



AGENDA ITEM SUMMARY

Department: Department of Economic Sustainability

Recommended By:  8-15-13
Department Director Date

Approved By:  8/22/13
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					
External Revenues					
Program Income	(\$277,894)				
In-Kind Match (County)					
NET FISCAL IMPACT	(\$277,894)				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes _____ No X

Budget Account No.:

Fund 1103 Dept 143 Unit 1434 RSRC 8701 Program Code/Period HM02/GY12: \$214,100

Fund 1103 Dept 143 Unit 1434 RSRC 6112 Program Code/Period HM02/GY12: \$63,794

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

Proceeds from the approval of this agenda item will provide \$277,894 in program income to the HOME Program.

C. Departmental Fiscal Review:

Thomas for 8/15/13
Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

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

OFMB 8/21/13
8/20/13

Contract Development and Control 8/21/13
8-21-13

B. Legal Sufficiency:

Chief Assistant County Attorney

C. Other Department Review:

Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

Prepared by: Dawn S. Wynn
Senior Assistant County Attorney
Return to:

PCN: 00-42-43-27-26-001-0000

SATISFACTION OF MORTGAGE
AND
NOTICE OF THE SURVIVAL OF CERTAIN COVENANTS AND CONDITIONS

Know All Men By These Presents: Palm Beach County, a political subdivision of the State of Florida ("County"), the owner and holder of a certain Mortgage and Security Agreement executed by Golden Lake Housing Associates, Ltd., a Florida limited partnership, dated December 19, 1996, and recorded in Official Records Book 9582, Page 1817, in the Office of the Clerk of the Circuit Court of Palm Beach County, Florida, ("Mortgage"), securing a certain Promissory Note in the principal sum of Two Hundred Fourteen Thousand One Hundred Dollars and 00/100 Cents (\$214,100), and containing certain promises and obligations set forth in said Mortgage, upon the property situate in said State and County as described in Exhibit "A" attached hereto, does hereby acknowledge full payment and satisfaction of said Promissory Note and Mortgage and surrenders the same as canceled, and hereby directs the Clerk of the said Circuit Court to cancel the same of record.

County, as the Lender under that HOME Rental Program Assistance and Loan Agreement entered into with Golden Lake Housing Associates, Ltd., on December 17, 1996, and recorded in Official Records Book 9582, Page 1839, in the Office of the Clerk of the Circuit Court of Palm Beach County, Florida, ("Agreement") does hereby acknowledge that Sections 1, 2, 3, 4, 5, 6(a) and 12(c) of said Agreement shall be void and of no further force and effect due to the satisfaction of the Mortgage, but provides notice hereby that the remaining covenants and conditions contained in said Agreement shall remain in effect and shall continue until such time as specified in such Agreement.

Executed this _____ day of _____, 20____.

ATTEST: SHARON R. BOCK
CLERK & COMPTROLLER

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

BOARD OF COUNTY COMMISSIONERS

By: _____
Deputy Clerk

By: _____
Steven L. Abrams, Mayor

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

By: _____
Dawn S. Wynn
Senior Assistant County Attorney

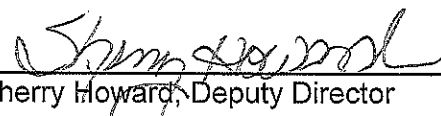
By:  _____
Sherry Howard, Deputy Director

EXHIBIT "A"

LEGAL DESCRIPTION

TRACT 2, BLOCK 4, LESS THE WEST 8 FEET THEREOF, AND ALSO LESS THE NORTH 300 FEET OF THE WEST 660.02 FEET THEREOF, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 2, PAGES 45 TO 54 INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCELS:

SKEES ROAD ADDITIONAL RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED FEBRUARY 11, 1988 AND RECORDED IN OFFICIAL RECORDS BOOK 5630, PAGES 99 THROUGH 100, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

THE EAST 7.0 FEET OF THE WEST 15 FEET OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY PLAT NO. 3 ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGES 45, THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, EXCEPTING THE NORTH 300 FEET AND THE SOUTH 175 FEET THEREOF; AND

DWIGHT ROAD ADDITIONAL RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED FEBRUARY 11, 1988 AND RECORDED IN OFFICIAL RECORDS BOOK 5630, PAGES 140 THROUGH 141, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

THE NORTH 25 FEET OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, EXCEPTING THE WEST 660 FEET AND THE EAST 768 FEET THEREOF.

AND LESS THE FOLLOWING JOG ROAD RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED NOVEMBER 20, 1991 AND RECORDED IN OFFICIAL RECORDS BOOK 7071, PAGES 990 THROUGH 993, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LYING IN TRACT 2, BLOCK 4, OF PALM BEACH FARMS COMPANY PLAT NO. 3, AS RECORDED IN PLAT BOOK 2 PAGES 45 THROUGH 54, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 2 INCH BY 2 INCH CONCRETE MONUMENT, AT THE SOUTHWEST CORNER OF TRACT 1, BLOCK 4, OF SAID PLAT, THENCE NORTH 00°56'57" WEST, ALONG THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 67.93 FEET, TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF JOG ROAD, THENCE NORTH 56°30'34" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 36.38 FEET, TO ITS INTERSECTION WITH THE EAST LINE OF SAID TRACT 2; SAID INTERSECTION ALSO BEING THE POINT OF BEGINNING, THENCE CONTINUE, NORTH 56°30'37" WEST, CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 399.35 FEET, TO THE BEGINNING OF A TANGENT CURVE, SAID CURVE

CONCAVE NORTHEASTERLY WITH A RADIUS OF 1024.92 FEET, THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 471.22 FEET, THROUGH A CENTRAL ANGLE OF 26°20'33", TO ITS INTERSECTION WITH THE NORTH LINE OF SAID TRACT 2, THENCE NORTH 89°03'03" EAST, DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE AND ALONG THE SAID NORTH LINE OF SAID TRACT 2, A DISTANCE OF 153.74 FEET, TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF SAID JOG ROAD, SAID INTERSECTION ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, SAID CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 836.00 FEET, AND A CHORD BEARING OF SOUTH 47°27'13" EAST, THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, AND ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 384.19 FEET, THROUGH A CENTRAL ANGLE OF 26°16'04"; THENCE SOUTH 60°35'15" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 92.30 FEET; THENCE SOUTH 56°30'37" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 163.20 FEET, TO ITS INTERSECTION WITH THE SAID EAST LINE OF SAID TRACT 2, THENCE SOUTH 00°56'57" EAST, ALONG SAID EAST LINE, A DISTANCE OF 169.75 FEET, TO THE POINT OF BEGINNING.

AND LESS THE FOLLOWING PER RIGHT-OF-WAY WARRANTY DEED DATED AUGUST 14, 1992 AND RECORDED IN OFFICIAL RECORDS BOOK 7482, PAGES 1644 THROUGH 1647, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LYING IN TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY, PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS, PALM BEACH COUNTY, FLORIDA, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT 2, THENCE N89°03'43"E, ALONG THE SOUTH LINE OF TRACT 2, A DISTANCE OF 8.00 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND.

THENCE N00°56'50"W A DISTANCE OF 57.00 FEET; THENCE S45°56'34"E A DISTANCE OF 43.26 FEET TO A POINT OF THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTRY PLACE ROAD (80' WIDE); THENCE S89°03'43"W A DISTANCE OF 25.00 FEET; THENCE S00°56'50"E A DISTANCE OF 25.00 FEET TO A POINT ON THE SOUTH LINE OF TRACT 2; THENCE S89°03'43"W ALONG THE SOUTH LINE OF TRACT 2, A DISTANCE OF 7.00 FEET TO THE POINT OF BEGINNING.

AND LESS ALL THAT PART OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY, PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, LYING NORTHERLY AND EASTERLY OF THE NORTHERLY AND EASTERLY RIGHT-OF-WAY LINE OF THE RIGHT OF WAY FOR JOG ROAD, AS DESCRIBED IN THAT CERTAIN RIGHT-OF-WAY WARRANTY DEED DATED NOVEMBER 20, 1991 AND RECORDED IN OFFICIAL RECORDS BOOK 7071, PAGES 990 THROUGH 993, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

AND LESS AND EXCEPT THE FOLLOWING PARCEL:

A PORTION OF TRACT 2, BLOCK 4, THE PALM BEACH FARMS COMPANY PLAT NO. 3, SECTIONS 27 AND 28, TOWNSHIP 43 SOUTH, RANGE 42 EAST, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 27:

THENCE SOUTH 88°55'47" EAST ALONG THE NORTH LINE OF SAID SECTION 27, A DISTANCE OF 21.98 FEET;

THENCE SOUTH 01°03'13" WEST, 30.02 FEET TO THE SOUTH LINE OF A 30 FOOT WIDE RIGHT-OF-WAY AS SHOWN ON THE PLAT OF PALM BEACH FARMS COMPANY PLAT NO. 3, AS RECORDED IN PLAT BOOK 2, PAGE 58 OF SAID PUBLIC RECORDS AND A POINT ON THE WEST RIGHT-OF-WAY LINE OF JOG ROAD, AS DESCRIBED IN OFFICIAL RECORDS BOOK 6440, PAGES 501 THROUGH 505 OF SAID PUBLIC RECORDS;

THENCE SOUTHEASTERLY ALONG SAID WEST RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH 45°02'29" EAST, 59.29 FEET;
2. SOUTH 01°08'15" EAST, 516.59 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST (A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 82°39'39" WEST FROM THE RADIUS POINT OF THE NEXT DESCRIBED CURVE).
3. SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1024.92 FEET, A CENTRAL ANGLE OF 22°58'49", AN ARC DISTANCE OF 411.07 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1024.92 FEET, A CENTRAL ANGLE OF 01°35'49", AN ARC DISTANCE OF 28.85 FEET;

THENCE SOUTH 80°51'19" WEST, 138.56;

THENCE NORTH 01°12'50", 25.00 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF DWIGHT ROAD;

THENCE NORTH 80°51'19" EAST, ALONG SAID SOUTH RIGHT-OF-WAY 124.17 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING AND BEING IN PALM BEACH COUNTY, FLORIDA.

Prepared by, and after recording
return to:
Sameer Upadhyia, Esq.
Krooth & Altman LLP
1850 M Street, N.W., Suite 400
Washington, D.C. 20036

----- [Space Above This Line For Recording Data] -----

**SUBORDINATION AGREEMENT
(Affordable)**

This SUBORDINATION AGREEMENT (this "Agreement") dated as of _____, 2013 is executed by and among (i) CENTERLINE MORTGAGE CAPITAL INC., a Delaware corporation ("Senior Lender"), (ii) PALM BEACH COUNTY, a political subdivision of the State of Florida (the "County"), and (iii) WOODLAKE PRESERVATION, LP, a Florida limited partnership ("Borrower").

RECITALS:

A. Pursuant to that certain Multifamily Loan and Security Agreement dated as of the date hereof, executed by and between Borrower and Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "Senior Loan Agreement"), Senior Lender has agreed to make a loan to Borrower in the original principal amount of _____ and No/100 Dollars (\$_____) (the "Senior Loan"), as evidenced by that certain Multifamily Note dated as of the date hereof, executed by Borrower and made payable to the order of Senior Lender in the amount of the Senior Loan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "Senior Note").

B. In addition to the Senior Loan Agreement, the Senior Loan and the Senior Note are also secured by a certain Multifamily Mortgage, Deed of Trust or Deed to Secure Debt dated as of the date hereof (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "Senior Security Instrument"), encumbering the property described in the Senior Security Instrument as the "Mortgaged Property."

Subordination Agreement (Affordable)
Fannie Mae
Home Rental Program

Form 6456
01-11

Page 1
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C. The County made a subordinate loan to the Borrower in the amount of \$214,100 (the "Subordinate Loan"). The Subordinate Loan was evidenced by a note in the amount of \$214,100 (the "Subordinate Note"), which such Subordinate Note was secured by a subordinate mortgage against the Mortgaged Property (the "Subordinate Mortgage"). The terms of the Subordinate Loan were more fully set forth in that certain Home Rental Program Assistance and Loan Agreement dated as of December 17, 1996 and recorded in the land records of Palm Beach County as Book 9582, Page 1839 (the "Subordinate Loan and Regulatory Agreement").

D. The Subordinate Loan will be paid off concurrently with closing of the Senior Loan, and the Subordinate Note and Subordinate Mortgage will terminate. Notwithstanding the foregoing, certain provisions of the Subordinate Loan and Regulatory Agreement will survive such payoff of the Subordinate Loan.

E. Senior Lender has agreed to allow the Subordinate Loan and Regulatory Agreement to continue to be the subordinate lien against the Mortgaged Property subject to all of the conditions contained in this Agreement.

AGREEMENTS:

NOW, THEREFORE, in order to induce Senior Lender to allow the Subordinate Loan and Regulatory Agreement to continue as a subordinate lien against the Mortgaged Property, and in consideration thereof, Senior Lender, the County and Borrower agree as follows:

1. **Recitals.**

The recitals set forth above are incorporated herein by reference.

2. **Definitions.**

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

"Affiliate" means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term "control" for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of fifty percent (50%) or more of the equity interests).

"Borrower" means the Person named as such in the first paragraph on page 1 of this Agreement, any successor or assign of Borrower, including without limitation, a receiver, trustee or debtor-in-possession and any other Person (other than Senior Lender) who acquires title to the Mortgaged Property after the date of this Agreement.

"Business Day" means any day other than Saturday, Sunday or a day on which Senior Lender is not open for business.

"Default Notice" means: (a) a copy of any written notice from Senior Lender to Borrower and the County stating that a Senior Loan Default has occurred under the Senior Loan Documents; or (b) a copy of the written notice from the County to Borrower and Senior Lender stating that a Subordinate Regulatory Agreement Default has occurred under the Subordinate Loan and Regulatory Agreement. Each Default Notice shall specify the default upon which such Default Notice is based.

"Person" means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

"Senior Lender" means the Person named as such in the first paragraph on Page 1 of this Agreement, its successors and assigns and any other Person who becomes the legal holder of the Senior Loan after the date of this Agreement.

"Senior Loan Default" means the occurrence of an "Event of Default" as that term is defined in the Senior Loan Documents.

"Senior Loan Documents" means the Senior Security Instrument, the Senior Note, the Senior Loan Agreement, and all other "Loan Documents" as that term is defined in the Senior Loan Agreement.

"County" means the Person named as such in the first paragraph on page 1 of this Agreement, any successor or assign of the County.

"Subordinate Regulatory Agreement Default" means a default by Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Loan and Regulatory Agreement to be performed or observed by it, which continues beyond any applicable period provided in the Subordinate Loan and Regulatory Agreement for curing the default.

3. Permission to Place Mortgage Lien Against Mortgaged Property.

Senior Lender agrees, notwithstanding the prohibition against inferior liens on the Mortgaged Property contained in the Senior Loan Documents and subject to the provisions of this Agreement, to permit Subordinate Loan and Regulatory Agreement to continue to encumber the Mortgaged Property.

4. Borrower's and the County's Representations and Warranties.

Borrower and the County each makes the following representations and warranties to Senior Lender:

(a) Subordinate Loan and Regulatory Agreement.

The only document in effect with respect to the Subordinate Loan is the Subordinate Loan and Regulatory Agreement. The executed Subordinate Loan and Regulatory Agreement is substantially in the same forms as that submitted to, and approved by, Senior Lender prior to the date of this Agreement. Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan and Regulatory Agreement, certified to be true, correct and complete. The County acknowledges and agrees that pursuant to Section 7(a) of the Subordinate Loan and Regulatory Agreement, the Subordinate Loan and Regulatory Agreement shall terminate upon its own terms on [20 years from date of initial occupancy].

(b) Subordinate Loan.

The Subordinate Loan has been paid off in full.

(c) Relationship of Borrower to the County and Senior Lender.

The County is not an Affiliate of Borrower and is not in possession of any facts which would lead it to believe that Senior Lender is an Affiliate of Borrower.

(d) Senior Loan Documents.

Upon execution and delivery of the Senior Loan Documents, Borrower shall deliver to the County an executed copy of each of the Senior Loan Documents, certified to be true, correct and complete.

5. Terms of Subordination.

(a) Agreement to Subordinate.

Senior Lender and the County agree that the liens, terms, covenants and conditions of the Subordinate Loan and Regulatory Agreement are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Security Instrument and the other Senior Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Security Instrument and the other Senior Loan Documents (including but not limited to, all sums advanced for the purposes of (A) protecting or further securing the lien of the Senior Security Instrument, curing defaults by Borrower under the Senior Loan Documents or for any other purpose expressly permitted by the Senior Loan Documents, or (B) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property).

(b) Modification of Subordinate Loan and Regulatory Agreement and Assumption of Obligations.

The County and Borrower agree that Sections 1, 2, 3, 4, 5, 6(a), and 12(c) of the Subordinate Loan and Regulatory Agreement shall be void and of no further force and effect.

Borrower agrees to accept title to the Mortgaged Property subject to the lien of the Subordinate Loan and Regulatory Agreement and Borrower agrees to assume, comply with, and perform all surviving conditions, terms, and obligations of Golden Lake Housing Associates, Ltd., as contained in the Subordinate Loan and Regulatory Agreement.

6. Default Under Subordinate Loan and Regulatory Agreement.

(a) Notice of Subordinate Regulatory Agreement Default and Cure Rights.

The County shall deliver to Senior Lender a Default Notice within five (5) Business Days in each case where the County has given a Default Notice to Borrower. Failure of the County to send a Default Notice to Senior Lender shall not prevent the exercise of the County's rights and remedies under the Subordinate Loan and Regulatory Agreement, subject to the provisions of this Agreement. Senior Lender shall have the right, but not the obligation, to cure any Subordinate Regulatory Agreement Default within sixty (60) days following the date of such notice; provided, however that the County shall be entitled, during such sixty (60) day period, to continue to pursue its rights and remedies under the Subordinate Loan and Regulatory Agreement. All amounts paid by Senior Lender in accordance with the Senior Loan Documents to cure a Subordinate Regulatory Agreement Default shall be deemed to have been advanced by Senior Lender pursuant to, and shall be secured by, the Senior Loan Agreement and the lien of, the Senior Security Instrument.

(b) County's Exercise of Remedies After Notice to Senior Lender.

If a Subordinate Regulatory Agreement Default occurs and is continuing, the County agrees that, without Senior Lender's prior written consent, it will not exercise any rights or remedies it may have under the Subordinate Loan and Regulatory Agreement, unless and until it has given Senior Lender at least sixty (60) days prior written notice; during such sixty (60) day period, however, the County shall be entitled to exercise and enforce all other rights and remedies available to the County under the Subordinate Loan and Regulatory Agreement and/or under applicable laws, including without limitation, rights to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in any land use restriction agreement.

(c) Cross Default.

Borrower and the County agree that a Subordinate Regulatory Agreement Default shall constitute a Senior Loan Default under the Senior Loan Documents and Senior Lender shall have the right to exercise all rights or remedies under the Senior Loan Documents in the same manner as in the case of any other Senior Loan Default. If the County notifies Senior Lender in writing that any Subordinate Regulatory Agreement Default of which Senior Lender has received a Default Notice has been cured or waived, as determined by the County in its sole discretion, then provided that Senior Lender has not conducted a sale of the Mortgaged Property pursuant to its rights under the Senior Loan Documents, any Senior Loan Default under the Senior Loan Documents arising solely from such Subordinate Regulatory Agreement Default shall be deemed

cured, and the Senior Loan shall be reinstated, provided, however, that Senior Lender shall not be required to return or otherwise credit for the benefit of Borrower any default rate interest or other default related charges or payments received by Senior Lender during such Senior Loan Default.

7. Default Under Senior Loan Documents.

(a) Notice of Senior Loan Default and Cure Rights.

Senior Lender shall deliver to the County a Default Notice within five (5) Business Days in each case where Senior Lender has given a Default Notice to Borrower. Failure of Senior Lender to send a Default Notice to the County shall not prevent the exercise of Senior Lender's rights and remedies under the Senior Loan Documents, subject to the provisions of this Section 7(a), nor shall such failure constitute a default by Senior Lender under this Agreement. The County shall have the right, but not the obligation, to cure any such Senior Loan Default within sixty (60) days following the date of such Default Notice or the date on which the County otherwise acquires actual knowledge of Senior Loan Default; provided, however, that Senior Lender shall be entitled during such sixty (60) day period to continue to pursue its remedies under the Senior Loan Documents. The County may have up to ninety (90) days from the date of the Default Notice to cure a non-monetary default if during such ninety (90) day period the County keeps current all payments required by the Senior Loan Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Mortgaged Property, or Senior Lender's secured position relative to the Mortgaged Property, as determined by Senior Lender in its sole discretion, then Senior Lender may exercise during such ninety (90) day period all available rights and remedies to protect and preserve the Mortgaged Property and the rents, revenues and other proceeds from the Mortgaged Property.

(b) Cross Default.

The County agrees that, notwithstanding any contrary provision contained in the Subordinate Loan and Regulatory Agreement, a Senior Regulatory Agreement Default shall not constitute a default under the Subordinate Loan and Regulatory Agreement if no other default occurred under the Subordinate Loan and Regulatory Agreement. At any time after a Senior Loan Default is determined to constitute a default under the Subordinate Loan and Regulatory Agreement, the County shall be permitted to pursue its remedies for default under the Subordinate Loan and Regulatory Agreement, subject to the restrictions and limitations of this Agreement. If at any time Borrower cures any Senior Loan Default to the satisfaction of Senior Lender, as evidenced by written notice from Senior Lender to the County, any default under the Subordinate Loan and Regulatory Agreement arising from such Senior Loan Default shall be deemed cured.

8. Conflict.

Borrower, Senior Lender and the County each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, the Subordinate Loan and Regulatory Agreement and the terms of this Agreement, the terms of this Agreement shall govern

and control solely as to the following: (a) the relative priority of the security interests of Senior Lender and the County in the Mortgaged Property; (b) the timing of the exercise of remedies by Senior Lender and the County under the Senior Loan Documents and the Subordinate Loan and Regulatory Agreement, respectively; and (c) solely as between Senior Lender and the County, the notice requirements, cure rights, and the other rights and obligations which Senior Lender and the County have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Senior Loan Default or Subordinate Regulatory Agreement Default, as the case may be; give Borrower the right to notice of any Senior Loan Default or Subordinate Regulatory Agreement Default, as the case may be other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan and Regulatory Agreement; or create any other right or benefit for Borrower as against Senior Lender or the County.

9. No Modification of Subordinate Loan and Regulatory Agreement.

Borrower and the County each agree that, until the principal of, interest on and all other amounts payable under the Senior Loan Documents have been paid in full, it will not, without the prior written consent of Senior Lender in each instance, amend the Subordinate Loan and Regulatory Agreement. Any unauthorized amendment of the Subordinate Loan and Regulatory Agreement without Senior Lender's consent shall be void ab initio and of no effect whatsoever.

10. Modification or Refinancing of Senior Loan.

The County consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money. The County further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Loan (including reasonable and necessary costs associated with the closing and/or the refinancing); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Loan, the Senior Note, the Senior Loan Agreement, the Senior Security Instrument, the Senior Loan Documents and Senior Lender shall mean, respectively, the refinance loan, the refinance note loan agreement, the mortgage securing the refinance note, all documents evidencing, securing or otherwise pertaining to the refinance note and the holder of the refinance note.

11. Default by the County or Senior Lender.

If the County or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting party shall have the right to all available legal and equitable relief.

12. Notices.

(a) Process of Serving Notice.

All notices under this Agreement shall be:

- (1) in writing and shall be:
 - (A) delivered, in person;
 - (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;
 - (C) sent by overnight courier; or
 - (D) sent by electronic mail with originals to follow by overnight courier;
- (2) addressed to the intended recipient at the address(es) below the signature block, as applicable; and
- (3) deemed given on the earlier to occur of:
 - (A) the date when the notice is received by the addressee; or
 - (B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or any express courier service.

(b) Change of Address.

Any party to this Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified in this Agreement.

(c) Receipt of Notices.

Senior Lender, the County or Borrower shall not refuse or reject delivery of any notice given in accordance with this Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

13. General.

(a) Assignment/Successors.

This Agreement shall be binding upon Borrower, Senior Lender and the County and shall inure to the benefit of the respective legal successors, transferees and assigns of Borrower, Senior

Lender and the County. Borrower shall not assign any of its rights and obligations under this Agreement without the prior written consent of Senior Lender.

(b) No Partnership or Joint Venture.

Senior Lender's permission for the continued existence of the Subordinate Loan and Regulatory Agreement does not constitute Senior Lender as a joint venturer or partner of the County. Neither party hereto shall hold itself out as a partner, agent or Affiliate of the other party hereto.

(c) Senior Lender's and the County's Consent.

Wherever Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever the County's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the County in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) Further Assurances.

The County, Senior Lender and Borrower each agrees, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Loan and Regulatory Agreement is subordinate to the lien, covenants and conditions of the Senior Loan Documents, or to further evidence the intent of this Agreement.

(e) Amendment.

This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) Governing Law.

This Agreement shall be governed by the laws of the jurisdiction in which the Mortgaged Property is located without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Senior Lender, the County and Borrower agree that any controversy arising under or in relation to this Security Instrument shall be litigated exclusively in the jurisdiction in which the Mortgaged Property is located. The state and federal courts and authorities with jurisdiction in such locale shall have exclusive jurisdiction over all controversies that arise under or in relation to this Agreement. The parties hereto irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waive any other venue to which any might be entitled by virtue of domicile, habitual residence or otherwise.

(g) Severable Provisions.

If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) Term.

The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (1) the payment in full of the principal of, interest on and other amounts payable under the Senior Loan Documents; (2) the termination and release of the Subordinate Loan and Regulatory Agreement; (3) the acquisition by Senior Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Senior Loan Documents.

(i) Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one (1) and the same instrument.

(j) Sale of Senior Loan.

Nothing in this Agreement shall limit Senior Lender's (including any assignee or transferee of Senior Lender) right to sell or transfer the Senior Loan, or any interest in the Senior Loan. The Senior Loan or a partial interest in the Senior Loan (together with this Agreement and the other Loan Documents) may be sold one or more times without prior notice to Borrower.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower, Senior Lender and the County have signed and delivered this Agreement under seal (where applicable) or have caused this Agreement to be signed and delivered under seal (where applicable) by a duly authorized representative. Where applicable law so provides, Borrower, Senior Lender and the County intend that this Agreement shall be deemed to be signed and delivered as a sealed instrument.

WITNESSES:

SENIOR LENDER:

CENTERLINE MORTGAGE CAPITAL INC.
a Delaware corporation

Print: _____

By: _____(SEAL)
Randal S. Hering
Vice President

Print: _____

Address: Centerline Mortgage Capital Inc.
c/o C-III Asset Management LLC
5221 N. O'Connor Blvd., Suite 600
Irving, TX 75039

With a copy to:
Fannie Mae
Attention: Multifamily Operations -
Asset Management
Drawer AM
3900 Wisconsin Avenue, N.W.
Washington, DC 20016

ACKNOWLEDGMENT

STATE OF TEXAS

)

) ss

COUNTY OF DALLAS

)

The foregoing instrument was acknowledged before me this ____ day of August, 2013, by Randal S. Hering, as Vice President, on behalf of Centerline Mortgage Capital Inc., a Delaware corporation. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of _____
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

[DOCUMENT EXECUTION CONTINUES ON FOLLOWING PAGES]

WITNESSES:

COUNTY:

Witnesses:

PALM BEACH COUNTY, FLORIDA,
a political subdivision of the State of Florida

Name: _____

FOR ITS BOARD OF COUNTY COMMISSIONERS

Name: _____

By: _____
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: _____
Assistant County Attorney

By: _____
Sherry Howard,
Deputy Director

STATE OF FLORIDA
COUNTY OF PALM BEACH

On this _____ day of _____, 2013, personally appeared before me, _____, a Notary Public in and for said County and State, Shannon R. LaRocque-Baas, P.E., with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that she is the Assistant County Administrator of Palm Beach County, Florida, a political subdivision of the State of Florida, and that she executed the within instrument for the purposes therein contained, and who further acknowledged that she is authorized by the Board of County Commissioners to execute this instrument on behalf of Palm Beach County, Florida.

Notary Public

Commission Expires: _____

[DOCUMENT EXECUTION CONTINUES ON FOLLOWING PAGE]

WITNESSES:

BORROWER:

WOODLAKE PRESERVATION, LP
a Florida limited partnership

By: Woodlake Preservation GP, LLC
a Florida limited liability company
its sole general partner

By: _____
Mark E. Carbone
Vice President

Address: 60 Columbus Circle, 19th Floor
New York, NY 10023
Attention: _____

Print: _____

Print: _____

ACKNOWLEDGMENT

STATE OF _____)
) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2013, by Mark E. Carbone, as Vice President, on behalf of Woodlake Preservation GP, LLC, a Florida limited liability company, the sole general partner of Woodlake Preservation, LP, a Florida limited partnership. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of _____
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

EXHIBIT "A"

LEGAL DESCRIPTION

TRACT 2, BLOCK 4, LESS THE WEST 8 FEET THEREOF, AND ALSO LESS THE NORTH 300 FEET OF THE WEST 550.02 FEET THEREOF, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 2, PAGES 45 TO 54 INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCELS:

SKEES ROAD ADDITIONAL RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED FEBRUARY 11, 1988 AND RECORDED IN OFFICIAL RECORDS BOOK 5630, PAGES 99 THROUGH 100, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

THE EAST 7.0 FEET OF THE WEST 15 FEET OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY PLAT NO. 3 ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGES 45, THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, EXCEPTING THE NORTH 300 FEET AND THE SOUTH 175 FEET THEREOF; AND

DWIGHT ROAD ADDITIONAL RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED FEBRUARY 11, 1988 AND RECORDED IN OFFICIAL RECORDS BOOK 5630, PAGES 140 THROUGH 141, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

THE NORTH 25 FEET OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, EXCEPTING THE WEST 650 FEET AND THE EAST 750 FEET THEREOF.

AND LESS THE FOLLOWING JOG ROAD RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED NOVEMBER 20, 1991 AND RECORDED IN OFFICIAL RECORDS BOOK 7071, PAGES 990 THROUGH 993, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LYING IN TRACT 2, BLOCK 4, OF PALM BEACH FARMS COMPANY PLAT NO. 3, AS RECORDED IN PLAT BOOK 2 PAGES 45 THROUGH 54, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 2 INCH BY 2 INCH CONCRETE MONUMENT, AT THE SOUTHWEST CORNER OF TRACT 1, BLOCK 4, OF SAID PLAT, THENCE NORTH 00°56'57" WEST, ALONG THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 67.93 FEET, TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF JOG ROAD, THENCE NORTH 56°30'34" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 36.38 FEET, TO ITS INTERSECTION WITH THE EAST LINE OF SAID TRACT 2, SAID INTERSECTION ALSO BEING THE POINT OF BEGINNING, THENCE CONTINUE, NORTH 56°30'37" WEST, CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 399.35 FEET, TO THE BEGINNING OF A TANGENT CURVE, SAID CURVE

Page 1 of 3

CONCAVE NORTHEASTERLY WITH A RADIUS OF 1024.92 FEET, THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 471.22 FEET, THROUGH A CENTRAL ANGLE OF 26°20'33", TO ITS INTERSECTION WITH THE NORTH LINE OF SAID TRACT 2, THENCE NORTH 89°03'03" EAST, DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE AND ALONG THE SAID NORTH LINE OF SAID TRACT 2, A DISTANCE OF 153.74 FEET, TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF SAID JOG ROAD, SAID INTERSECTION ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, SAID CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 838.00 FEET, AND A CHORD BEARING OF SOUTH 47°27'13" EAST, THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, AND ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 384.11 FEET, THROUGH A CENTRAL ANGLE OF 26°16'04"; THENCE SOUTH 60°35'15" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 92.30 FEET; THENCE SOUTH 56°30'37" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 163.26 FEET, TO ITS INTERSECTION WITH THE SAID EAST LINE OF SAID TRACT 2, THENCE SOUTH 00°56'57" EAST, ALONG SAID EAST LINE, A DISTANCE OF 149.75 FEET, TO THE POINT OF BEGINNING.

AND LESS THE FOLLOWING PER RIGHT-OF-WAY WARRANTY DEED DATED AUGUST 14, 1992 AND RECORDED IN OFFICIAL RECORDS BOOK 7482, PAGES 1644 THROUGH 1647, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LYING IN TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY, PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS, PALM BEACH COUNTY, FLORIDA, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT 2, THENCE N89°03'43"E, ALONG THE SOUTH LINE OF TRACT 2, A DISTANCE OF 8.00 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND.

THENCE N00°56'50"W A DISTANCE OF 57.00 FEET; THENCE S45°56'34"E A DISTANCE OF 45.26 FEET TO A POINT OF THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTRY PLACE ROAD (80' WIDE); THENCE S89°03'43"W A DISTANCE OF 25.00 FEET; THENCE S00°56'50"E A DISTANCE OF 25.00 FEET TO A POINT ON THE SOUTH LINE OF TRACT 2; THENCE S89°03'43"W ALONG THE SOUTH LINE OF TRACT 2, A DISTANCE OF 7.00 FEET TO THE POINT OF BEGINNING.

AND LESS ALL THAT PART OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY, PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, LYING NORTHERLY AND EASTERLY OF THE NORTHERLY AND EASTERLY RIGHT-OF-WAY LINE OF THE RIGHT OF WAY FOR JOG ROAD, AS DESCRIBED IN THAT CERTAIN RIGHT-OF-WAY WARRANTY DEED DATED NOVEMBER 20, 1991 AND RECORDED IN OFFICIAL RECORDS BOOK 7071, PAGES 990 THROUGH 993, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

AND LESS AND EXCEPT THE FOLLOWING PARCEL:

A PORTION OF TRACT 2, BLOCK 4, THE PALM BEACH FARMS COMPANY PLAT NO. 3, SECTIONS 27 AND 28, TOWNSHIP 43 SOUTH, RANGE 42 EAST, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 27:

THENCE SOUTH 88°56'47" EAST ALONG THE NORTH LINE OF SAID SECTION 27, A DISTANCE OF 21.98 FEET;

THENCE SOUTH 01°03'15" WEST, 30.02 FEET TO THE SOUTH LINE OF A 30 FOOT WIDE RIGHT-OF-WAY AS SHOWN ON THE PLAT OF PALM BEACH FARMS COMPANY PLAT NO. 3, AS RECORDED IN PLAT BOOK 5, PAGE 58 OF SAID PUBLIC RECORDS AND A POINT ON THE WEST RIGHT-OF-WAY LINE OF JOG ROAD, AS DESCRIBED IN OFFICIAL RECORDS BOOK 6440, PAGES 501 THROUGH 505 OF SAID PUBLIC RECORDS;

THENCE SOUTHEASTERLY ALONG SAID WEST RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH 43°02'28" EAST, 59.25 FEET;
2. SOUTH 01°08'15" EAST, 516.59 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST (A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 01°29'35" WEST FROM THE RADIUS POINT OF THE NEXT DESCRIBED CURVE);
3. SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1024.52 FEET, A CENTRAL ANGLE OF 22°58'48", AN ARC DISTANCE OF 411.07 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1024.52 FEET, A CENTRAL ANGLE OF 01°35'45", AN ARC DISTANCE OF 28.86 FEET;

THENCE SOUTH 68°51'10" WEST, 138.58;

THENCE NORTH 01°12'50", 25.00 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF DWIGHT ROAD;

THENCE NORTH 12°51'18" EAST, ALONG SAID SOUTH RIGHT-OF-WAY 124.17 FEET TO THE POINT OF BEGINNING.

SAID LANDS LIES AND BEING IN PALM BEACH COUNTY, FLORIDA.

tax exempt bonds (the "Bonds") to be issued by the Palm Beach County Housing Finance Authority (the "Authority"). The Bonds are issued pursuant to a Trust Indenture (the "Indenture") dated as of December 1, 1996, between the Authority and SouthTrust Bank of Florida, National Association, as trustee (the "Trustee"). The proceeds of the Bonds will be used to fund a mortgage loan, which mortgage loan will be secured by a first lien mortgage encumbering the Premises. The mortgage loan will be assigned by the Authority to and the Trustee, as their interests may appear. The term "First Mortgage" may refer to the mortgage in favor of CNB, the Authority, Federal National Mortgage Association (or another permanent first mortgage lender) and/or a trustee for the bondholders, as is appropriate.

WHEREAS, The Florida Housing Finance Agency, 227 North Bronough Street, Suite 5000, Tallahassee, Florida 32301-1329, under the State Apartment Incentive Loan ("SAIL") Program, has agreed to finance up to \$2,350,000 of the costs of construction of the Improvements pursuant to a separate loan to Borrower, secured by a separate mortgage, encumbering the Premises (the "Second Mortgage").

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

1. THE LOAN. The County shall make the Loan to Borrower in an amount not to exceed \$214,100.00 upon the terms and conditions set forth herein, and at the rates and terms set forth in its Note and Mortgage attached hereto as Exhibits "B" and "C" respectively, and Borrower shall take the Loan and expressly agrees to comply with and to perform all of the terms and conditions of this Loan Agreement, the Note, the Mortgage, and any other documents evidencing and securing this Loan (collectively hereinafter referred to as the "Loan Documents"). The closing of the Loan including the execution of the Note and Mortgage, shall occur at the offices of the County Attorney or such other mutually agreed upon site no later than June 30, 1997.

2. RIGHT TO AUDIT. The Borrower shall maintain adequate records to justify all charges, expenses, and costs incurred for payment of water and sewer connection charges for at least three (3) years after completion. The County shall have access to such books, records, and documents as required in this section for the purpose of inspection or audit during normal business hours, at the Borrower's place of business upon reasonable prior written notice.

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

(a) Title Insurance:

(i) Within thirty (30) days of the effective date hereof, Borrower shall deliver to County a title commitment issued

by a title insurance company qualified to do business in the State of Florida and acceptable to County, agreeing to issue to County upon recordation of the Mortgage, a Lender's Title Insurance Policy in the amount of said Mortgage, subject only to the Permitted Exceptions listed on Exhibit "D" attached hereto and made a part hereof, and such other exceptions as may be acceptable to the County, in its sole discretion. Said commitment shall have attached to it copies of all exceptions referred to in the title commitment. The cost of said title commitment and policy and any premium therefor shall be borne by Borrower.

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

(iii) The title insurance commitment shall be endorsed at closing to remove any and all requirements of pre-conditions to the issuance of a Lender'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 the Premises; (c) unrecorded easements and claims of liens; (d) taxes for the year of closing and all prior years; (e) matters arising or attaching subsequent to the effective date of the commitment but before the Mortgage becomes recorded in the Public Records.

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

(i) the location of the perimeter of the Premises by courses and distances and perimeter footings in place, and by reference to Township, Range, Section;

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

(iii) the location of all building setback lines;

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

(v) all encroachments, and the extent thereof in feet and inches upon the Premises;

(vi) if the Premises are described as being on a filed map, a legend relating the plat of survey to such map;

(vii) flood zone certification; and

(viii) any other notations required for the deletion of the survey exception from the Title Insurance Policy to be issued in accordance with paragraph 4(a) above and any other requirements requested by the County.

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

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

(e) Mortgagor's Affidavit: An affidavit of Borrower shall be executed and delivered to the County as required by the Title Insurer as noted in paragraph 4 (a) above, certifying to all such facts as are required to delete the Standard Exceptions from the Lender's Title Insurance Policy and certifying that no liens exist on the Premises for taxes not yet due and payable and that no other parties are entitled to possession except as otherwise provided herein.

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

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

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

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

(iv) copies of subdivision plats, restrictive

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

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

(vi) satisfactory soil test report.

9. Partnership Documents: Borrower shall deliver to the County the following documents:

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

(ii) certified resolutions of the General Partners of Borrower authorizing the execution and delivery of this Agreement, the Mortgage, Note and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement;

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

(i) Opinion of Borrower's Counsel: Borrower shall deliver to the County an opinion of counsel for Borrower and addressed to the County, such counsel to be reasonably satisfactory to the County, to the effect that:

(i) This Loan Agreement and all Loan Documents and any other documents required to be delivered hereunder have been

duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms;

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

(iii) that to the best of counsel's knowledge, Borrower is in compliance with all laws, regulations, ordinances and orders of all governmental authorities, including, but not limited to, if applicable, the Interstate Land Sales Full Disclosure Act, all applicable federal and state securities laws, and all laws of the State of Florida, applicable to the type of development contemplated hereunder;

(iv) that based upon a Contractor's certificate, zoning letter and our knowledge the proposed construction of the Improvements and proposed use of the Premises comply with all applicable zoning and building laws and regulations, and all other applicable federal, state and local laws, ordinance and regulations, and that all permits and approvals required by all governmental agencies regulating air and water pollution have been obtained, and Florida Statute Chapter 380 pertaining to Development of Regional Impact (including the Aggregation Rule) as it relates to the Premises is not applicable;

(v) that there is no charter or bylaw of Borrower and no provision of any existing mortgage, indenture, contract or agreement known to such counsel binding on Borrower or affecting its property which could conflict with or in any way prevent the execution, delivery and carrying out of the terms of this Agreement;

(vi) that to counsel's knowledge there are no proceedings pending or threatened before any court or administrative agency which will materially adversely affect the financial condition or operation of Borrower or the Premises, including but not limited to bankruptcy, reorganization or insolvency proceeding or any other debtor-creditor proceedings under the Bankruptcy Code or any similar statute, nor to counsel's knowledge are there any finance circumstances within counsel's knowledge which could lead to such proceedings;

(vii) that the lien of the Mortgage is a valid lien on the Premises and the security interests described in the mortgage are good and valid security interests, and

(viii) such other matters as the County may reasonably require.

(j) Expenses: Borrower shall have paid all those fees and charges due and payable or ordered paid by the County as provided herein under Paragraph 5 of this Loan Agreement entitled Expenses.

(k) Other Documents: Borrower shall deliver to the County such other documents and information as the County may

reasonably require; and

ORB 9582 Pg 1845

(1) Representations and Warranties: The representations and warranties of Borrower as set forth in this Agreement and the Loan Documents are true and correct.

4. DISBURSEMENT OF LOAN FUNDS: Disbursement of Loan Funds shall be made by the County upon receipt of documentation evidencing impact fees incurred in the permitting and construction of the Project. In such instances where the fees are due and owing to Palm Beach County, the County will make an internal transfer of the amount of said fee to the appropriate County fund. Upon receipt of documentation evidencing payment of such impact fees by Borrower to Palm Beach County, the County shall reimburse Borrower the amount of such fees. In no event shall the County make payments or internal transfers in excess of \$214,100 for impact fees incurred in the permitting and construction of the project nor will payment be made hereunder for any other purpose or purposes. If there are funds remaining after all impact fees have been paid, the County will adjust the amount of the loan and deobligate the remaining funds. Proper credit will be given for the unspent funds against the Promissory Note that is executed pursuant to the terms of this Agreement.

5. EXPENSES: Borrower shall pay fees and charges incurred in the procuring and making of this Loan, if applicable, and other expenses incurred by the County during the term of the Loan, including the Title Insurance Company's fees and premiums, charges for examination of title to the Premises, expenses of surveys, Florida Documentary Stamp Taxes, recording expenses, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon the Premises, and any other amounts necessary for the payment of the costs of improvements.

6. HOME PROVISIONS: County and Borrower agree to comply with the following HOME regulations as set forth in 24 CFR Part 92 Subpart F:

(a) Maximum Per Unit Subsidy Amount: The amount of HOME funds invested on a per-unit basis in affordable housing may not exceed the per-unit dollar limits established by the Palm Beach County Department of Housing and Community Development.

(b) Property Standards: Housing that is constructed with HOME funds must meet all applicable local codes and zoning ordinances at the time of project completion, which ensure that the housing is decent, safe, and sanitary. In the absence of a local code for new construction, HOME-assisted new construction must meet, as applicable: one of three model codes (Uniform Building Code (ICBO), National Building Code, (BOCA) Standard Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

Borrower, as owner of rental housing assisted with HOME funds, must

maintain the housing in compliance with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements.

(c) Qualification as Affordable - Rent Limitation: HUD provides the following maximum HOME rent limits. The maximum HOME rents are the lesser of:

(i) The fair market rent for existing housing for comparable units in the area as established by HUD under 888.111; or

(ii) A rent that does not exceed thirty (30%) percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions; or

(iii) A rent for at least twenty (20%) percent of the HOME-assisted units not greater than thirty (30%) percent of annual income of a family whose income equals fifty (50%) percent or less of the Palm Beach County median income. In determining the maximum monthly rent that may be charged for a unit that is subject to this limitation, the borrower must subtract a monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant.

(d) Occupancy Requirements: All eleven (11) HOME-assisted units must be occupied only by households that qualify as low-income families in that their annual income does not exceed eighty (80%) percent of Palm Beach County's median income, as adjusted for household size. Of the total HOME-assisted units five (5) one-bedroom units must be occupied by very low income families, which is defined as families whose incomes do not exceed fifty (50%) percent of the median income for Palm Beach County, as adjusted for household size. The remaining six HOME-assisted units must be two bedroom units, and occupied by families whose annual incomes do not exceed sixty (60%) percent of the median income for Palm Beach County, as adjusted for household size. For occupied units, occupancy is defined as the tenant in place at the time the HOME assistance is approved. For vacant units, occupancy is defined as the first tenant after the completion of the project, and the issuance of the Certificate of Occupancy.

All HOME-assisted units must be dispersed throughout the Premises.

(e) Tenant Protections: The owner cannot refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982--Section 8 Tenant-Based Assistance: unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

(f) Long-term Affordability: The HOME-assisted units .

must meet the affordability requirements for not less than thirty-one and one-half years from the date of initial occupancy unless the loan hereunder is earlier repaid. In such case, the affordability period shall be 20 years from the date of initial occupancy. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure of transfer in lieu of foreclosure. The County may use purchase options, right of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

(g) Rents During the Affordability Period: The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. HUD then provides the new maximum HOME rent limits to the County. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

The County must provide Borrower with information on updated HOME rent limits so that rents may be adjusted in accordance with this Agreement. Borrower must annually provide the participating jurisdiction with information on rents and occupancy of HOME-assisted units to demonstrate compliance with this provision.

Any increases in rents for HOME-assisted units is subject to the provisions of outstanding leases, and in any event, the Borrower must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rent.

(h) Adjustment of HOME Rent Limits: Changes in fair market rents and in median income over time should be sufficient to maintain the financial viability of a project within the HOME rent limits.

HUD may adjust the HOME rent limits for a project, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly.

(i) Tenant and Participant Protections:

(i) Lease: The lease between a tenant and Borrower, as owner of rental housing assisted with HOME funds, must be for

not less than one (1) year, unless by mutual agreement between the tenant and Borrower.

(ii) Prohibited Lease Terms: The lease may not contain any of the following provisions:

-- Agreement to be sued: Agreement by the tenant to be sued, to admit guilt, or to a judgement in favor of the Borrower in a lawsuit brought in connection with the lease;

-- Treatment of property: Agreement by the tenant that the Borrower 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 Borrower may dispose of this personal property in accordance with State law);

-- Excusing Borrower from responsibility: Agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent;

-- Waiver of notice: Agreement of the tenant that the Borrower may institute a lawsuit without notice to the tenant;

-- Waiver of legal proceedings: Agreement by the tenant that the Borrower 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;

-- 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; and,

-- 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 Borrower against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

(j) Termination of Tenancy: Borrower may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; for reasons consistent with Section 42 of the Internal Revenue Service Code; or for other good cause. To terminate or refuse to renew tenancy, the Borrower must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

(k) Maintenance and replacement: Borrower, as owner of rental housing assisted with HOME funds, must maintain the premises

in compliance with all applicable housing quality standards and local code requirements.

(l) Tenant selection: Borrower, as owner of rental housing assisted with HOME funds, must adopt written tenant selection policies and criteria that:

(i) Are consistent with the purpose of providing housing for very low-income and low-income families;

(ii) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;

(iii) Give reasonable consideration to the housing needs of families that would have a preference under 960.211 (Federal section preferences for admission to Public Housing) of the title;

(iv) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable;

(v) Give prompt written notification to any rejected applicant of the grounds for any rejection; and

(vi) Provide for On-going Property Inspections: All units must continue to meet Section 8 Housing Quality Standards and local code throughout the affordability term. For projects containing less than 25 HOME assisted units, the inspection of each HOME assisted unit is required once in every two-year period. For projects containing 25 or more HOME assisted units, the project must be inspected each year.

(m) Housing and Quality Standards: The property prior to initial occupancy by the Borrower must meet at a minimum Section 8 Housing Quality Standards (HQS) and local building codes and ordinances of the County of Palm Beach.

(n) Affirmative Marketing: In furtherance of Palm Beach County's commitment to non-discrimination and equal opportunity in housing, the County's Department of Housing and Community Development (HCD) has established policies and procedures to affirmatively market housing units produced under the HOME, Community Development Block Grant (CDBG), and the State Housing Initiatives Partnership (SHIP) Programs. The objectives of these affirmative marketing policies and procedures are in accordance with 24 CFR 92.351 of the HOME regulations and Section 3 of the Housing Development Act of 1968, as amended (12 U. S. C. 1701 U), and is applicable to other Federal, State and local regulations.

These affirmative marketing procedures are implemented comprehensively for all the above housing programs through the County's Department of HCD and aim to effect greater participation of eligible persons from all racial, ethnic and gender-based minorities.

Palm Beach County will take the necessary steps to affirmatively

market its housing programs through organized neighborhood meetings, distribution of literature, provision of information, press releases and other "good faith" efforts.

Palm Beach County Department of HCD, therefore, ensures that housing programs (geared toward existing homeowners and first-time home buyers) are advertised periodically through general circulation and minority newspapers, as well as through community information meetings at various locations, County-wide.

Borrower, in order to carry out the requirements and procedures of HCD's Affirmative Marketing Program, must comply with the following procedures:

(i) The Equal Opportunity logo or slogan will be used in advertisements;

(ii) Borrower will be requested to solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach. Borrower satisfies this requirement by posting a notice of vacancies in any or all of the following:

- Community Organizations
- Fair Housing Groups
- Housing Counseling Agencies
- Commercial Media
- Employment Centers
- Local Public Housing Authorities (PHA's)
- or Other Similar Agencies

(iii) Palm Beach County HCD will keep records of their efforts to affirmatively market units and will require Borrower to provide copies of its records, including advertisements, minutes of meetings, income documentation, and census tract information as applicable.

(iv) Affirmative marketing records of the participants in the program will be monitored on-site annually, and a report will be compiled to assess their efforts in adhering to the requirements. These records will include, but not be limited to: copies of brochures, news clippings, press releases, sign-in logs from community meetings, and any letters of inquiry written to or from prospective clients. Borrower will be informed of their responsibility to adhere to the said requirements. Borrower will be required to submit monthly or quarterly reports using measures such as number of housing units provided, and number of families assisted. These measures will be used to determine the success of the program.

(v) The requirements of 24 CFR Part 92.351 concerning affirmative marketing are hereby incorporated into this Agreement. Borrower must take steps to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market, to the available house. Failure to comply will result in a contract violation, possibly requiring repayment of any Federal funds.

(vi) The County will also assess the affirmative marketing program annually 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 Division 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.

(c) Other Program Requirements:

(i) The Federal requirements set forth in 24 CFR 5.105(a), Nondiscrimination and equal opportunity, are applicable to Borrower.

(ii) Environmental review - Section 92.352 of HOME rules applies.

(iii) Displacement, relocation, and acquisition - Section 92.353 of HOME rules applies.

(iv) Labor - Section 92.354 of HOME rules applies (unless less than twelve (12) HOME-assisted units).

(v) Lead paint - new construction - Section 92.355 of HOME rules applies.

(vi) Conflict of Interest - Section 92.356 of HOME rules applies.

7. SPECIAL PROVISIONS: Borrower expressly agrees to the following terms and conditions:

(a) Borrower agrees that the improvements will consist of a 224 unit apartment complex. The property must remain affordable until July 1, 2029 in accordance with the County's Department of Housing and Community Development's Rental Housing Program Guidelines and those of 24 CFR, Part 92.252, unless the loan provided hereunder is repaid earlier. In such an instance, the affordability restrictions shall remain for twenty (20) years from the date of initial occupancy.

(b) The Borrower shall not discriminate on the basis of race, creed, religion, color, sex, marital status, sexual orientation, national origin, age, familial status or handicap in the use, or occupancy of any housing constructed on the Premises.

(c) The Mortgage shall not be subject to any prepayment penalty.

(d) The Mortgage shall become immediately due and

payable upon sale, transfer, or refinancing, unless such sale, transfer or refinancing is approved by County, which approval will not be unreasonably withheld.

(e) The Mortgage shall be non-assumable, unless consented to by County at its sole discretion.

The conditions set forth in Paragraphs 6 and 7(a) and (b) above shall, upon closing, become covenants running with the land for a period of 31.5 years and shall survive the closing, and the payment or other termination of the Mortgage and Note. However, if the loan is repaid in less than 31.5 years, these covenants shall expire 20 years after initial occupancy or the date of repayment of the loan, whichever is later. These conditions and covenants will be recorded in the land records of Palm Beach County, Florida by inclusion in the mortgage and/or by separate document satisfactory to the County's Attorney citing the granting of this loan and mortgage as consideration.

In the event of a foreclosure and sale of the subject property or receipt of a deed in lieu of foreclosure pursuant to a default under the First or Second Mortgage, this Agreement shall automatically without further action be null and void and of no further force and effect. If a related person (within the meaning of Internal Revenue Code Regulation Section 1.103-10(e)) to the Borrower should purchase the Premises following a foreclosure or deed in lieu of foreclosure, the use restrictions shall become automatically reinstated, without the requirement of any further instruments to be filed of record, as of the date of transfer to the related person.

8. REPRESENTATIONS AND WARRANTIES OF BORROWER. Borrower represents and warrants (which representations and warranties shall be deemed continuing) as follows:

(a) Organization Status. Borrower is a limited partnership duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein. Borrower is duly authorized to borrow from County the principal sum of \$214,100.00 and execute all for a Loan the documents pertaining thereto.

(b) Financial Statements. The Financial statements of Borrower heretofore reviewed with the County are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles, and fairly present the respective financial conditions of the subjects thereof as of the respective dates thereof, and no material adverse change has occurred in the financial conditions reflected therein since the respective dates thereof and no additional borrowings have been made by Borrower since the date thereof;

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

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

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

(f) Pending Litigation. There are no actions, suits or proceedings pending before any court or law equity, or any Administrative Board, or, to the knowledge of the Borrower, threatened against or affecting it or the Premises, or, involving the validity or enforceability of the Mortgage, or of any of the Loan Documents.

(g) Availability of Utilities. Upon completion of construction, all utility services necessary for the construction of the Improvements and the operation thereof for their intended purpose will be available at the boundaries of the Premises, including water supply, storm and sanitary sewer facilities and electric and telephone facilities, and, by the closing of this loan, Borrower will obtain all necessary permits and permissions required from governmental authorities for unrestricted access to and use of such services in connection with the construction and use of the intended Improvements;

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

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

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

(k) Advertising. During the period of the construction of the Improvements, the Borrower shall install and maintain on the Premises one or more signs identifying the County as one of the institutions financing the Premises. Sign or signs will be provided by and erected at Borrower's expense.

(1) Hazardous Waste. To the best of its knowledge, Borrower is in compliance with all provisions of the federal Water Pollution Control Act, Comprehensive Environmental Response, Compensation and Liability ("Superfund") Act of 1980 and Solid Waste Disposal Act, Florida Statutes, Chapter 376, and other similar federal, state and local statutory schemes imposing liability on Borrower relating to the generation, storage, impoundment, disposal, discharge, treatment, release, seepage, emission, transportation or destruction of any sewage, garbage, effluent, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), toxic, hazardous or radioactive materials, petroleum products, pesticides, smoke, dust, or any other form of pollution as such laws are in effect as of the date of this Agreement and with any rules, regulations and order issued by any federal, state or local governmental body, agency or authority thereunder and with any orders or judgments of any courts of competent jurisdiction with respect thereto, and no assessment, notice of (primary or secondary) liability or notice of financial responsibility, or the amount thereof, or to impose civil penalties has been received by the Borrower. Borrower agrees that should any violations be found, Borrower will pay all clean up costs at its sole expense. Borrower has paid any environmental excise taxes imposed pursuant to Sections 4611, 4661 or 4681 of the Internal Revenue Code of 1986, as from time to time amended.

(m) Taxes. The Borrower has filed all Federal, State and local tax reports and returns required by any law or regulation to be filed by it, and has 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.

9. ADDITIONAL COVENANTS OF BORROWER. Borrower covenants and agrees with the County as follows:

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

In addition, Borrower agrees, at its sole cost and expense, to have any mechanics' lien or equitable lien which may be filed against

the Premises or undisbursed funds of this Loan released or bonded within thirty (30) days of the date of filing same, time being of the essence. The County shall be under no obligation to make further disbursements while any such lien remains outstanding against the Premises. If Borrower fails, after demand, to cause said lien or liens to be released or bonded as aforesaid the County may take such steps as it deems necessary and any funds expended shall be charged to Borrower's Loan Account and shall bear interest as provided by the Loan Documents.

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

(b) No Transfer of Premises. Except as specifically set forth in the Mortgage or herein, the Premises or any part thereof shall not be sold, leased, conveyed, mortgaged or encumbered in any way without the prior written consent of the County, approval shall not unreasonably be withheld if County's security interest is not affected, it being understood and agreed that part of the consideration for the Loan is the obligation of Borrower.

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

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

(e) Financial Statements to be Furnished. Borrower shall furnish to the County:

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

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

condition of Borrower at the close of each year and the results of operations of Borrower during each year;

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

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

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

The County and Borrower agree to complete all reports and maintain documentation (as applicable to each entity) in accordance with HUD guidelines (24 CFR Part 92) for a period of three years after the end of the thirty-one and one-half (31.5) year affordability term.

(g) Insurance Proceeds. The Borrower shall keep the Premises continually insured in an amount not less than full insurable value of the Premises, which coverage shall insure the Premises against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the County, in its sole discretion, shall from time to time require, for the benefit of the County. All such insurance at all times will be in an insurance company or companies in such amounts and with terms acceptable to the County, with loss, if any, payable to the County, as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to the County; and forthwith upon the issuance of such policies they will deliver to the County copies of receipts for the premiums paid thereon and certificates of insurance. Any policies furnished the County shall become its property in the event the County becomes the owner of the Premises by foreclosure or otherwise. Subject to the provisions of the First and Second Mortgages, should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Premises, then in such event, County and Borrower may jointly elect to use the proceeds for the reconstruction and repair of the Premises or, in the alternative, to apply the net proceeds to the payment of the indebtedness hereby secured, whether then due or not.

(h) Indebtedness. With respect to the Premises encumbered by the Borrower as of the closing of the Loan, Borrower will not incur, create, assume or permit to exist any indebtedness constituting the deferred purchase price of any property or assets, or any indebtedness or liability evidenced by notes, bonds,

debentures or similar obligations without the written approval of the County, except indebtedness owed the County and the aforementioned First and Second Mortgages, or any replacements thereof; provided however, that the First and Second Mortgages shall not exceed the amounts contained in the recitals incorporated in this Loan Agreement.

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

(j) No Assignment. Borrower shall not assign this Loan Agreement or any interest therein and any such assignment is void and of no effect.

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

11. DEFAULT. The following events shall be deemed Events of Default:

(a) Bankruptcy. If there is filed by or against Borrower a petition in bankruptcy or a petition for the appointment of a receiver or trustee of the property of Borrower and any such petition not filed by Borrower is not dismissed within sixty (60) days of the date of filing, or if Borrower files a petition for reorganization under any of the provisions of the Bankruptcy Code or of any assignment for the benefit of creditors or makes any insolvency assignment or is adjusted insolvent by any court of competent jurisdiction; or

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

(c) Material Adverse Change of Borrower. If any material adverse change shall occur in the financial condition of Borrower at any time during the term of the Loan from the financial condition revealed in statements already presented to and accepted

by the County; or

JRS 9582 Pg 1858

(d) Borrower shall fail to use all funds under this loan agreement for impact fees by December 31, 1997.

(e) Borrower shall fail to complete construction of the Improvements and secure a Certificate of Occupancy for the Improvements within three (3) years of the closing of this Loan Agreement.

(f) Borrower shall default under the First or Second Mortgage, resulting in the acceleration thereof.

12. REMEDIES OF LENDER. Upon the happening of an Event of Default, then the County may, at its option, upon written notice to Borrower:

(a) Cancel this Loan Agreement;

(b) Commence an appropriate legal or equitable action to enforce performance of this Loan Agreement;

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

(d) Exercise any other rights or remedies the County may have under the Mortgage or other Loan Documents executed in connection with the Loan or which may be available under applicable law. Any right which includes a claim for money damages shall be subject and subordinate in all respects to repayments in full of the amounts owed under, or secured by the First Mortgage.

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 Loan Agreement or the Loan Documents, any provisions of which may be freely waived in whole or in part by the County at any time if, in its sole discretion, it deems it desirable to do so. In particular, the County makes no representations and assumes no duties or obligations as to third parties concerning the quality of the construction by Borrower of the Improvements or the absence therefrom of defects.

(b) Borrower is not the County's Agent. Nothing in this Agreement, the Note, the Mortgage or any other Loan Document shall be construed to make the Borrower the County's agent for any purpose whatsoever, or the Borrower and the County partners, or joint or co-venturers, and the relationship of the parties shall,

at all times, be that of debtor and creditor.

(c) The County Not Liable for Damage or Loss. All inspections and other services rendered by or on behalf of the County pursuant to this Loan Agreement shall be rendered solely for the protection and benefit of the County. Neither Borrower nor other third persons shall be entitled to claim any loss or damage against the County or against its agents or employees for failure to properly conduct inspections and other such services contemplated by this Loan Agreement.

(d) The County Not Obligated to Insure Proper Disbursement of Funds to Third Parties. Nothing contained in this Agreement or any Loan documents, shall impose upon the County any obligation to oversee the proper use or application of any disbursements and disbursements of funds made hereunder.

(e) Indemnification from Third Party Claims. Borrower shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Loan proceeds to Borrower or from the condition of the Premises, whether related to the quality of construction or otherwise, and whether arising during or after the term of the Loan. This provision shall survive the repayment of the Loan and shall continue in a full force and effect so long as the possibility of such liability, claims, or losses exists. Notwithstanding any other provision to the contrary, neither Fannie Mae nor any successor in interest to Fannie Mae will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Fannie Mae, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the First Mortgage Loan. Following any transfer of title to Fannie Mae, any obligations of Fannie Mae shall be limited to acts and omissions of Fannie Mae which occur following acquisition of the Premises by Fannie Mae, whether such acquisition is by foreclosure, deed in lieu of foreclosure or comparable conversion of the Mortgage Loan, and only during the period of Fannie Mae's ownership and operation of the Premises. The Borrower shall remain liable for its actions and omissions prior to any transfer of title to Fannie Mae.

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

have any claim or claims in or to any undisbursed or retained Loan proceeds.

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

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

(i) Invalid Provisions to Affect No Others. If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

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

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

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

(m) Agreement. This Loan Agreement constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof and may not be modified or amended, except in writing and signed by all parties hereto.

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

(o) Notices. All notice from the Borrower to the County and the County to Borrower required or permitted by any provision

of this agreement shall be in writing and sent by registered or certified mail and addressed as follows:

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

TO BORROWER: Golden Lake Housing Associates, Ltd.,
c/o the Related Group of Florida
2828 Coral Way, Penthouse Suite
Miami, FL 33145
Attn.: Francisco Rojo

WITH A COPY TO: Stearns, Weaver, Miller, Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 150
Miami, FL 33130
Attn.: Brian McDonough

TO FANNIE MAE: Fannie Mae
Southeast Regional Office
950 East Paces Ferry Road, Suite 1900
Atlanta, GA 30326-1161
Attn.: Vice-President - Multifamily
Activities

AND TO: Fannie Mae
3900 Wisconsin Avenue, N.W.
Washington, D.C. 20016
Attn.: Office of General Counsel
Re: Multifamily Matters

AND TO: ARCS Commercial Mortgage Co., L.P.
26541 Agoura Road
Suite 100
Calabasas, CA 91302-1958

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

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

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

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

14. SUBORDINATION. Lender shall approve a First Mortgage provided that it does not exceed \$9,237,100.00 (plus 45 days interest on an \$8,700,000.00 letter of credit) during construction, reducing to not more than \$8,800,000 after conversion to a permanent First Mortgage, and any substitution or replacement thereof, and a Second Mortgage provided that it does not exceed \$2,350,000.00, and further agrees to subordinate to such First and Second Mortgages. The Chair of the Board of County Commissioners of Palm Beach County and the Clerk of the Court for Palm Beach County, are hereby authorized to execute subordination agreements required herein without further approval of the Board of County Commissioners of Palm Beach County, Florida, provided such documents are in a form acceptable to the County Attorney. Nothing contained herein shall, however, relieve the Borrower from its obligation to make payments under the Promissory Note in accordance with its terms.

15. ENFORCEMENT COSTS. In the event of any action, suit or proceeding as commence with the respect to interpretation or enforcement of this Loan Agreement, the prevailing party therein shall be entitled to recover all costs, expenses and fees, including without limitation, reasonable attorney's fees, expended or incurred by such party in connection therewith, including any such costs, expenses and fees upon appeal and imposed judgement proceedings.


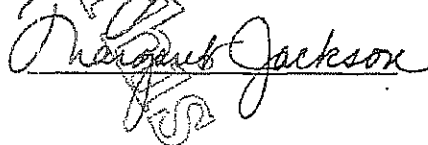
16. EFFECTIVE DATE OF AGREEMENT. This Agreement is expressly contingent upon the approval of the Palm Beach County Board of County Commissioners, and shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners. The Effective Date shall be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

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.)

ORB 9582 P: 1863


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

Signed, sealed and delivered
in the presence of:

GOLDEN LAKE HOUSING ASSOCIATES, LTD.

by: Related Wood Lake Housing, Inc.,
its general partner

By: 
Francisco Rojo, Vice-President

ATTEST:

DOROTHY H. WILKEN, CLERK

PALM BEACH COUNTY, FLORIDA, a
political subdivision of the
State of Florida
BY ITS BOARD OF COUNTY COMMISSIONERS

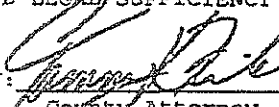
BY: 
Deputy Clerk

Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

R96 20600


DEC 17 1996

BY: 
County Attorney

STATE OF FLORIDA
COUNTY OF PALM BEACH

Sworn to and subscribed before me this 17th day of
December, 1996 by Francisco Rojo, Vice-President, Related Wood
Lake Housing, Inc., general partner of Golden Lake Housing
Associates, Inc. He is personally known to me, or has produced a
Florida driver's license as identification.




Notary Public, State of Florida

Carmen M. Martinez
Print, Type or Stamp
Commissioned Name of Notary

Personally Known OR
Produced Identification ☒
Type of Identification Produced Driver's Lic.

[G:\eng\TKF\htf.agt\woodlake.1a]
[12/11/96]

EXHIBIT "A"

LEGAL DESCRIPTION

TRACT 2, BLOCK 4, LESS THE WEST 8 FEET THEREOF, AND ALSO LESS THE NORTH 300 FEET OF THE WEST 660.02 FEET THEREOF, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 2, PAGES 45 TO 54 INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCELS:

SKEES ROAD ADDITIONAL RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED FEBRUARY 11, 1988 AND RECORDED IN OFFICIAL RECORDS BOOK 5630, PAGES 99 THROUGH 100; PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

THE EAST 7.0 FEET OF THE WEST 15 FEET OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY PLAT NO. 3 ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGES 45, THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, EXCEPTING THE NORTH 300 FEET AND THE SOUTH 175 FEET THEREOF; AND

DWIGHT ROAD ADDITIONAL RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED FEBRUARY 11, 1988 AND RECORDED IN OFFICIAL RECORDS BOOK 5630, PAGES 140 THROUGH 141, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

THE NORTH 25 FEET OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, EXCEPTING THE WEST 660 FEET AND THE EAST 768 FEET THEREOF.

AND LESS THE FOLLOWING JOG ROAD RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED NOVEMBER 20, 1991 AND RECORDED IN OFFICIAL RECORDS BOOK 7071, PAGES 990 THROUGH 993, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LYING IN TRACT 2, BLOCK 4, OF PALM BEACH FARMS COMPANY PLAT NO. 3, AS RECORDED IN PLAT BOOK 2 PAGES 45 THROUGH 54, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 2 INCH BY 2 INCH CONCRETE MONUMENT, AT THE SOUTHWEST CORNER OF TRACT 1, BLOCK 4, OF SAID PLAT, THENCE NORTH 00°56'57" WEST, ALONG THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 67.93 FEET, TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF JOG ROAD, THENCE NORTH 56°30'34" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 36.38 FEET, TO ITS INTERSECTION WITH THE EAST LINE OF SAID TRACT 2, SAID INTERSECTION ALSO BEING THE POINT OF BEGINNING, THENCE CONTINUE, NORTH 56°30'37" WEST, CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 399.35 FEET, TO THE BEGINNING OF A TANGENT CURVE, SAID CURVE

CONCAVE NORTHEASTERLY WITH A RADIUS OF 1024.92 FEET, THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 471.22 FEET, THROUGH A CENTRAL ANGLE OF 26°20'33", TO ITS INTERSECTION WITH THE NORTH LINE OF SAID TRACT 2, THENCE NORTH 89°03'03" EAST, DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE AND ALONG THE SAID NORTH LINE OF SAID TRACT 2, A DISTANCE OF 153.74 FEET, TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF SAID JOG ROAD, SAID INTERSECTION ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, SAID CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 838.00 FEET, AND A CHORD BEARING OF SOUTH 47°27'13" EAST, THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, AND ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 384.19 FEET, THROUGH A CENTRAL ANGLE OF 26°16'04"; THENCE SOUTH 60°35'15" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 92.30 FEET; THENCE SOUTH 56°30'37" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 163.20 FEET, TO ITS INTERSECTION WITH THE SAID EAST LINE OF SAID TRACT 2, THENCE SOUTH 00°56'57" EAST, ALONG SAID EAST LINE, A DISTANCE OF 169.75 FEET, TO THE POINT OF BEGINNING.

AND LESS THE FOLLOWING PER RIGHT-OF-WAY WARRANTY DEED DATED AUGUST 14, 1992 AND RECORDED IN OFFICIAL RECORDS BOOK 7482, PAGES 1644 THROUGH 1647, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LYING IN TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY, PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS, PALM BEACH COUNTY, FLORIDA, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT 2, THENCE N89°03'43"E, ALONG THE SOUTH LINE OF TRACT 2, A DISTANCE OF 8.00 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND.

THENCE N00°56'50"W A DISTANCE OF 57.00 FEET; THENCE S45°56'34"E A DISTANCE OF 45.25 FEET TO A POINT OF THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTRY PLACE ROAD (80' WIDE); THENCE S89°03'43"W A DISTANCE OF 25.00 FEET; THENCE S00°56'50"E A DISTANCE OF 25.00 FEET TO A POINT ON THE SOUTH LINE OF TRACT 2; THENCE S89°03'43"W ALONG THE SOUTH LINE OF TRACT 2, A DISTANCE OF 7.00 FEET TO THE POINT OF BEGINNING.

AND LESS ALL THAT PART OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY, PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, LYING NORTHERLY AND EASTERLY OF THE NORTHERLY AND EASTERLY RIGHT-OF-WAY LINE OF THE RIGHT OF WAY FOR JOG ROAD, AS DESCRIBED IN THAT CERTAIN RIGHT-OF-WAY WARRANTY DEED DATED NOVEMBER 20, 1991 AND RECORDED IN OFFICIAL RECORDS BOOK 7071, PAGES 990 THROUGH 993, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

AND LESS AND EXCEPT THE FOLLOWING PARCEL:

DRS 9582 Pg 1866
DOROTHY H. WILKEN, CLERK PB COUNTY, FL

A PORTION OF TRACT 2, BLOCK 4, THE PALM BEACH FARMS COMPANY PLAT NO. 3, SECTIONS 27 AND 28, TOWNSHIP 43 SOUTH, RANGE 42 EAST, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 27:

THENCE SOUTH $88^{\circ}56'47''$ EAST ALONG THE NORTH LINE OF SAID SECTION 27, A DISTANCE OF 21.95 FEET;

THENCE SOUTH $01^{\circ}03'13''$ WEST, 30.02 FEET TO THE SOUTH LINE OF A 30 FOOT WIDE RIGHT-OF-WAY, AS SHOWN ON THE PLAT OF PALM BEACH FARMS COMPANY PLAT NO. 9, AS RECORDED IN PLAT BOOK 5, PAGE 58 OF SAID PUBLIC RECORDS AND A POINT ON THE WEST RIGHT-OF-WAY LINE OF JOG ROAD, AS DESCRIBED IN OFFICIAL RECORDS BOOK 6440, PAGES 501 THROUGH 505 OF SAID PUBLIC RECORDS;

THENCE SOUTHEASTERLY ALONG SAID WEST RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH $45^{\circ}02'29''$ EAST, 59.29 FEET;
2. SOUTH $01^{\circ}08'15''$ EAST, 516.59 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST (A RADIAL LINE THROUGH SAID POINT BEARS SOUTH $82^{\circ}39'39''$ WEST FROM THE RADIUS POINT OF THE NEXT DESCRIBED CURVE).
3. SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1024.92 FEET, A CENTRAL ANGLE OF $22^{\circ}58'49''$, AN ARC DISTANCE OF 411.07 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1024.92 FEET, A CENTRAL ANGLE OF $01^{\circ}36'45''$, AN ARC DISTANCE OF 28.86 FEET;

THENCE SOUTH $88^{\circ}51'19''$ WEST, 138.56;

THENCE NORTH $01^{\circ}12'50''$, 25.00 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF DWIGHT ROAD;

THENCE NORTH $88^{\circ}51'19''$ EAST, ALONG SAID SOUTH RIGHT-OF-WAY 124.17 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING AND BEING IN PALM BEACH COUNTY, FLORIDA.

15
This instrument prepared by
and to be returned to:
Tammy K. Fields, Esq.
Palm Beach County Attorney's Office
P.O. Box 1989
West Palm Beach, FL 33402

DEC-23-1996 2:05 PM 96-447459
ORB 9582 Pg 1817
214,100.00 Dec 749.35

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE INDENTURE, executed this 19 day of December, 1996, by Golden Lake Housing Associates, Ltd., a Florida limited partnership (the Mortgagor), as party of the first part, and PALM BEACH COUNTY, a political subdivision of the State of Florida (the "Mortgagee") (which term as used in every instance shall include the Mortgagee's successors and assigns), as party of the second part;

WITNESSETH:

The Mortgagor is the owner of the premises described in Exhibit "A" attached hereto (hereinafter the "Premises") and made a part hereof. Mortgagee has this date agreed to loan Two Hundred Fourteen Thousand One Hundred Dollars (\$214,100.00) to Mortgagor and in connection therewith Mortgagor has this date executed and delivered to Mortgagee its Promissory Note in that amount (the "Note"). A true copy of the Note is annexed hereto as Exhibit "B" and forms a part hereof.

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

GRANTING CLAUSE

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

TOGETHER with all and singular the rights, interests and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Premises hereinabove mentioned or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor including but not limited to all of Mortgagor's sewer capacity

rights, and Mortgagor's rights under contracts, permits, licenses and all other documents and payments affecting the Premises, reserving only the right to the Mortgagor to collect the same so long as the Mortgagor is not in default hereunder and so long as the same are not subjected to garnishment levy, attachment or lien.

TO HAVE AND TO HOLD the Premises and all parts, rights, members and appurtenances thereof, to the use, benefit and behalf of the Mortgagee, its successors and assigns in fee simple forever, and the Mortgagor covenants that the Mortgagor is lawfully seized and possessed of the Premises in fee simple and has good right to convey the same, that the same are unencumbered excepting taxes accruing subsequent to 1996, and those certain exceptions appearing on the Mortgagee's Title Insurance Policy given in connection herewith and specifically approved by Mortgagee, and that the Mortgagor will warrant and defend the title thereto against the claims of all persons whomsoever, except as hereinafter expressly provided.

Notwithstanding the foregoing, this Mortgage shall be subject and subordinate to separate mortgage and security agreements and related loan documents encumbering the Premises upon their execution by Mortgagor in favor of City National Bank of Florida, the Palm Beach County Housing Finance Authority (or its named trustee) and the Federal National Mortgage Association, as their interests may appear, relating to a loan in an original aggregate principal amount of \$9,237,000, plus up to 45 days interest on an \$8,700,000 letter of credit ("First Mortgage"), or any replacement thereof, and in favor of the Florida Housing Finance Agency in an original principal amount not to exceed \$2,350,000 ("Second Mortgage").

PROVIDED ALWAYS that if the Mortgagor shall pay unto the Mortgagee all sums required under the terms of the Note, which Note is in the original principal amount of \$214,100.00 and has a maturity date of July 1, 2029, unless such maturity is accelerated as set forth in the Note, and shall comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Loan Documents, then in such event this Mortgage and Security Agreement and the estate hereby created shall cease and be null and void.

The Mortgagor covenants with the Mortgagee as follows:

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

1.2 Taxes, Liens and Other Charges.

(a) The Mortgagor, from time to time prior to the delinquency thereof, will pay and discharge all taxes of every kind and nature, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges

and all other public charges, whether of a like or different nature, imposed upon or assessed against the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof. The Mortgagor will, upon the request of the Mortgagee, deliver to the Mortgagee copies of receipts evidencing the payment of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against the Mortgaged Property or the revenues, rents, issues, income or profits thereof. Notwithstanding the above, Mortgagor shall have the right to contest in good faith any of the above charges by appropriate legal or administrative proceedings without being in default hereof.

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

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

1.3 Insurance/Condemnation

(a) The Mortgagor will keep the Mortgaged Property continuously insured in an amount no less than full insurable value which coverage shall insure the Mortgaged Property against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the Mortgagee, in its sole discretion, shall from time to time require, for the benefit of the Mortgagor and Mortgagee, among others. All such insurance at all times will be in an insurance company or companies in such amounts and with terms reasonably acceptable to the Mortgagee, with loss, if any, payable to the Mortgagee as its interest may appear, pursuant to a noncontributory mortgagee clause which shall be satisfactory to the Mortgagee; and forthwith upon the issuance of such policies they will deliver to the Mortgagee copies of receipts for the premiums paid thereon and certificates of insurance. Any policies furnished the Mortgagee shall become its property in the event the Mortgagee becomes the owner of the Premises by foreclosure or otherwise. Each insurance company is hereby authorized and directed to make payment for all such losses to the Mortgagor and the Mortgagee jointly. Should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Mortgaged Property, then in such event, Mortgagee and Mortgagor may jointly elect to use the proceeds for the reconstruction and repair of the Mortgaged Property or, in the alternative, to apply the net proceeds to the payment of the indebtedness hereby secured, whether then due or not. The proceeds attributable to all losses that are less than fifty percent (50%) of

the full insurable value of the Mortgaged Property will be used to restore the Mortgaged Property.

(b) In the event of a condemnation (which term when used in the Mortgage shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof) either temporarily or permanently, of any part of the Premises constituting twenty percent (20%) or more of the full value of the Premises, or in the event such condemnation makes the Premises unusable for the purposes contemplated herein and in the Loan Agreement, then in such event, the entire indebtedness secured hereby shall at the option of the Mortgagee, become immediately due and payable. Such events shall be a Condemnation Event ("Condemnation Event"); however, any condemnation for less than twenty percent (20%) of value or not rendering the Premises unusable, shall not be affected by this section. In the event of a Condemnation Event: The Mortgagee shall be entitled to all compensation, awards, and other payments or relief thereof, and is hereby authorized at its option, to appear in and prosecute, in its own name, any action or proceeding relating to any condemnation; and all such compensation, awards, damages, claims, rights of action and proceeds, and the right thereto from any Condemnation Event are hereby assigned by the Mortgagor to the Mortgagee, who, after deducting therefrom, all its expenses, including attorneys fees, may release any monies received by it without further affecting this Mortgage and may apply the same in such manner as the Mortgagee shall determine, to the reduction of the sum secured hereby, and any balance of such monies then remaining shall be paid to the Mortgagor. The Mortgagor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds from a Condemnation Event as the Mortgagee may require.

(c) The Mortgagee recognizes that this Mortgage will be subordinate to the First and Second Mortgages, and to the extent that the provisions relating to insurance and condemnation proceeds conflict with similar terms and conditions of the First and Second Mortgages, the First and Second Mortgages shall supersede and shall be controlling.

1.4 Care of Premises.

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

(b) If the Premises or any part thereof is damaged by fire or any other cause, the Mortgage will give immediate written notice of the same to the Mortgagee.

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

(d) The Mortgagor will promptly comply with all present and future laws, ordinances, rules and regulations of any

governmental authority affecting the Premises or any part thereof.

(e) If all or any part of the Premises shall be damaged by fire or other casualty, the Mortgagor will, upon request of the Mortgagee, promptly restore the Premises to the equivalent of its condition immediately prior to such damage, and if a part of the Premises shall be damaged through condemnation, the Mortgagor will, upon request of Mortgagee, promptly restore, repair or alter the remaining part of the Premises in a manner reasonably satisfactory to the Mortgagee. The Mortgagee recognizes that this Mortgage will be subordinate to the First and Second Mortgages, and to the extent this provision conflicts with the similar terms and conditions of the First and Second Mortgages, the First and Second Mortgages shall supersede and shall be controlling. Nothing contained herein shall, however, relieve the Mortgagor from its obligation to make payments under the Promissory Note in accordance with its terms.

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

1.6 Expenses. In addition to the expenses described in subparagraph 2.7(b) hereof, the Mortgagor will pay or reimburse the Mortgagee for all reasonable attorney's fees, costs and expenses, including those in connection with appellate proceedings, incurred by the Mortgagee in any proceedings or in any action, legal proceeding or dispute of any kind which relate to or arise from the Mortgage of the interest created herein, or the Premises, including but not limited to the exercise of the power of sale of this Mortgage, any condemnation action involving the Premises or any action to protect the security hereof; and any such amounts paid by the Mortgagee shall be secured by this Mortgage.

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

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

1.9 Performance by Mortgagee of Defaults by Mortgagor. If the Mortgagor shall default in the payment of any tax, lien,

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

1.10 Environmental Representations.

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

(b) To the best of Mortgagor's knowledge after due diligence has been exercised to investigate, no violation of any Federal, State or local environmental regulations now exists regarding the Mortgage Property.

(c) Mortgagor shall comply with all Federal, State and local environmental regulations during the construction of the improvements on the Premises.

(d) Mortgagor shall give written notice to Mortgagee immediately upon Mortgagor's acquiring knowledge of the presence of any hazardous substances on the Mortgage Property or of any hazardous substances contamination thereon, or of any notices received by Mortgagor that are violations or potential violations of any environmental regulation laws, ordinances, rules or regulations exists on the Mortgage Property.

ARTICLE II.

2.1 Due on Sale or Further Encumbrance Clause. In determining whether or not to make the loan secured hereby, Mortgagee examined the credit-worthiness of Mortgagor, found it acceptable and continues to rely upon the same as the means of repayment of the loan. Mortgagee also evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found it acceptable and continues to rely upon same as the means of maintaining the value of the Premises, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's

length and without duress of any kind for all of the terms and conditions of the loan, including this provision.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security both of repayment by Mortgagor and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to raise the interest rate and/or collect assumption fees; and (iv) keeping the Premises free of subordinate financing liens Mortgagor agrees that if this paragraph be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises or any interest therein (whether voluntarily or by operation of law) without the Mortgagee's prior written consent, which may be withheld for any reason, shall be an Event of Default hereunder. For the purpose of and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the Premises and therefore an Event of Default hereunder.

(a) any sale, conveyance, assignment or other transfer of or the grant of a security interest in, all or any part of the title to the premises,

(b) any new or additional liabilities without the prior written consent of Mortgagee,

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

2.2 Default. A default shall have occurred hereunder if:

(a) The Mortgagor shall fail to pay in full within fifteen (15) days from the date due and payable any installment of principal, interest, late charges or escrow deposits as required by the Note, this Mortgage and otherwise; or

(b) The Mortgagor shall fail to duly observe on time any other covenant, condition or agreement of this Mortgage, the HOME Rental Program Assistance and Loan Agreement, the Promissory Note or of any other instrument evidencing security or executed in connection with the indebtedness secured hereby, and such failure continues for a period of thirty (30) days following written notice by the Mortgagee; or

(c) Any warranties or representations made or agreed to be made in any of the Loan Documents shall be materially breached by the Mortgagor or shall prove to be false or misleading and such breach is not cured within 30 days following written notice from Mortgagee; or

(d) Any lien for labor or material or otherwise shall be filed against the Premises, and such lien is not canceled, removed, transferred or bonded within thirty (30) days following written notice from the Mortgagee; or

(e) A levy shall be made under any process on, or a receiver be appointed for, the Premises or any other property of the Mortgagor; or

(f) The Mortgagor shall file a voluntary petition in bankruptcy, or any other petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation or similar relief for the Mortgagor under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtor; or

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

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

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

(j) The Mortgagor shall do, or shall omit to do, any act, or any event shall occur, as a result of which any obligation of the Mortgagor, not arising hereunder, may be declared immediately due and payable by the holder thereof; or

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

(l) One Hundred Percent (100%) of the Mortgaged Property shall cease to remain affordable in accordance with the Palm Beach County Department of Housing and Community Development's Rental Housing Program Guidelines and those of 24 CFR, Part 92.252 for a period of thirty one and one-half (31.5) years from the date hereof subject to reduction to 20 years if loan is repaid prior to maturity; or

(m) The Mortgagor shall default on the First or Second Mortgage, resulting in the acceleration thereof; or

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

2.3 Special Conditions.

(a) Upon sale, transfer, or refinancing of the Premises, all available proceeds of the sale shall be applied to pay the following items in order of priority:

- (i) Expenses of the sale;
- (ii) First Mortgage debt in full, including fees and accrued interest, if any;
- (iii) Second Mortgage debt in full, including fees and accrued interest, if any;
- (iv) All accrued but unpaid interest on the Note;
- (v) Third Mortgage debt in full, including fees.

(b) All of the principal and interest of the indebtedness secured hereby shall be due and payable upon sale, transfer, or refinancing, unless an assumption of the debt is permitted by Mortgagee, in its sole discretion.

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

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

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

2.4 Acceleration of Maturity. If a default shall have occurred hereunder, then the whole unpaid principal sum of the indebtedness secured hereby with interest accrued thereon shall, at the option of the Mortgagee, become due and payable without notice or demand, time being of the essence of this Mortgage and of the Note secured hereby; and no omission on the part of the Mortgagee to exercise such option when entitled so to do shall be considered as a waiver of such right.

2.5 Right of Lender to Enter and Take Possession.

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

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

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

2.6 Appointment of a Receiver and Foreclosure.

(a) If a default shall have occurred hereunder, then the whole debt secured by this Mortgage, with all interest thereon, and all other amounts hereby secured shall, at the option of Mortgagee, become immediately due and payable, and may forthwith or at any time thereafter be collected by suit at law, foreclosure or other proceeding upon this Mortgage or by any other proper, real or equitable procedure without declaration of such option and without notice.

(b) In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication cost and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstract of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional debt secured hereby and shall be immediately due and payable with interest thereon at the maximum rate provided by law, when paid or incurred by Mortgagee in connection with (i) any proceeding, including foreclosure, probate and bankruptcy proceedings, to which it shall be a party, either as plaintiff, claimant, or defendant, by reason of this Mortgage, or any indebtedness hereby secured, (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced, or (iii) preparations for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.

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

all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period.

(d) Mortgagor shall deliver to Mortgagee at any time on its request, all agreements for deed, contracts, leases, abstracts, title insurance policies, commitments of title, surveys and other papers relating to the Premises, and in case of foreclosure thereof and failure to redeem, the same shall be delivered to and become the property of the person obtaining a deed to the Premises by reason of such foreclosure.

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

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

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

ARTICLE III.

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

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

3.3 Invalid Provisions to Affect No Others. If fulfillment of any provision hereof or any transaction related hereto or to the Note, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Mortgage in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect. Notwithstanding any provision contained herein, the total liability of Mortgagor for payment of interest, including service charges, penalties or any other fees shall not exceed the maximum amount of such interest permitted by applicable law to be charged, and if any payments by Mortgagor include interest in excess to the reduction of the unpaid principal amount due and pursuant hereto.

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

ARTICLE IV.

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

Mortgagor: Golden Lake Housing Associates, Ltd.
c/o The Related Group of Florida
2828 Coral Way, Penthouse Suite
Miami, FL 33145
Attn: Francisco Rojo

With a copy to: Stearns, Weaver, Miller, Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 150
Miami, FL 33130
Attn.: Brian McDonough

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

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

ARTICLE V.

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

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

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

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

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

5.6 Non-recourse. This is a non-recourse Mortgage. The Mortgagor shall not have any personal liability for the payment of any portion of the indebtedness evidenced by this Mortgage. In the

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event of a default by Mortgagor under this Mortgage, the Mortgagee's sole remedy hereunder shall be limited to exercising its rights under the Loan Documents, including foreclosure and the exercise of the power of sale or other rights granted thereunder, but shall not include a right to proceed directly against Mortgagor, or the right to obtain a deficiency judgement after foreclosure against Mortgagor or its partners.

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

Witnesses

GOLDEN LAKE HOUSING ASSOCIATES, LTD.
a Florida limited partnership

By: Related Wood Lake Housing, Inc.,
its general partner

MARK HENDRICKSON

By:

Francisco Rojo, Vice-President

STATE OF FLORIDA
PALM BEACH COUNTY

The foregoing instrument was acknowledged before me this
19 day of December, 1996 by Francisco Rojo as Vice-President
of Related Wood Lake Housing, Inc., General partner of Golden
Lake Housing Associates, Ltd. He is personally known to me, or
has produced a Florida driver's license as identification.

Notary Public, State of Florida

Print, Type

Commissioned



Personally Known ☒ OR

Produced Identification _____

Type of Identification Produced _____

[G:\eng\lrf\huf\agt\woodlake..MTG]
[12/18/96]

EXHIBIT "A"

LEGAL DESCRIPTION

TRACT 2, BLOCK 4, LESS THE WEST 8 FEET THEREOF, AND ALSO LESS THE NORTH 300 FEET OF THE WEST 660.02 FEET THEREOF, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 2, PAGES 45 TO 54 INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCELS:

SKEES ROAD ADDITIONAL RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED FEBRUARY 11, 1988 AND RECORDED IN OFFICIAL RECORDS BOOK 5630, PAGES 99 THROUGH 100, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

THE EAST 2.0 FEET OF THE WEST 15 FEET OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY PLAT NO. 3 ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGES 45, THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, EXCEPTING THE NORTH 300 FEET AND THE SOUTH 175 FEET THEREOF; AND

DWIGHT ROAD ADDITIONAL RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED FEBRUARY 11, 1988 AND RECORDED IN OFFICIAL RECORDS BOOK 5630, PAGES 140 THROUGH 141, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

THE NORTH 25 FEET OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, EXCEPTING THE WEST 660 FEET AND THE EAST 768 FEET THEREOF.

AND LESS THE FOLLOWING JOG ROAD RIGHT OF WAY PER RIGHT-OF-WAY WARRANTY DEED DATED NOVEMBER 20, 1991 AND RECORDED IN OFFICIAL RECORDS BOOK 7071, PAGES 990 THROUGH 993, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LYING IN TRACT 2, BLOCK 4, OF PALM BEACH FARMS COMPANY PLAT NO. 3, AS RECORDED IN PLAT BOOK 2 PAGES 45 THROUGH 54, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 2 INCH BY 2 INCH CONCRETE MONUMENT, AT THE SOUTHWEST CORNER OF TRACT 1, BLOCK 4, OF SAID PLAT, THENCE NORTH 00°56'57" WEST, ALONG THE WEST LINE OF SAID TRACT 1, A DISTANCE OF 67.93 FEET, TO ITS INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF JOG ROAD, THENCE NORTH 56°30'34" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 36.38 FEET, TO ITS INTERSECTION WITH THE EAST LINE OF SAID TRACT 2; SAID INTERSECTION ALSO BEING THE POINT OF BEGINNING, THENCE CONTINUE, NORTH 56°30'37" WEST, CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 399.35 FEET, TO THE BEGINNING OF A TANGENT CURVE, SAID CURVE

CONCAVE NORTHEASTERLY WITH A RADIUS OF 1024.92 FEET, THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, AND CONTINUING ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 471.22 FEET, THROUGH A CENTRAL ANGLE OF 26°20'33", TO ITS INTERSECTION WITH THE NORTH LINE OF SAID TRACT 2, THENCE NORTH 89°03'03" EAST, DEPARTING SAID WESTERLY RIGHT-OF-WAY LINE AND ALONG THE SAID NORTH LINE OF SAID TRACT 2, A DISTANCE OF 153.74 FEET, TO ITS INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF SAID JOG ROAD, SAID INTERSECTION ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, SAID CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 838.00 FEET, AND A CHORD BEARING OF SOUTH 41°27'13" EAST, THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, AND ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 384.19 FEET, THROUGH A CENTRAL ANGLE OF 26°16'04"; THENCE SOUTH 60°35'45" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 92.30 FEET; THENCE SOUTH 56°30'37" EAST, CONTINUING ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 163.20 FEET, TO ITS INTERSECTION WITH THE SAID EAST LINE OF SAID TRACT 2, THENCE SOUTH 00°56'57" EAST, ALONG SAID EAST LINE, A DISTANCE OF 169.75 FEET, TO THE POINT OF BEGINNING.

AND LESS THE FOLLOWING PER RIGHT-OF-WAY WARRANTY DEED DATED AUGUST 14, 1992 AND RECORDED IN OFFICIAL RECORDS BOOK 7482, PAGES 1644 THROUGH 1647, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA AND DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LYING IN TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY, PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS, PALM BEACH COUNTY, FLORIDA, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID TRACT 2, THENCE N89°03'43"E, ALONG THE SOUTH LINE OF TRACT 2, A DISTANCE OF 8.00 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND.

THENCE N00°56'50"W A DISTANCE OF 57.00 FEET; THENCE S45°56'34"E A DISTANCE OF 45.26 FEET TO A POINT OF THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTRY PLACE ROAD (80' WIDE); THENCE S89°03'43"W A DISTANCE OF 25.00 FEET; THENCE S00°56'50"E A DISTANCE OF 25.00 FEET TO A POINT ON THE SOUTH LINE OF TRACT 2; THENCE S89°03'43"W ALONG THE SOUTH LINE OF TRACT 2, A DISTANCE OF 7.00 FEET TO THE POINT OF BEGINNING.

AND LESS ALL THAT PART OF TRACT 2, BLOCK 4, PALM BEACH FARMS COMPANY, PLAT NO. 3, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54, INCLUSIVE, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, LYING NORTHERLY AND EASTERLY OF THE NORTHERLY AND EASTERLY RIGHT-OF-WAY LINE OF THE RIGHT OF WAY FOR JOG ROAD, AS DESCRIBED IN THAT CERTAIN RIGHT-OF-WAY WARRANTY DEED DATED NOVEMBER 20, 1991 AND RECORDED IN OFFICIAL RECORDS BOOK 7071, PAGES 990 THROUGH 993, PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA.

AND LESS AND EXCEPT THE FOLLOWING PARCEL:

A PORTION OF TRACT 2, BLOCK 4, THE PALM BEACH FARMS COMPANY PLAT NO. 3, SECTIONS 27 AND 28, TOWNSHIP 43 SOUTH, RANGE 42 EAST, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGES 45 THROUGH 54 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 27:

THENCE SOUTH $85^{\circ}56'47''$ EAST ALONG THE NORTH LINE OF SAID SECTION 27, A DISTANCE OF 21.98 FEET;

THENCE SOUTH $01^{\circ}03'13''$ WEST, 30.02 FEET TO THE SOUTH LINE OF A 30 FOOT WIDE RIGHT-OF-WAY AS SHOWN ON THE PLAT OF PALM BEACH FARMS COMPANY PLAT NO. 9, AS RECORDED IN PLAT BOOK 5, PAGE 58 OF SAID PUBLIC RECORDS AND A POINT ON THE WEST RIGHT-OF-WAY LINE OF JOG ROAD, AS DESCRIBED IN OFFICIAL RECORDS BOOK 6440, PAGES 501 THROUGH 505 OF SAID PUBLIC RECORDS;

THENCE SOUTHEASTERLY ALONG SAID WEST RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH $45^{\circ}02'29''$ EAST, 59.29 FEET;
2. SOUTH $01^{\circ}08'15''$ EAST, 516.59 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST (A RADIAL LINE THROUGH SAID POINT BEARS SOUTH $82^{\circ}39'39''$ WEST FROM THE RADIUS POINT OF THE NEXT DESCRIBED CURVE).
3. SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1024.92 FEET, A CENTRAL ANGLE OF $22^{\circ}58'49''$, AN ARC DISTANCE OF 411.07 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 1024.92 FEET, A CENTRAL ANGLE OF $01^{\circ}35'49''$, AN ARC DISTANCE OF 28.86 FEET;

THENCE SOUTH $88^{\circ}51'19''$ WEST, 138.56;

THENCE NORTH $01^{\circ}12'50''$, 25.00 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF DWIGHT ROAD;

THENCE NORTH $88^{\circ}51'19''$ EAST, ALONG SAID SOUTH RIGHT-OF-WAY 124.17 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING AND BEING IN PALM BEACH COUNTY, FLORIDA.

ORB 9582 Pg 1834

EXHIBIT "B"

PROMISSORY NOTE

\$214,100.00

West Palm Beach, Florida
December 19, 1996

FOR VALUE RECEIVED the undersigned GOLDEN LAKE HOUSING ASSOCIATES, LTD., a Florida limited partnership ("Maker"), promises to pay to the order of PALM BEACH COUNTY, a political subdivision of the State of Florida, together with any other holder hereof ("Holder"), at 301 North Olive Avenue, West Palm Beach, Florida 33401, or such other place as Holder may from time to time designate in writing, the principal sum of TWO HUNDRED FOURTEEN THOUSAND ONE HUNDRED (\$214,100.00) DOLLARS plus accrued interest, to be paid in lawful money of the United States of America, as follows:

- 1) This Note shall bear interest computed at the stated rate of three (3%) percent per annum on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement.
- 2) Repayment hereunder shall occur as follows:
 - (a) From ~~the~~ date hereof until January 30, 2001 no payments will be required and interest will accrue on the outstanding principal balance and be payable at the maturity date.
 - (b) Repayment thereafter shall be limited to the actual cash flow of the Project which shall be determined annually on a calendar year basis, commencing with the year 2001, and certified by an independent Certified Public Accountant acceptable to the County, prior to the annual payment due date. The first annual payment due date hereunder shall be on June 30, 2002 for the period January 30, 2001 through January 30, 2002 based on the cash flow from 2001. Subsequent annual payments shall be due on the 30th day of June for each preceding calendar year thereafter through July 1, 2029 (Maturity Date), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon shall be due and payable, unless acceleration is made by Holder pursuant to the provisions hereof.
- 3) Maker agrees to provide annually to Holder a certification of Project income and expenses, and certified by an independent Certified Public Accountant reasonably acceptable to the County, which shall be used by Holder to determine payments due hereunder. Said certification shall be provided prior to each annual due date commencing in the year 2001.

- 4) Commencing with the year 2001 and beginning with the June 30, 2002 payment, payments from Project cash flow as determined by Holder shall be applied to pay the following items in order of priority:
 - (a) First, and Second Mortgage fees and debt service, and Project expenses;
 - (b) Interest payment on principal balance of this Note equal to three percent (3%) per annum; and
 - (c) Any interest due hereunder deferred from previous years commencing with the year 2001 (interest accrued prior to January 30, 2001 will be deferred until the Maturity Date).
- 5) Any payments of current or deferred base interest due annually hereunder shall be deferred until the next annual due date to the extent that Project income is insufficient to make said payments pursuant to the payment priority schedule in paragraph (4) above and as determined by Maker.
- 6) This Note may be prepaid in whole or in part at any time, without penalty or premium. Any prepayment hereunder shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to accrued, deferred and unpaid interest and the balance, if any, to the principal balance.
- 7) After maturity or acceleration, this Note shall bear interest at the Statutory Legal Interest Rate until paid in full.
- 8) All terms hereunder shall be as construed and defined in Chapter 91-28, Florida Administrative Code.

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

This Note is executed pursuant to the terms and conditions of that certain HOME Rental Program Assistance and Loan Agreement dated December 17, 1996 between Maker, as Borrower, and Holder, as Lender, and is secured by a Mortgage and Security Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"), all of even date herewith. The foregoing and all other agreements, instruments and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents."

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

Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require the Maker to pay

interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to ethical law. Should any interest or other charges paid by the Maker, or parties liable for the payment of this Note, in connection with the Loan Documents result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, any and all such excess shall be and the same is hereby waived by the Holder, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and a portion of said excess which exceeds the balance due under this indebtedness shall be paid by the Holder to the Maker.

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

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

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

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

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

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

ORB 9582 P: 1837

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

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

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

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

This is a non-recourse Note. The Maker shall not have any personal liability for the payment of any portion of the indebtedness evidenced by this Note. In the event of a default by Maker under this Note, the Holder's sole remedy hereunder shall be limited to exercising its rights under the Loan Documents, including foreclosure and the exercise of the power of sale or other rights granted thereunder, but shall not include a right to proceed directly against Maker, or the right to obtain a deficiency judgement after foreclosure against Maker or its partners.


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

ORB 9582 Pa 1838
DOROTHY H. WILKEN, CLERK PS COUNTY, FL

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

GOLDEN LAKE HOUSING ASSOCIATES, LTD.
a Florida limited partnership

By: Related Wood Lake Housing, Inc.,
its general partner

By: 
Francisco Rojo, Vice-President

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{ 12/18/96}

This is not a certified copy