

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures					
Operating Costs	\$328,860.				
External Revenues	(\$117,361)				
Program Income (County)	(\$211,499)				
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				
# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				

Is Item Included In Current Budget? Yes X No _____
 Budget Account No.:


Neighborhood Renaissance, Inc. (NSP 2 – Program Income)
 Fund 1112 Dept 143 Unit 1426 Object 8201 Program Code/Period _____ : \$28,510.22 (Very Low)
 Fund 1112 Dept 143 Unit 1426 Object 8201 Program Code/Period _____ : \$103,457.85 (Mod)

Westgate/Belvedere Homes CRA (NSP 2 – Program Income)
 Fund 1112 Dept 143 Unit 1426 Object 8201 Program Code/Period _____ : \$31,749.58 (Very Low)
 Fund 1112 Dept 143 Unit 1426 Object 8201 Program Code/Period _____ : \$47,782.09 (Mod)

Riviera Beach Community Development Corporation, Inc.
 Fund 1103 Dept 143 Unit 1434 Object 8201 Program Code/Period varies

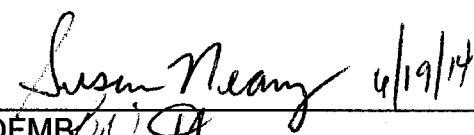
B. Recommended Sources of Funds/Summary of Fiscal Impact:

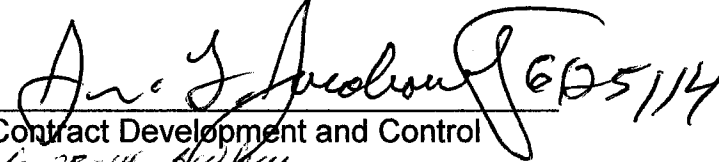
Approval of this agenda item will allocate an additional \$131,968.07 to Neighborhood Renaissance, Inc., an additional \$79,531.67 to Westgate/Belvedere Homes CRA and an additional \$117,360.70 to Riviera Beach Community Development Corporation, Inc.

C. Departmental Fiscal Review: 
 Shairette Major, Fiscal Manager I

III. REVIEW COMMENTS

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


 OFMB/WD
 4/19 6/19


 Contract Development and Control
 6-25-14

B. Legal Sufficiency:


 Chief Assistant County Attorney

C. Other Department Review:

 Department Director

Background and Justification: (Continued from Page 1)

On May 5, 2011, the County entered into an Agreement (R2011-1029) with Neighborhood Renaissance, Inc., as amended by Amendment No. 001 (R2012-0134), on January 5, 2012, by Amendment No. 002 (R2012-0635), on February 3, 2012, by Amendment No. 003 (R2013-0382) on January 31, 2013, and Amendment No. 004 and Reinstatement of the Agreement (R2014-0512) on March 5, 2014, to provide \$12,000,000 of NSP2 and \$94,149 in NSP3 funds for the acquisition and rehabilitation of properties. Amendment No. 005 provided additional funding to cover rehabilitation expenses incurred during the implementation process and extended the project completion date to July 1, 2014, to allow for the processing of reimbursement requests. These additional funds in the amount of \$131,968.07 are from program income received under NSP2.

On October 28, 2013, the County entered into an Agreement (R2013-1809) with Riviera Beach Community Development Corporation, Inc. to provide \$897,082 of HOME Program funds for the construction of seven (7) affordable single-family homes. Amendment No. 001 provided an additional \$117,360.70 for the construction of one (1) additional home and amended the boundaries of the area within which these homes may be constructed.

On October 30, 2013, the County entered into a Loan Agreement (R2013-1806) with La Joya Villages Ltd. as amended by Amendment No. 001 (R2014-0516), on February 26, 2014, to provide \$600,000 of HOME Program funds for the construction of a 55-unit affordable housing community known as La Joya Villages. Amendment No. 002 extended the loan closing date to July 10, 2014.

On February 23, 2010, the County entered into a Loan Agreement (R2010-0260) with Village at Delray, Ltd., to provide \$750,000 in SHIP Program funds for the development of 144 affordable rental housing units at 625 Auburn Trace Circle in Delray Beach. This is a 20 year cash flow dependent loan at a three percent (3%) interest rate. The borrower is refinancing the senior loan with PNC Bank, National Association, in the new principal amount of \$6,280,000. In its Loan Agreement with the borrower, the County agreed to subordinate its interest to the senior lender and authorized the Mayor to execute subordination agreements without further BCC approval provided such documents are in a form acceptable to the County Attorney.

AMENDMENT 007 TO THE AGREEMENT
WITH
WESTGATE/ BELVEDERE HOMES COMMUNITY REDEVELOPMENT AGENCY

Amendment 007 to the Agreement is made and entered into on MAY 21 2014, by and between **Palm Beach County** ("County") and **Westgate/ Belvedere Homes Community Redevelopment Agency** ("Agency").

WITNESSETH:

WHEREAS, County entered into an Agreement (R2011-1031) on May 5, 2011, with the Agency, as amended by Amendment 001 (R2012-0136) on December 20, 2011, by Amendment 002 (R2012-0856) on June 5, 2012, by Amendment 003 (R2012-1802) on September 26, 2012, by Amendment 004 (R2013-0381) on January 31, 2013, by Amendment 005 (R2014-0510) on February 25, 2014, and by Amendment 006 and Reinstatement of the Agreement (R2014-0511) on March 5, 2014, hereinafter collectively the "Agreement", to provide \$2,441,578 of Neighborhood Stabilization Program - 2 (NSP-2) and \$52,534.31 of Neighborhood Stabilization Program - 3 (NSP-3) Grant funds for the acquisition and rehabilitation of properties and the reimbursement of certain expenses related to these acquisitions/rehabilitations; and

WHEREAS, the Agreement allowed for the reimbursement of Agency's expenses from NSP-2 Program Income until December 31, 2013, but Program Income funds were not available at that time; and

WHEREAS, the Agreement terminated but was reinstated to allow for reimbursement of Agency's expenses from NSP-3 funds, and the Agreement is currently in effect; and

WHEREAS, the County now has NSP- 2 Program Income funds available that were generated by the Agency through the sale of properties acquired and rehabilitated with NSP- 2 funds; and

WHEREAS, some of Agency's expenses under the Agreement qualify for reimbursement with NSP-2 Program Income funds; and

WHEREAS, the County and Agency desire to amend the Agreement further to extend the deadline for reimbursement with NSP-2 Program Income funds and provide such additional funding; and

WHEREAS, the County and Agency have agreed to extend the period for reimbursement to July 1, 2014, and provide additional funding in an amount up to \$79,531.67 from the Agency's NSP-2 Program Income for qualified expenses incurred by Agency.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:


1. The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as ascribed to them in the Agreement.
2. The period for Agency to submit invoices for reimbursement of Agency's qualified expenses is extended to July 1, 2014.

3. Agency may be reimbursed for NSP-2 eligible expenses incurred pursuant to the terms of the Agreement in an additional amount up to a total of \$79,531.67, which amount shall be made available from the Program Income generated by the Agency. The County shall have until August 1, 2014 to process the reimbursement request.
4. To be eligible for reimbursement, the Agency's expenses must meet reimbursement requirements pursuant to the Agreement as well as NSP-2 Grant funding requirements as determined by County in its sole discretion.
5. Except as modified by this Amendment 007 and previous amendments, the Agreement remains unmodified and in full force and effect, and County and Agency hereby ratify, confirm, and adopt the Agreement as amended hereby.
6. This Amendment is expressly contingent upon the approval of the County and shall become effective only when signed by all parties.

IN WITNESS WHEREOF, Agency and the County have caused this Amendment 007 to be executed on the date first above written.

(AGENCY SEAL BELOW)

**WESTGATE/ BELVEDERE HOMES
COMMUNITY REDEVELOPMENT
AGENCY**

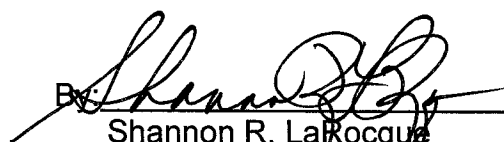
By: 

Ronald L. Daniels, Chair

Date: 5/21/14

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

**FOR ITS BOARD OF COUNTY
COMMISSIONERS**


By: 

Shannon R. LaRocque
Assistant County Administrator

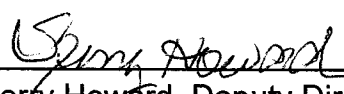
Date: 5/21/14

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

By: 

Tammy K. Fields
Chief Assistant County Attorney

By: 

Sherry Howard, Deputy Director
Department of Economic Sustainability

AMENDMENT 005 TO THE AGREEMENT
WITH
NEIGHBORHOOD RENAISSANCE, INC.

Amendment 005 to the Agreement is made and entered into on MAY 09 2014, by and between **Palm Beach County** ("County") and **Neighborhood Renaissance, Inc.** ("Agency").

WITNESSETH:

WHEREAS, County entered into an Agreement (R2011-1029) with Agency on May 5, 2011, as amended by Amendment 001 (R2012-0134), on January 5, 2012, by Amendment 002 (R2012-0635), on February 3, 2012, by Amendment 003 (R2013-0382) on January 31, 2013, and by Amendment 004 and Reinstatement of the Agreement (R2014-0512) on March 5, 2014, hereinafter collectively the "Agreement", to provide \$12,000,000 of Neighborhood Stabilization Program 2 (NSP-2) Grant funds and \$94,149 of Neighborhood Stabilization Program - 3 (NSP-3) Grant funds for the acquisition and rehabilitation of properties and the reimbursement of certain expenses related to these acquisitions/rehabilitations; and

WHEREAS, the Agreement allowed for the reimbursement of Agency's expenses from its NSP-2 Program Income until December 31, 2013, but Program Income funds were not available at that time; and

WHEREAS, the Agreement terminated but was reinstated to allow for reimbursement of Agency's expenses using NSP-3 funds, and the Agreement is currently in effect; and

WHEREAS, the County now has NSP-2 Program Income funds available that were generated through the sale of properties by other NSP-2 sub-recipients who acquired, rehabilitated and sold NSP-2 funded properties; and

WHEREAS, some of Agency's expenses under the Agreement qualify for reimbursement with NSP-2 Program Income funds; and

WHEREAS, County has determined that it is an appropriate use of NSP-2 Program Income to reimburse Agency using available NSP-2 Program Income funds generated by another sub-recipient, and

WHEREAS, the County and Agency desire to amend the Agreement further to extend the deadline for reimbursement with NSP-2 Program Income funds and provide such additional funding; and

WHEREAS, the County and Agency have agreed to extend the period for reimbursement to July 1, 2014, and provide additional funding in an amount up to \$131,968.07 from the aforementioned NSP-2 Program Income for qualified expenses incurred by Agency.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as ascribed to them in the Agreement.
2. The period for Agency to submit invoices for reimbursement of Agency's qualified expenses is extended to July 1, 2014.

3. Agency may be reimbursed for NSP-2 eligible expenses incurred pursuant to the terms of the Agreement in an amount up to a total of \$131,968.07 which amount shall be made available from the Program Income generated through NSP 2 property sales. The County shall have until August 1, 2014 to process the reimbursement request.
4. Expenses approved for reimbursement must meet reimbursement requirements pursuant to the Agreement as well as NSP-2 Grant funding requirements as determined by County in its sole discretion.
5. Except as modified by this Amendment 005 and previous amendments, the Agreement remains unmodified and in full force and effect, and County and Agency hereby ratify, confirm, and adopt the Agreement as amended hereby.
6. This Amendment is expressly contingent upon the approval of the County and shall become effective only when signed by all parties.

IN WITNESS WHEREOF, Agency and the County have caused this Amendment 005 to be executed on the date first above written.

(SEAL)
corporation not-for-profit



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

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

By: Terri Murray
Terri Murray, Executive Director

Date: 5/2/14

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

FOR ITS BOARD OF COUNTY
COMMISSIONERS

By: Shannon R. LaRocque
Shannon R. LaRocque
Assistant County Administrator

Date: 5/9/14

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Department of Economic Sustainability

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

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

AMENDMENT 001 TO THE AGREEMENT

WITH

RIVIERA BEACH COMMUNITY DEVELOPMENT CORPORATION, INC.

AMENDMENT 001 entered into on MAY 19 2014, by and between **Palm Beach County and Riviera Beach Community Development Corporation, Inc.**

WITNESSETH:

WHEREAS, Palm Beach County entered into an Agreement (R2013-1809) with Riviera Beach Community Development Corporation, Inc., on October 28, 2013, for the provision of \$897,082 in HOME funds; and

WHEREAS, both parties wish to amend the Agreement to provide \$117,360.70 in additional HOME funds, to expand the area within which HOME Assisted Units may be located, to increase the number of HOME Assisted Units to be constructed, and to modify other related matters.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, and various other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

A. INCORPORATION OF RECITALS AND DEFINITION OF TERMS

The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the same meaning as ascribed to them in the Agreement.

B. ARTICLE 1(7) - DEFINITIONS

Replace "seven (7)" with "eight (8)".

C. ARTICLE 4 - MAXIMUM COMPENSATION

Delete the third sentence of this Article and replace it with the following:

In no event shall the total compensation or reimbursement to be paid hereunder exceed the maximum and total authorized sum of \$1,014,442.70 which shall be expended according to the schedule established in Article 5 below.

Replace "\$854,364" with "\$971,724.70".

D. ARTICLE 5 - TIME OF PERFORMANCE

Replace "\$897,082" with "\$1,014,442.70".

Delete the second paragraph of this Article and replace it with the following:

More specifically, the Agency shall diligently carry out the Project such that at least \$544,542.70 allocated for project costs have been drawn from the County's HOME funds by September 30, 2015, unless DES, in its sole discretion, approves a later date. Thereafter, the Agency shall diligently continue to carry out the Project such that the remainder of the \$971,724.70 allocated for project costs has been fully drawn from the County's HOME funds by September 30, 2016, unless DES, in its sole discretion, approves a later date.

E. EXHIBIT A - WORK PROGRAM NARRATIVE

Delete Exhibit A and replace it with Exhibit A-1 attached hereto.

F. EXHIBIT C - DECLARATION OF RESTRICTIONS

In the first paragraph, replace "One Hundred Twenty-Two Thousand Fifty-Two and 00/100 Dollars (\$122,052.00)" with "One Hundred Twenty-One Thousand Four Hundred Fifty-Six and 59/100 Dollars (\$121,456.59)".

G. EXHIBIT H – BOUNDARY MAP

Add Exhibit H to the Agreement.

Except as modified herein, the Agreement remains unmodified and in full force and effect in accordance with the terms thereof. This Amendment 001 is expressly contingent upon the approval of the County and shall become effective only when signed by all parties.

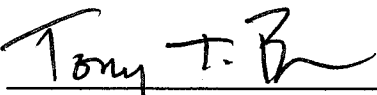
IN WITNESS WHEREOF, Agency and County have caused this Amendment 001 to be executed on the date first above written

(AGENCY SEAL BELOW)

**RIVIERA BEACH COMMUNITY
DEVELOPMENT CORPORATION, INC.**

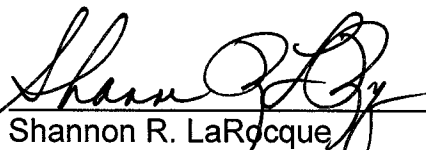
By: 
Elizabeth Robinson, Chair

By: 
Malachi Knowles, Secretary

By: 
Tony T. Brown, President

Date: MAY 14 2014

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

By: 
Shannon R. LaRocque
Assistant County Administrator

Date: MAY 19 2014

Approved as to Form and
Legal Sufficiency

By: 
Tammy K. Fields
Chief Assistant County Attorney

Approved as to Terms and Conditions
Department of Economic Sustainability

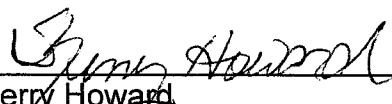
By: 
Sherry Howard
Deputy Director

EXHIBIT A-1
WORK PROGRAM NARRATIVE

PART 1 - THE AGENCY AGREES TO:

SECTION A: OVERVIEW OF THE PROJECT:

The Agency shall acquire eight (8) properties (which may include vacant lots and lots with unoccupied structures slated for demolition) and construct three-bedroom and four-bedroom detached single-family homes on these properties. The properties shall be located within a designated area. Each property shall be sold to an income eligible household to be occupied as a principal place of residence, and if not sold within a specified period, shall be rented to an income eligible household. Under this Agreement, the Agency may receive reimbursement for construction costs incurred by the Agency for the construction of a single-family home on each property and for the cost of demolishing structures found on acquired properties when the demolition is made part of the construction contract to build a single-family home. Other fundable costs under this Agreement include environmental review costs and ones associated with asbestos inspection and abatement. The Agency may also receive payment for certain operating costs and developer fees.

SECTION B: TRACKING OF COSTS AND COST ALLOCATION:

The Agency acknowledges and understands the importance of tracking its expenditures associated with each HOME Assisted Unit individually in order to clearly establish the development cost of each HOME Assisted Unit, the level of HOME funding for each HOME Assisted Unit and the level of subsidy for the occupants of each HOME Assisted Unit. The Agency shall accordingly maintain records clearly evidencing its expenditures for each HOME Assisted Unit individually including, but not limited to, contracts, invoices, receipts and bank statements, and where expenditures affect more than one HOME Assisted Unit, a record of how the Agency allocated its expenditures for each HOME Assisted Unit. No duplications shall be permitted and the County shall only allow documentation presented by the Agency to establish its expenditures for each HOME Assisted Unit that the County deems acceptable in its sole opinion.

SECTION C: ACQUISITION OF PROPERTIES:

The Agency's acquisition of all eight (8) properties in connection with this Agreement shall comply with the following:

1. Environmental Review:

The Agency shall complete an Environmental Review Request form, to be provided to the Agency by DES, for each property selected for acquisition and shall submit such form to DES along with a copy of the signed purchase and sale agreement for the property. The Agency agrees to comply with the requirements of 24 CFR 92.352 relating to the completion of an environmental review for each property to be acquired in connection with this Agreement. The Agency shall comply with all environmental review matters identified by DES as a precondition to proceeding with the demolition/construction of homes. Costs incurred by DES for environmental reviews shall be charged to the budget made available under this Agreement.

The Agency understands that the County may, in its sole discretion, decline to fund the demolition/construction of a home as a result of such environmental review. The Agency is accordingly cautioned not to proceed with acquisition of property before completion of the environmental review.

2. Occupancy, Size and Zoning:

Each property acquired by the Agency shall be a vacant unoccupied property and each such acquired property shall be sufficiently sized and zoned to allow for the construction of a single-family home. The Agency shall provide DES an affidavit from the seller of each property to be acquired where a structure is found. The affidavit shall state that the structure is unoccupied.

The Agency acknowledges and understands that the use of HOME funds made available through this Agreement triggers the applicability of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) as it relates to residential and non-residential occupants of properties acquired by the Agency in connection with this Agreement. The Agency shall comply with all URA requirements applicable to any such occupants and shall fund the cost of compliance from its own resources. The Agency's non-compliance with the URA as relates to any occupants of properties acquired by the Agency in connection with this Agreement, in the County's sole opinion, shall be sufficient cause for the termination of this Agreement.

3. Location:

Each property acquired by the Agency shall be located within an area generally bounded by Silver Beach Road to the north, the Intracoastal Waterway to the east, the municipal boundaries of the City of West Palm Beach and the Town of Mangonia Park to the south and the C-17 Canal to the West which area is more specifically delineated within the dashed boundary lines shown in Exhibit H attached hereto. The Agency shall provide DES with a map evidencing the location of each property within the aforesaid boundaries. The map shall be provided from the Palm Beach County Property Appraiser's web site at <http://www.co.palm-beach.fl.us/papa>.

4. Purchase and Sale Agreement:

The Agency shall enter into a purchase and sale agreement with the seller of each property selected for acquisition. The Agency, at its sole discretion, shall determine the appropriate time to enter into such agreement such that it is able to meet the requirements of this Agreement. The Agency is cautioned to include all the necessary conditions in such purchase and sale agreement that would allow it to withdraw from the agreement should it not be able to meet the requirements of this Agreement subsequent to entering into the purchase and sale agreement.

5 Asbestos Inspection of Properties with Structures:

Each property to be acquired by the Agency in connection with this Agreement having a dilapidated structure on it shall be inspected for the presence of asbestos containing materials. Inspections shall be performed by Florida licensed asbestos consultants according to the requirements shown in Exhibit B attached hereto and shall be funded from the Agency's resources. The Agency shall provide DES a copy of the report containing the results of the asbestos inspection. The Agency shall, as a prerequisite to the demolition of such structures, abate any asbestos containing materials identified in the inspection report as provided in this Agreement.

In the alternative, should the County have a contract for asbestos inspection services in place, then the Agency may request DES to obtain these services for properties to be acquired by the Agency. Costs incurred by DES for these services shall be charged to the budget made available under this Agreement.

6. Evidence of Property Ownership:

As relates to this Agreement, ownership of properties by the Agency shall be evidenced by a deed recorded in the public records of Palm Beach County. An unrecorded deed shall not be acceptable as evidence of ownership.

SECTION D: ABATEMENT OF ASBESTOS CONTAINING MATERIALS:

As a prerequisite to the demolition of structures found on properties acquired by the Agency where the asbestos inspection report has revealed the presence of asbestos containing materials, the Agency shall abate any asbestos containing materials identified in the inspection report pursuant to Exhibit B attached hereto and as required by DES. These abatement costs shall be funded from the Agency's resources.

In the alternative, the Agency may request DES to obtain the services of an asbestos abatement contractor (and if necessary, the services of an asbestos monitoring consultant) in order to accomplish such abatement. The cost of the asbestos abatement and the monitoring consultant shall be charged to the budget made available under this Agreement.

SECTION E: PREREQUISITES TO THE EXPENDITURES OF HOME FUNDS:

For each property acquired by the Agency in connection with this Agreement, and except for the County's expenditure of funds for environmental review costs and asbestos inspection and abatement costs as described herein, the County shall not release any HOME funds to the Agency for construction costs unless the Agency has complied with the following:

1. Environmental Review:

The Agency shall have requested an environmental review for the property and received the results thereof from DES. The Agency shall have provided DES documentation, satisfactory to DES, showing how the Agency has addressed, or intends to address, the requirements resulting from the environmental review, if any.

2. Vacancy Affidavit:

For properties to be acquired by the Agency where a structure is located, the Agency shall have provided DES with an affidavit from the property's seller that the structure is unoccupied.

3. Property Location:

The Agency shall have provided DES with a map showing the location of the property within the boundaries described herein.

4. Asbestos Inspection:

The Agency shall have provided DES with a copy of the asbestos inspection report.

5. Property Ownership:

The Agency shall have provided DES with a copy of the recorded deed for the property.

6. Declaration of Restrictions and Maximum HOME Funds to be Provided:

The Agency shall have provided the County a Declaration of Restrictions recorded in the public records of Palm Beach County and securing \$121,456.59 in HOME funds for each property as provided in Exhibit C attached hereto. The lien on the property created by each Declaration of Restrictions shall be in first lien position.

The parties acknowledge that the eight (8) homes to be constructed by the Agency are substantially similar in size, type of construction and features, and as such agree that the amount of HOME funds to be provided by the County, per home, for construction and other eligible costs identified herein, shall be computed by dividing the total amount of HOME funding made available hereunder, being \$971,724.70, by the number of homes to be built by the Agency, that is eight (8) homes, and shall accordingly not exceed \$121,456.59 in HOME funds per home.

SECTION F: MAXIMUM PER UNIT SUBSIDY AMOUNT:

The parties recognize that according to applicable HOME regulations for the type of project being undertaken herein, the total amount of HOME funds that may be expended on a per-unit basis shall not exceed the per-unit dollar limitation established in 24 CFR 92.250 which is \$219,026 for a three-bedroom home and \$244,003 for a four-bedroom home. The parties accordingly recognize that the above established \$121,456.59 limit to be expended per home is in compliance with 24 CFR 92.250.

SECTION G: CONSTRUCTION OF HOMES:

1. Consultant Services:

The Agency shall retain the services of an architectural consultant (a Florida Registered Architect) for this Project to provide (design services to create plans and specifications) for the construction of the eight (8) homes described herein. The consultant shall assist the Agency to procure construction services; prepare contract documents; inspect work in progress; recommend payment to contractors; review and approve change orders and provide other professional services customarily provided by similar professionals for this type of project.

2. Procurement:

The Agency may procure the construction services (including demolition where necessary) for the eight (8) homes individually or in groupings of two (2) or more homes. Each such procurement shall comply with the requirements provided herein.

3. DES Review of Proposed Construction Contract:

The Agency shall, for each procurement, submit to DES its proposed construction contract (including drawings and specifications) as prepared by its consultant. In addition, the Agency shall have obtained from DES, and included in its proposed construction contract, a document containing the HOME requirements applicable to the construction contract.

Each proposed construction contract shall include all construction work in connection with each home. Each proposed construction contract submitted to DES shall identify the proposed contractor, show the proposed contract amount per home and include a schedule of values for each home to be constructed.

The proposed construction contract for each home shall include drawings and specifications the execution of which will result in the construction of the home and attendant site improvements to the extent required herein and by the building department of jurisdiction such that a certificate of occupancy for the home will be issued by such building department. The proposed construction contract shall also address the below requirements as well as any construction related improvements to the property in order to comply with the requirements of the environmental review.

(a) Property Standards:

Each home to be constructed in connection with this Agreement shall meet all applicable State and local codes, ordinances, and zoning requirements.

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

The Agency shall ensure that its bid and construction contract documents contain a prohibition against the use of any materials containing asbestos in connection with the construction of the homes described herein. Said documents must clearly state that all materials to be used in connection with the construction of these homes shall be asbestos-free.

(c) Energy Efficiency Requirements:

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

Furthermore, the Agency shall incorporate the below listed energy efficiency items into the construction of each home:

(i) Energy Efficient Construction Techniques and Products:

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

(ii) Improved Indoor Environments:

- Properly sealed cracks and holes in the envelope of the home as well as in the duct system.

- Installation of Carpet and Rug Institute's Green Label Certified carpets and pads.
- Utilization of only low Volatile Organic Carbon paints and sealants.
- Utilization of proper water sealing methods to eliminate any possibility of mold.
- Installation of programmable thermostats.

(iii) Increased Water Efficiency

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

(e) Builder's Risk Insurance:

The Agency shall ensure that its construction contract documents contain the following builder's risk requirement and shall provide evidence of such insurance coverage as required by DES:

"The Contractor, prior to commencement of work, agrees to maintain an Inland Marine Builder's Risk coverage form providing coverage to protect the interests of Palm Beach County, Riviera Beach Community Development Corporation, Inc., the Contractor, sub-contractors, architects, and engineers, including property acquired under a sales tax incentive program, property in transit, and property on or off-premises, which shall become part of the building, or Project. Coverage shall be written on an All-Risk, Replacement Cost, and Completed Value Form basis in an amount at least equal to 100% of the projected completed value of the Project as well as subsequent modifications of that sum. The Contractor agrees not to maintain a wind or flood sublimit less than 25% of the projected completed value of the project. The Contractor agrees any flat deductible(s) shall not exceed \$25,000, and any wind percentage deductible (when applicable) shall not exceed five-percent (5%). The Contractor agrees to endorse the policy with a manuscript endorsement eliminating the automatic termination of coverage in the event the building is occupied in whole or in part, or put to its intended use, or partially accepted by Riviera Beach Community Development Corporation, Inc. The manuscript endorsement shall amend the automatic termination clause to only terminate coverage if the policy expires, is cancelled, the interest of Riviera Beach Community Development Corporation, Inc., in the building ceases, or the building is accepted or insured by the Riviera Beach Community Development Corporation, Inc."

(f) Bonding Requirements:

Construction contracts and subcontracts exceeding \$100,000 shall require a performance bond and a separate payment bond each in the amount of one hundred percent (100%) of the construction contract price, executed by a corporate surety company of recognized standing, authorized to do business in the State of Florida, as security for the faithful performance and payment of all contractor's obligations under the construction contract. During the construction periods the surety company shall hold a current certificate of authority as an acceptable surety on Federal Bonds, in accordance with U. S. Department of Treasury Circular 570, Current Revision.

4. Federal Requirements:

The Agency shall obtain from the County, and include in its contract documents the applicable Federal requirements for the Project. The Agency shall assure compliance with all applicable Federal requirements, including, but not limited to, the following:

(a) Section 3 Requirements:

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

Section 3 Clause

- (i) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U. S.C. 170 1u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (ii) The parties to this contract agree to comply with HUD's requirements in 24 CFR Part 135, which implements Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (iii) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractor's commitment under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- (iv) The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (v) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
- (vi) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

5. Construction Contract Award and Change Order Approval:

The Agency shall, for each procurement, obtain DES approval prior to awarding the construction contract to be funded through this Agreement. After awarding such contract, the Agency shall:

- (a) Provide DES a copy of the executed construction contract.
- (b) Provide DES a copy of the forms included in our "Requirements for Federally Funded Projects" fully executed by the contractor.
- (c) Obtain DES approval prior to executing any change orders to such contract.
- (d) Provide DES a copy of all executed change orders to the construction contract.

6. Reimbursement for Construction Costs:

Reimbursements by the County to the Agency for construction costs shall be limited to costs that in the sole opinion of the County are eligible under HOME. No reimbursement shall be made through this Agreement for materials or equipment received and stored on the project site or elsewhere. The Agency shall only request reimbursement for materials and equipment that have been installed.

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

- (a) Additional Condition to Release of HOME Funds for Construction:
The Agency shall have addressed all environmental review requirements associated with the homes to be built under the construction contract as identified by DES.
- (b) Construction Costs in Excess for HOME Funds Available for Construction:
Should the cost associated with the construction of a home exceed the balance of HOME funds available through this Agreement for construction costs for such home, then the Agency shall first fund the cost of work in excess of such balance before requesting reimbursement from the County. In such instance, the Agency shall provide the County documentation evidencing its expenditures for the excess cost.
- (c) Documentation to Accompany Reimbursement Requests:
The Agency shall provide DES construction documentation as requested by DES including but not limited to: evidence of the payment and performance bonds, evidence of builder's risk insurance, contractor's roof nailing affidavit, contractor's warranty, contractor's release of lien, subcontractors' releases of lien, product approvals, manufacturers' warranties for equipment and appliances, building permits with building department final approval of permits, and Certificates of Completion or Certificates of Occupancy.
- (d) Retainage and Release of Retainage:
The Agency shall withhold a minimum of five percent (5%) retainage on each payment requested by the prime contractor, which retainage shall only be released to the prime contractor with the final payment upon the prime contractor's (and subcontractors') full compliance with the terms and conditions of the construction contract including compliance with the requirements associated with the use of HOME funds. The Agency shall obtain the County's approval prior to releasing the accumulated retainage with the final payment.

7. Right of Access:

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

SECTION H: PROPERTY, WIND, & FLOOD INSURANCE:

The Agency shall, for each home, assure continued and uninterrupted insurance coverage such that the below specified coverage is in full force and effect on or before the cessation of coverage under the herein required builder's risk insurance and the Agency shall pay all costs associated with the property insurance coverages specified below.

The Agency shall, for homes to be sold, maintain the below coverage until the closing on the sale, and, for homes to be rented, the Agency shall maintain the below coverage for the duration of the Declaration of Restrictions.

1. Property Insurance:

The Agency shall maintain property insurance written on a replacement cost basis in an amount not less than 100% of the replacement cost of the home and contents. Coverage shall be written on a replacement cost basis and include an endorsement for Ordinance & Law coverage.

2. Flood Insurance:

The Agency shall maintain flood insurance, regardless of the flood zone, in an amount not less than 100% of the actual cash value of the home and contents, or the maximum amount available from the National Flood Insurance Program, whichever is less.

3. Windstorm Insurance:

The Agency shall maintain windstorm insurance, unless included as a covered peril in the property insurance, in an amount not less than 100% of the actual cash value of the home and contents, or the maximum amount available under the Florida Windstorm Underwriting Association, whichever is less.

The Agency agrees to be fully responsible for any deductible or self-insured retention, and agrees to provide these coverages on a primary basis.

The Agency shall provide the County, within 10 working days after the cessation of coverage under the herein required builder's risk insurance, with a certificate of property, windstorm, and flood insurance as specified above.

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

SECTION I: INCOME REQUIREMENTS FOR OCCUPANT HOUSEHOLDS:

Regardless of whether the HOME Assisted Units are sold by the Agency as provided herein or leased to tenants as described below, the Agency shall comply with the following income requirements:

At least three (3) of the eight (8) HOME Assisted Units shall be occupied by households whose incomes, adjusted by family size, are at no more than fifty percent (50%) of Area Median Income (hereinafter "AMI") at the time these units are first occupied, and thereafter, at any time new households occupy these units, regardless of whether these households have purchased or rented these units. AMI shall mean the most current area median income published by HUD for the West Palm Beach-Boca Raton Metropolitan Statistical Area.

The balance of the HOME Assisted Units shall be occupied by households whose incomes, adjusted by family size, do not exceed eighty percent (80%) of AMI. The afore stated requirement shall apply at the time these HOME Assisted Units are first occupied, and thereafter, at any time new households occupy these units, regardless of whether these households have purchased or rented these units.

SECTION J: AFFIRMATIVE MARKETING:

In furtherance of the County's commitment to non-discrimination and equal opportunity in housing, DES has established policies and procedures to affirmatively market housing units produced through the use of HOME funds among other sources of funds. These affirmative marketing procedures are implemented comprehensively for all housing programs through DES and aim to effect greater participation of eligible persons without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, or gender identity or expression.

The 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. DES therefore ensures that housing programs (geared toward existing homeowners, first-time home buyers, and renters) are advertised periodically through general circulation and minority newspapers, as well as through community information meetings at various countywide locations.

The Agency, in order to carry out the requirements and procedures of DES's Affirmative Marketing Program, shall comply with the following procedures:

- (a) Use the Equal Opportunity logo or slogan in advertisements;
- (b) Solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach. The Agency may satisfy this requirement by posting a notice of vacancies in any or all of the following:
 - Community Organizations
 - Fair Housing Groups
 - Housing Counseling Agencies
 - Commercial Media
 - Employment Centers
 - Local Public Housing Authorities (PHA's) or Other Similar Agencies
 - Mobile Home Communities
 - Agencies for the disabled
 - Churches and other related organizations
- (c) DES will keep records of the Agency's efforts to affirmatively market units and the Agency shall provide copies of its records, including advertisements, minutes of meetings, income documentation, and census tract information, as applicable, as evidence of the Agency's efforts.
- (d) Affirmative marketing records of the Agency 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. The Agency will be informed of their responsibility to adhere to said requirements. The Agency will be required to submit monthly or quarterly reports (as applicable) 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.
- (e) The requirements of 24 CFR 92.351 concerning affirmative marketing, and resulting from the use of HOME funds, are hereby incorporated into this Agreement. The Agency 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 housing. Failure to comply will result in a contract violation, possibly requiring repayment of any Federal funds.

- (f) The County will also assess the Agency's 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. DES recognizes that the volume of response from racial/ethnic/gender groups may not be an indication of affirmative marketing efforts, and, therefore, it will make periodic adjustments in its affirmative marketing techniques with consultation from specialized Equal Housing Opportunity, fair housing and racial and gender-based minority groups.

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

SECTION K: SALE OF HOME ASSISTED UNITS FOR HOMEOWNERSHIP:

1. Diligent Effort to Sell and Conversion to Rental Property:

The Agency shall sell all newly constructed HOME Assisted Units according to the requirements of this Agreement. For each HOME Assisted Unit, if the Agency is not able to enter into a "ratified sales contract" for the HOME Assisted Unit with an eligible homebuyer within nine (9) months of the date of completion of construction, then the HOME Assisted Unit shall be rented to an eligible tenant according to the requirements of Section L below. The date of completion of construction shall be the date of the Certificate of Completion or Certificate of Occupancy as issued by the building department with jurisdiction over the HOME Assisted Unit. For the purposes of this clause, a "ratified sales contract" shall mean a legally binding and enforceable agreement that has been agreed to by both the homebuyer and the Agency and that specifies the price, proposed closing and occupancy dates, type of mortgage financing sought by the homebuyer and any contingencies.

2. Duration of Applicability:

These requirements shall apply to each HOME Assisted Unit sold by the Agency for the duration of twenty (20) years beginning with the date the homebuyer acquires fee simple title to the HOME Assisted Unit.

3. Permanent Ownership Housing:

All HOME Assisted Units sold by the Agency shall be conveyed in fee simple title to be the principal place of residence of the homebuyer.

4. Homebuyer Income Certification:

The Agency shall, for each homebuyer intending to purchase a HOME Assisted Unit, submit the prospective homebuyer's household income information to DES to enable DES to income certify the homebuyer. The information submitted for each prospective homebuyer's household shall include income information for all persons intending to live in the HOME Assisted Unit.

DES income certifications of homebuyers shall be valid for a period of six (6) months. The Agency shall, for homebuyers who have been income certified by DES and who have not completed their purchase of a HOME Assisted Unit by acquiring a fee simple title to such unit within the aforesaid six (6) month period, resubmit the prospective homebuyer's household income information to DES to enable DES to income certify the homebuyer for an additional period of six (6) months.

5. Purchase Price:

The Purchase Price at which the Agency shall sell each HOME Assisted Unit shall be the lesser of:

- (a) 95% of the median purchase price of homes for the area using the Federal Housing Administration's single family mortgage program data for newly constructed housing in effect at the time the Agency enters into a Sales Contract with the homebuyer and as provided by DES to the Agency from time to time; or
- (b) The appraised value of the home based on an appraisal prepared by an appraiser qualified to perform property appraisal services in the State of Florida, prepared in conformance with the Uniform Standards of Professional Appraisals Practice (USPAP) and prepared within 90 days of the date of the Sales Contract with the homebuyer.

The Agency shall, prior to entering into a Sales Contract, obtain DES approval of the Purchase Price for each HOME Assisted Unit.

6. Homebuyer's Debt Capacity:

The Agency shall cap the amount of debt that each homebuyer of a HOME Assisted Unit may borrow towards the purchase of such a unit such that homebuyer's household does not expend more than thirty-five percent (35%) of the household's gross income, as calculated by DES, on the sum of the mortgage principal and interest, real estate taxes, property insurance, and homeowner association fees for the HOME Assisted Unit at the time of occupancy. This cap shall apply to the combined debt to be serviced by the homebuyer in connection with the purchase a HOME Assisted Unit regardless of the source of financing of such debt, that is, regardless of whether the source of financing is from an institutional lender, a public agency, the Agency or a combination of the aforesaid.

7. Guidance and First Mortgage Source and Amount:

The Agency shall provide guidance and information to prospective homebuyers regarding the financial arrangements of the intended purchase transaction and shall assist prospective homebuyers in seeking first mortgage financing for the purchase of these properties. Prospective homebuyers may only obtain first mortgage financing for HOME Assisted Units from an institutional lender or from a public agency. The amount of the first mortgage to be borrowed by prospective homebuyers shall be subject to DES approval and shall be such that it maximizes the debt burden on the prospective homebuyer having taken into account the prospective purchaser's credit worthiness and the debt capacity described above.

8. Determining the Development Subsidy:

The Agency shall, at the time it enters into a Sales Contract, provide DES with the Development Costs for each HOME Assisted Unit to be sold. The Development Costs shall include all costs incurred by the Agency in producing the unit up to the date of the Sales Contract for such HOME Assisted Unit. These costs, regardless of the source of funding to pay for these costs, may for example include acquisition, design, construction, advertising and insurance. The Agency shall provide DES evidence of its Development Costs for each HOME Assisted Unit individually including, but not limited to, contracts, invoices, receipts and bank statements, and where expenditures affect more than one HOME Assisted Unit, a record of how the Agency allocated its expenditures for each HOME Assisted Unit. No duplications shall be permitted and the County shall only allow documentation presented by the Agency to establish its expenditures for each HOME Assisted Unit that the County deems acceptable in its sole opinion.

The Development Subsidy for each HOME Assisted Unit shall be computed as the difference between the Development Costs for such unit as deemed acceptable to DES and the Purchase Price for such unit as approved by DES.

9. Determining the Available Direct Subsidy:

The Available Direct Subsidy amount for each HOME Assisted Unit shall be computed as the difference between the amount of HOME funds expended by DES for such unit, but no more than \$121,456.59, and the amount of the Development Subsidy as determined above for such unit.

10. Overall Financing for HOME Assisted Units and Third Mortgage Gap Financing

The Agency shall examine the overall financing needed for each HOME Assisted Unit to be sold by examining the financing anticipated to be made available to meet the Purchase Price. The Agency shall deduct the amount of the first mortgage (documented through a loan commitment) plus the homebuyer's contribution (as minimally required by the first mortgage lender) from the Purchase Price for each HOME Assisted Unit and compare the difference to the amount of Available Direct Subsidy determined above for such unit and proceed as described below:

- (a) If such difference is equal to the Available Direct Subsidy then the entire amount of the Available Direct Subsidy shall be regarded as the Direct Subsidy to the homebuyer and such entire amount shall be the amount to be secured by a Second Mortgage and Promissory Note as described below.
- (b) If such difference is more than the Available Direct Subsidy then the entire amount of the Available Direct Subsidy shall be regarded as the Direct Subsidy to the homebuyer and such entire amount shall be the amount to be secured by a Second Mortgage and Promissory Note as described below. In this instance, unless the homebuyer is able to provide the remaining gap in the financing, the Agency shall assist the homebuyer in seeking to secure the gap financing needed to fully fund the Purchase Price. The gap financing (secured by a third mortgage) is the amount above the Available Direct Subsidy up to the aforementioned difference. If the gap financing cannot be secured, then the sale of the HOME Assisted Unit shall be abandoned and the Agency shall find another homebuyer for the unit.
- (c) If such difference is less than the Available Direct Subsidy then the amount of the difference shall be regarded as the Direct Subsidy to the homebuyer and such amount shall be the amount to be secured by a Second Mortgage and Promissory Note as described below. In this instance, the amount above the aforementioned difference up to the amount of the Available Direct Subsidy shall be regarded as proceeds to the Agency to be treated in the manner prescribed in Section N below.

11. Mandatory Counseling:

Prior to closing, each prospective homebuyer of a HOME Assisted Unit shall attend and complete eight (8) hours of homeownership counseling including at least six (6) hours in a classroom setting and two (2) hours of one-on-one (individual) counseling sessions. Homeownership counseling must be conducted by a HUD-certified counseling agency identified by DES. Each prospective homebuyer shall obtain and provide DES a copy of a certificate issued by the counseling agency evidencing attendance and completion of the above described counseling. The certificate shall be valid for a one (1) year period from its date of issue and must show name of the provider, the date(s) of counseling, the total number of hours of counseling, the signature of the authorized counselor.

The provision of the above shall be a pre-condition for closing.

12. Closing Statement:

In order to assure that these requirements have been met, the Agency shall, prior to the closing for the sale of each HOME Assisted Unit, provide the closing statement to DES for approval. The Agency shall not proceed with closing unless DES has approved the closing statement for each sale.

13. Second Mortgage and Promissory Note:

The Agency shall, at the closing, cause each DES approved prospective homebuyer to execute a Second Mortgage and Promissory Note in favor of the County, as provided in Exhibit D herein. In exchange for the receipt of said Second Mortgage and Promissory Note the County shall release the Declaration of Restrictions and any other security documents in favor of the County executed by the Agency in connection with its acquisition of the property. The execution and delivery of releases of the Declarations of Restrictions and of said other security documents is hereby delegated to the County Administrator, or his designee, and shall not require any further action by the Palm Beach County Board of County Commissioners. The Agency shall cause the recording of these releases and the Second Mortgage and Promissory Note in the public records of Palm Beach County, and thereafter cause the original Second Mortgage and Promissory Note to be provided to DES. The Second Mortgage and Promissory Note shall only be subordinate to the instrument securing the first mortgage financing.

The amount to be secured by the Second Mortgage and Promissory Note shall be the Direct Subsidy amount as calculated for each HOME Assisted Unit according to the method provided above.

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

SECTION L: RENTAL OF HOME ASSISTED UNITS TO TENANTS:

The following shall apply to all HOME Assisted Units that the Agency was not able to sell as required herein and that the Agency must rent.

1. Diligent Effort, Rental Occupancy, and Repayment of HOME Funds:

The Agency shall make a diligent effort to market and rent each rental HOME Assisted Unit. Each such unit must be occupied by a household that has met the income requirements herein within six (6) months following the date of Project Completion. The date of Project Completion shall be determined by DES according to the HOME regulations at 24 CFR Part 92 and shall be communicated by DES to the Agency as soon as possible. If the Agency is unable to meet this occupancy requirement within the aforesaid six-month period, then the Agency shall, within ten (10) calendar days after the end of said period, provide DES a report containing its marketing information to show its effort to date to rent the unit and shall also provide DES its marketing plan to rent the HOME Assisted Unit after the date of the report. If the Agency has not rented the HOME Assisted Unit to a household that has met the income requirements herein within eighteen (18) months following Project Completion, then the Agency shall repay the County all HOME funds expended by the County on such unit.

2. Duration of Applicability:

These requirements shall apply to each rental HOME Assisted Unit for the duration of the Declaration of Restrictions pertinent to such unit, that is for the duration of the twenty (20) year affordability period beginning with the date of Project Completion as defined herein.

HOME Assisted Units that are rented by the Agency shall be rented on a continuous basis without interruption in occupancy exceeding thirty (30) days while the Agency performs maintenance and repairs or completes arrangements to enable occupancy by new tenants.

3. Permanent Housing:

All rental HOME Assisted Units shall be "permanent housing" meaning housing which is intended to be the tenant's home under the limits of a signed legal lease document. HOME Assisted Units may not be used for transitional housing or emergency shelters.

4. Rental Rates, Utility Allowances and Rent Schedules:

The following rental rates shall apply to all HOME Assisted Units to be rented by the Agency.

- (a) HOME Assisted Units to be rented by the Agency to households whose incomes, adjusted by family size, are at no more than fifty percent (50%) of AMI at the time these units are first occupied, and thereafter, at any time new tenants occupy these units shall be rented at a rate such that the tenant's payment is no more than the Low HOME Rent Limit in effect at the time the lease is executed less any tenant paid utilities using the then current utility allowances from the HUD Utility Schedule Model. The Low HOME Rent Limit, by bedroom size, shall be as published by HUD, from time to time, for the West Palm Beach-Boca Raton HUD Metro FMR Area pursuant to 24 CFR 92.252.

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

- (b) HOME Assisted Units to be rented by the Agency to households whose incomes, adjusted by family size, are more than fifty percent (50%) of AMI, but not more than eighty percent (80%) of AMI at the time these units are first occupied, and thereafter, at any time new tenants occupy these units shall be rented at a rate such that the tenant's payment is no more than the High HOME Rent Limit in effect at the time the lease is executed less any tenant paid utilities using the then current utility allowances from the HUD Utility Schedule Model. The High HOME Rent Limit, by bedroom size, shall be as published by HUD, from time to time, for the West Palm Beach-Boca Raton HUD Metro FMR Area pursuant to 24 CFR 92.252.

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

- (c) The County shall, for the duration of the affordability period, establish the monthly utility allowances applicable to HOME Assisted Units according to the HUD Utility Schedule Model. Such utility allowances shall be used by the Agency as described above. The Agency shall annually propose its rent schedule for HOME Assisted Units, and the County shall review and approve such rent schedule provided it is in compliance with the above limitations. The Agency shall only use rent schedules approved by the County. Changes in rent levels shall be subject to the provisions of outstanding leases. The Agency shall provide tenants not less than thirty (30) days written notice before implementing any increase in rent.

5. Tenant Income:

The Agency shall, for all HOME Assisted Units to be rented, verify the tenant's household income at the time a unit is first occupied, and thereafter, at any time new tenants occupy the unit, to determine income eligibility according to the requirements herein.

In addition to the Agency's verification of each tenant's household income at the time a new tenant occupies a HOME Assisted Unit, the Agency shall re-verify the tenant's household income **annually** thereafter to ensure continued income eligibility.

Temporary non-compliance caused by increases in the income of existing tenants shall be addressed according to the requirements of 24 CFR 92.252(i).

6. Tenant Records to be Maintained:

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

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

- (b) At the time a HOME Assisted Unit is first occupied, and thereafter, at any time new tenants occupy the unit, source documentation evidencing the Agency's verification of the applicant's household income and a computation sheet demonstrating the Agency's determination of the applicant's income eligibility to occupy the unit. Household income computation shall follow the HUD Section 8 method (24 CFR 5.609).
- (c) In addition, source documentation evidencing the Agency's annual re-verification of the tenant's household income and a computation sheet demonstrating the Agency's determination of the tenant's income eligibility to continue occupancy of the unit. Household income computation shall follow the HUD Part 5 method (24 CFR 5.609);
- (d) A copy of the HUD income levels in effect at the time the initial lease is signed.
- (e) A computation sheet and supporting documentation demonstrating that the rent charged by the Agency is at the applicable rental rate specified herein.
- (f) An original of all executed written leases with the applicant/tenant identifying the unit number/address and the rental rate.
- (g) A copy of the below described criminal and credit background check.
- (h) Any other documentation evidencing the Agency's compliance with this Agreement.

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

The Agency shall comply with the following requirements:

- (a) The Agency shall conduct a criminal and credit background check on all adult members of households intending to occupy rental HOME Assisted Units prior to occupancy.
- (b) The Agency shall comply with the following tenant selection requirements. In this regard, the Agency shall submit to the County for review, and shall adopt and follow written tenant selection policies and criteria that:
 - (i) Are consistent with the purpose of providing housing to families at the income levels specified herein.
 - (ii) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease.
 - (iii) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable.
 - (iv) Give prompt written notification to any rejected applicant of the grounds for any rejection.

The Agency shall not refuse to rent 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.

- (c) The Agency shall submit a copy of its proposed Lease Agreement for approval by DES. In the event that future material revisions may occur, the Agency shall submit an updated Lease Agreement for approval (which shall not be unreasonably withheld or delayed) as revisions occur.

- (d) The lease between a tenant and the Agency must be for not less than one (1) year, unless by mutual agreement between the tenant and the Agency.
- (e) The Agency shall utilize leases which require parents to be held legally and financially liable for the acts of their children in connection with the HOME Assisted Unit, and which allow management to terminate the lease where a household member is engaged in illegal or criminal activity or where a household member is engaged in anti-social behavior which denies the Project or area residents the right to quiet and peaceful enjoyment of their homes or businesses.
- (f) The Agency may not terminate the tenancy or refuse to renew the lease of a tenant at a HOME Assisted Unit, except for serious or repeated violation of the terms and conditions of the lease; violation of applicable Federal, State, or local law; or for other good cause. Good cause does not include an increase in the tenant's income or refusal of the tenant to purchase the housing. To terminate or refuse to renew tenancy, the Agency must serve written notice upon the tenant specifying the grounds for the action at least thirty (30) days before the termination of tenancy.
- (g) The Agency is prohibited, from including any of the following lease terms in the Lease Agreement of HOME Assisted Units:
 - (i) Agreement to be Sued: Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Agency in a lawsuit brought in connection with the lease.
 - (ii) Treatment of Property: Agreement by the tenant that the Agency may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The Agency may dispose of this personal property in accordance with State law.
 - (iii) Excusing Agency from Responsibility: Agreement by the tenant not to hold the Agency or the Agency's agents legally responsible for any action or failure to act, whether intentional or negligent.
 - (iv) Waiver of Notice: Agreement of the tenant that the Agency may institute a lawsuit without notice to the tenant.
 - (v) Waiver of Legal Proceedings: Agreement by the tenant that the Agency may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
 - (vi) Waiver of a Jury Trial: Agreement by the tenant to waive any right to a trial by jury.
 - (vii) Waiver of Right to Appeal Court Decision: Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
 - (viii) Tenant Chargeable with Cost of Legal Actions Regardless of Outcome: Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Agency against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
 - (ix) Mandatory Supportive Services: Agreement by the tenant to accept supportive services that are offered.

8. Development Costs of Rental HOME Assisted Unit:

The Agency shall provide DES with the Development Costs of all HOME Assisted Units that the Agency was not able to sell as required herein and that the Agency must rent. The Agency shall do so at the time each such unit is initially occupied by a tenant, and the Development Costs provided to DES shall include all costs incurred by the Agency in producing the unit up to the date the unit is initially occupied by a tenant. Except for the time of submission of the Development Costs to DES and period for which costs are to be provided, all other requirements of Section K.8 shall apply to Section L.8.

9. Rental Income from HOME Assisted Units:

The Agency's income from the rental of HOME Assisted Units shall be used to offset the costs of the Agency as the owner of rental housing. Such costs may include accounting and legal fees, advertising, real estate taxes and insurance, owner provided utilities, repairs, a replacement reserve, pest control and termite treatment.

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

SECTION M: LEASE-PURCHASE REQUIREMENTS:

The Agency may convert to homeownership HOME Assisted Units that the Agency was not initially able to sell as required herein and that the Agency was consequently required to rent as specified herein. Such conversion shall enable tenants to purchase such HOME Assisted Units as provided below, that is, under a lease-purchase arrangement, however, refusal by a tenant to purchase a HOME Assisted Unit shall not constitute grounds for eviction or for failure to renew the lease.

1. Other Applicable Requirements:

The income requirements for occupant households specified in Section I shall also apply to HOME Assisted Units under a lease-purchase arrangement. In addition to the requirements of this Section, the requirements of the following Sections shall also apply to HOME Assisted Units under a lease-purchase arrangement: Sections K.3 through K.7, inclusive, Sections K.9 through K.13, inclusive, and Sections L.3 through L.8, inclusive.

2. Affordability Period:

If no additional HOME funds are used to enable tenants to become homeowners, then the period of affordability of the HOME Assisted Units sold to tenants under a lease-purchase arrangement shall be equal to the remaining affordability period of such units if the units continued as rental units, and such remaining affordability period shall for each tenant begin on the date title is conveyed from the Agency to the tenant. If additional HOME funds are used to directly assist tenants to become homeowners then the affordability period shall be established by the County in connection with the provision of such additional HOME funds but shall not be less than the period specified at 24 CFR 92.254(a)(4) based on the amount of direct homeownership assistance provided.

3. Lease-Purchase Agreement and Term:

The Agency shall enter into a Lease-Purchase Agreement with each tenant desirous of purchasing a HOME Assisted Unit under a lease-purchase arrangement. The Lease-Purchase Agreement shall at minimum comply with the following requirements:

- (a) Lease: The lease period shall be for twelve (12) months without penalty for early purchase and may be renewed annually.
- (b) Purchase Option Price: The Purchase Option Price must be determined at the time the Lease-Purchase Agreement is signed according to the requirements of Section K.5. The Agency shall obtain DES approval of the Purchase Option Price for each Lease-Purchase Agreement. The Agency shall cause an appraiser to re-appraise the unit within 90 days of the date that the lease-purchaser exercises the option to purchase. If the re-appraisal at that time is lower than the Purchase Option Price, then the Agency shall reduce the Purchase Option Price to the value determined by the re-appraisal, subject to DES approval and subject to the requirements of Section K.5(a).

Appraisals and re-appraisals shall be prepared by an appraiser qualified to perform property appraisal services in the State of Florida and shall be prepared in conformance with the Uniform Standards of Professional Appraisals Practice (USPAP).

- (c) Lease Renewal: The Agency may renew the lease-purchase option based upon the following:
- i) Favorable report of monthly lease payments.
 - ii) Favorable resolution of any maintenance items that are the lease-purchaser's responsibility.
 - iii) Progress on lease purchaser's action plan, including:
 - Progress toward retiring debt and lowering back-end ratio (at minimum, not taking on further debt).
 - Raising FICO score toward mortgage requirements.
 - Adherence to budget plan.
 - Savings accumulation.
 - iv) Each lease-purchaser shall be allowed no more than two (2) lease renewals for a total period of three (3) years under the lease-purchase arrangement. Thereafter, the property shall be leased according to the rental requirements herein.
 - v) Each HOME Assisted Unit under a Lease-Purchase Agreement must be purchased by the lease-purchaser within 36 months of signing the Lease-Purchase Agreement.

4. Down Payment Requirement:

At the time of purchase, the Agency shall assist the lease-purchaser to comply with mortgage lender requirements. During the leasing period, the Agency may designate a certain portion of the lease-purchaser's monthly lease payment (based upon sufficient cash flow) to be set aside for a potential rebate at sale to cover closing or other costs. This rebate can be used toward the lender's cash requirements, as permitted. Note: The cash accumulation from monthly payments is clearly owned by the Agency, and the potential homebuyer has no legal rights to this cash. Furthermore, such funds, if not disbursed by the Agency for the benefit of a lease-purchaser shall be treated as rental income.

5. Exit Strategy: For the lease-purchaser who is a solid tenant yet cannot consummate the purchase, the Agency will make its best effort based upon available resources to provide the following financial incentives:

- (c) A portion of the monthly rent will be accumulated for a rebate at purchase, and made available only if the lease-purchaser closes on the sale of the property.
- (b) Lease-purchaser will be advised on down payment assistance loans.
- (c) Lease-purchaser will be advised on special purchase financing.

6. Rental Income and Proceeds from Lease-Purchase Arrangements:

Rental income received by the Agency as of the initial occupancy of a HOME Assisted Unit by a tenant shall be treated in manner described in Section L.9.

Proceeds to the Agency from the sale of HOME Assisted Unit under a Lease-Purchase Agreement shall be treated in the manner prescribed in Section N below.

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

SECTION N: USE OF PROCEEDS BY THE AGENCY:

All funds determined herein to be proceeds to the Agency from activities undertaken in connection with this Agreement shall be used by the Agency for housing activities benefiting low-income households whose incomes are at or below 80% of AMI.

1. Housing Activities Benefiting Low Income Households:

- (a) Homebuyer down payment assistance.
- (b) Credit counseling.
- (c) Fair housing counseling.
- (d) Acquisition, construction and rehabilitation of housing.
- (e) Any other activities acceptable to DES.

The Agency shall maintain records demonstrating its compliance with the above and shall provide the County access to such records as provided herein. Any proceeds not expended by the Agency as permitted above shall be returned to the County.

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

SECTION O: OPERATING EXPENSES AND DEVELOPER FEE:

The Agency may receive reimbursement from DES for its operating expenses and may receive payment as a developer fee for HOME Assisted Units as specified below.

SECTION P: REPORTS:

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

1. Monthly Performance Report:

The Agency shall submit to the County a Monthly Performance Report in the form provided as Exhibit E to this Agreement. The Agency shall first submit this report on the last day of the month during which this Agreement is executed, and thereafter, on the last day of each subsequent month. After the Agency provides a report for the month during which the last HOME Assisted Unit undertaken hereunder is occupied by an eligible household, the Agency may cease submitting this report.

2. Tenant Information Report:

The Agency shall submit to the County a Tenant Information Report in the form provided as Exhibit F to this Agreement. The Agency shall first submit this report on the last day of the month during which the first HOME Assisted Unit is occupied by an eligible tenant, and thereafter, on the last day of each subsequent month until the last HOME Assisted Unit is occupied by an eligible tenant. After the Agency provides this report for all HOME Assisted Units described herein, the Agency may cease submitting this Report.

3. Annual Rent Roll:

The Agency shall submit to the County an Annual Rent Roll in the form provided as Exhibit G to this Agreement. The Agency shall first submit the Annual Rent Roll on the first anniversary of its submission of the first Tenant Information Report identified above, and annually thereafter for the duration of the Declaration of Restrictions.

4. Section 3 Report:

The Agency shall submit to the County a Section 3 Report to be provided for each construction contract awarded in connection with this Agreement. The Section 3 Report shall be submitted on a monthly basis for the duration of each such construction contract. The format and content of said report shall be determined by the County at a later date and promptly communicated to the Agency.

5. Other Reports:

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

PART 2 - THE COUNTY AGREES TO:

SECTION A:

Provide funding for the above described environmental review costs asbestos inspection and abatement costs, and construction costs during the term of this Agreement in the amount of **\$971,724.70**.

SECTION B:

Reimburse the Agency, during the term of this Agreement and solely in connection with the first seven (7) HOME Assisted Units undertaken by the Agency hereunder, an amount not to exceed **\$35,000** for operating expenses (reasonable and necessary costs for the operation of the Agency) subject to DES approval. The County shall, in its sole discretion, determine the sufficiency of the documentation submitted by the Agency for the reimbursement of operating expenses. For the purposes of this Agreement, operating costs shall include: salaries, wages and benefits. The Agency may receive a **maximum of \$5,000 for operating costs per HOME Assisted Unit**, provided however, that the Agency not receive more than **\$17,500** in total for operating expenses in any given fiscal year.

In addition, and solely in connection with the first seven (7) HOME Assisted Units undertaken by the Agency hereunder, the County agree to pay the Agency a developer fee associated with the development of HOME Assisted Units in the amount of **\$1,102.57 per HOME Assisted Unit** upon being invoiced by the Agency for such amount provided the Agency has completed the construction of such unit, obtained a Certificate of Occupancy for the unit, and the unit has been occupied by an income eligible household as required herein.

NOTE: No operating expenses and no developer fees shall be paid by the County to the Agency in connection with the eighth HOME Assisted Unit undertaken by the Agency hereunder.

SECTION C:

Provide a determination that applicant households are income eligible under HUD guidelines based on income and household size. Provide a determination that the sites are in conformance with Federal environmental requirements.

SECTION D:

Provide technical assistance to ensure compliance with HUD, U.S. HUD, and applicable State, Federal and County regulations and this Agreement.

SECTION E:

Provide overall administration and coordination activities to ensure that planned activities are completed in a timely manner.

SECTION F:

Monitor the Agency at any time during the term of this Agreement. Visits may be scheduled or unscheduled as determined by DES, be conducted by DES staff or its contractor, and will serve to ensure compliance with HUD regulations, that planned activities are conducted in a timely manner, and to verify the accuracy of reporting to DES on program activities.

SECTION G:

Perform an environmental review of the projects and review and approve project design and proposed construction contracts submitted for the work. The County shall also perform Davis Bacon Act Labor Standards monitoring and enforcement. Environmental review costs incurred by the County may be charged to the project budget identified above.

EXHIBIT H
BOUNDARY MAP

← NORTH



AMENDMENT 002 TO THE LOAN AGREEMENT
WITH
LA JOYA VILLAGES, LTD.

Amendment 002 to the Loan Agreement is made and entered into on MAY 29 2014, by and between **Palm Beach County** ("County") and **La Joya Villages, Ltd.** ("Borrower").

WITNESSETH:

WHEREAS, the County entered into a Loan Agreement (R2013-1806) with the Borrower on October 30, 2013, as amended on February 26, 2014, by Amendment 001 (R2014-0516) to provide \$600,000 of HOME Entitlement funds for the construction of a 55-unit affordable apartment community to be known as La Joya Villages, located in Lake Worth, FL; and

WHEREAS, the Loan Agreement, as amended, stipulates that the closing on the Loan be held no later than May 29, 2014; and

WHEREAS, the County and the Borrower wish to modify the Loan Agreement to extend the closing date.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 2: THE LOAN AND EXPENDITURE REQUIREMENTS

Replace "May 29, 2014" with "July 10, 2014".

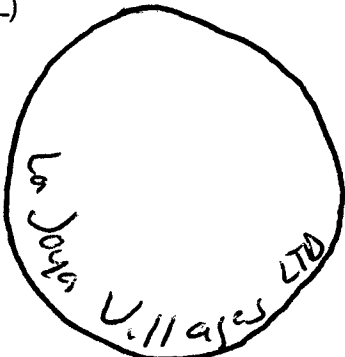
Except as modified by this Amendment 002, and previously, this Loan Agreement remains unmodified and in full force and effect in accordance with the terms thereof. This Amendment 002 is expressly contingent upon the approval of the County and shall become effective only when signed by all parties.

(continued on next page)

IN WITNESS WHEREOF, Agency and the County have caused this Amendment 002 to be executed on the date first above written.

BORROWER

(SEAL)



LA JOYA VILLAGES, LTD.
a Florida limited partnership

By: La Joya Villages GP, LLC
a Florida limited liability company,
its General Partner

By: [Signature]
Rick J. Deyoe, Manager Member

STATE OF Florida
COUNTY OF PB

The foregoing instrument was acknowledged before me this 28th day of May 2014, by Rick J. Deyoe as Manager Member, who is personally known to me, or who has produced Texas DL as identification and who did/did not take an oath.

NOTARY PUBLIC-STATE OF FLORIDA
Liseanne Jolivert
Commission # DD995592
Expires: MAY 25, 2014
BONDED THRU ATLANTIC BONDING CO., INC.
(NOTARY SEAL ABOVE)

Signature: [Signature]

Notary Name: Liseanne Jolivert
Notary Public - State of FL



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

FOR ITS BOARD OF COUNTY COMMISSIONERS

By: [Signature]
Shannon R. LaRocque
Assistant County Administrator

Approved as to Form and
Legal Sufficiency

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

Approved as to Terms and Conditions
Department of Economic Sustainability

By: [Signature]
Sherry Howard, Deputy Director
Department of Economic Sustainability

THIS INSTRUMENT PREPARED BY,
RECORDED AND RETURN TO:
(Print Name of Attorney)

David J. McPherson, Esquire
Troutman Sanders LLP
P.O. Box 1122
Richmond, VA 23218

(Reserved)

SUBORDINATION AGREEMENT
(Palm Beach County)

Freddie Mac Loan Number: Freddie Mac Loan No. 534392210
Property Name: Village at Delray

SUBORDINATION AGREEMENT

GOVERNMENTAL ENTITY

(Revised 3-1-2014)

THIS SUBORDINATION AGREEMENT ("**Agreement**") is entered into as of the 5th day of June, 2014, by and between (i) PNC BANK, NATIONAL ASSOCIATION, a national banking association ("**Senior Mortgagee**") and (ii) PALM BEACH COUNTY, a political subdivision of the State of Florida ("**Subordinate Mortgagee**").

RECITALS

- A. Village at Delray, Ltd., a limited partnership organized under the laws of the State Florida ("**Borrower**") is the owner of certain land located in Palm Beach County, Florida, described in Exhibit A ("**Land**"). The Land is improved with a multifamily rental housing project ("**Improvements**").
- B. Senior Mortgagee has made or is making a loan to Borrower in the original principal amount of \$6,280,000.00 ("**Senior Loan**") upon the terms and conditions of a Multifamily Loan and Security Agreement dated as of the date hereof between Senior Mortgagee and Borrower ("**Senior Loan Agreement**") in connection with the Mortgaged Property. The Senior Loan is secured by an Amended and Restated Multifamily Mortgage, Assignment of Rents and Security Agreement dated as of the date hereof ("**Senior Mortgage**") encumbering the Land, the Improvements and related personal and other property described and defined in the Senior Mortgage as the "**Mortgaged Property**."
- C. Pursuant to a Loan Agreement dated February 23, 2010 between Subordinate Mortgagee and Borrower ("**Subordinate Loan Agreement**"), Subordinate Mortgagee has made or is making a loan to Borrower in the original principal amount of \$750,000.00 ("**Subordinate Loan**"). The Subordinate Loan is or will be secured by a Mortgage and Security Agreement dated April 28, 2010 ("**Subordinate Mortgage**") encumbering all or a portion of the Mortgaged Property.
- D. The Senior Mortgage will be recorded in the Official Records of Palm Beach County, Florida ("**Recording Office**") immediately prior hereto. The Subordinate Mortgage is recorded in the Recording Office in Official Records Book 23838, Page 850.
- E. The execution and delivery of this Agreement is a condition of Senior Mortgagee's making of the Senior Loan.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

Subordination Agreement – Governmental Entity

1. **Definitions.** The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), will have the following meanings.
- (a) The terms **“Condemnation,” “Imposition Deposits,” “Impositions,” “Leases,” “Rents” and “Restoration,”** as well as any term used in this Agreement and not otherwise defined in this Agreement, will have the meanings given to those terms in the Senior Loan Agreement.
 - (b) **“Bankruptcy Proceeding”** means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.
 - (c) **“Borrower”** means all persons or entities identified as “Borrower” in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Mortgaged Property after the date of this Agreement; provided that the term “Borrower” will not include Senior Mortgagee if Senior Mortgagee acquires title to the Mortgaged Property.
 - (d) **“Casualty”** means the occurrence of damage to or loss of all or any portion of the Mortgaged Property by fire or other casualty.
 - (e) **“Enforcement Action”** means any of the following actions taken by or at the direction of Subordinate Mortgagee: the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee’s sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any other of the Subordinate Loan Documents, the exercising of any banker’s lien or rights of set-off or recoupment, or the exercise of any other remedial action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.
 - (f) **“Enforcement Action Notice”** means a written notice from Subordinate Mortgagee to Senior Mortgagee, given following one or more Subordinate Mortgage Default(s) and the expiration of any notice or cure periods provided for such Subordinate Mortgage Default(s) in the Subordinate Loan Documents, setting forth in reasonable detail the Subordinate Mortgage Default(s) and the Enforcement Actions proposed to be taken by Subordinate Mortgagee.
 - (g) **“Loss Proceeds”** means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.
 - (h) **“Notice”** is defined in Section 6(d).
 - (i) **“Regulatory Agreement”** means N/A.

- (j) **“Senior Indebtedness”** means the “Indebtedness” as defined in the Senior Loan Agreement.
- (k) **“Senior Loan Documents”** means the “Loan Documents” as defined in the Senior Loan Agreement.
- (l) **“Senior Mortgage Default”** means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of Notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Senior Loan Agreement.
- (m) **“Senior Mortgagee”** means the “Lender” as defined in the Senior Mortgage. When any other person or entity becomes the legal holder of the Senior Note, such other person or entity automatically will become Senior Mortgagee.
- (n) **“Senior Note”** means the promissory note or other evidence of the Senior Indebtedness referred to in the Senior Loan Agreement and any replacement of the Senior Note.
- (o) **“Subordinate Indebtedness”** means all sums evidenced or secured or guaranteed by, or otherwise due and payable to Subordinate Mortgagee pursuant to, the Subordinate Loan Documents.
- (p) **“Subordinate Loan Documents”** means the Subordinate Mortgage, the Subordinate Note, the Subordinate Loan Agreement, the Regulatory Agreement and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as the same may be amended.
- (q) **“Subordinate Mortgage Default”** means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of Notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Mortgagee to take an Enforcement Action.
- (r) **“Subordinate Mortgagee”** means the person or entity named as such in the first paragraph of this Agreement and any other person or entity who becomes the legal holder of the Subordinate Note after the date of this Agreement.
- (s) **“Subordinate Note”** means the promissory note or other evidence of the Subordinate Indebtedness referred to in the Subordinate Mortgage and any replacement of the Subordinate Note.
- (t) **“Surplus Cash”** means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all of the following:
 - (i) All sums due or currently required to be paid under the Senior Loan Documents, including any Imposition Deposits.
 - (ii) All deposits to any replacement reserve, completion/repair reserve or other reserve or escrow required by the Senior Loan Documents that are due or currently payable.

- (iii) All reasonable operating expenses of the Mortgaged Property, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (including up to 20% of original developer fee).

2. Subordination of Subordinate Indebtedness.

- (a) The Subordinate Indebtedness is and will at all times continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness.
- (b) Until the occurrence of a Senior Mortgage Default, Subordinate Mortgagee will be entitled to retain for its own account all payments made on account of the principal of and interest on the Subordinate Indebtedness in accordance with the requirements of the Subordinate Loan Documents; provided no such payment is made more than 10 days in advance of its due date and provided further that no such payment exceeds 75% of then available Surplus Cash. However, immediately upon Subordinate Mortgagee's receipt of Notice or actual knowledge of a Senior Mortgage Default, Subordinate Mortgagee will not accept any payments on account of the Subordinate Indebtedness, and the provisions of Section 2(c) of this Agreement will apply. Subordinate Mortgagee acknowledges that a Subordinate Mortgage Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Subordinate Mortgage Default, Subordinate Mortgagee will be deemed to have actual knowledge of a Senior Mortgage Default.
- (c) If (i) Subordinate Mortgagee receives any payment, property, or asset of any kind or in any form on account of the Subordinate Indebtedness (including any proceeds from any Enforcement Action) after a Senior Mortgage Default of which Subordinate Mortgagee has actual knowledge (or is deemed to have actual knowledge as provided in 2(b) above) or has been given Notice, or (ii) Subordinate Mortgagee receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Mortgagee. Subordinate Mortgagee will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Mortgagee. Senior Mortgagee will apply any payment, asset, or property so received from Subordinate Mortgagee to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Mortgagee determines in its sole and absolute discretion.
- (d) Without limiting the complete subordination of the Subordinate Indebtedness to the payment in full of the Senior Indebtedness, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Indebtedness will first be paid in full in cash before Subordinate Mortgagee will be entitled to receive any payment or other distribution on account of or in respect of the Subordinate Indebtedness, and (ii) until all of the Senior Indebtedness is paid in full in cash, any payment or distribution to which Subordinate Mortgagee would be entitled but for this

Agreement (whether in cash, property, or other assets) will be made to Senior Mortgagee.

- (e) The subordination of the Subordinate Indebtedness will continue if any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, any or all of the Senior Indebtedness originally intended to be satisfied will be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.
- (f) In addition to the limitations set forth above, Subordinate Mortgagee agrees that the Subordinate Indebtedness will be payable solely from not more than 75% of Surplus Cash while the Senior Indebtedness remains outstanding.

3. Subordination of Subordinate Loan Documents.

- (a) Each of the Subordinate Loan Documents is, and will at all times remain, subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents.
- (b) The subordination of the Subordinate Loan Documents and of the Subordinate Indebtedness will apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of each of the Senior Loan Documents and of each of the Subordinate Loan Documents, and (ii) the availability of any collateral to Senior Mortgagee, including the availability of any collateral other than the Mortgaged Property.
- (c) By reason of, and without in any way limiting, the full subordination of the Subordinate Indebtedness and the Subordinate Loan Documents provided for in this Agreement, all rights and claims of Subordinate Mortgagee under the Subordinate Loan Documents in or to all or any portion of the Mortgaged Property are expressly subject and subordinate in all respects to the rights and claims of Senior Mortgagee under the Senior Loan Documents in or to the Mortgaged Property.
- (d) If Subordinate Mortgagee, by indemnification, subrogation or otherwise, acquires any lien, estate, right or other interest in any of the Mortgaged Property, then that lien, estate, right or other interest will be fully subject and subordinate to the receipt by Senior Mortgagee of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement.

4. Additional Representations and Covenants.

- (a) Subordinate Mortgagee represents and warrants that each of the following is true:
 - (i) Subordinate Mortgagee is now the owner and holder of the Subordinate Loan Documents.

- (ii) The Subordinate Loan Documents are now in full force and effect.
 - (iii) The Subordinate Loan Documents have not been modified or amended.
 - (iv) No Subordinate Mortgage Default has occurred.
 - (v) The current unpaid principal balance of the Subordinate Indebtedness is \$ _____.
 - (vi) No scheduled monthly payments under the Subordinate Note have been or will be prepaid.
 - (vii) None of the rights of Subordinate Mortgagee under any of the Subordinate Loan Documents are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise.
- (b) Without the prior written consent of Senior Mortgagee in each instance, Subordinate Mortgagee will not do any of the following:
- (i) Amend, modify, waive, extend, renew, or replace any provision of any of the Subordinate Loan Documents.
 - (ii) Pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents.
 - (iii) Accept any payment on account of the Subordinate Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than 10 days prior to its due date, or as expressly authorized in Section 4(i) below and not in excess of 75% of then available Surplus Cash.
 - (iv) Take any action which has the effect of increasing the Subordinate Indebtedness.
 - (v) Appear in, defend or bring any action to protect Subordinate Mortgagee's interest in the Mortgaged Property.
 - (vi) Take any action concerning environmental matters affecting the Mortgaged Property.
- (c) Subordinate Mortgagee will deliver to Senior Mortgagee a copy of each Notice received or delivered by Subordinate Mortgagee pursuant to the Subordinate Loan Documents or in connection with the Subordinate Indebtedness, simultaneously with Subordinate Mortgagee's delivery or receipt of such Notice. Senior Mortgagee will deliver to Subordinate Mortgagee in the manner required in Section 5(b) a copy of each Notice of a Senior Mortgage Default delivered to Borrower by Senior Mortgagee. Neither giving nor failing to give a Notice to Senior Mortgagee or Subordinate Mortgagee pursuant to this Section 4(c) will affect the validity of any Notice given by Senior Mortgagee or Subordinate Mortgagee to Borrower, as between Borrower and such of Senior Mortgagee or Subordinate Mortgagee as provided the Notice to Borrower.

- (d) Without the prior written consent of Senior Mortgagee in each instance, Subordinate Mortgagee will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Mortgagee will not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Mortgagee has also voted affirmatively in favor of such plan. In the event of any Bankruptcy Proceeding, Subordinate Mortgagee will not contest the continued accrual of interest on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings.
- (e) Whenever the Subordinate Loan Documents give Subordinate Mortgagee approval or consent rights with respect to any matter, and a right of approval or consent with regard to the same or substantially the same matter is also granted to Senior Mortgagee pursuant to the Senior Loan Documents or otherwise, Senior Mortgagee's approval or consent or failure to approve or consent, as the case may be, will be binding on Subordinate Mortgagee. None of the other provisions of this Section 4 are intended to be in any way in limitation of the provisions of this Section 4(e).
- (f) All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles and special endorsements) will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Mortgagee. All original policies of insurance required pursuant to the Senior Loan Documents will be held by Senior Mortgagee. Nothing in this Section 4(f) will preclude Subordinate Mortgagee from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of Loss Proceeds, or that Subordinate Mortgagee be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Mortgaged Property.
- (g) In the event of a Condemnation or a Casualty, all of the following provisions will apply:
 - (i) The rights of Subordinate Mortgagee (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, will be and remain subordinate in all respects to Senior Mortgagee's rights under the Senior Loan Documents with respect thereto, and Subordinate Mortgagee will be bound by any settlement or adjustment of a claim resulting from a Condemnation or a Casualty made by Senior Mortgagee.
 - (ii) All Loss Proceeds will be applied either to payment of the costs and expenses of Restoration or to payment on account of the Senior Indebtedness, as and in the manner determined by Senior Mortgagee in its sole discretion.

- (iii) If Senior Mortgagee applies or releases Loss Proceeds for the purposes of Restoration of the Mortgaged Property, then Subordinate Mortgagee will release for such purpose all of its right, title and interest, if any, in and to such Loss Proceeds. If Senior Mortgagee holds Loss Proceeds, or monitors the disbursement thereof, Subordinate Mortgagee will not do so. Nothing contained in this Agreement will be deemed to require Senior Mortgagee to act for or on behalf of Subordinate Mortgagee in connection with any Restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Mortgagee, and all or any Loss Proceeds may be commingled with any funds of Senior Mortgagee.
- (iv) If Senior Mortgagee elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any remaining Loss Proceeds held by Senior Mortgagee will be paid to Subordinate Mortgagee unless another party has asserted a claim to the remaining Loss Proceeds.
- (h) Subordinate Mortgagee will enter into attornment and non-disturbance agreements with all tenants under commercial or retail Leases, if any, to whom Senior Mortgagee has granted attornment and non-disturbance, on the same terms and conditions given by Senior Mortgagee.
- (i) Except as provided in this Section 4(i), and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Mortgagee will not collect payments for the purpose of escrowing for any cost or expense related to the Mortgaged Property or for any portion of the Subordinate Indebtedness. However, if Senior Mortgagee is not collecting escrow payments for one or more Impositions, Subordinate Mortgagee may collect escrow payments for such Impositions; provided that all payments so collected by Subordinate Mortgagee will be held in trust by Subordinate Mortgagee to be applied only to the payment of such Impositions.
- (j) Within 10 days after request by Senior Mortgagee, Subordinate Mortgagee will furnish Senior Mortgagee with a statement, duly acknowledged and certified setting forth the then-current amount and terms of the Subordinate Indebtedness, confirming that there exists no default under the Subordinate Loan Documents (or describing any default that does exist), and certifying to such other information with respect to the Subordinate Indebtedness as Senior Mortgagee may request.
- (k) Senior Mortgagee may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the Senior Loan Documents without the necessity of obtaining the consent of or providing Notice to Subordinate Mortgagee, and without affecting any of the provisions of this Agreement. Notwithstanding the foregoing, Senior Mortgagee may not modify any provision of the Senior Loan Documents that increases the Senior Indebtedness, except for increases in the Senior Indebtedness that result from advances made by Senior Mortgagee to protect the security or lien priority of Senior Mortgagee under the Senior Loan Documents or to cure defaults under the Subordinate Loan Documents.

5. Default Under Loan Documents.

- (a) For a period of 90 days following delivery to Senior Mortgagee of an Enforcement Action Notice, Senior Mortgagee will have the right, but not the obligation, to cure any Subordinate Mortgage Default, provided that if such Subordinate Mortgage Default is a non-monetary default and is not capable of being cured within such 90-day period and Senior Mortgagee has commenced and is diligently pursuing such cure to completion, Senior Mortgagee will have such additional period of time as may be required to cure such Subordinate Mortgage Default or until such time, if ever, as Senior Mortgagee (i) discontinues its pursuit of any cure and/or (ii) delivers to Subordinate Mortgagee Senior Mortgagee's written consent to the Enforcement Action described in the Enforcement Action Notice. Senior Mortgagee will not be subrogated to the rights of Subordinate Mortgagee under the Subordinate Loan Documents by reason of Senior Mortgagee having cured any Subordinate Mortgage Default. However, Subordinate Mortgagee acknowledges that all amounts advanced or expended by Senior Mortgagee in accordance with the Senior Loan Documents or to cure a Subordinate Mortgage Default will be added to and become a part of the Senior Indebtedness and will be secured by the lien of the Senior Mortgage.
- (b) Senior Mortgagee will deliver to Subordinate Mortgagee a copy of any Notice sent by Senior Mortgagee to Borrower of a Senior Mortgage Default within 5 Business Days of sending such Notice to Borrower. Failure of Senior Mortgagee to send Notice to Subordinate Mortgagee will not prevent the exercise of Senior Mortgagee's rights and remedies under the Senior Loan Documents. Subordinate Mortgagee will have the right, but not the obligation, to cure any monetary Senior Mortgage Default within 30 days following the date of such Notice; provided, however, that Senior Mortgagee will be entitled during such 30-day period to continue to pursue its remedies under the Senior Loan Documents.

Subordinate Mortgagee may, within 90 days after the date of the Notice, cure a non-monetary Senior Mortgage Default if during such 90-day period, Subordinate Mortgagee keeps current all payments required by the Senior Loan Documents. If such a non-monetary Senior Mortgage Default creates an unacceptable level of risk relative to the Mortgaged Property, or Senior Mortgagee's secured position relative to the Mortgaged Property, as determined by Senior Mortgagee in its sole discretion, then during such 90-day period Senior Mortgagee may exercise all available rights and remedies to protect and preserve the Mortgaged Property and the Rents, revenues and other proceeds from the Mortgaged Property. Subordinate Mortgagee will not be subrogated to the rights of Senior Mortgagee under the Senior Loan Documents by reason of Subordinate Mortgagee having cured any Senior Mortgage Default. However, Senior Mortgagee acknowledges that all amounts paid by Subordinate Mortgagee to Senior Mortgagee to cure a Senior Mortgage Default will be deemed to have been advanced by Subordinate Mortgagee pursuant to, and will be secured by the lien of, the Subordinate Mortgage. Notwithstanding anything in this Section 5(b) to the contrary, Subordinate Mortgagee's right to cure any Senior Mortgage Default will terminate immediately upon the occurrence of any Bankruptcy Proceeding.

- (c) In the event of a Subordinate Mortgage Default, Subordinate Mortgagee will not commence any Enforcement Action until 90 days after Subordinate Mortgagee

has delivered to Senior Mortgagee an Enforcement Action Notice with respect to such Enforcement Action, provided that during such 90-day period or such longer period as provided in Section 5(a), Subordinate Mortgagee will be entitled to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in the Regulatory Agreement, subject to Senior Mortgagee's right to cure a Subordinate Mortgage Default set forth in Section 5(a). Subordinate Mortgagee may not commence any other Enforcement Action, including any foreclosure action under the Subordinate Loan Documents, until the earlier of (i) the expiration of such 90-day period or such longer period as provided in Section 5(a), or (ii) the delivery by Senior Mortgagee to Subordinate Mortgagee of Senior Mortgagee's written consent to such Enforcement Action by Subordinate Mortgagee. Subordinate Mortgagee acknowledges that Senior Mortgagee may grant or refuse consent to Subordinate Mortgagee's Enforcement Action in Senior Mortgagee's sole and absolute discretion. At the expiration of such 90-day period or such longer period as provided in Section 5(a) and, subject to Senior Mortgagee's right to cure set forth in Section 5(a), Subordinate Mortgagee may commence any Enforcement Action. Any Enforcement Action on the part of Subordinate Mortgagee will be subject to the provisions of this Agreement. Subordinate Mortgagee acknowledges that the provisions of this Section 5(c) are fair and reasonable under the circumstances, that Subordinate Mortgagee has received a substantial benefit from Senior Mortgagee having granted its consent to the Subordinate Mortgage, and that Senior Mortgagee would not have granted such consent without the inclusion of these provisions in this Agreement.

- (d) Senior Mortgagee may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Subordinate Mortgagee. No action or failure to act on the part of Senior Mortgagee in the event of a Subordinate Mortgage Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Mortgagee of any provision of the Senior Loan Documents or this Agreement.
- (e) If the Enforcement Action taken by Subordinate Mortgagee is the appointment of a receiver for any of the Mortgaged Property, all of the Rents, issues, profits and proceeds collected by the receiver will be paid and applied by the receiver solely to and for the benefit of Senior Mortgagee until the Senior Indebtedness will have been paid in full.
- (f) Subordinate Mortgagee consents to and authorizes the release by Senior Mortgagee of all or any portion of the Mortgaged Property from the lien, operation, and effect of the Senior Loan Documents. Subordinate Mortgagee waives to the fullest extent permitted by law, all equitable or other rights it may have (i) in connection with the release of all or any portion of the Mortgaged Property, (ii) to require the separate sale of any portion of the Mortgaged Property, (iii) to require Senior Mortgagee to exhaust its remedies against all or any portion of the Mortgaged Property or any combination of portions of the Mortgaged Property or any other collateral for the Senior Indebtedness, or (iv) to require Senior Mortgagee to proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Mortgaged Property or combination of portions of the Mortgaged Property or any other

collateral, before proceeding against all or such portions or combination of portions of the Mortgaged Property as Senior Mortgagee determines. Subordinate Mortgagee consents to and authorizes, at the option of Senior Mortgagee, the sale, either separately or together, of all or any portion of the Mortgaged Property. Subordinate Mortgagee acknowledges that without Notice to Subordinate Mortgagee and without affecting any of the provisions of this Agreement, Senior Mortgagee may (i) extend the time for or waive any payment or performance under the Senior Loan Documents; (ii) modify or amend in any respect any provision of the Senior Loan Documents; and (iii) modify, exchange, surrender, release, and otherwise deal with any additional collateral for the Senior Indebtedness.

- (g) If any party other than Borrower (including Senior Mortgagee) acquires title to any of the Mortgaged Property pursuant to a foreclosure of, or trustee's sale or other exercise of any power of sale under, the Senior Mortgage conducted in accordance with applicable law, the lien, operation, and effect of the Subordinate Mortgage and other Subordinate Loan Documents automatically will terminate with respect to such Mortgaged Property.

6. Miscellaneous Provisions.

- (a) If there is any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, then the terms of this Agreement will control.
- (b) This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement. No other party will be entitled to any benefits under this Agreement, whether as a third-party beneficiary or otherwise.
- (c) This Agreement does not constitute an approval by Senior Mortgagee of the terms of the Subordinate Loan Documents.
- (d) Each notice, request, demand, consent, approval or other communication (collectively, "Notices," and singly, a "Notice") which is required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

- (i) Notices intended for Senior Mortgagee will be addressed to:

PNC Bank, National Association
26901 Agoura Road, Suite 200
Calabasas Hills, California 91301
Attention: Loan Servicing Manager

- (ii) Notices intended for Subordinate Mortgagee will be addressed to:

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

Any party, by Notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section.

- (e) Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to constitute Senior Mortgagee as a joint venturer or partner of Subordinate Mortgagee.
- (f) Upon Notice from Senior Mortgagee, Subordinate Mortgagee will execute and deliver such additional instruments and documents, and will take such actions, as are required by Senior Mortgagee in order to further evidence or implement the provisions and intent of this Agreement.
- (g) This Agreement will be governed by the laws of the State in which the Land is located.
- (h) If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.
- (i) The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events: (i) the payment of all of the Senior Indebtedness; provided that this Agreement will be reinstated in the event any payment on account of the Senior Indebtedness is avoided, set aside, rescinded or repaid by Senior Mortgagee as described in Section 2(e) of this Agreement, (ii) the payment of all of the Subordinate Indebtedness other than by reason of payments which Subordinate Mortgagee is obligated to remit to Senior Mortgagee pursuant to this Agreement, (iii) the acquisition by Senior Mortgagee or by a third party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Mortgage; or (iv) with the prior written consent of Senior Mortgagee, without limiting the provisions of Section 5(d), the acquisition by Subordinate Mortgagee of title to the Mortgaged Property subject to the Senior Mortgage pursuant to a foreclosure, or a deed in

lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage.

- (j) No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.
- (k) Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.
- (l) Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by Subordinate Mortgagee of its governmental powers (including police, regulatory and taxing powers) with respect to Borrower or the Mortgaged Property to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.
- (m) This Agreement may be assigned at any time by Senior Mortgagee to any subsequent holder of the Senior Note.
- (n) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument or written instruments signed by the parties to this Agreement.
- (o) This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

[Signature and acknowledgment pages follow]

WITNESS:

Print Name: _____

Print Name: _____

SENIOR MORTGAGEE:

PNC BANK, NATIONAL ASSOCIATION, a
national banking association

By: *Kelli A. Tyler*
Kelli A. Tyler
Vice President

STATE OF _____

CITY/COUNTY OF _____, ss:

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared Kelli A. Tyler, to me known to be the person described in and who executed the foregoing instrument as the Vice President of PNC Bank, National Association, a national banking association, and acknowledged to me that she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained in the name of such banking association by herself as Vice President.

Witness my hand and official seal in the county and state aforesaid, this ____ day of _____, 2014.

Notary Public

My Commission Expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of San Diego

On May 19, 2014 before me, Cia Thongriong, Notary Public

personally appeared Kelli A. Tyler

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Cia Thongriong

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Subordination Agreement

Document Date: as of June 5, 2014 Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

- Signer's Name: _____ Signer's Name: _____
[] Corporate Officer -- Title(s): _____ [] Corporate Officer -- Title(s): _____
[] Individual [] Individual
[] Partner -- [] Limited [] General [] Partner -- [] Limited [] General
[] Attorney in Fact [] Attorney in Fact
[] Trustee [] Trustee
[] Guardian or Conservator [] Guardian or Conservator
[] Other: _____ [] Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

WITNESS:

SUBORDINATE MORTGAGEE:

Willie A. Miller Jr. PALM BEACH COUNTY, a political subdivision
of the State of Florida
Print Name: Willie A. Miller Jr.

Amin Houry
Print Name: AMIN HOURY

Priscilla A. Taylor
By: Priscilla A. Taylor
Name: PRISCILLA A. TAYLOR
Title: MAYOR

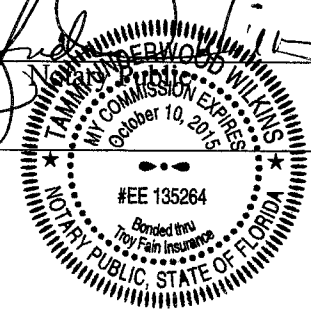
APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: Tammy K Fields
Name: Tammy K Fields

STATE OF Florida
CITY/COUNTY OF Palm Beach ss:

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared Priscilla Taylor to me known to be the person described in and who executed the foregoing instrument as the Mayor of Palm Beach County, a political subdivision of the State of Florida, and acknowledged to me that he/she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained in the name of such political subdivision by himself/herself as Mayor.

Witness my hand and official seal in the county and state aforesaid, this 4th day of June, 2014.

Tammy K Fields
My Commission Expires


CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated as of June 5, 2014, by and between PNC Bank, National Association and Palm Beach County and consents to the agreement of the parties set forth in this Agreement.

WITNESS:

Katie M. Fichtner
Print Name: Katie M. Fichtner

Angela Cich
Print Name: Angela Cich

BORROWER:

VILLAGE AT DELRAY, LTD., a Florida limited partnership

By: Delray Leased Housing Associates I, LLC, a Minnesota limited liability company, its general partner

By: [Signature]
Mark S. Moorhouse
Senior Vice President

STATE OF Minnesota

CITY/COUNTY OF Hennepin, ss:

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, personally appeared Mark S. Moorhouse, to me known to be the person described in and who executed the foregoing instrument as the Senior Vice President of Delray Leased Housing Associates I, LLC, a Minnesota limited liability company, general partner of Village at Delray, Ltd., a Florida limited partnership, and acknowledged to me that he as such officer of the sole member, being authorized to do so, executed the foregoing instrument for the purposes therein contained in the name of such limited partnership by himself/herself as Senior Vice President of the general partner.

Witness my hand and official seal in the county and state aforesaid, this 2 day of June, 2014.

[Signature]
Notary Public

My Commission Expires: 1-31-17

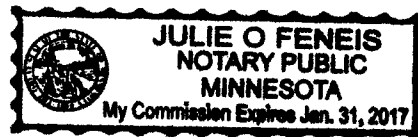


EXHIBIT A
LEGAL DESCRIPTION

PARCEL 1 (FEE ESTATE):

Tract C-1, VILLAGE AT DELRAY, according to the Plat thereof, as recorded in Plat Book 112, Pages 35-41, of the Public Records of Palm Beach County, Florida.

Said lands situate, lying and being in the City of Delray Beach, Palm Beach County, Florida.

also known as:

Tract "G" and a portion of Tract "C", AUBURN TRACE, according to the Plat thereof, as recorded in Plat Book 64, at pages 184 through 186 of the Public Records of Palm Beach County, Florida, being more particularly described as follows:

BEGIN at the Southeast Corner of Tract "C", AUBURN TRACE, according to the Plat thereof, as recorded in Plat Book 64, at Pages 184 through 186, of the Public Records of Palm Beach County, Florida; thence South 89° 29' 23" West, along the South Line of said Tract "C", for a distance of 1190.53 feet; thence North 27° 00' 00" East, along the West Line of Tract "G" and Tract "C" of said AUBURN TRACE Plat, said West Line being coincident with the East Right-of-Way Line of Auburn Avenue, for a distance of 129.69 feet to a point on a tangent curve; thence Northeasterly, along the arc of a circular curve to the right and concave to the Southeast, having a radius of 150.00 feet and a central angle of 18° 03' 00" for an arc distance of 47.25 feet to a Point of Tangency; thence North 45° 03' 00" East for 142.17 feet; thence South 89° 57' 00" East, along the South Line of Tract "A" of said AUBURN TRACE plat for a distance of 280.60 feet; thence North 00° 03' 00" East for 200.15 feet; thence North 45° 03' 00" East for 70.00 feet; thence North 50° 50' 53" West for 51.24 feet, said last three described courses being on the East Boundary of Tract "A" of said plat; thence North 89° 29' 23" East for 715.42 feet; thence South 00° 17' 16" West, along the East Line of said Tract "C" for a distance of 531.54 feet to the POINT OF BEGINNING.

Said lands situate in the City of Delray Beach, Palm Beach County, Florida.

PARCEL 2 (EASEMENT PARCEL):

Easement over "Easement Parcel One" being a portion of Tract B, of AUBURN TRACE, pursuant to Cross-Easement Agreement recorded in Official Records Book 20273, Page 1347; as amended by First Amendment to Cross-Easement Agreement recorded in Official Records Book 23838, Page 799, of the Public Records of Palm Beach County, Florida.

PARCEL 3 (EASEMENT PARCEL):

Drainage Easement dedicated by the Plat of Auburn Trace as recorded in Plat Book 64, Page 184 for the benefit of Tract A over and across the most Southerly part of the 12 foot by 60 foot drainage easement bisecting Auburn Avenue as shown on Sheet 2 of said Plat.

CERTIFICATE OF COVERAGE

Certificate Holder

 PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS
 A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA ITS OFFICE EMPLOYEES AND AGENCY
 C/O DEPARTMENT OF ECONOMIC SUSTAINABILITY
 100 AUSTRALIAN AVENUE SUITE 500
 WEST PALM BEACH FL 33406

Administrator Issue Date 2/10/14

Florida League of Cities, Inc.
Department of Insurance and Financial Services
P.O. Box 530065
Orlando, Florida 32853-0065

COVERAGES
 THIS IS TO CERTIFY THAT THE AGREEMENT BELOW HAS BEEN ISSUED TO THE DESIGNATED MEMBER FOR THE COVERAGE PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE COVERAGE AFFORDED BY THE AGREEMENT DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH AGREEMENT.

COVERAGES PROVIDED BY: **FLORIDA MUNICIPAL INSURANCE TRUST**

AGREEMENT NUMBER: FMIT 0637 COVERAGE PERIOD: FROM 10/1/13 COVERAGE PERIOD: TO 10/1/14 12:01 AM STANDARD TIME

TYPE OF COVERAGE - LIABILITY

General Liability

Comprehensive General Liability, Bodily Injury, Property Damage and Personal Injury

Errors and Omissions Liability

Supplemental Employment Practice

Employee Benefits Program Administration Liability

Medical Attendants/Medical Directors' Malpractice Liability

Broad Form Property Damage

Law Enforcement Liability

Underground, Explosion & Collapse Hazard

Limits of Liability
 * Combined Single Limit

Deductible N/A

Automobile Liability

All owned Autos (Private Passenger)

All owned Autos (Other than Private Passenger)

Hired Autos

Non-Owned Autos

Limits of Liability
 * Combined Single Limit

Deductible N/A

TYPE OF COVERAGE - PROPERTY

Buildings Miscellaneous

Basic Form Inland Marine

Special Form Electronic Data Processing

Personal Property Bond

Basic Form

Special Form

Agreed Amount

Deductible \$500

Coinsurance N/A

Blanket

Specific

Replacement Cost

Stated Value

Excluding: Theft, Vandalism and Malicious Mischief
 Limits of Liability on File with Administrator

TYPE OF COVERAGE - WORKERS' COMPENSATION

Statutory Workers' Compensation

Employers Liability \$1,000,000 Each Accident
 \$1,000,000 By Disease
 \$1,000,000 Aggregate By Disease

Deductible N/A

Automobile/Equipment -- Deductible

Physical Damage N/A - Comprehensive - Auto N/A - Collision - Auto N/A - Miscellaneous Equipment

Other
 The limit of liability is \$200,000 Bodily Injury and/or Property Damage per person or \$300,000 Bodily Injury and/or Property Damage per occurrence. These specific limits of liability are increased to \$500,000 (combined single limit) per occurrence, solely for any liability resulting from entry of a claims bill pursuant to Section 768.28 (5) Florida Statutes or liability/settlement for which no claims bill has been filed or liability imposed pursuant to Federal Law or actions outside the State of Florida

Description of Operations/Locations/Vehicles/Special Items

Re: Neighborhood Stabilization Program

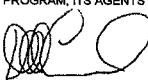
The certificate holder is hereby added as an additional insured, except for Workers' Compensation and Employers Liability, as respects the member's liability for the above described item.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE AGREEMENT ABOVE.

DESIGNATED MEMBER

WESTGATE/BELVEDERE HOMES COMMUNITY
 REDEVELOPMENT AGENCY
 1280 N CONGRESS AVENUE SUITE 215
 WEST PALM BEACH FL 33409

CANCELLATIONS
 SHOULD ANY PART OF THE ABOVE DESCRIBED AGREEMENT BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED ABOVE, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE PROGRAM, ITS AGENTS OR REPRESENTATIVES.



 AUTHORIZED REPRESENTATIVE



February 10, 2014

Mr. Joe Greco, Real Estate Contract Analyst
PBC Department of Economic Sustainability
100 Australian Ave Suite 500
West Palm Beach, Fl. 33406

RE: WCRA Auto Coverage

Dear Mr. Greco:

The Westgate/Belvedere Homes Community Redevelopment Agency (WCRA) does not own any automobile and therefore does not have any "owned auto" insurance coverage.

If you have additional questions, please do not hesitate to contact me (561) 640-8181, ext. 105, or tshutt@pbcgov.org.

Sincerely,

Thuy ("Twee") Shutt, AIA, CRA
Assistant Director
Westgate/Belvedere Homes CRA

cc: WCRA Board of Commissioners
Edward Lowery, Director of DES
file



CERTIFICATE OF LIABILITY INSURANCE

NEIGH-2 OP ID: DH

DATE (MM/DD/YYYY)
02/28/14

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

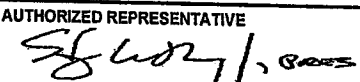
PRODUCER Massey, Clark, Fischer, Inc. 400 Executive Ctr Dr, Ste 205 West Palm Beach, FL 33401 House Accounts		Phone: 561-478-1660 Fax: 561-478-6876	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: FAX (A/C, No):
INSURED Neighborhood Renaissance, Inc. Ms. Terri Murray 510 24th St., Suite A West Palm Beach, FL 33407		INSURER(S) AFFORDING COVERAGE INSURER A: TRAVELERS INSURER B: Century Surety Company INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	X	CCP764385	04/21/13	04/21/14	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ INCLUDED
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	X	CCP764385	04/21/13	04/21/14	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	IHUB6631M988	09/21/13	09/21/14	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 100,000 E.L. DISEASE - EA EMPLOYEE \$ 100,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Palm Beach County Board of County Commissioners, a Political Subdivision of the State of Florida, its Officers, Employees and Agents, c/o Department of Housing and Community Development are added as additional insured on a primary basis. 30 days notice of cancellation applies except 10 days required for nonpayment of premium.

CERTIFICATE HOLDER Palm Beach County Board of County Commissioners 100 Australian Ave., #500 West Palm Beach, FL 33406	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	--



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/17/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

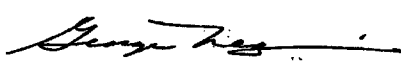
PRODUCER NSI Insurance Group 8181 Northwest 154th Suite 230 Miami Lakes FL 33016	CONTACT NAME: Josette Toussaint PHONE (A/C, No, Ext): (305) 556-1488 FAX (A/C, No): (305) 556-3680 E-MAIL ADDRESS: josettet@nsigroup.org	
	INSURER(S) AFFORDING COVERAGE	
INSURED Neighborhood Renaissance Inc. 510 24th St. Ste A West Palm Beach FL 33407	INSURER A: Century Surety Ins Co NAIC # 36951	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES	CERTIFICATE NUMBER: 14-15 GL 4/21	REVISION NUMBER:
------------------	--	-------------------------

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS			
A	GENERAL LIABILITY			CCP816179	4/21/2014	4/21/2015	EACH OCCURRENCE \$ 1,000,000			
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000			
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000			
	GEN'L AGGREGATE LIMIT APPLIES PER:									PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJ <input type="checkbox"/> LOC									GENERAL AGGREGATE \$ 2,000,000
										PRODUCTS - COMP/OP AGG \$ Included
A	AUTOMOBILE LIABILITY			CCP816179	4/21/2014	4/21/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000			
	<input type="checkbox"/> ANY AUTO ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				BODILY INJURY (Per person) \$			
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				BODILY INJURY (Per accident) \$			
							PROPERTY DAMAGE (Per accident) \$			
	UMBRELLA LIAB						EACH OCCURRENCE \$			
	EXCESS LIAB						AGGREGATE \$			
	DED		RETENTION \$				\$			
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS			
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			E.L. EACH ACCIDENT \$			
							E.L. DISEASE - EA EMPLOYEE \$			
							E.L. DISEASE - POLICY LIMIT \$			

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 30 days notice of cancellation except 10 days for nonpayment of premium

CERTIFICATE HOLDER Palm Beach County Board of County Commiss Department of Economic Sustainability 100 South Australian Avenue Suite 500 West Palm Beach, FL 33406	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE G Nenezian/JOSETT 
--	---



June 17, 2014

Joe Greco
Real Estate Contract Analyst
Department of Economic Sustainability
Palm Beach County Board of County Commissioners
100 South Australian Avenue, Suite 500
West Palm Beach, FL 33406

Dear Joe,

This letter confirms that Neighborhood Renaissance, Inc. does not own any automobiles. If this status changes we will notify you.

Sincerely,


Terri Murray
Executive Director

Riviera Beach Community
Development Corporation

December 13, 2013

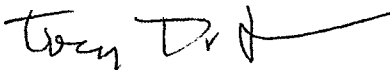
Department of Economic Sustainability
Attention: Betsey Barr, Technical Services Manager
100 Australian Avenue, Suite 500
West Palm Beach, Florida 33406.

Re: Riviera Beach CDC/ Parkview Manor Infill Project

Dear Ms. Barr:

RBCDC does not have any employees and therefore is not required to maintain worker's comp coverage. Additionally, the RBCDC does not lease employees.

Sincerely,



Elizabeth P. Robinson, Chairperson

Cc: Board of Directors

Riviera Beach Community
Development Corporation

December 13, 2013

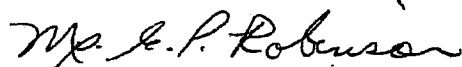
Department of Economic Sustainability
Attention: Betsey Barr, Technical Services Manager
100 Australian Avenue, Suite 500
West Palm Beach, Florida 33406.

Re: Riviera Beach CDC/ Parkview Manor Infill Project

Dear Ms. Barr:

RBCDC does not own any vehicles. In the absence of any owned vehicles, we have provided proof of coverage for hired and non-owned autos.

Sincerely,



Elizabeth P. Robinson, Chairperson

Cc: Board of Directors



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/12/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER NSI Insurance Group 8181 Northwest 154th Suite 230 Miami Lakes FL 33016		CONTACT NAME: Josette Toussaint PHONE (A/C. No. Ext): (305) 556-1488 FAX (A/C. No): (305) 556-3680 E-MAIL ADDRESS: josettet@nsigroup.org																						
INSURED Riviera Beach Community Development Corp, Inc 2001 Broadway #300 Riviera Beach FL 33404		<table border="1"> <tr> <td colspan="2">INSURER(S) AFFORDING COVERAGE</td> <td>NAIC #</td> </tr> <tr> <td>INSURER A</td> <td>Maxum Indemnity Co</td> <td>26743</td> </tr> <tr> <td>INSURER B:</td> <td colspan="2"></td> </tr> <tr> <td>INSURER C:</td> <td colspan="2"></td> </tr> <tr> <td>INSURER D:</td> <td colspan="2"></td> </tr> <tr> <td>INSURER E:</td> <td colspan="2"></td> </tr> <tr> <td>INSURER F:</td> <td colspan="2"></td> </tr> </table>		INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A	Maxum Indemnity Co	26743	INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:		
INSURER(S) AFFORDING COVERAGE		NAIC #																						
INSURER A	Maxum Indemnity Co	26743																						
INSURER B:																								
INSURER C:																								
INSURER D:																								
INSURER E:																								
INSURER F:																								

COVERAGES **CERTIFICATE NUMBER:** 13-14 GLL **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			BDG300429501	11/7/2013	11/7/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 1,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS			BDG300429501	11/7/2013	11/7/2014	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Liability Limit \$ 1,000,000
	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						
	UMBRELLA LIAB EXCESS LIAB						EACH OCCURRENCE \$ AGGREGATE \$ DED RETENTION \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATUTORY LIMITS \$ OTHER \$ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Palm Beach County Board of Commissioners, a Political Subdivision of the State of Florida, its Employees and Agents, c/o Department of Economic Sustainability are added as Additional Insured with respect to General Liability.

30 days notice of cancellation except 10 days for nonpayment of premium

CERTIFICATE HOLDER	CANCELLATION
Palm Beach County Board of County Commiss a Political Subdivision of the State of F its Officers, Employees and Agents, c/o D of Economic Sustainability 100 Australian Avenue, Suite 50 West Palm Beach, FL 33406	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE
	G Nenezian/JOSETT