____
Witness Signature: _____

X _____

By: Marcia Hayden, Chair
Signature: _____

X (DO NOT SIGN THIS EXHIBIT)

(CORPORATE SEAL BELOW)

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me on _____, 20____, by Marcia Hayden, as Chair of the Palm Beach County Housing Authority, 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 Name: _____

(NOTARY SEAL ABOVE)

Notary Public - State of Florida

EXHIBIT C**GUIDANCE ON NSP APPRAISALS**

Acquisitions financed with NSP3 grant funds are subject to the URA, and its implementing regulations at 49 CFR Part 24, and the requirements set forth in the NSP Notice that was published in the Federal Register on October 6, 2008. HUD anticipates that most of these transactions will qualify as voluntary acquisitions under the applicable regulations of 49 CFR 24.101(b). The URA regulations do not specifically require appraisals in connection with voluntary acquisitions under 49 CFR 24.101(b). However, the NSP Notice requires appraisals to be performed with respect to the NSP funded acquisition of foreclosed upon homes and residential properties, even though they may be considered voluntary under the URA. In those cases, the URA appraisal requirements of 49 CFR 24.103 must be met. The following guidance on appraisals pertains to acquisitions of foreclosed upon homes and residential properties which meet the applicable voluntary acquisition requirements of 49 CFR 24.101(b) and reflects applicable URA requirements and the NSP requirements, including the URA appraisal requirements of 49 CFR 24.103.

1. The NSP3 grantee must ensure that the owner is informed in writing of what the grantee believes to be the market value of the property; and that the NSP3 grantee will not acquire the property if negotiations fail to result in an amicable agreement (see 49 CFR 24.101(b)(1) & (b)(2)).
2. If NSP3 funds are to be used to acquire a foreclosed upon home or residential property (other than through donation), and the market value of the property is \$25,000 or more, the grantee must ensure that the purchase price includes a discount from the value established by an appraisal that meets the following requirements:
 - a. The appraisal must have been completed within 60 days of the offer made for the property (an initial offer can be made, subject to the completion of the appraisal within 60 days of a final offer).
 - b. The appraisal must meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):
 - i. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
 - ii. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.
 - iii. A description of comparable sales, including a description of all relevant physical, legal and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
 - iv. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of damages and benefits, if any, to the remaining real property, where appropriate.
 - v. The effective date of valuation, date of appraisal, signature and certification of the appraiser.

- c. The appraiser shall disregard any increase or decrease in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.
 - d. If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall not be less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at 24.2(a)(24)) of the retained improvement.
- 3. The NSP3 grantee has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem. HUD's guide to preparing an appraisal scope of work under the URA is available in HUD Handbook 1378 - Appendix 19.
 - 4. The NSP3 grantee shall establish criteria for determining the minimum qualifications and competency of appraisers. Qualifications shall be consistent with the scope of work for the assignment. The NSP3 grantee shall review the experience, education, training, certification/licensing, designation(s) and other qualifications of appraisers, and use only those determined by the NSP3 grantee to be qualified.
 - 5. If the NSP3 grantee uses a contract (fee) appraiser to perform the appraisal, such appraiser shall be State licensed or certified in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 *et seq.*).

EXHIBIT D**ASBESTOS REQUIREMENTS**
SPECIAL CONDITIONS FOR DEMOLITION AND RENOVATION OF BUILDINGS

The provisions of this part apply to all demolition and renovation work contemplated in this Agreement and described in Exhibit A of this Agreement.

I. DEFINITIONS

ACBM:	Asbestos Containing Building Materials
AHERA:	Asbestos Hazard Emergency Response Act
EPA:	Environmental Protection Agency
FLAC:	Florida Licensed Asbestos Consultant
DES:	Palm Beach County Department of Economic Sustainability
NESHAP:	National Emission Standards for Hazardous Air Pollutants
NRCA:	National Roofing Contractors Association
NVLAP:	National Voluntary Laboratory Accreditation Program
OSHA:	Occupational Health and Safety Administration
PBCAC:	Palm Beach County Asbestos Coordinator (in Risk Management)
TEM:	Transmission Electron Microscopy

II. ASBESTOS SURVEYS

All properties scheduled for renovation or demolition are required to have a comprehensive asbestos survey conducted by a Florida Licensed Asbestos Consultant, (FLAC). The survey shall be conducted in accordance with AHERA guidelines. Analysis must be performed by a NVLAP accredited laboratory.

For Renovation Projects (projects which will be reoccupied):

- Point counting must be done for all asbestos containing building materials (ACBM) indicating less than 1% asbestos (to determine if any asbestos is present).
- Samples of vinyl floor tile indicating asbestos not detected must be confirmed by transmission electron microscopy (TEM).
- Joint compound shall be analyzed as a separate layer.
- Roofing material shall be sampled only if a renovation requires the roof to be disturbed (in lieu of sampling the roof, it may be presumed to contain asbestos).

For Demolition Projects:

- Point counting must be done for all "friable" asbestos containing building materials (ACBM), indicating less than 1% asbestos. This includes joint compounds (to be analyzed as a separate layer), and vinyl asbestos tile.
- Roof materials shall be presumed to be asbestos containing.

If the Developer has a recent asbestos survey report prepared by a licensed asbestos consultant, a copy may be provided to DES and PBCAC for review to determine if the survey is adequate to proceed with renovation/demolition work. If no survey is available, a survey may be initiated by the Agency or requested by DES. A copy of the completed survey will be forwarded to the Agency. All asbestos survey's shall be forwarded to the PBCAC.

III. ASBESTOS ABATEMENT**A. RENOVATION**

- (a) Prior to a renovation, all asbestos containing materials that will be disturbed during the renovation, must be removed by a Florida Licensed Asbestos Contractor under the direction of a FLAC. Exceptions may be granted by DES prior to the removal, (such as asbestos containing roofs, transite pipe). The Agency must obtain approval for all exceptions from DES. DES will request the PBCAC to review and approve all exceptions.

- (b) Asbestos Abatement work may be contracted by the Agency or by DES upon request.
- (c) If the Agency contracts the asbestos abatement, the following documents are required to be provided to the DES and the PBCAC.
 - 1. An Asbestos Abatement Specification (Work Plan), sealed by a FLAC.
 - 2. Pre and Post Job submittals, reviewed and signed by the FLAC.
- (d) If the Agency requests DES to contract the asbestos abatement, DES will initiate the request through the PBCAC who will contract the asbestos abatement. DES will provide a copy of all contractor and consultant documents to the Agency.
- (e) Materials containing <1% asbestos are not regulated by EPA/NESHAPS. However, OSHA compliance is mandatory. OSHA requirements including training, wet methods, prompt cleanup in leak tight containers, etc. The renovation contractor must comply with US Dept of Labor, Standard Interpretation (OSHA), Compliance requirements for renovation work involving material containing <1% asbestos, 11/24/2003. The renovation contractor must submit a work plan to DES and the PBCAC prior to removal of the materials.

B. DEMOLITION

All "friable" ACM must be removed by a Florida Licensed Asbestos Contractor under the direction of a FLAC prior to demolition. Friable materials include: resilient asbestos tile and mastic which is not intact, linoleum, asbestos containing joint compound, asbestos containing cement panels (e.g. transite), etc.

Intact resilient tile and asbestos roof materials may be demolished with adequate controls (e.g. wet method) by a demolition contractor provided the contractor is aware of the asbestos containing materials present and exercises adequate control techniques (wet methods, etc.). In all cases, demolition work should be monitored by a FLAC to insure proper control measures and waste disposal. Any exceptions to these guidelines may be requested through DES prior to the removal, (such as asbestos containing roofs, transite pipe). Exceptions may be granted by DES prior to the removal, (i.e. asbestos containing roofs, transite pipe). The Agency must obtain approval for all exceptions from DES and the PBCAC.

- (a) Asbestos Abatement work may be contracted by the Agency or by DES upon request.
- (b) If the Agency contracts the asbestos abatement, the following documents must be provided to the PBC/DES and reviewed by the PBCAC.
 - 1. An Asbestos Abatement Specification (Work Plan), sealed by a FLAC.
 - 2. Pre and Post Job submittals, reviewed and signed by the FLAC.
- (c) If the Agency requests DES to contract the asbestos abatement, DES will initiate the request through the PBCAC who will contract the asbestos abatement. DES will provide a copy of all contractor and consultant documents to the Agency.
- (d) Recycling, salvage or compacting of any asbestos containing materials or the substrate is strictly prohibited.
- (e) In all cases, compliance with OSHA "Requirements for demolition operations involving material containing <1% asbestos is mandatory.
- (f) For all demolitions involving asbestos containing floor tile, asbestos containing roofing material and materials containing <1%, the Demolition Contractor shall submit the following documents to DES. DES will provide a copy of these documents to PBCAC.

1. Signed statement that the demolition contractor has read and understood the requirements for complying with EPA, OSHA and the State of Florida Licensing regulations for demolition of structures with asbestos materials.
 2. Submit a plan for the demolition of asbestos containing roofing and floor tile. State if these materials are likely to remain intact. Include in the plan what shall occur if materials become "not intact".
 3. Submit a plan for compliance with OSHA requirements such as but not limited to: competent person, establishing a regulated area, asbestos training of workers, respiratory protection, use of disposable suits, air monitoring, segregation of waste, containerizing asbestos waste, waste disposal.
- (g) If materials are discovered that are suspect asbestos materials that were not previously sampled, stop all work that will disturb these materials and immediately notify DES.

IV. NESHAPS NOTIFICATION

A. RENOVATION

A NESHAP form must be received by the Palm Beach County Health Department at least ten working days prior to an asbestos renovation that includes regulated asbestos containing material greater than 160 square feet or 260 linear feet or 35 cubic feet. For lesser quantities, the Agency (or its contractor) shall provide a courtesy notification to the Palm Beach County Health Department at least ten working days prior to an asbestos renovation. The removal of vinyl asbestos floor tile and linoleum shall be considered regulated. Asbestos roof removal requires a notification at least 3 working days prior to the removal.

B. DEMOLITION

A NESHAP form must be received by the Palm Beach County Health Department at least ten working days prior to the demolition.

- C. The NESHAP notification shall be sent return receipt requested to the address shown below with a copy to DES. DES shall provide a copy to the PBCAC. All fees shall be paid by the Agency.

Palm Beach County Department of Health
Asbestos Coordinator
800 Clematis Street
Post Office Box 29
West Palm Beach, Florida 33402

V. APPLICABLE ASBESTOS REGULATIONS/GUIDELINES

The Agency, through its demolition or renovation contractor, shall comply with the following asbestos regulations/guidelines. This list is *not* all inclusive:

- (a) Environmental Protection Agency (EPA) NESHAP, 40 CFR Parts 61 Subpart M National Emission standard for Asbestos, revised July 1991
- (b) Occupational Health and Safety Administration (OSHA) Construction Industry Standard, 29 CFR 1926.1101
- (c) EPA: A Guide to Normal Demolition Practices Under the Asbestos NESHAP, September 1992
- (d) Demolition practices under the Asbestos NESHAP, EPA Region IV
- (e) Asbestos NESHAP Adequately Wet Guidance

- (f) Florida State Licensing and Asbestos Laws
 - 1. Title XVIII, Chapter 255, Public property and publicly owned buildings.
 - 2. Department of Business and Professional Regulations, Chapter 469 Florida Statute, Licensure of Asbestos Consultants and Contractors
- (g) Resilient Floor Covering Institute, NRCI, Updated Recommended Work Practices and Asbestos Regulatory Requirements, September 1998.
- (h) Florida Roofing Sheet Metal and Air Conditioning Contractors Association, NRCA, June 1995
- (i) US Dept of Labor, Standard Interpretation (OSHA)
 - 1. Application of the asbestos standard to demolition of buildings with ACM in Place, 8/26/2002.
 - 2. Requirements for demolition operations involving material containing <1% asbestos, 8/13/1999.
 - 3. Compliance requirements for renovation work involving material containing <1% asbestos, 11/24/2003.

EXHIBIT E**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 (DES) 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 DES 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 DES. 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 DES. 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 DES. 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 at 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 F

PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY

MONTHLY PERFORMANCE REPORT

Report For:	Month: _____ Year: _____		
Subrecipient Name:	PALM BEACH COUNTY HOUSING AUTHORITY		
Project Name:	South Bay Villas		
Report Prepared By:			
	Name _____	Signature _____	Date _____

BUDGETING AND EXPENDITURES

Amounts Expended this Reporting Period: NSP3 Funds:\$_____ Other Funds:\$_____
Amounts Expended to Date:

//////////////////////////////////// ///	BUDGETED	EXPENDED	PERCENTAGE
NSP3 Funds:	\$ _____	\$ _____	%
Other Funds:_____	\$ _____	\$ _____	%
Other Funds:_____	\$ _____	\$ _____	%
TOTAL:	\$ _____	\$ _____	%

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

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: Bud Cheney, Manager
Capital Improvement, Real Estate & Inspections Services
Department of Economic Sustainability
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

EXHIBIT G

PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY

TENANT INFORMATION REPORT

Project Name:	Palm Beach County Housing Authority – South Bay Villas - NSP3		
Report Period:	From _____, 20__ to _____, 20__		
Prepared By:			
Report Date:	_____, 20__	Page ____ of ____ Pages	

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

	Unit No. ____	Unit No. ____	Unit No. ____	Unit No. ____	Unit No. ____	Unit No. ____
Tenant Name:						
Lease start date:						
No. of bedrooms:						
No. of persons in household:						
Household Income at 50% of AMI or less	[]	[]	[]	[]	[]	[]
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 DEPARTMENT OF ECONOMIC SUSTAINABILITY
ANNUAL RENT ROLL

Project Name:	Palm Beach County Housing Authority – South Bay Villas - NSP3		
Report Period:	From _____, 20__ to _____, 20__		
Prepared By:			
Report Date:	_____, 20__	Page ____ of ____ Pages	

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

	Unit No. ____	Unit No. ____	Unit No. ____	Unit 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 50% of AMI or less	[]	[]	[]	[]
	Unit No. ____	Unit No. ____	Unit No. ____	Unit 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 50% of AMI or less	[]	[]	[]	[]

AGREEMENT BETWEEN PALM BEACH COUNTY

AND

PAHOKEE HOUSING AUTHORITY, INC.

THIS AGREEMENT, entered into on FEB 11 2013, by and between **Palm Beach County**, a political subdivision of the State of Florida, for the use and benefit of its Neighborhood Stabilization Program 3 (NSP3), and **Pahokee Housing Authority, Inc.**, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes, having its principal office at 465 Friend Terrace, Pahokee, FL 33476, and its Federal Tax Identification number as 59-6001624.

WHEREAS, Palm Beach County entered into an agreement with the United States Department of Housing and Urban Development for the use of \$11,264,172 in NSP3 grant funds; and

WHEREAS, Palm Beach County made \$1,508,021.50 of these NSP3 funds available for affordable rental housing in the City of Pahokee; and

WHEREAS, Pahokee Housing Authority, Inc., applied to Palm Beach County for the use of the aforesaid NSP3 funds for affordable rental housing; and

WHEREAS, Palm Beach County wishes to use grant funds provided under NSP3 for the herein described affordable rental housing project; and

WHEREAS, Palm Beach County desires to engage Pahokee Housing Authority, Inc. to implement the herein described affordable rental housing project; and

WHEREAS, Pahokee Housing Authority, Inc., wishes to enter into this Agreement to implement the herein described affordable rental housing project.

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

1. DEFINITIONS

- (1) "County" means **Palm Beach County**.
- (2) "NSP3" means the Neighborhood Stabilization Program 3 as authorized under Section 1497 of the Dodd-Frank Act, Title XII of Division A of ARRA, and Sections 2301-2304 of HERA.
- (3) "CDBG" means the Community Development Block Grant Program of the United States Department of Housing and Urban Development.
- (4) "DES" means Palm Beach County Department of Economic Sustainability.
- (5) "Agency" means **Pahokee Housing Authority, Inc.**
- (6) "DES Approval" means the written approval of the DES Director or his designee.
- (7) "HUD" means the Secretary of Housing and Urban Development or a person authorized to act on its behalf.
- (8) "Developer" means **HTG McClure, LLC**, a Florida limited liability company.

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 below.

3. SCOPE OF SERVICES

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

4. COMPENSATION

The Agency agrees to accept as full payment for services rendered pursuant to this Agreement the actual amount of budgeted, eligible, and DES-approved expenditures and encumbrances made by the Agency under this Agreement. Said services shall be performed in a manner satisfactory to DES. In no event shall the total compensation or reimbursement to be paid hereunder exceed the maximum and total authorized sum of \$39,021.50. Any funds not obligated by the expiration date of this Agreement shall automatically revert to the County.

The balance of funds allocated to the herein described affordable rental housing project, that is \$1,469,000 in NSP3 funds, shall be made available to the Developer through a separate agreement with the County as more fully set forth in Exhibit A attached hereto. The Agency shall, in consideration of the receipt of \$39,021.50, and in consideration of the County's payment of the herein said NSP3 funds to the Developer for the construction of certain housing units on the Agency's property and the eventual transfer of ownership of such units to the Agency, provide the affordable rental housing described herein according to the covenants and conditions of this Agreement for the affordability period as set forth in this Agreement.

5. 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 NSP3 Grant Number B-11-UN-12-0013. The effective date shall be the date of execution of this Agreement, and the services of the Agency and the Developer shall be undertaken and completed in light of the purposes of this Agreement.

The Agency has entered into an agreement with the Developer to carry out the project such that at least \$550,000, have been drawn by the Developer from the County's NSP3 funds by February 28, 2013, unless DES, in its sole discretion, approves a later date. Furthermore, the Agency's agreement requires the Developer to complete the project such that the available remaining balance of the \$1,469,000 has been drawn from the County's NSP3 funds by February 15, 2014. Furthermore, the Agency shall fully expend the \$39,021.50 made available hereunder by February 15, 2014.

This Agreement shall expire on February 15, 2014.

6. 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 DES 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 DES. 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 DES.

The Agency may at any time after the expiration of this agreement request from the County reimbursement for payments made by the Agency during the term of this Agreement by submitting to DES the aforesaid proper documentation of expenditures, and the Palm Beach County Finance Department shall make payment as stated above, provided that DES has determined that the funds allocated to the Agency through this Agreement are still available for payment, and provided that DES approves such payment.

7. 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. The Federal, State, and County laws, ordinances and codes are minimal regulations supplemented by more restrictive guidelines set forth by DES.

8. 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.

9. 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 DES and approved by DES 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 U.S. 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 DES Director or his designee.

10. 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.

11. 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.

12. ADDITIONAL DES, COUNTY, AND U.S. HUD REQUIREMENTS

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

13. PRIOR WRITTEN APPROVALS-SUMMARY

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

- (1) All subcontracts and agreements pursuant to this Agreement;
- (2) All capital equipment expenditures of \$1,000 or more;

- (3) All out-of-county travel; (travel shall be reimbursed in accordance with Florida Statutes, Chapter 112.061);
- (4) All change orders; and
- (5) All requests to utilize uncommitted funds after the expiration of this Agreement for programs described in Exhibit A; and
- (6) All rates of pay and pay increases paid out of CDBG funds, whether for merit or cost of living.

14. PROGRAM-GENERATED INCOME

The Agency recognizes that the five (5) rental housing units to be constructed as a result of the expenditure of the NSP3 funds to be provided to the Developer will fall under the Agency's full ownership after completion of the construction of such housing units as contemplated herein. The Agency further acknowledges that the rental proceeds from these five (5) housing units shall be regarded as program income as described below. Accordingly, upon the transfer of ownership of these five (5) housing units from the Developer to the Agency, all income earned by the Agency from these housing units shall be reported annually and returned to DES at the end of the Agency's fiscal year and each year thereafter for the duration of the affordability period as set forth in this Agreement. The Agency shall, no later than February 1 of each year during said affordability period, provide DES audited financial statements in connection with the rental income and expenses associated with these housing units. Accounting and disbursement of program income shall comply with OMB Circular A-110 and other applicable regulations incorporated herein by reference. DES must verify and approve the eligibility and reasonableness of all expenses which the Agency requests to be deducted from gross revenues in the calculation of program income.

After the return of program income to DES, the Agency may request that program income be used by the Agency to fund other NSP3 eligible activities, subject to DES approval, and provided that the Agency is in compliance with its obligations as contained within this Agreement (including its Exhibits). Upon DES approval of such request, the Agency shall use such program income to fund "NSP3 eligible uses", as defined in NSP3 regulations and subsequent applicable HUD regulations. The Agency agrees that the provisions of this Agreement shall also apply to these "NSP3 eligible uses" as funded with the Agency's program income.

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

15. OPPORTUNITIES FOR RESIDENTS AND CIVIL RIGHTS COMPLIANCE

The Agency agrees that no person shall on the grounds of race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, 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 area 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 area 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.

16. 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 Five-Year Annual Consolidated Plan approved by HUD.

17. EVALUATION AND PERFORMANCE MONITORING

The Agency agrees that DES will carry out regular performance monitoring and evaluation activities as determined necessary by DES or the County, along with other applicable federal, state and local laws, regulations, and policies governing the funds provided under this Agreement. **Due to the strict HUD expenditure and completion deadlines, performance requirements as detailed herein will be closely monitored by DES. Substandard performance, as determined by DES, will constitute noncompliance with this Agreement. If corrective action is not undertaken by the Agency within a reasonable period of time after being notified by DES, contract termination or suspension procedures will be initiated. The Agency agrees that 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 DES, the County, or the County's designees copies of transcriptions of such records and information as is determined necessary by DES or the County. The Agency shall submit status reports required under this Agreement on forms approved by DES to enable DES to evaluate progress. The Agency shall provide information as requested by DES to enable DES to complete reports required by the County or HUD. The Agency shall allow DES, the County, or HUD to monitor the Agency on site. Such visits may be scheduled or unscheduled as determined by DES or HUD.

18. AUDITS AND INSPECTIONS

At any time during normal business hours and as often as DES, the County, HUD, or the Comptroller General of the United States may deem necessary, there shall be made available by the Agency to DES, the County, HUD, or the Comptroller General for examination all its records with respect to all matters covered by 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, thirty (30) days after receipt of the auditor's report(s), or nine (9) months after the end of the audit period in which DES-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.

19. 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.

20. REVERSION OF ASSETS

Any real property under the Agency's control upon expiration of this Agreement which was acquired or improved in whole or part with NSP3 funds in excess of \$25,000 must either be used to meet one of the NSP3 national objectives 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-NSP3 funds for the acquisition of, or improvement to, the property.

21. 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 DES. Upon completion of all work contemplated under this Agreement copies of all documents and records relating to this Agreement shall be surrendered to DES if requested. In any event, the Agency shall keep all documents and records for five (5) years after expiration of this Agreement.

22. 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. Nothing in this Agreement shall be deemed or construed as a waiver of any privilege, immunity or other protection which may be available to the Agency under the doctrine of sovereign immunity or the limitations of liability contained in Section 768.28, Florida Statutes.

23. 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 coverages, 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) 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.

(2) 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.

(3) WORKERS' COMPENSATION INSURANCE

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

(4) 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 Economic Sustainability". The Agency shall agree the Additional Insured endorsements provide coverage on a primary basis.

(5) 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 and upon renewal or reduction of any required insurance. In addition, the Agency agrees to notify the County of any cancellation, material change, or non-renewal of coverage taking place during the term of this Agreement. The Agency shall deliver the certificate(s) to DES at its office at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

(6) RIGHT TO REVIEW AND ADJUST

The Agency shall agree that the County, by and through its Risk Management Department, in cooperation with DES, reserves the right to periodically review, modify, reject or accept any required policies of insurance, including limits, coverages, 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.

24. 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.

25. 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 any properties targeted for NSP3 assistance, 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 DES 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.

26. CITIZEN PARTICIPATION

The Agency shall cooperate with DES 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 DES in the implementation of the Citizen Participation Plan, as requested by DES.

27. RECOGNITION

All facilities purchased or constructed pursuant to this Agreement shall be clearly identified as to funding source. The Agency will include a reference to the financial support herein provided by DES in all publications and publicity. In addition, the Agency will make a good faith effort to recognize DES's support for all activities made possible with funds made available under this Agreement.

28. 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, which the County may revise from time to time, as required, and to be provided for use by the Agency;
- (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, and Title II of the Americans with Disabilities Act of 1990;
- (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, Protecting Tenants at Foreclosure Act of 2009 (PFTA), Public Law No. 111-22;
- (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) Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants (Docket No. FR-5447-N-01, October 19, 2010) (NSP3 Notice)
- (8) Federal Community Development Block Grant Regulations (24 CFR Part 570) as modified by the NSP3 Notice as now in effect and as may be amended from time to time;
- (9) Title III of the Housing and Economic Recovery Act of 2008 (HERA), as amended by Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), and as further amended by Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act);
- (10) The Agency's personnel policies and job descriptions;
- (11) The Agency's Certificate of Insurance;
- (12) Current list of the Agency's officers and members of its Board of Directors;
- (13) Proof of the Agency's 501(c)(3) certification from the Internal Revenue Service;
- (14) 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 National Emission Standard for Asbestos, revised July 1991; Clean Air and Clean Water Acts; Energy Policy and Conservation Act of 1975; Occupational Health and Safety Administration (OSHA) Construction Industry Standard, 29 CFR 1926.1101; Florida State Licensing and Asbestos Laws; Title XVIII, Chapter 255;
- (15) Section 504 of the Rehabilitation Act of 1973, as amended;
- (16) Section 8 Housing Quality Standards;
- (17) Implementation of Section 418 of Division A of the Consolidated Appropriations Act, 2010, Public Law 111-117, Title IV, 123 Statute 3034, 3112 (ACORN-affiliated organizations are not eligible to receive NSP funding); and
- (18) Palm Beach County Purchasing Code.

The Agency shall keep an original of this Agreement, including its Exhibits, and all amendments thereto, on file at its principal office.

29. TERMINATION

In 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 DES 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.

30. 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.

31. 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.

32. NOTICES

All notices required to be given under this Agreement shall be sufficient when delivered to DES 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 the first page of this Agreement.

33. 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.

34. 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.

35. EXCLUSION OF THIRD PARTY BENEFICIARIES

No provision of this Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the County and/or the Agency.

36. 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).

37. PALM BEACH COUNTY OFFICE OF THE INSPECTOR GENERAL

Palm Beach County has established the Office of Inspector General in Palm Beach County Code, Section 2-421 - 2-440, as may be amended. The Inspector General's authority includes but is not limited to the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the Agency, its officers, agents, employees, and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with Inspector General or interfering with or impeding any investigation shall be in violation of Palm Beach County Code, Section 2-421 – 2-440, and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

38. 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.

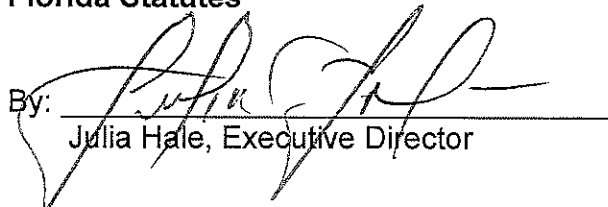
39. COUNTERPARTS OF THE AGREEMENT

This Agreement, consisting of twenty-six (26) 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.

WITNESS our Hands and Seals on this ____ day of FEB 11 2013, 20____.

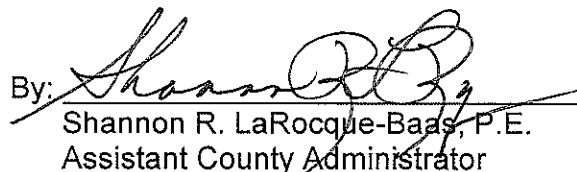
(AGENCY SEAL BELOW)

**PAHOKEE HOUSING AUTHORITY, INC., a
public body corporate and politic
established pursuant to Chapter 421 of the
Florida Statutes**

By: 
Julia Hale, Executive Director

**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
Chief Assistant County Attorney

Approved as to Terms and Conditions
Department of Economic Sustainability

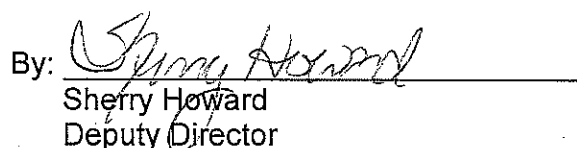
By: 
Sherry Howard
Deputy Director

EXHIBIT A

WORK PROGRAM NARRATIVE

II. THE AGENCY AGREES TO:

A. OVERVIEW OF THE PROJECT:

1. The Agency owns a public housing complex known as McClure Village in the City of Pahokee, Florida, having Property Control Number 48-37-42-19-00-000-1210.
2. The Agency desires to construct five (5) affordable rental housing units on certain vacant portions of the land comprising McClure Village as more fully described in Exhibit B attached hereto and hereinafter referred to as the "Premises". The legal description of the Premises has been provided by the Developer's land surveyor PAG Surveyors, Inc.
3. The Agency has procured Housing Trust Group, LLC, who has caused the Developer to enter into an agreement with the County in order to receive the herein stated \$1,469,000 in exchange for the construction of said five (5) affordable rental housing units on the Premises.
4. The Agency wishes to facilitate the implementation of the project by leasing the Premises on a short term basis to the Developer to provide such entity adequate site control to enable it to undertake the construction of the desired housing units.
5. The Agency wishes, upon the completion of construction on the Premises, to take back full site control of the Premises, and to secure ownership of the improvements thereon comprising said five (5) housing units, in order to comply with its obligations to the County to lease said housing units as required herein for the duration of the affordability period as also set forth herein.

B. THE DEVELOPER:

The Agency entered into a Master Development Agreement with the Housing Trust Group, LLC, for the development of various housing sites. Thereafter, said parties entered into a First Amendment to Master Development Agreement for the specific purpose of developing the Premises as described herein. The Housing Trust Group, LLC, has formed HTG McClure, LLC, a Florida limited liability company, as a single purpose entity to develop the Premises, and HTG McClure, LLC, as the Developer, has joined and consented to the First Amendment to Master Development Agreement. Pursuant to the First Amendment to Master Development Agreement, the Developer shall enter into an agreement with the County to receive certain NSP3 funds to develop the Premises.

The Agency shall have provided the County a copy of the executed Master Development Agreement and the First Amendment to Master Development Agreement prior to entering into this Agreement, and thereafter shall provide the County a copy of any amendments thereto in connection with this project.

C. GROUND LEASE:

The Agency warrants to the County that the Premises consists of vacant land free of any structures. The Agency shall lease the Premises to the Developer, by means of a Ground Lease which shall provide the Developer site control for the purpose of constructing five (5) affordable rental housing units. The Ground Lease shall be made to expire upon the issuance of certificates of occupancy by the building department with jurisdiction over the Premises for all of the said five (5) housing units upon the completion of their construction, but no later than February 9, 2014, which date may only be extended with the prior written approval of the County. The Agency shall provide the County a copy of the executed Ground Lease and a copy of any amendments thereto.

D. UNITS TO BE CONSTRUCTED:

The Agency has entered into an agreement with the Developer to construct, on the Premises, two (2) duplex structures consisting of two (2) dwelling units each and one (1) single family dwelling unit.

The aforesaid housing units whose construction will be made possible through the use of the herein described NSP3 funds and which shall be subject to the requirements of this Agreement shall hereinafter be referred to as "NSP3 Assisted Units".

E. TRANSFER OF OWNERSHIP:

The Agency shall assure the full transfer of ownership, to the Agency, of the NSP3 Assisted Units constructed by the Developer upon the expiration of the Ground Lease. Such transfer of ownership provisions shall require that the transfer be made without any cost to, or obligation by, the Agency towards the Developer nor Housing Trust Group, LLC.

F. ENVIRONMENTAL REQUIREMENTS:

The Agency acknowledges receipt of a Soil Management Plan (hereinafter referred to as the "Plan") for the McClure Village site as provided to the Agency by DES on or about June 12, 2012. The Plan was prepared based on results of the Human Health Risk Assessment and environmental assessment activities conducted in 2012, and the findings of these documents are included in the Plan. The Agency acknowledges the findings contained in the Plan indicating that surface or backfill material, and subsurface or native soils at the subject property were impacted with arsenic and barium, and as such, residents, groundskeepers, maintenance personnel, and occasionally construction/ underground utility workers might come in contact with impacted soils. Additionally, the Plan indicated that no adverse human health risks to residents and part-time or fulltime workers are associated with the incidental ingestion, dermal exposure and/or inhalation of airborne particles. The Agency agrees that the Plan, which covers the subject property, is intended for use in connection with, but not limited to, routine or typical maintenance and operations activities, the proposed construction of duplex and single family units, and the future operational activities and maintenance activities at the McClure Village site.

DES may require that additional environmental documents be completed by the Agency, in which instance the Agency agrees to promptly complete and return such documents.

The Agency shall provide a copy of the Plan to the Developer and shall require the Developer to maintain a Site Safety Officer on a daily basis at the project site for the duration of construction of the aforesaid units as more fully enumerated in the agreement between the County and the Developer. Furthermore, the Agency shall require the Developer to incorporate certain environmental requirements into the construction contract for the aforesaid units as more fully enumerated in the agreement between the County and the Developer.

The Agency shall inform DES of any additional environmental conditions discovered during implementation of the project funded through this Agreement. The Agency acknowledges that such additional environmental conditions, if discovered, may affect the implementation of the project and its cost. Any cost increases shall be the sole responsibility of the Agency, unless additional funding is approved by DES.

After the completion of construction, the Agency shall utilize the Plan as the Best Management Practices for Operations and Maintenance Activities at the McClure Village site, and shall follow additional precautions that address minimization of incidental ingestion of soil particulates, that reduce and manage exposure to soils, and that further reduce the risk of exposure, along with providing options for managing the soils at McClure Village now and in the future.

G. REQUIREMENTS FOR NSP3 ASSISTED UNITS:

1. Permanent Housing: All NSP3 Assisted Units shall be "permanent housing" meaning housing which is intended to be the tenant's home under the limits of a signed legal lease document. It does not include transitional housing or emergency shelters, as these are not eligible activities. All NSP3 Assisted Units shall be operated by the Agency as conventional Public Housing rental units.
2. Income of Occupants: All NSP3 Assisted Units shall, for a period of at least twenty (20) years from the date of expiration of the Ground Lease, be leased by the Agency to households whose incomes, adjusted by family size, are at no more than eighty percent (80%) of Area Median Income (hereinafter "AMI") at the time these units are first occupied, and thereafter, at any time new tenants occupy these units. AMI shall mean the most current area median income published by HUD for the West Palm Beach-Boca Raton Metropolitan Statistical Area. The Agency shall follow the current guidelines of HUD Occupancy Handbook 4350 in regard to eligibility for assistance and occupancy.
3. Rental Rates and Affordability Period: All NSP3 Assisted Units shall, for a period of at least twenty (20) years from the date of expiration of the Ground Lease, be leased by the Agency at a rate such that the tenant's payment is no more than the Low HOME Rent Limit in effect at the time the lease is executed less any tenant paid utilities using the then current local utility allowances in the Section 8 Existing Housing Allowances for Tenant-Furnished Utilities and Other Services as published by HUD. The Low HOME Rent Limit, by bedroom size, shall be as published by HUD, from time to time, for the West Palm Beach-Boca Raton HUD Metro FMR Area pursuant to 24 CFR 92.252.

The above specified rates shall apply to all initial leases with tenants, as well as all subsequent leases and lease renewals.

4. Leases to be Maintained: The Agency shall, for each household that is leased an NSP3 Assisted Unit, 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) At the time an NSP3 Assisted Unit is first occupied, and thereafter, at any time new tenants occupy an NSP3 Assisted Unit, source documentation evidencing the Agency's verification of the applicant's household income and a computation sheet demonstrating the Agency's determination of the applicant's income eligibility to occupy the unit. Household income computation shall follow the HUD Section 8 method (24 CFR 5.609). The Agency shall follow the current guidelines of HUD Occupancy Handbook 4350 in regard to determining income.
 - (iii) A copy of the HUD income levels in effect at the time the initial lease is signed.
 - (iv) A computation sheet and supporting documentation demonstrating that the rent charged by the Agency is at the applicable rental rate specified herein.
 - (v) An original of all executed leases with the applicant/tenant identifying the unit number/address and the rental rate.
 - (vi) A copy of the below described criminal and credit background check.
 - (vii) Any other documentation evidencing the Agency's compliance with this Agreement.

5. Background Check, Tenant Selection, and Lease Requirements: The Agency shall conduct a criminal and credit background check on all adult members of households prior to occupancy.

The Agency shall comply with the following tenant selection and lease requirements:

- (i) The Agency shall adopt, and submit to the County for review, written tenant selection policies and criteria that:
 - (a) Are consistent with the purpose of providing housing to families at the income levels specified herein.
 - (b) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease.
 - (c) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable.
 - (d) Give prompt written notification to any rejected applicant of the grounds for any rejection.
- (ii) The Agency shall submit a copy of its proposed Lease Agreement for approval by DES. In the event that future material revisions may occur, Agency shall submit an updated Lease Agreement for approval (which shall not be unreasonably withheld or delayed) as revisions occur.
- (iii) The lease between a tenant and the Agency must be for not less than one (1) year, unless by mutual agreement between the tenant and the Agency.
- (iv) The Agency shall utilize leases which require parents to be held legally and financially liable for the acts of their children at the complex, and which allow management to terminate the lease 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 or area residents the right to quiet and peaceful enjoyment of their homes or businesses.
- (v) The Agency may not terminate the tenancy or refuse to renew the lease of a tenant at an NSP3 Assisted Unit, except for serious or repeated violation of the terms and conditions of the lease; violation of applicable Federal, State, or local law; or for other good cause. To terminate or refuse to renew tenancy, the Agency must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy unless such delay would cause substantial potential harm to the other tenants of the Project or the Agency.
- (vi) The Agency is prohibited, from including any of the following lease terms in the Lease Agreement of NSP3 Assisted Units:
 - (a) Agreement to be Sued: Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Agency in a lawsuit brought in connection with the lease.
 - (b) Treatment of Property: Agreement by the tenant that the Agency may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The Agency may dispose of this personal property in accordance with State law.

- (c) Excusing Agency from Responsibility: Agreement by the tenant not to hold the Agency or the Agency's agents legally responsible for any action or failure to act, whether intentional or negligent.
 - (d) Waiver of Notice: Agreement of the tenant that the Agency may institute a lawsuit without notice to the tenant.
 - (e) Waiver of Legal Proceedings: Agreement by the tenant that the Agency may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
 - (f) Waiver of a Jury Trial: Agreement by the tenant to waive any right to a trial by jury.
 - (g) Waiver of Right to Appeal Court Decision: Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
 - (h) Tenant Chargeable with Cost of Legal Actions Regardless of Outcome: Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Agency against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
6. Changes in Tenant Income: Tenants in NSP3 Assisted Units whose incomes no longer meet federal income guidelines shall have their rents adjusted in accordance with federal NSP3 guidelines. NSP3 Assisted Units continue to qualify as affordable housing despite temporary non-compliance caused by increases in the incomes of existing tenants if actions consistent with HUD regulations are being taken to ensure that all vacancies are filled in accordance with affordability requirements until the non-compliance is corrected.
7. Affirmative Marketing: The Agency shall take the necessary steps to affirmatively market the NSP3 Assisted Units and shall establish an affirmative marketing plan to do so. In its affirmative marketing plan, the Agency's shall comply with the following procedures:
- (i) Use the Equal Opportunity logo or slogan in advertisements.
 - (ii) Solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach. The Agency may satisfy 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
 - Mobile Home Communities
 - Agencies for the disabled
 - Churches and other related organizations
 - (iii) Maintain records of the Agency's efforts to affirmatively market units including advertisements, minutes of meetings, income documentation, census tract information, copies of brochures, news clippings, press releases, sign-in logs from community meetings, and any letters of inquiry written to or from prospective clients, as applicable, as evidence of the Agency's efforts.

The County will also assess the Agency's affirmative marketing program to determine the success of affirmative marketing actions (such as advertisements, etc.), and address the potential necessity for corrective actions, making distinctions between failures based upon marketing/targeting problems, those based on systemic (program eligibility) factors or lack of interest. Affirmative marketing success will be specifically tracked through the various program applications by notations of racial/ethnic/gender distinctions on program documents. The County recognizes that the volume of response from racial/ethnic/gender groups may not be an indication of affirmative marketing efforts, and, therefore, it will make periodic adjustments in its affirmative marketing techniques with consultation from specialized Equal Housing Opportunity, fair housing and racial and gender-based minority groups.

7. Property, Wind, and Flood Insurance: The Agency shall agree, for a period of at least twenty (20) years from the date of expiration of the Ground Lease, to maintain: (1) Property insurance written on a replacement cost basis in an amount not less than 100% of the replacement cost of the Agency's building(s) and contents, including Betterments and Improvements made by or on behalf of the 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 the County, located on the Premises; or the maximum amount available from the National Flood Insurance Program, whichever is less; and (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 the 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.

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

H. DECLARATION OF RESTRICTIONS:

The Declaration of Restrictions, attached hereto as Exhibit B, in a form acceptable to the County Attorney, shall be duly authorized, executed, acknowledged, and delivered by the Agency to the County upon the execution of this Agreement, and when recorded, shall be a valid lien on the Premises and on all fixtures and personal property owned by Agency to be used in connection with this project subject to the Declaration of Trust executed on February 22, 2012, and recorded on April 25, 2012, in Official Records Book 25159, at Page 1706, of the Public Records of Palm Beach County, Florida (hereinafter the "Declaration of Trust"). The Declaration of Restrictions shall also be subject to the Declaration of Trust as such Declaration of Trust may be amended according to Item 12 of the Agency's Annual Contributions Contract upon the construction of, and issuance of Certificates of Occupancy for, the NSP3 Assisted Units through the Agency's amendment and filing for record a Declaration of Trust in the first position (on form HUD-52190) for the NSP3 Assisted Units. The County agrees that to extent of a conflict between the Declaration of Restrictions and any HUD Declaration of Trust encumbering the Premises, the HUD Declaration of Trust shall prevail.

Recording fees associated with Exhibit B shall be charged to the project budget identified in this Agreement.

I. REIMBURSEMENTS TO THE AGENCY

Upon receipt of documentation evidencing payment by the Agency for costs associated with the herein described affordable rental housing project, the County shall reimburse the Agency for such payment in an amount not to exceed \$39,021.50.

The following costs shall be eligible for reimbursement by the County:

1. Legal Fees: The Agency may submit a request to the County for reimbursement of payments made by the Agency for legal fees associated with the Agency undertaking the construction of the NSP3 Assisted Units. The Agency shall provide the County evidence of payment made by the Agency for said legal fees provided that such evidence of payment show that payment was made after January 11, 2011. A copy of the statement or invoice (or similar document) showing the amount owed in legal fees shall accompany each reimbursement request letter which shall be prepared in the manner described herein. The County shall only reimburse the Agency for legal fees that the County, in its sole opinion, has determined to be eligible and reasonable.
2. Salary of the Owner's Representative: The Agency may employ a qualified Owner's Representative and receive reimbursement for the salary of said employee that is paid by the Agency beginning after the date of this Agreement. The Owner's Representative shall perform the below described tasks and be able to demonstrate the qualifications that enable him/her to do so.

The Owner's Representative shall:

- Prepare and submit to the County required reports detailing the Developer's compliance with the terms of the grant agreement.
- Review and become well acquainted with plans, specifications, and project requirements to ensure that requirements are met.
- Monitor the Developer performance and make recommendations concerning problem resolution.
- Review the work accomplished on a daily basis to ensure that the Agency is continuously aware of the project's status.
- Be responsive to expressed concerns so as to ensure a smooth working relationship with the Developer and other parties throughout the life of the project.
- Respond timely to inquiries and complaints from residents and/or the public.
- Assist in reviewing the quality and accuracy of work performed.
- Maintain records concerning activities and expenditures necessary to comply with all reporting requirements.
- Assure compliance with all federal, county, and Agency policies and procedures.
- Prepare and/or review contracts, bid advertisements, cost estimates, change orders, etc.
- Act as liaison between the Agency, the County, the architects, and the Developer.
- Report to the Agency on the progress and status of the project.
- Maintain records on the construction site in an orderly manner, including correspondence, contract documents, change orders, construction change directives, report of meetings, product data, supplementary drawings, color changes, names, addresses, telephone numbers, and principal material suppliers.
- Review changes as submitted by the contractor and keep the Agency informed.
- Attend, or conduct, construction meetings with the Developer, the contractor, the architect, and major subcontractors.
- Communicate with the Developer, the architect and the Agency regarding the daily progress and problems associated with construction.

- (i) The Agency may request DES for reimbursement of that portion of the Owner's Representative's salary which is attributable to work done in connection with this Agreement. However, as a pre-requisite to such reimbursement request the Agency shall provide DES the following:
 - Documentation showing that the position of the Owner's Representative was competitively solicited prior to the Owner's Representative's appointment to the position, and showing that the opening for this position was advertised in a public forum to elicit applications from other prospective applicants.
 - A copy of the letter notifying the Owner's Representative of his/her appointment to this position.
 - Documentation showing the annual or hourly salary paid for the position of Owner's Representative.
- (ii) When requesting reimbursement for the Owner's Representative's work hours in connection with this Agreement, the Agency shall submit the following:
 - With each reimbursement request, a copy of the daily time sheets which account for all time worked by the Owner's Representative on all assignments. These time sheets must be detailed enough to allow DES staff to distinguish between hours worked on rehabilitation projects being pursued in connection with this Agreement and other hours worked by the Owner's Representative. The time sheets must also show the specific tasks undertaken by the Owner's Representative on such projects as well as the time taken to complete each task. The Agency shall ensure that time is kept to regular hours as much as possible and shall ensure that no excessive overtime is spent on this project.
 - With each reimbursement request, copies of the payrolls and paychecks to the Owner's Representative corresponding to the above time sheets, as well as copies of documents proving that FICA was paid for the period corresponding to the one for which the reimbursement is being claimed.

J. REPORTS:

The Agency shall submit to DES detailed reports as described below, and any additional reports as may be required by DES and HUD:

1. Tenant Information Report: The Agency shall submit to the County a Tenant Information Report in the form provided as Exhibit C to this Agreement. The Agency shall first submit this Report on the last day of the month during which the Certificate of Occupancy for the NSP3 Assisted Units is issued, and thereafter, on the last day of each month following the month during which said Certificate of Occupancy was issued. After the Agency provides this Report for tenants who have initially occupied all five (5) units described herein, the Agency may cease submitting this Report.
2. Annual Rent Roll: The Agency shall submit to the County an Annual Rent Roll in the form provided as Exhibit D to this Agreement. The Agency 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 Declaration of Restrictions.
3. Other Reports: The Agency agrees to submit to DES any other reports required by HUD and/or DES in connection with activities undertaken through this Agreement including, but not limited to, reports related to Section 3 activities.

II. THE COUNTY AGREES TO:

- A.** Provide up to \$39,021.50 in NSP3 funding to the Agency through this Agreement, and up to \$1,469,000 to the Developer under a separate agreement for the construction of the NSP3 Assisted Units.
- B.** Provide project administration and inspection to the Agency to ensure compliance with 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 DES, be conducted by DES staff or its contractor, and will serve to ensure compliance with HUD regulations, that planned activities are conducted in a timely manner, and to verify the accuracy of reporting to DES on program activities.
- D.** The County shall perform an environmental review of the project, and shall 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.

EXHIBIT B**Return to:**

Palm Beach County
 Department of Economic Sustainability
 100 Australian Avenue, Suite 500
 West Palm Beach, FL 33406
 Prepared by: Tammy K. Fields,
 Chief Assistant County Attorney

DECLARATION OF RESTRICTIONS

The undersigned, **Pahokee Housing Authority, Inc.**, a public body corporate and politic established pursuant to Chapter 421 of the Florida Statutes, having its principal office at 465 Friend Terrace, Pahokee, FL 33476, (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 One Million Five Hundred and Eight Thousand and Twenty-One and 50/100 Dollars (\$1,508,021.50) expended by the Palm Beach County Board of County Commissioners (the "County") on improvements to the subject property described in Attachment 1, attached hereto and made a part hereof, and hereinafter referred to as the "Premises", the Agency does hereby grant to the County the following restrictions against Premises.

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 expenditure of funds for improvements to the Agency's Premises consisting of the construction of five (5) dwelling units, as provided through an Agreement with the County dated February 11, 2013, the Agency hereby covenants and agrees that for a period of twenty (20) years beginning from the date of expiration of the Ground Lease for the Premises, as made between the Agency and HTG McClure, LLC, (the "Developer") and as described in said Agreement, the Agency agrees:

- (a) That the Developer shall cause the completion of construction of five (5) dwelling units on the Premises by February 9, 2014, or as otherwise specified in the Agreement.
- (b) To, thereafter, operate these five (5) dwelling units as conventional Public Housing units, and to lease these units to households whose incomes, adjusted by family size, are at no more than eighty percent (80%) of Area Median Income (hereinafter "AMI") at the time these units are first occupied, and thereafter, at any time new tenants occupy these units. 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.
- (c) To lease the five (5) dwelling units at the Premises at rental rates that are affordable to the tenants based on their incomes in accordance with the terms of the Agreement.
- (d) To affirmatively market the five (5) dwelling units at the Premises as specified in the Agreement.

- (e) To maintain the Premises in a state of repair pursuant to applicable housing and building codes.
- (f) To maintain property, flood, and windstorm insurance on the Premises and its improvements as specified in the Agreement.
- (g) To maintain records and submit reports and audited statements as specified in the Agreement.
- (h) To comply with the program generated income requirements specified in the Agreement.
- (i) To comply with the provisions, terms, and conditions set forth herein and in the Agreement.

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

4. This Declaration of Restrictions is granted subject to the Declaration of Trust executed on February 22, 2012, and recorded on April 25, 2012, in Official Records Book 25159, at Page 1706, of the Public Records of Palm Beach County, Florida (hereinafter the "Declaration of Trust"). This Declaration of Restrictions is also granted subject to said Declaration of Trust as such Declaration of Trust may be amended according to Item 12 of the Agency's Annual Contributions Contract with the U.S. Department of Housing and Urban Development ("HUD") upon the construction of, and issuance of Certificates of Occupancy for, the herein described five (5) dwelling units, as made through the Agency's amendment and filing for record a Declaration of Trust in the first position (on form HUD-52190) for said dwelling units. By accepting this Declaration of Restrictions, the County agrees that to extent of a conflict between this Declaration of Restrictions and any HUD Declaration of Trust encumbering the Premises, the HUD Declaration of Trust shall prevail.

5. Should Agency change the use or planned use, or discontinue use, of the Premises (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 Premises, then the Agency shall pay the County an amount equal to the current market value of the Premises, and the improvements thereon, less any portion thereof attributable to the Agency's expenditures of non-NSP3 funds for acquisition of, or improvements to the Premises. The final determination of the amount of any such payment to the County under this paragraph shall be made by the County.

6. The Agency shall pay, or cause to be paid, all taxes due while the Premises is in its possession and/or in the possession of the Agency's tenants, and the Agency shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Premises, or any part of thereof, any lien superior to the lien of this Declaration of Restrictions, other than that of the Declaration of Trust, as may be amended pursuant to Paragraph 4 herein, except with the County's prior written consent. The Agency shall keep and maintain the Premises 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 Premises within five (5) working days of the receipt of said notice by Agency.

7. 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 Premises:

- (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 Premises, 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.

8. 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 Premises 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.

9. The Agency shall submit to the County once each year, on or before December 31, a report detailing the Agency's compliance with the terms of the grant Agreement and this Declaration of Restrictions.

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 provide it to the Director of the Department of Economic Sustainability, at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406.

Executed this _____ day of _____, 2013.

SIGNED, SEALED, AND DELIVERED IN
THE PRESENCE OF:

PAHOKEE HOUSING
AUTHORITY, INC.

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

By: Julia Hale, Executive Director Signature: X (DO NOT SIGN THIS EXHIBIT) _____
--

(CORPORATE SEAL BELOW)

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me on _____, 20____, by Julia Hale, as Executive Director of the Pahokee Housing Authority, Inc., 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 Name: _____

Notary Public - State of Florida

(NOTARY SEAL ABOVE)

ATTACHMENT 1

This land lies within the boundaries of McClure Village, located within that part of the East Half of Section 19, Township 42 South, Range 37 East, lying Northwesterly of the Northwesterly right-of-way line of McClure Road, a Palm Beach County Road. Bearings and distances shown on this description are based on a Survey by PAG SURVEYORS, INC. Work Order number 11-3-116 and are referenced to the Florida State Plane Coordinate System, East Zone, and are further referenced to the 1983 North American Datum.

Said land is more particularly described as follows:

Commencing at the North Quarter corner of Section 19, Township 42 South, Range 37 East, thence South $0^{\circ}44'47''$ East 361.70 feet along the North-South Quarter-Section line of said Section 19;
 Thence North $89^{\circ}18'19''$ East 123.16 feet to a point on the physical centerline of Eisenhower Drive,
 said point being the Point of Beginning of the hereinafter described land;
 thence at right angles to the preceding course, South $0^{\circ}41'41''$ East 236.00 feet along the physical centerline of Eisenhower Drive to the beginning of a non-tangent curve concave to the Northeast, having a radius of 57.96 feet, the long chord of said curve bears South $37^{\circ}55'21''$ East, for a chord distance of 59.90 feet;
 thence Southeasterly and Northeasterly 62.95 feet along the arc of said curve to a point of compound curvature and the beginning of a curve concave to the Northwest, having a radius of 70.99 feet, the long chord of said curve bears North $84^{\circ}19'20''$ East for a chord distance of 69.66 feet; thence Northeasterly 72.81 feet along the arc of said curve to a point on a non-tangent line, said line being the physical centerline of Jefferson Avenue;
 thence North $29^{\circ}56'17''$ East 257.00 feet along the physical centerline of Jefferson Avenue;
 thence at right angles to the preceding course North $60^{\circ}03'43''$ West 45.00 feet;
 thence North $29^{\circ}56'17''$ East 11.00 feet;
 thence North $60^{\circ}03'43''$ West 94.00 feet;
 thence South $29^{\circ}56'17''$ West 55.67 feet;
 thence North $89^{\circ}18'19''$ West 46.24 feet;
 thence North $0^{\circ}41'41''$ West 23.00 feet;
 thence South $89^{\circ}18'19''$ West 48.00 feet to the Point of Beginning on the physical centerline of Eisenhower Drive.

EXHIBIT C

PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY

TENANT INFORMATION REPORT

Project Name:	Pahokee Housing Authority - McClure Village - NSP3		
Report Period:	From _____, 20__ to _____, 20__		
Prepared By:			
Report Date:	_____, 20__	Page ____ of ____ Pages	

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

	Unit No. ____	Unit No. ____	Unit No. ____	Unit No. ____	Unit No. ____	Unit No. ____
Tenant Name:						
Lease start date:						
No. of bedrooms:						
Household Income at 50% of AMI or less	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Female Head of Household	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Disabled Head of Household	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hispanic Ethnicity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
African American	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asian	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
American Indian or Alaskan Native	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Native Hawaiian Pacific Islander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
American Indian or Alaskan Native and White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asian and White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
African American and White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
American Indian/Alaskan Native and African American	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Multi-racial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

EXHIBIT D

PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY
ANNUAL RENT ROLL

Project Name:	Pahokee Housing Authority - McClure Village - NSP3		
Report Period:	From _____, 20__ to _____, 20__		
Prepared By:			
Report Date:	_____, 20__	Page ____ of ____ Pages	

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

	Unit No. ____	Unit No. ____	Unit No. ____	Unit 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 50% of AMI or less	[]	[]	[]	[]
	Unit No. ____	Unit No. ____	Unit No. ____	Unit 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 50% of AMI or less	[]	[]	[]	[]

GRANT AGREEMENT

THIS AGREEMENT, entered into on FEB 11 2013, by and between **Palm Beach County**, a political subdivision of the State of Florida, (hereinafter "County") and **HTG McClure, LLC**, a Florida limited liability company, (hereinafter "Developer"), whose Federal I.D. number is 46-1765450, and whose DUNS number is 078724779.

1. RECITALS:

WHEREAS, the County entered into a Grant Agreement with the U.S. Department of Housing and Urban Development (hereinafter "HUD") for the receipt of Neighborhood Stabilization Program 3 (hereinafter "NSP3") funds; and

WHEREAS, on January 11, 2011, the County allocated \$1,508,021.50 of these NSP3 funds to the Pahokee Housing Authority, Inc. (hereinafter "PHA"), for the construction of affordable rental housing on property owned by the PHA; and

WHEREAS, the County entered into a separate agreement with the PHA which agreement recognizes that the PHA separately agreed with the Developer to construct said housing; and

WHEREAS, the Developer, wishes to use \$1,469,000 (hereinafter "Grant") of the allocated amount to construct five (5) housing units on certain property as more particularly described in Exhibit A attached hereto and made a part hereof (hereinafter "Premises"); and

WHEREAS, the Developer 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 Grant.

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 Developer and the County agree as follows:

2. REPRESENTATIONS BY THE PARTIES:

- (A) The County represents that it entered into a separate agreement for the herein described Project with the PHA on February 11, 2013, (hereinafter "Subrecipient Agreement"). The County has provided the Developer a copy of the Subrecipient Agreement which is incorporated herein by reference.
- (B) The Developer represents that it was formed by Housing Trust Group, LLC, as a single purpose entity pursuant to a Master Development Agreement, as amended by the First Amendment to Master Development Agreement, between Housing Trust Group, LLC, and the PHA. The Developer has provided the County a copy of the Master Development Agreement and the First Amendment to Master Development Agreement which are incorporated herein by reference.
- (C) The Developer represents that it has joined and consented to the First Amendment to Master Development Agreement.
- (D) The Developer represents that it has entered into a Ground Lease with the PHA by means of which it has secured site control of the Premises (hereinafter "Ground Lease"). The Developer has provided the County a copy of the Ground Lease which is incorporated herein by reference.

3. THE GRANT AND GRANT EXPENDITURE REQUIREMENTS:

The County shall make the Grant to the Developer in an amount not to exceed \$1,469,000 upon the terms and conditions set forth herein. The Developer shall take the Grant and expressly agrees to comply with and to perform all of the terms and conditions of this Agreement. The Developer 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 Developer also recognizes and understands that the Developer's performance as established under this Agreement is critical to the County's efforts to provide affordable housing, to comply with HUD's NSP3 requirements, and to expend Grant fund as required under NSP3. The Developer agrees that **time is of the**

essence in regard to the Developer's completion of the below described Project and the timely expenditure of Grant funds.

In recognition of the above, the Developer shall implement the Project as provided herein such that the Developer shall have drawn the following:

- No less than \$550,000 of the Grant by February 28, 2013, and
- The remainder of the Grant by February 15, 2014. Such remainder may include the herein described Contingency Allowance whose receipt by the Developer may only occur as provided for herein.

4. PROJECT SCOPE:

The "Project" to be undertaken by the Developer in connection with this Agreement shall consist of the construction of five (5) affordable rental housing units on the Premises. The five (5) housing units shall comprise of two (2) duplex structures consisting of two (2) dwelling units each and one (1) single family dwelling unit. The aforesaid housing units whose construction is made possible through the use of Grant funds, and which shall be subject to the requirements of this Agreement, shall hereinafter be referred to as "NSP3 Assisted Units". The Developer shall, upon the expiration of the Ground Lease, transfer full ownership of the NSP3 Assisted Units to the PHA, at no cost to, or obligation by the PHA towards the Developer nor Housing Trust Group, LLC.

5. DISBURSEMENT OF THE GRANT:

Upon receipt of documentation evidencing payment by the Developer for costs associated with the Project, the County shall reimburse the Developer for such payment from the Grant funds in an amount not to exceed \$1,469,000.

The following costs associated with the Project shall be eligible for reimbursement by the County:

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

The Developer shall, as required for the Project, 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 Project. The Developer shall designate the architectural consultant, who shall be a Florida Registered Architect, as the "Lead Consultant" for this Project.

The Developer may request reimbursement from the County for payments made by the Developer 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 January 11, 2011, for each of the consultant contracts for which the Developer wishes to receive reimbursement. Subsequently, the Developer shall provide the County a copy of all consultant contract amendments.
- (ii) A letter from the Developer, on the Developer's letterhead, shall be provided for each reimbursement request pertaining to consulting fees. The letter shall reference the Project, the date of this Agreement and its document R-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 Developer to make such a request.
- (iii) Evidence of payment made by the Developer for consultant services shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after January 11, 2011.
- (iv) A copy of the consultant's invoice prompting the Developer's payment shall accompany each reimbursement request letter.

(B) Construction Costs:

The Developer shall enter into one construction contract with a prime contractor covering all construction work associated with the Project (including demolition, site preparation, construction of on-site infrastructure, site improvements and the five (5) housing units 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 NSP3 funds for this Project as more fully delineated herein.

The Developer may request reimbursement from the County for payments made by the Developer under the 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 January 11, 2011. Subsequently, the Developer shall provide the County a copy of all executed change orders to the construction contract bearing the approval of the Lead Consultant.

(a) The construction contract shall include the environmental requirements described in Section 6.C of this Agreement.

(iii) The Developer may request reimbursement for payments made under the construction contract for materials purchased and 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 Developer, and provided that the County shall have received, reviewed, and approved documentation from the Developer evidencing that for the life of the Project:

(a) The Developer's Builder's Risk Insurance policy includes a sub-limit 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

(b) The Developer 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.

(iv) A letter from the Developer, on the Developer's letterhead, shall be provided for each reimbursement request pertaining to construction costs. The letter shall reference the Project, the date of this Agreement and its document R-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 Developer to make such a request.

(v) Evidence of payment made by the Developer 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.

(vi) A copy of the prime contractor's request for payment prompting the Developer's payment shall accompany each reimbursement request letter. The contractor shall be required to use American Institute of Architects (AIA) 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.

(vii) The Developer 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 NSP3 funds for this Project.

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

The Developer may submit a request to the County for reimbursement of payments made by the Developer for building permit fees and other fees attributable to the site of the Project, such as impact fees, guaranteed revenue fees, and utility connection fees, provided that:

(i) A letter from the Developer, on the Developer's letterhead, shall be provided for each reimbursement request pertaining to the aforesaid fees. The letter shall reference the Project, the date of this Agreement and its document R-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 Developer to make such a request.

(ii) Evidence of payment made by the Developer for said fees shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after January 11, 2011.

(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) Builder's Risk Insurance:

The Developer may submit a request to the County for reimbursement of payments made by the Developer for the cost of builder's risk insurance in connection with the construction of the Project, provided that:

(i) A letter from the Developer, on the Developer's letterhead, shall be provided for the reimbursement of the builder's risk insurance costs. The letter shall reference the Project, the date of this Agreement and its document R-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 Developer to make such a request.

(ii) Evidence of payment made by the Developer for said insurance costs shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after January 11, 2011.

(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 January 11, 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.

(E) Construction Testing Costs:

The Developer may submit a request to the County for reimbursement of payments made by the Developer for soil compaction testing and concrete slab testing associated with the construction of the Project, provided that:

- (i) A letter from the Developer, on the Developer's letterhead, shall be provided for the reimbursement of the aforesaid testing costs. The letter shall reference the Project, the date of this Agreement and its document R-number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said testing costs, as well as the name and signature of a person authorized by the Developer to make such a request.
- (ii) Evidence of payment made by the Developer for said testing costs shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after January 11, 2011.
- (iii) A copy of the Developer's contract or purchase order for the performance of the soil compaction testing and concrete slab testing shall accompany the reimbursement request letter, provided that the contract date or purchase order issuance date was after January 11, 2011.
- (iv) A copy of the invoice showing the amount owed for testing costs shall accompany the reimbursement request letter.

(F) Transportation and Disposal of Impacted Soil:

The Developer may submit a request to the County for reimbursement of payments made by the Developer for transporting and disposing of the herein described impacted soil in connection with the construction of the Project, provided that:

- (i) A letter from the Developer, on the Developer's letterhead, shall be provided for the reimbursement of the aforesaid soil transportation and disposal costs. The letter shall reference the Project, the date of this Agreement and its document R-number, and shall contain a statement requesting the payment of the amount needed for reimbursement of said soil transportation and disposal costs, as well as the name and signature of a person authorized by the Developer to make such a request.
- (ii) Evidence of payment made by the Developer for said soil transportation and disposal costs shall accompany the reimbursement request letter provided that such evidence of payment demonstrate that payment was made after January 11, 2011.
- (iii) A copy of the Developer's contract or purchase order for the performance of the soil transportation and disposal shall accompany the reimbursement request letter, provided that the contract date or purchase order issuance date was after January 11, 2011.
- (iv) A copy of the invoice showing the amount owed for soil transportation and disposal costs shall accompany the reimbursement request letter as well as a copy of the associated manifest and scale ticket.

(G) Legal Fees:

The Developer may submit a request to the County for reimbursement of payments made by the Developer for legal fees associated with the Developer's undertaking the construction of the NSP3 Assisted Units, provided that:

- (i) A letter from the Developer, on the Developer's letterhead, shall be provided for each reimbursement request pertaining to the aforesaid legal fees. The letter shall reference the Project, the date of this Agreement and its document R-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 Developer to make such a request.

(ii) Evidence of payment made by the Developer for said legal fees shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after January 11, 2011.

(iii) A copy of the statement or invoice (or similar document) showing the amount owed in legal fees shall accompany each reimbursement request letter.

The County shall only reimburse the Developer for legal fees that the County has determined to be reasonable.

(H) Contingency Allowance:

The sum of \$46,000 of the Grant shall be reserved as a Contingency Allowance for the payment of costs deemed by the County, in its sole discretion, to be eligible under NSP3 and appropriate for the Project. The Developer may receive reimbursement from the Contingency Allowance only if permitted by the County to do so in writing. Requests from the Developer to receive reimbursement from the Contingency Allowance shall be submitted to the County in writing upon which the County shall promptly advise the Developer of its decision in such regard.

After September 30, 2013, the unused balance remaining in the Contingency Allowance may, at the County's sole discretion, be transferred by the County for other uses and will no longer be available for use in connection with this Project.

(I) Developer Fee:

The Developer may request the County for payment of a developer fee associated with the Project, provided that:

(i) The Developer may request no more than, and the County shall disburse no more than \$164,280, as a developer fee according to the following schedule:

(a) The Developer may request \$98,568 of the total developer fee after the execution of this Agreement.

(b) The Developer may request the remaining \$65,712 of the total developer fee provided, however, that as a prerequisite to the Developer's receipt of the aforesaid sum, work valued at no less than 100% of the Construction Contract has been completed as approved in writing by the Lead Consultant, and provided that the Developer has received a Certificate(s) of Occupancy for the NSP3 Assisted Units from the building department with jurisdiction over this Project. The Developer shall provide the County evidence of the Lead Consultant's written approval and copies of the Certificate(s) of Occupancy in support of this request.

(ii) A letter from the Developer, on the Developer's letterhead, shall be provided requesting payment of the developer fee for the Project. The letter shall reference 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 Developer to make such a request.

(J) Other Costs Not Listed Above:

The Developer may submit a request to the County for reimbursement of payments made by the Developer in connection with the Project, and the County shall reimburse the Developer for such payments from the Grant, provided that:

(i) The County, in its sole discretion, shall have determined that the costs requested for reimbursement are eligible costs under NSP3.

(ii) The Developer shall have obligated itself to the payment after January 11, 2011.

(iii) The Developer's payment for any such costs shall have occurred after a date to be specified by the County.

(iv) The Developer 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 Developer upon the County's determination that the costs requested for reimbursement are eligible costs under NSP3.

6. SPECIAL PROVISIONS:

The Developer expressly agrees to the following terms and conditions:

(A) Certificate of Occupancy:

Upon the completion of construction and the Developer's receipt of a Certificate(s) of Occupancy for the NSP3 Assisted Units from the building department with jurisdiction over this Project, the Developer shall provide the County a copy of such Certificate(s) of Occupancy.

(B) Energy Efficiency:

The Developer shall ensure that the construction of the NSP3 Assisted Units shall meet the current edition of the Model Energy Code published by the Council of American Building Officials, and, to the greatest extent possible, shall meet the 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 Developer shall incorporate the following elements into its development plan:

(i) Energy-efficient Construction Techniques and Products:

- (a) Proper installation of insulation to ensure even temperatures throughout the house.
- (b) Installation of high performance impact windows.
- (c) Installation of energy-efficient HVAC systems.
- (d) 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:

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

(iii) Increased Water Efficiency:

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

(C) Environmental Requirements:

The Developer acknowledges receipt of a Soil Management Plan (hereinafter referred to as the "Plan") for the McClure Village site from the PHA. The Plan was prepared based on results of the Human Health Risk Assessment and environmental assessment activities conducted in 2012, and the findings of these documents are included in the Plan. The Developer acknowledges the findings contained in the Plan indicating that surface or backfill material, and subsurface or native soils at the subject property were impacted with arsenic and barium, and as such, residents, groundskeepers, maintenance personnel, and occasionally construction/ underground utility workers might come in contact with impacted soils. Additionally, the Plan indicated that no adverse human health risks to residents and part-time or fulltime workers are associated with the incidental ingestion, dermal exposure and/or inhalation of airborne particles. The Developer agrees that the Plan, which covers the subject property, is intended for use in connection with, but not limited to, routine or typical maintenance and operations activities, the proposed construction of duplex and single family units, and the future operational activities and maintenance activities at the McClure Village site.

The Developer shall maintain a Site Safety Officer on a daily basis at the project site for the duration of construction of the NSP3 Assisted Units. The Developer shall designate a Site Safety Officer who shall be trained by the County to provide the following:

- (i) Ensure that appropriate personal protective equipment is available and properly utilized by all onsite personnel, and that they are aware of the provisions of the Plan.
- (ii) Instructed personnel in the work practices necessary to ensure safety and awareness of the potential hazards associated with the site operations.
- (iii) Monitor the safety performance of all personnel to ensure that safe work practices are employed, and to ensure that proper handling, management and/or disposal of excessive soils, as described in the Plan, are followed. The Site Safety Officer shall halt site operations, if necessary, in the event of an emergency or to correct unsafe work practices.
- (iv) Ensure that a Site Safety Checklist, to be provided by the County, and other related documents are completed on a daily basis and are submitted to the County every two (2) weeks after commencement of construction activities.

The Developer shall incorporate the following environmental requirements into the construction contract for this project:

- (a) If backfill material under the building structures are excavated and not being used on-site, the contractor shall dispose and properly transport the soil to the Okeechobee Landfill in Okeechobee, Florida.
- (b) If backfill material under the building structures are excavated and used as fill on-site, the contractor shall place such soil under roadways, building structures, or covered with sod and maintained during the construction.

- (c) In the event that native soils are excavated as part of the demolition/construction activities, these soils may either remain on-site or be disposed offsite at the Okeechobee Landfill. The contractor shall ensure that proper handling, management and/or disposal of excessive soils, as described in the Plan, are followed when excavating and handling native soils.
- (d) After construction is complete, the contractor shall sod all areas devoid of grass.

The Developer shall inform the County of any additional environmental conditions discovered during implementation of the project funded through this Agreement.

(D) Prohibition Against the Use of Materials Containing Asbestos:

The Developer shall ensure that its construction contract documents contain a prohibition against the use of any materials containing asbestos in connection with the construction of the NSP3 Assisted Units. Said documents must clearly state that all materials to be used in connection with the construction of the NSP3 Assisted Units shall be asbestos-free.

(E) Civil Rights and Section 504 Compliance:

The Developer agrees that no person shall on the ground of race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, gender identity and 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.

The Developer 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.

(F) 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 funds made available through this Agreement, the Developer shall make a positive effort to utilize small business and minority/women-owned business enterprises of supplies and services, and provide these sources to the maximum feasible opportunity in order 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 NSP3 Urban Redevelopment Area as identified by the County. The provisions of this Subparagraph do not apply, however, to contracts for supplies, equipment, construction, or services not funded, in part or in whole, with funds made available through this Agreement.

(G) Section 3:

The Developer 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 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 Developer 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 shall 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) Non-compliance 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.

(H) Vicinity Hiring:

The Developer shall in connection with activities funded through this Agreement comply with NSP3 requirements for vicinity hiring, and to the maximum extent feasible, provide for the hiring of employees who reside in the "vicinity" of the Project and the Developer shall contract with small businesses that are owned and operated by persons residing in the "vicinity" of the Project. For the purposes of this Agreement "vicinity" is defined as the County's NSP3 Target Area E. The Developer may obtain a map of this area from the County.

(I) Bonding Requirements:

The Developer 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 Developer shall provide the County a copy of each such bond no later than thirty (30) days after the execution of the construction contract.

(J) Labor Standards Requirements

The Developer agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, the provisions of the 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 Developer 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 Developer shall maintain documentation that demonstrates compliance with hour and wage requirements of this part, and shall make it available to the County for review upon request.

The Developer agrees that the prime contractor, all its subcontractors, and all lower tier subcontractors engaged under contracts in excess of \$2,000 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 Developer of its obligation, if any, to require payment of the higher wage. The Developer shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph, and shall make such contracts available to the County upon request

The Developer shall require the prime contractor, all its subcontractors, and all lower tier subcontractors to permit the County's representatives, representatives of HUD, the Department of Labor, and their designees, to interview employees who perform work on the Project, and shall require the prime contractor, all its subcontractors, and all lower tier subcontractors to require their employees to respond to any such interviews.

(K) Requirements Applicable to Construction Contract and Consultant Contracts:

The Developer shall, in connection with the award of the construction contract to be funded, in part or in whole, through this Agreement, request the County for a document containing the NSP3 requirements applicable to the construction contract, shall incorporate such document into its construction contract for the Project. Additionally, the Developer shall impose the requirements contained therein on its prime contractor and all of the prime contractor's subcontractors. The Developer shall also, in connection with the award of each consultant contract to be funded, in part or in whole, through this Agreement, request the County for a document containing the NSP3 requirements applicable to consultant contracts, shall incorporate such document into each consultant contract for the Project, and shall impose the requirements contained therein on all affected consultants and their subconsultants.

(L) Reporting Requirements:

(i) The Developer shall submit to the County a Monthly Performance Report in the form provided as Exhibit B to this Agreement. The Developer shall first submit this Report on the last day of the month during which this Agreement is executed, and thereafter, on the last day of each subsequent month. After the Developer provides a Report for the month during which the Certificate(s) of Occupancy for the NSP3 Assisted Units is issued, the Developer may cease submitting this Report.

(ii) The Developer shall submit to the County a Section 3 Report to be provided on a monthly basis. The format and content of said report shall be determined by the County at a later date and promptly communicated to the Developer.

(iii) The Agency agrees to submit to the County any other reports required by HUD and/or the County in connection with activities undertaken through this Agreement.

7. REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER:

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

(A) Organization Status and Authority to Enter into Agreement:

The Developer is a Florida limited liability company 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. The Developer is duly authorized to execute this Agreement.

The Developer has full power and authority to enter into the Agreement and consummate the transactions contemplated hereby.

(B) Validity of Agreement:

The Agreement been approved by those persons having proper authority, and to the best of Developer's knowledge are in all respects legal, valid, and binding according to their terms.

(C) No Conflicting Transactions or Pending Litigation of Developer:

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

To Developer'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 Developer, threatened against or affecting it, or involving the validity or enforceability of the Agreement.

(D) Availability of Utilities, Condition of Premises, and Availability of Roads:

All utility services necessary for the construction of the Project 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 Developer 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 of the Project.

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

All roads necessary for the full utilization of the intended Project 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 Developer and such local authorities to assure the complete construction and installation thereof.

(E) No Default:

There is no default on the part of the Developer under this Agreement 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.

(F) Advertising:

During the period of the construction of the Project, 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 Developer's expense.

(G) Hazardous Waste:

To Developer's knowledge, Developer 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 Developer 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 Developer. Developer 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 Developer 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 DEVELOPER:

The Developer covenants and agrees with the County as follows:

(A) Mechanics' Liens:

The Developer shall (i) 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 Declaration of Restrictions required in the Subrecipient Agreement, or which could constitute a lien on the Premises, (ii) 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) notify the County of any and all Notices to Developer or to the PHA, as Owner as that term is defined in Chapter 713, Florida Statutes, within five (5) days of receipt thereof, and (iv) comply with all provisions of the Florida Mechanics' Lien Law, including but not limited to, payment and notice provisions contained therein.

The Developer shall indemnify and hold the County harmless from the claims of any mechanics' lien or equitable lien, and shall 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.

The Developer 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. If Developer fails, after demand, to cause said lien or liens to be released, bonded or insured over, the County may take such steps as it deems necessary and any funds expended shall be charged to the Grant.

The Developer hereby authorizes the County to demand, on Developer's behalf, following written notice to Developer, 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 herein, the Premises shall not be sold, leased, conveyed, mortgaged or otherwise encumbered, in whole or in part, without the prior written consent of the County which consent shall not be unreasonably withheld or delayed. The Parties acknowledge that part of the consideration for the Grant is the obligation of the Developer to transfer the NSP3 Assisted Units to the PHA, and such transfer shall not require the County's prior written consent.

(C) Compliance with Laws:

The Developer 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 Project.

(D) Brokerage Commissions:

The Developer 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 Grant, and Developer 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:

The Developer shall maintain its active status as a Florida limited liability company for such a period of time of sufficient length in order for the Developer to comply with the below audit requirements. The Developer shall comply with the requirements of OMB Circular A-133, and the Developer 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 NSP3 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 a delay is anticipated in producing such audit, the Developer shall request an extension from the County in advance of the deadline. The cost of said audit shall be borne by the Developer. In the event the Developer is exempt from having an audit conducted under A-133, the Developer shall submit audited financial statements to the County. The County reserves the right to conduct a "limited scope audit" of the Developer as defined by A-133. The County will be responsible for providing technical assistance to the Developer, as deemed necessary by the County.

(F) Developer to Maintain Bookkeeping System:

The Developer shall, if required by the County, maintain a bookkeeping system for the 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 Developer.

(G) Insurance Proceeds:

The Developer shall, until such time that it transfers full ownership of the NSP3 Assisted Units to the PHA as described herein, keep the Premises and the NSP3 Assisted Units 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. Upon the issuance of such policies, they will deliver to the County copies of receipts for the premiums paid thereon, 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 County, transferee or purchaser, as the case may be. 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 Developer 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. Notwithstanding anything to the contrary contained herein, if there is no Event of Default that is continuing, Developer shall have the right to use the insurance proceeds for the reconstruction of the Premises provided the Developer can provide evidence to the County of sufficient funds from other sources available to effectively rebuild the Project in compliance with the terms of this Agreement and the herein described NSP3 funding.

(H) Further Assurances and Preservation of Security:

The Developer 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.

(I) No Assignment:

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

9. RIGHT TO AUDIT, ACCESS TO RECORDS, AND INSPECTOR GENERAL:

The Developer shall maintain adequate records to justify all charges, expenses, and costs of the Project 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 Developer's place of business.

Palm Beach County has established the Office of Inspector General in Palm Beach County Code, Section 2-421 to 2-440, as may be amended. The Inspector General's authority includes but is not limited to, the power to review past, present and proposed County contracts, transactions, accounts and records, to require the production of records, and to audit, investigate, monitor, and inspect the activities of the Developer, its officers, agents, employees, and lobbyists in order to ensure compliance with contract requirements and detect corruption and fraud. Failure to cooperate with Inspector General or interfering with or impeding any investigation shall be in violation of the above Code and punished pursuant to Section 125.69, Florida Statutes, in the same manner as a second degree misdemeanor.

10. INSPECTIONS:

The Developer shall permit the 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. Additionally, the Developer shall cooperate and cause Developer'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 Developer a petition in bankruptcy or a petition for the appointment of a receiver or trustee of the property of Developer, and any such petition not filed by Developer is not dismissed within ninety (90) days of the date of filing, or if Developer 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 Developer in this Agreement shall at any time be false or misleading in any material respect when made, or if Developer shall fail to keep, observe or perform any of the material terms, covenants, representations or warranties contained in this Agreement and any other document given in connection with the Grant or the Project (provided, that with respect to non-monetary defaults, the County shall give written notice to Developer, who shall have thirty (30) days to cure, and provided that, with respect to monetary defaults, the County shall give written notice to Developer, who shall have ten (10) days to cure), or is unwilling to meet its obligations.

(C) Failure to Use Funds:

The Developer shall fail to use all funds under this Agreement for costs eligible for reimbursement by the County by as established in Paragraph 3 above. In the event Developer fails to use all available NSP3 funds by February 15, 2014, all remaining NSP3 funds shall revert to the County and the County may reallocate such remaining funds for other projects or needs, unless revised by a written agreement between the parties.

(D) Failure to Complete Construction:

The Developer shall fail to complete construction of, and shall fail to transfer full ownership of the NSP3 Assisted Units to the PHA as provided herein, unless revised by written agreement between the parties.

12. REMEDIES OF COUNTY:

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 Developer:

(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) Rights and Remedies:

Exercise any other rights or remedies the County may have under this Agreement or other documents executed in connection with the Grant 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, 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 Developer of the improvements, or the absence therefrom, of defects.

(B) Exclusion of Third Party Beneficiaries:

No provision of this Agreement is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party to this Agreement, including but not limited to any citizen or employees of the County and/or the Developer.

(C) Developer is not the County's Agent:

Nothing in this Agreement shall be construed to make the Developer the County's agent for any purpose whatsoever, or the Developer 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.

(D) Public Entity Crimes:

As provided in F.S. 287.133, by entering into this Agreement or performing any work in furtherance hereof, the Developer 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 thirty-six (36) months immediately preceding the date hereof. This notice is required by F.S. 287.133 (3)(a).

(E) Conflict of Interest:

The Developer covenants that no person (an employee, agent, consultant, officer, or elected or appointed official of the County or the Developer) who exercises or has exercised any functions or responsibilities with respect to activities assisted under this Agreement, or who is in a position to participate in a decision-making process or gain inside information with regard to activities assisted under this Agreement, may obtain a financial interest or benefit from an assisted activity, or have an interest in any contract, subcontract, or agreement with respect to an assisted activity; or the proceeds derived from an assisted activity, either for him or herself or for those with whom he or she has family or business ties, during his or her tenure or during the one-year period following his or her tenure. Any possible conflict of interest on the part of the Developer, or any person as described above, shall be disclosed in writing to the County.

No owner, developer, or sponsor of the Project (or officer, employee, agent, elected or appointed official or consultant of the Developer, owner, developer or sponsor) whether private, for-profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy an affordable housing unit in the Project. This provision does not apply to an employee or agent of the Developer, owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker. All written requests for exceptions to the above requirement regarding the occupancy of a unit in the Project shall be submitted to the County.

(F) 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 Developer 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.

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

Nothing contained in this Agreement 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 Developer.

(H) Indemnification from Third Party Claims:

The Developer shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Grant proceeds to Developer 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 Grant, except any liability due to the gross negligence or willful misconduct of County. This provision shall continue in a full force and effect so long as the possibility of such liability, claims, or losses exists.

(I) 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 Developer'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 Developer or Developer's Contractor. It is understood and agreed that there is no relation of any type whatsoever, contractual or otherwise, whether express or implied, between the County and Developer'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 Grant, or to have any claim or claims in or to any undisbursed or retained Grant proceeds.

(J) 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 or facts which are disclosed in documents or other evidence required by the terms of this Agreement.

(K) 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.

(L) 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.

(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 Developer agrees to comply with all provisions of the Title III of the Housing and Economic Recovery Act of 2008 (HERA), as amended by Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA), and as further amended by Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), the Notice of Formula Allocations and Program Requirements for Neighborhood Stabilization Program Formula Grants (Docket No. FR-5447-N-01, October 19, 2010) (NSP3 Notice), the Federal Community Development Block Grant Regulations (24 CFR Part 570) as modified by the NSP3 Notice as now in effect and as may be amended from time to time, and the Housing and Community Development Act of 1974, as amended, that are applicable to a recipient of funds through the NSP3 Programs, and that are required to be adhered to for this Grant and such provisions are incorporated herein by reference and are made a part hereof. This Agreement constitutes 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 this Agreement, 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.

(Q) Notices:

All notice from the Developer to the County and the County to Developer 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 COUNTY: Board of County Commissioners
c/o Palm Beach County Attorney's Office
301 N. Olive Avenue, Suite 601
West Palm Beach, FL 33401

TO DEVELOPER: Matthew Rieger, Vice President
HTG McClure, LLC
3225 Aviation Avenue, Suite 602
Miami, FL 33133

If either Party changes its mailing address, such change shall be communicated in writing to the other party within ten (10) days of such change.

(R) 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 Developer.

(S) Counterparts:

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

(T) Waiver of Jury Trial:

THE DEVELOPER 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 DEVELOPER 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.

18. 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.

IN WITNESS WHEREOF, Developer 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:

HTG McClure, LLC
a Florida Limited Liability Company,

Name: NATALLIA DEAMORIM

By: Housing Trust Group, LLC
Its Sole Member

Signature:

By: [Signature]
Matthew Rieger, Manager

x [Signature]

Name: Richard A. Matlof

Signature:

x [Signature]

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 11th day of, FEBRUARY 2013,
by Matthew Rieger, ~~who is personally known to me~~, or who has produced
as identification and who did/did not take an oath.



(NOTARY SEAL ABOVE)

Signature: [Signature]

Notary Name: VICTORIA VARELA
Notary Public - State of Florida

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

FOR ITS BOARD OF COUNTY COMMISSIONERS

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

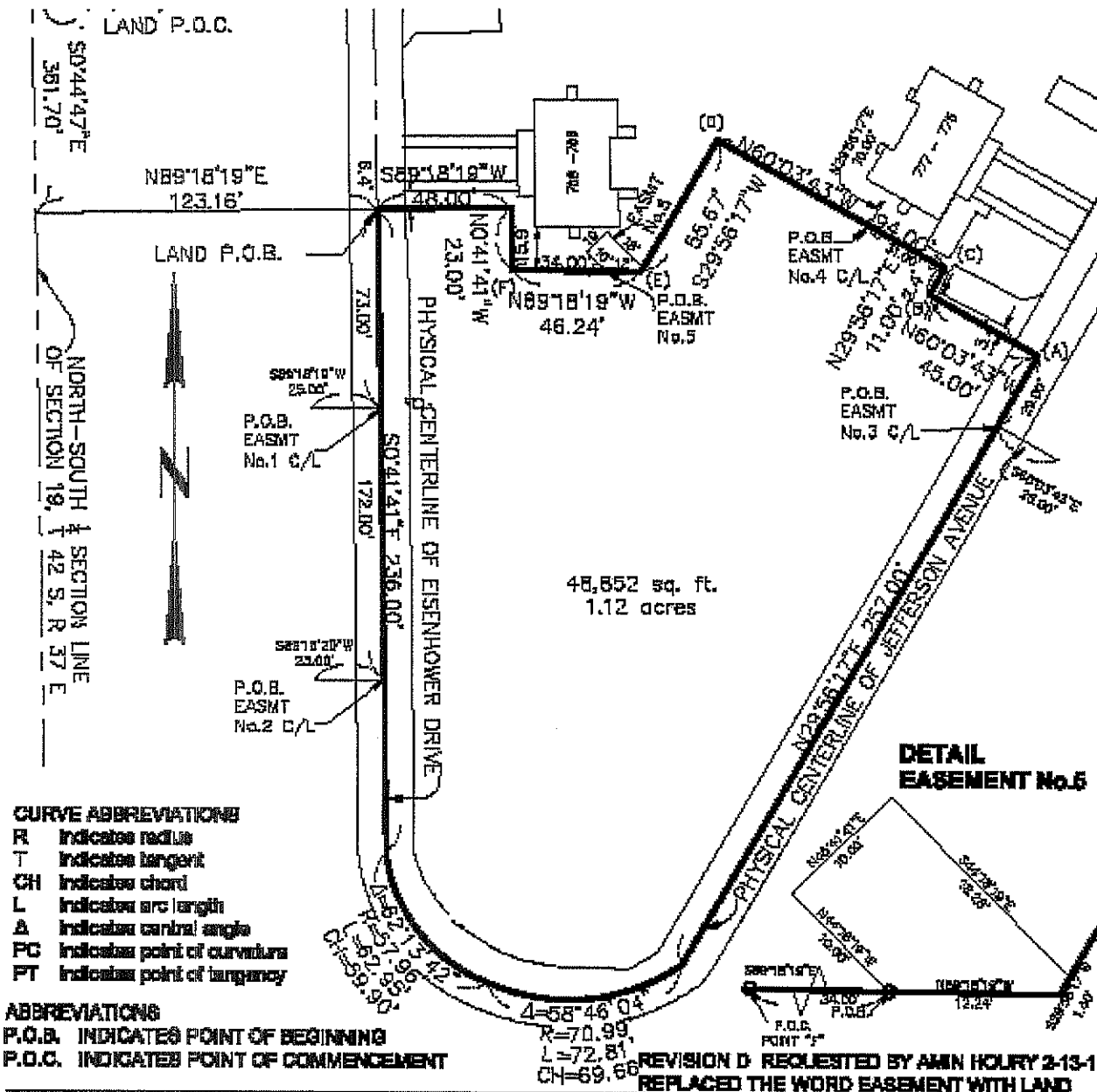
Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

By: [Signature]
Tammy K. Fields
Chief Assistant County Attorney

By: [Signature]
Sherry Howard
Deputy Director

EXHIBIT A
LEGAL DESCRIPTION



SKETCH OF LEGAL DESCRIPTION FOR: PAHOKEE HOUSING AUTHORITY, McCLURE VILLAGE			
DESCRIPTION ON SHEETS 2 AND 3 OF 3, ATTACHED HERETO AND MADE A PART HEREOF			
PAHOKEE THIS IS NOT A SURVEY FLORIDA			
Scale 1" = 50'	PAG SURVEYORS, INC. L.B. 3411 <small>1000 Southwest 4th Street - Ft. Lauderdale, FL 33304-4000 Phone: 954-561-1000</small>	Date 1-18-13	Sheet 1
Note Book		Work Order No. 13-1-0100	OF 3
No.	Page		

LAND DESCRIPTION:

This land lies within the boundaries of McClure Village, located within that part of the East Half of Section 18, Township 42 South, Range 37 East, lying Northwesternly of the Northwesternly right-of-way line of McClure Road, a Palm Beach County Road. Bearings and distances shown on this description are based on a Survey by PAG SURVEYORS, INC. Work Order number 11-3-118 and are referenced to the Florida State Plane Coordinate System, East Zone, and are further referenced to 1983 North American Datum.

Said land is more particularly described as follows:
Commencing at the North Quarter corner of Section 18, Township 42 South, Range 37 East, thence South 0°44'47" East 361.70 feet along the North-South Quarter-Section line of said Section 18;
Thence North 88°18'18" East 123.16 feet to a point on the physical centerline of Eisenhower Drive, said point being the Point of Beginning of the hereinafter described land;
thence at right angles to the preceding course, South 0°41'41" East 238.00 feet along the physical centerline of Eisenhower Drive to the beginning of a non-tangent curve concave to the Northeast, having a radius of 67.96 feet, the long chord of said curve bears
South 37°55'21" East, for a chord distance of 59.90 feet;
thence Southeastery and Northeastery 62.95 feet along the arc of said curve to a point of compound curvature and the beginning of a curve concave to the Northwest, having a radius of 70.98 feet, the long chord of said curve bears North 84°18'20" East for a chord distance of 69.68 feet; thence Northeastery 72.81 feet along the arc of said curve to a point on a non-tangent line, said line being the physical centerline of Jefferson Avenue;
thence North 28°58'17" East 287.00 feet along the physical centerline of Jefferson Avenue to Point (A);
thence at right angles to the preceding course North 80°03'43" West 48.00 feet to Point (B);
thence North 28°58'17" East 41.00 feet to Point (C);
thence North 80°03'43" West 94.00 feet to Point (D);
thence South 28°58'17" West 55.87 feet to Point (E);
thence North 88°18'18" West 48.24 feet to Point (F);
thence North 0°41'41" West 23.00 feet;
thence South 88°18'18" West 48.00 feet to the Point of Beginning on the physical centerline of Eisenhower Drive.

DESCRIPTIONS CONTINUED ON SHEET 3 OF 3

CURVE ABBREVIATIONS

- R Indicates radius
- T Indicates tangent
- CH Indicates chord
- L Indicates arc length
- Δ Indicates central angle
- PC Indicates point of curvature
- PT Indicates point of tangency

ABBREVIATIONS

- P.O.B. INDICATES POINT OF BEGINNING
- P.O.C. INDICATES POINT OF COMMENCEMENT

SKETCH OF LEGAL DESCRIPTION FOR:			
PAHOKEE HOUSING AUTHORITY, McCLURE VILLAGE			
PAHOKEE THIS IS NOT A SURVEY FLORIDA			
Scale 1"=50'	PAG SURVEYORS, INC. L.B. 3411	Date 1-18-13	Sheet 2
Note Book	1140 Southwest 4th Street - Ft. Myers (889) 494-4666 Mobile Office, FL 33902-9225	Work Order No.	OF
No.	Page	13-1-0100	3

TOGETHER WITH THE FOLLOWING TWO (2) Temporary Utility Easements,
EASEMENT NUMBER 1: a 10-foot wide easement lying 5 feet each side of following described centerline
Commencing at the Point of Beginning of the hereinabove described land; thence South 0°41'41" East 73.00 feet along physical
centerline of Eisenhower Drive to the Point of Beginning of the centerline of Easement Number 1;
Thence South 89°18'18" West 25.00 feet to the Terminus of said centerline

EASEMENT NUMBER 2: a 10-foot wide easement lying 5 feet each side of following described centerline
Commencing at the Point of Beginning of the hereinabove described land; thence South 0°41'41" East 172.00 feet along
physical centerline of Eisenhower Drive to the Point of Beginning of the centerline of Easement
Number 2;
Thence South 89°18'18" West 25.00 feet to the Terminus of said centerline.

EASEMENT NUMBER 3: a 10-foot wide easement lying 5 feet each side of following described centerline:
Commencing at Point (A) of the hereinabove described land;
Thence South 28°58'17" West 29.00 feet along the physical centerline of Jefferson Avenue to the Point of Beginning of the
centerline of Easement Number 3;
Thence South 80°03'43" East 25.00 feet to the Terminus of said centerline.

EASEMENT NUMBER 4: a 10-foot wide easement lying 5 feet each side of following described centerline:
Commencing at Point (C) of the hereinabove described land;
Thence North 80°03'43" West 21.00 feet to the Point of Beginning of the centerline of Easement Number 4;
Thence North 89°58'17" East 10.00 feet to the Terminus of said centerline.

EASEMENT NUMBER 5: a 10-foot wide easement being a trapezoid described as follows: Commencing at Point (F) of the
hereinabove described land;
Thence South 89°18'18" East 34.00 feet to the Point of Beginning of Easement Number 5;
Thence North 44°18'18" West 10.00 feet;
Thence North 48°41'41" East 10.00 feet;
Thence South 44°18'18" East 18.28 feet to a Point on line (D)-(E) of the hereinabove described land;
Thence South 28°58'17" West 1.40 feet to Point (E) aforesaid;
Thence North 89°18'18" West 12.34 feet to the Point of Beginning.

DESCRIPTIONS:
Prepared from office records only, by

ABBREVIATIONS
P.O.B. INDICATES POINT OF BEGINNING
P.O.C. INDICATES POINT OF COMMENCEMENT

Fernando Gonzalez, P.S.M.
Florida License 4884

SKETCH OF LEGAL DESCRIPTION FOR:			
PAHOKEE HOUSING AUTHORITY, McCLURE VILLAGE			
PAHOKEE THIS IS NOT A SURVEY FLORIDA			
Scale	PAG SURVEYORS, INC. L.B. 3411	Date	Sheet
Note Book	1291 Southeast 4th Street - Ft. Pierce (887) 894-6850	1-18-13	3
No.	State Survey, FL 38428-38429	Work Order No.	OF
Page		13-1-0100	3

EXHIBIT B

PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY

MONTHLY PERFORMANCE REPORT

Report For:	Month: _____ Year: 20____		
Project Name:	McClure Village Renatl Housing Construction - NSP3		
Report Prepared By:			
	Name _____	Signature _____	Date _____

DESIGN AND PLANNING AND PERMITING ACTIVITIES

Describe your accomplishments during the reporting period: _____

CONSTRUCTION ACTIVITIES

Describe your accomplishments during the reporting period: _____

POST-CONSTRUCTION ACTIVITIES

Describe your accomplishments during the reporting period: _____

I, _____, do hereby certify that the Project has met all of its performance requirements during this reporting period as referenced in the Grant Agreement.

Name & Title of Certifying Representative