



**II. FISCAL IMPACT ANALYSIS**

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

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures					
Operating Costs	\$192,852				
External Revenues					
Program Income (County)	(\$192,852)				
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>	<b>-0-</b>				

# ADDITIONAL FTE POSITIONS (Cumulative)	-0-				
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Is Item Included In Current Budget? Yes \_\_\_\_\_ No X

Budget Account No.:

Fund 3534 Dept 143 Unit 1456 Object 8201 Program Code/Period N/A : \$186,916

Fund 3815 Dept 143 Unit 1456 Object 8201 Program Code/Period N/A : \$5,936

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


Approval of this agenda item will allocate \$192,852 to La Joya Villages, Ltd. for the LJV project under the Impact Fee Affordable Housing Assistance Program.

**C. Departmental Fiscal Review:**

  
 \_\_\_\_\_  
 Shairette Major, Fiscal Manager II

**III. REVIEW COMMENTS**

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

  
 \_\_\_\_\_  
 OFMB *ad 8/11 MJSC JP 8/17*

  
 \_\_\_\_\_  
 Contract Development and Control  
*BWheeler 8-16-15*

**B. Legal Sufficiency:**

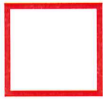
  
 \_\_\_\_\_  
 Assistant County Attorney

**C. Other Department Review:**

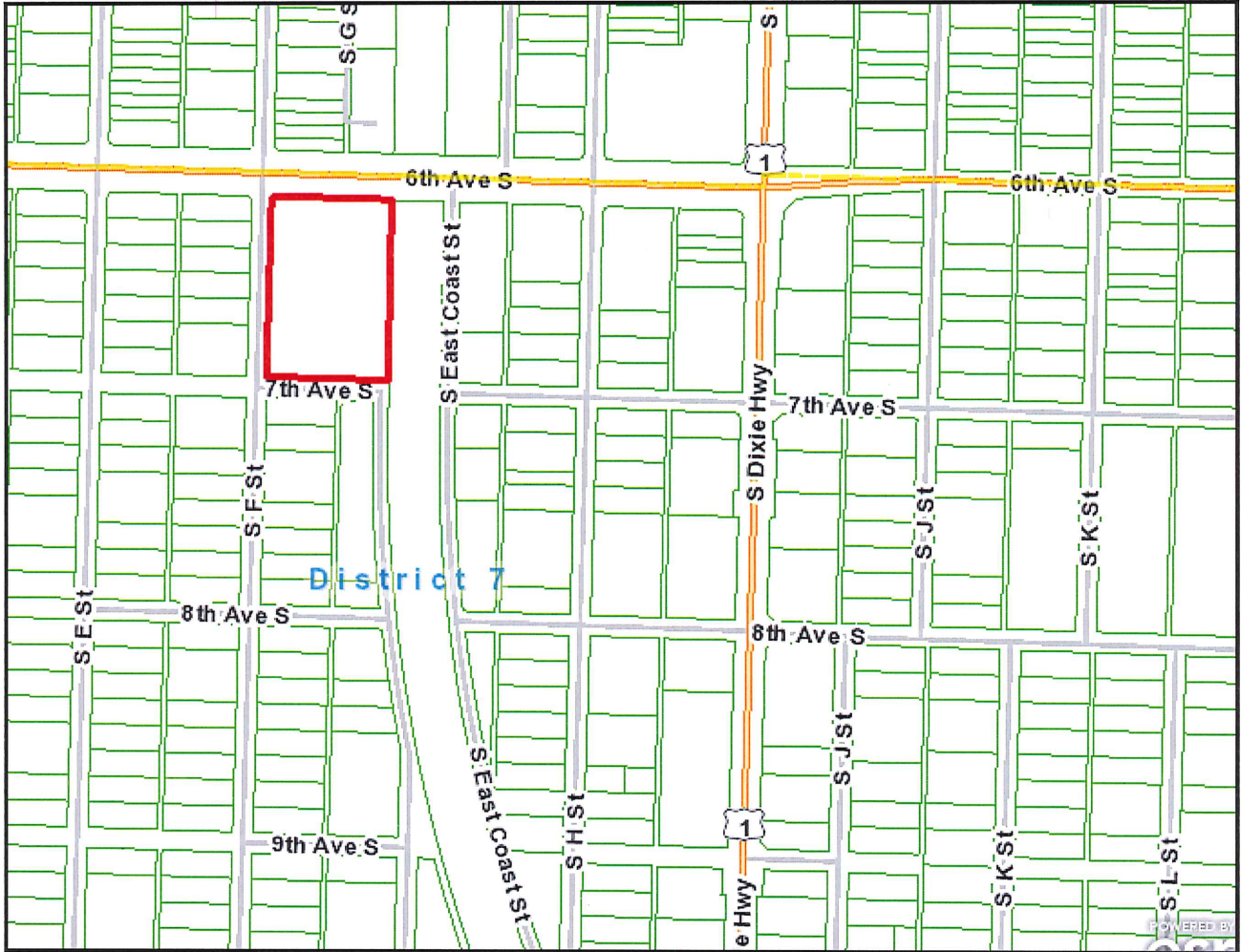
\_\_\_\_\_  
Department Director



LOCATION MAP



1105 6th Avenue South, Lake Worth



**PALM BEACH COUNTY**  
**IMPACT FEE AFFORDABLE HOUSING ASSISTANCE PROGRAM**  
**CERTIFICATE OF AWARD**

This Certificate is awarded on August 18, 2015, by **PALM BEACH COUNTY**, a political subdivision of the State of Florida (the "County") to **LA JOYA VILLAGES, LTD.**, a Florida limited partnership, whose Federal I.D. number is 30-0760309 (the "Developer").

The Developer may present this Certificate to the Palm Beach County Impact Fee Coordinator under the Impact Fee Affordable Housing Assistance Program (the "IFAHAP") to receive a reimbursement of \$5,935.14 in Zone 1 Public Buildings Impact Fees, and a reimbursement of \$186,915.71 in Zone 4 Road Impact Fees paid by the Developer in connection with the construction of fifty-five (55) affordable rental housing units in a housing development to be known as La Joya Villages.

In exchange for the acceptance of this Certificate and the receipt of the aforementioned reimbursements of impact fees from the County, the Developer expressly agrees to comply with, and to perform, all of the terms contained in the below enumerated Conditions of Issuance.

Furthermore, in exchange for the receipt of the aforementioned reimbursements of impact fees from the County, the Developer also agrees to execute and deliver to the County a Declaration of Restrictions, as attached hereto, and to comply with the terms contained therein.

This Certificate, if not used for the purposes set forth herein, shall expire one (1) year from the date hereof, that is, on August 18, 2016.

(COUNTY SEAL BELOW)

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

ATTEST: Sharon R. Bock,  
Clerk & Comptroller

By: \_\_\_\_\_  
Shelley Vana, Mayor

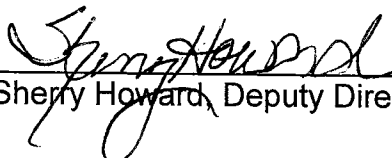
By: \_\_\_\_\_  
Deputy Clerk

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

Approved as to Form and  
Legal Sufficiency

Approved as to Terms and Conditions  
Department of Economic Sustainability

By: \_\_\_\_\_  
James Brako  
Assistant County Attorney

By:  \_\_\_\_\_  
Sherry Howard, Deputy Director

## CONDITIONS OF ISSUANCE

1. Organization Status: Developer is a Florida limited partnership duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein.

2. Housing To Be Constructed: . At the time of issuance of this Certificate to the Developer, the Developer has acquired title to that certain real property (the "Premises") located in Palm Beach County, Florida, as more particularly described in Exhibit A, attached hereto and made a part hereof, and has provided the County evidence, satisfactory to the County, that it possesses marketable title to the Premises. Developer shall construct no less than fifty-five (55) rental housing units on the Premises, together with ancillary improvements, all of which shall be known as La Joya Villages. All aforesaid rental housing units shall be "Affordable Rental Housing Units" affected by these Conditions of Issuance and the Declaration of Restrictions referenced herein. Each of the aforesaid Affordable Rental Housing Units shall be the unit tenant's home under the limits of a signed lease document. None of the Affordable Rental Housing Units may be used for transitional housing, for emergency shelters, or for other non-permanent housing.

3. Building Permits and Impact Fees: Developer has obtained all building permits for the construction of all Affordable Rental Housing Units at La Joya Villages from the building department with jurisdiction over the Premises and has, in conjunction with obtaining said building permits, paid the County \$5,935.14 in Zone 1 Public Buildings Impact Fees, and \$186,915.71 in Zone 4 Road Impact Fees. The Developer is eligible to receive reimbursement of said impact fees under IFAHAP.

4. Declaration of Restrictions: In exchange for the receipt of this Certificate the Developer shall deliver to the County a fully executed Declaration of Restrictions, attached hereto as Exhibit A, and shall comply with the terms contained therein.

5. Certificates of Occupancy: Developer shall obtain certificates of occupancy from the building department with jurisdiction over the Premises for all Affordable Rental Housing Units at La Joya Villages within four (4) years after the date of this Certificate, that is, no later than August 18, 2019.

6. Affordability of Rental Housing Units: Developer shall, for a period of fifteen (15) years from the date of issuance of the last certificate of occupancy for the Affordable Rental Housing Units at La Joya Villages, lease each of the aforesaid fifty-five (55) Affordable Rental Housing Units to a household whose gross income, adjusted for family size, is no more than one hundred and twenty percent (120%) of Area Median Income (hereinafter "AMI") at the time the unit is first occupied, and thereafter, at any time a new tenant occupies the unit. AMI shall mean the most recent area median income published by the U. S. Department of Housing and Urban Development (hereinafter "HUD") for the West Palm Beach-Boca Raton Metropolitan Statistical Area.

Developer shall, for the aforesaid fifteen (15) year period, lease each of the aforesaid Affordable Rental Housing Units at an Affordable Rental Rate which shall not exceed the lesser of the HUD Fair Market Monthly Rents or a rental rate which does not exceed thirty percent (30%) of the adjusted gross income of a prospective tenant household (adjusted for family size) whose income does not exceed 120% of AMI.

The above rental rate requirement shall apply to all initial leases with tenants, as well as all subsequent leases and lease renewals.

The affordability requirements set forth in this Section 6 and in the Declaration of Restrictions shall automatically terminate in the event of involuntary noncompliance caused by condemnation, foreclosure or transfer of title in lieu of foreclosure to a Senior Lender (as defined in the Declaration of Restrictions), or other similar event.

7. Records to be Maintained by Developer: Developer shall, for each tenant that is leased any of the Affordable Rental Housing Units at La Joya Villages, maintain a file that, at a minimum, contains the following:

- An application-for-lease, signed and dated by the applicant(s), identifying the household members that intend to occupy the unit, their household characteristics, and the household income they have disclosed.
- Documentation evidencing the Developer's verification of the applicant's household income and a computation sheet demonstrating the Developer'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).
- A copy of the AMI showing the HUD income levels in effect at the time the initial lease is signed.
- A computation sheet demonstrating that in every initial lease, every subsequent lease, and every lease renewal, the rent is at an Affordable Rental Rate as defined herein.
- An original of each executed lease with the applicant/tenant identifying the apartment number and the rental rate. Developer shall utilize leases which require parents to be held legally and financially liable for the acts of their children in the apartment complex and which allow management to terminate the lease of any household where a household member is engaged in illegal or criminal activity or where a household member is engaged in anti-social behavior which denies the project's residents or area residents the quiet and peaceful enjoyment of their homes or businesses.
- A copy of background check(s). Developer shall conduct background checks on all adult members of tenant households prior to occupancy.
- Any other documentation evidencing the Developer's compliance with these Conditions of Issuance.

8. Right to Audit and Access to Records: Developer shall maintain ongoing records related to each tenant at La Joya Villages, and shall maintain all tenant records for at least five (5) years after the end of each tenancy. The County shall have the option, but not the obligation, to verify the Developer's compliance with these Conditions of Issuance. The County may, at its sole discretion, inspect or audit all tenant records, and the Developer shall provide the County access to such books, records, and documents as required in this Section for the purpose of inspection or audit during normal business hours at the Developer's place of business upon prior notice from the County.

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

9. Certification and Reporting Requirements: Developer shall certify compliance with these Conditions of Issuance by providing an Annual Report with a certified statement, certified to the County, listing all Affordable Rental Housing Units at La Joya Villages by unit number with the number of bedrooms in each unit. Developer shall include the lease date, the tenant's annual household income, the number of unit occupants, and the monthly rent amount for each Affordable Rental Housing Unit. Developer shall submit the certified Annual Report within thirty (30) days of the end of each calendar

year for the duration of the fifteen (15) year affordability period described above in Section 6.

Developer shall submit the Annual Report to:

Department of Economic Sustainability  
100 Australian Avenue, Suite 500  
West Palm Beach, FL 33406

Developer shall concurrently provide a copy to the Senior Lenders (as defined in the Declaration of Restrictions).

10. Non-Discrimination: The Developer warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, gender identity and expression, or genetic information.

The Developer has submitted to County a copy of its non-discrimination policy which is consistent with the above paragraph, as contained in Resolution R2014-1421, as amended, or in the alternative, if the Developer does not have a written non-discrimination policy or one that conforms to the County's policy, it has acknowledged through a signed statement provided to County that the Developer will conform to the County's non-discrimination policy as provided in Resolution R2014-1421, as amended.

Furthermore, Developer shall not discriminate on the basis of race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, gender identity or expression, or genetic information, in the use, or occupancy of any housing unit constructed on the Premises, nor shall any person on the basis of race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, gender identity or expression, or genetic information, be excluded from the benefits of, or be subjected to discrimination under any activity carried out by the performance of the terms contained herein.

11. Exclusion of Third Party Beneficiaries: No provision herein is intended to, or shall be construed to, create any third party beneficiary or to provide any rights to any person or entity not a party named herein, including but not limited to any citizen or employees of the County and/or the Developer.

12. Advertising: During the period of the construction of La Joya Villages, the County shall have the right to install and maintain on the Premises one or more signs identifying the County, or to be identified on such signs installed by others, as one of the entities participating in the development of the project. Sign or signs will be provided by the County and erected at Developer's expense.

13. Governing Law: The laws of the State of Florida shall govern the interpretation and enforcement of the terms contained herein and the venue shall be in Palm Beach County.

**EXHIBIT A**

**Return to:**

Palm Beach County  
Department of Economic Sustainability  
100 Australian Avenue, Suite 500  
West Palm Beach, Florida 33406  
Prepared by: James Brako,  
Assistant County Attorney

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**DECLARATION OF RESTRICTIONS**

The undersigned, La Joya Villages, Ltd., a Florida limited partnership, having its principal office at 1101 S. Capital of Texas Highway, Suite F200, Austin, TX 78746, (hereinafter referred to as "Declarant", which term as used in every instance herein shall include Declarant's successors and assigns), for the property described below, in consideration for the receipt of a Certificate of Award (the "Certificate"), dated August 18, 2015, under Palm Beach County's Impact Fee Affordable Housing Assistance Program and the receipt of reimbursements of impact fees valued at One Hundred and Ninety-two Thousand Eight Hundred Fifty and 85/100 Dollars (\$192,850.85) provided by Palm Beach County, a political subdivision of the State of Florida (the "County"), does hereby grant to the County the following restrictions against the subject property, hereinafter referred to as the Property, which is more fully described in Attachment 1 annexed hereto.

1. The restrictions contained in this Declaration of Restrictions (the "Declaration") shall be deemed a covenant running with the land and are binding upon the undersigned, their heirs, executors, successors, and assigns. These restrictions can only be terminated or released by the Palm Beach County Board of County Commissioners, and/or those persons to whom such authority is formally delegated, and executed with the same formalities as this document, provided however, that these restrictions shall terminate automatically and be deemed released without any further formalities in the event of an Involuntary Transfer (as defined herein).

The restrictions and requirements of this Declaration shall automatically terminate in the event of involuntary noncompliance caused by condemnation, foreclosure or transfer of title by deed in lieu of foreclosure to a Senior Lender (as defined herein), or other similar event (each such event, an "Involuntary Transfer").

2. In consideration for the receipt of the Certificate and the receipt of \$192,850.85 in reimbursements of impact fees paid by the Declarant, the Declarant hereby covenants and agrees as follows:

- (a) To construct no less than fifty-five (55) rental housing units on the Property, together with ancillary improvements, all of which shall be known as La Joya Villages. All aforesaid rental housing units shall be "Affordable Rental Housing Units" affected by the restrictions and conditions of this Declaration, and by those contained in the Certificate referenced herein. Each of the aforesaid Affordable Rental Housing Units shall be the unit tenant's home under the limits of a signed lease document. None of the Affordable Rental Housing Units may be used for transitional housing, for emergency shelters, or for other non-permanent housing.
- (b) To obtain all building permits for the construction of all Affordable Rental Housing Units at La Joya Villages from the building department with jurisdiction over the Property. The Declarant represents that the Declarant has obtained said building permits.
- (c) To obtain certificates of occupancy from the building department with jurisdiction over the Property for all Affordable Rental Housing Units at La Joya Villages no later than August 18, 2019.
- (d) To lease, for a period of fifteen (15) years from the date of issuance of the last certificate of occupancy for the Affordable Rental Housing Units at La Joya Villages (the "Compliance Period"), all fifty-five (55) Affordable Rental



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

- (e) To lease, for the aforesaid fifteen (15) year Compliance Period, each of the herein described Affordable Rental Housing Units at an Affordable Rental Rate which shall not exceed the lesser of the HUD Fair Market Monthly Rents or a rental rate which does not exceed thirty percent (30%) of the adjusted gross income of a prospective tenant household (adjusted for family size) whose income does not exceed 120% of AMI.
- (f) Not to discriminate on the basis of race, color, religion, disability, sex, age, national origin, ancestry, marital status, familial status, sexual orientation, gender identity and expression, or genetic information in the use, or occupancy of any housing unit constructed on the Property.

3. Should Declarant change the use or planned use, or discontinue use, of the Property (including the beneficiaries of such use) from affordable rental housing, or should the Declarant sell, convey or transfer title to the Property prior to the end of the Compliance Period, except in the event of an Involuntary Transfer, then the Declarant shall pay the County an amount equal to the entire reimbursement amount described herein as provided by the County to the Declarant.

In the event of any proposed sale, conveyance or transfer of the Property prior to the end of the Compliance Period, except in the event of an Involuntary Transfer, the Declarant must obtain approval of the County. Any approved sale or conveyance of the Property by the Declarant will be contingent upon the receipt of the payment by the County in accordance with the above provisions, or the receipt of a commitment, executed by a subsequent owner acceptable to the County, confirming its acceptance of the restrictions and conditions provided herein for the duration of this Declaration.

Notwithstanding the foregoing, except in the event of an Involuntary Transfer, the restrictions set forth herein shall run with the land whether or not such commitment is obtained from a subsequent owner.

4. Declarant has obtained financing to acquire the Property and to construct La Joya Villages which financing has been secured or restricted to date by liens, encumbrances, and mortgages on the Property in favor of Housing Finance Authority of Palm Beach County, Florida, U.S. Bank National Association, Community & Southern Bank, Red Stone Servicer, LLC, Realtex Development Southeast, LLC, Lake Worth Community Redevelopment Agency and Housing Partnership, Inc. (hereinafter collectively referred to as the "Senior Lenders").

The lien created by this Declaration shall be senior to all other liens, encumbrances, and mortgages on the Property except the liens, encumbrances, and mortgages on the Property created to date in favor of the Senior Lenders, and except any other liens expressly recognized by the County in writing.

This Declaration and the terms and provisions hereof are junior and subordinate to the documents evidencing and securing the indebtedness of the Declarant to U.S. Bank National Association, as trustee and Community & Southern Bank, as further set forth in that certain Subordination Agreement dated on or about the date hereof among U.S. Bank National Association, as trustee, Community & Southern Bank, the County and the Declarant and recorded concurrently herewith.

5. The Declarant shall pay, or cause to be paid, all taxes due while the Property is in its possession, and the Declarant shall not voluntarily create, or permit or suffer to be created or to exist, on or against the Property, or any part of thereof, any lien superior to the lien of this Declaration except for the liens created to date in favor of the Senior Lenders, and except for any other liens expressly recognized by the County in writing.

The Declarant shall keep and maintain the Property free from the claims of all parties supplying labor or materials unto the same. The Declarant agrees to notify the County of any liens, judgments or pending foreclosure on the Property within five (5) working days of the receipt of said notice by Declarant.

6. The Declarant acknowledges and covenants that the Declarant's failure to perform any covenant, agreement, term, or condition contained herein, or in the Certificate referenced herein, shall constitute a default under this Declaration. In the event of default, before the County shall pursue any of its rights or remedies under this Declaration, the County shall first give the Declarant written notice of the default complained of which such notice shall be given to the Declarant at their address shown herein. The Declarant shall then have thirty (30) calendar days from the date such notice is given to cure or correct any such default to the County's satisfaction.

The County shall, concurrent with its provision of any notice to the Declarant as set forth immediately above, provide the Senior Lenders, as identified in Section 7 below, a thirty (30) calendar days notice before the County cures any default.

The County agrees that it will provide Declarant's limited partners with notice (at the address set forth below) of any default and will give Declarant's limited partners an opportunity (but the limited partners shall not be obligated) to cure or correct such default on the same terms as Declarant's rights to cure or correct such default.

If the Declarant fails, neglects, or refuses to perform any of the provisions, terms and conditions set forth herein, or in the Certificate, or fails to cure any breach of this Declaration or the Certificate within the period set forth above after the County provides notice to the Declarant as set forth above, the County may at any time thereafter, with or without notice or demand and without limiting any other right or remedy which the County may have hereunder or under the law by reason of such default or breach, elect to exercise any one of the following remedies:

- (a) Declare due from Declarant immediately upon demand an amount equal to the entire credit amount secured hereby.
- (b) Declare due from Declarant immediately upon demand a penalty of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00) per Affordable Rental Housing Unit per quarter where such default exists which penalty shall accrue from the date the default commenced. The Declarant shall pay said amount within ten (10) calendar days after the thirty (30) calendar day cure period specified above, and then on the first day of each quarter thereafter.

If the Declarant shall fail to pay any of the above amounts, the County shall have the right to file in a court of competent jurisdiction an action for collection of due and unpaid amounts and penalties which the Declarant is obligated to pay hereunder.

Notwithstanding the foregoing, and at the sole discretion of the County, upon providing notice to the Declarant of its determination that the Declarant is in default of the terms of this Declaration, and upon the Declarant's failure to cure the default to the County's satisfaction, the County may, from time to time, cure each default under any covenant so curable in this Declaration, or in any instrument creating a lien upon the Property, or any part thereof, to such extent that the County determines, and each amount paid, if any, by the County to cure any such default shall be paid by the Declarant to the County in addition to the legal rate of interest from the time of expenditure and shall constitute a lien against the property.

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

remedies upon breach of any of the covenants, terms or conditions of this Declaration shall not bar or breach any of the County's rights or remedies on any subsequent default. The County shall provide the Senior Lenders, as identified in Section 7 below, a thirty (30) calendar days notice before the County exercises any remedy under this provision.

7. All notices from the Declarant to the County and the County to the Declarant, and as otherwise required or permitted by any provision of this Declaration shall be in writing and sent by registered or certified mail and addressed as follows:

To County:

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

To Declarant:

La Joya Villages, Ltd.  
1101 S. Capital of Texas Highway, Suite F200  
Austin, TX 78746

With a copy to Declarant's limited partners:

CREA La Joya Villages, LLC  
CREA SLP, LLC  
30 South Meridian Street, Suite 400  
Indianapolis, IN 46204  
Attention: Director of Asset Management

To Housing Finance Authority of Palm Beach County, Florida:

Housing Finance Authority of Palm Beach County  
100 Australian Ave, Suite 410  
West Palm Beach, FL 33406  
Attention: David Brandt, Executive Director

To U.S. Bank National Association:

U.S. Bank National Association  
550 W. Cypress Creek Road, Suite 380  
Ft. Lauderdale, FL 33309  
Attention: Amanda Bhim

To Community & Southern Bank:

Community & Southern Bank  
3333 Riverwood Parkway, Suite 350  
Atlanta, GA 30339  
Attention: Kells Carroll

To Red Stone Servicer, LLC:

666 Old Country Road  
Garden City, NY 11530  
Attention: Kiki Mastorakis

To Realtex Development Southeast, LLC:

1101 S. Capital of Texas Hwy  
Building F, Suite 200  
Austin, TX 78746

To Lake Worth Community Redevelopment Agency:

Lake Worth Community Redevelopment Agency  
29 South J Street, Suite 1  
Lake Worth, FL 33460  
Attention: Joan C. Oliva, Executive Director

To Housing Partnership, Inc.:  
Housing Partnership, Inc.  
2001 Blue Heron Boulevard  
Riviera Beach, FL 30404  
Attention: Patrick McNamara, President and CEO

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

8. The Declarant shall maintain its records as provided for in the Certificate and submit to the County an Annual Report, as described in the Certificate, detailing the Declarant's compliance with the terms of the Certificate and this Declaration.

9. Upon its execution the Declarant shall deliver this Declaration to the Director of the Department of Economic Sustainability, at 100 Australian Avenue, Suite 500, West Palm Beach, Florida 33406, who shall in turn record it in the Public Records of Palm Beach County, Florida.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Signed, sealed and delivered  
in the presence of:

Witnesses:

**LA JOYA VILLAGES, LTD.**  
a Florida limited partnership

Name: \_\_\_\_\_

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

Signature:

\_\_\_\_\_

By: \_\_\_\_\_  
Rick J. Deyoe, Manager Member

Name: \_\_\_\_\_

Signature:

\_\_\_\_\_

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Rick J. Deyoe as \_\_\_\_\_, who is personally known to me, or who has produced \_\_\_\_\_ as identification and who did/did not take an oath.

Signature: \_\_\_\_\_

(NOTARY SEAL ABOVE)

Notary Name: \_\_\_\_\_  
Notary Public - State of \_\_\_\_\_



**ATTACHMENT 1**

**LEGAL DESCRIPTION OF THE PROPERTY**

Lots 1, 2, 3, 4, 5, 10, 11 and 12, Block 201, The Palm Beach Farms Co. Plat No. 2, Townsite of Lucerne, now known as Lake Worth, according to the plat thereof, recorded in Plat Book 2, Page 29, of the Public Records of Palm Beach County, Florida.

AND

Lots 6 and Lot 7, Block 201, LESS all that portion of Lot 7, lying external of the Northwest Quadrant of a circle having a radius of 12 feet and being tangent to the West and the North line of said Lot 7; and including Lot 9, Block 201, LESS the North 50 feet thereof, The Palm Beach Farms Co. Plat No. 2, Townsite of Lucerne, now known as Lake Worth, according to the plat thereof, recorded in Plat Book 2, Page 29, of the Public Records of Palm Beach County, Florida.

TOGETHER WITH

All that portion of that certain 10 foot wide alley lying between Lots 1 through 8, Block 201, and Lots 9 through 12, Block 201, The Palm Beach Farms Co. Plat No.2, Townsite of Lucerne, now known as Lake Worth, according to the Plat thereof, recorded in Plat Book 2, Page 29, of the Public Records of Palm Beach County, Florida, lying South of the South Right-of-Way line of 6th Avenue South, as recorded in Road Book 4, Pages 41 through 47, of the Public Records of Palm Beach County, Florida.

Said lands situate in Town of Lake Worth, Palm Beach County, Florida.

**Property Control Number: 38-43-44-21-15-201-0010**

This instrument prepared by and  
after recording return to:

Greenberg Traurig, LLP  
2700 Two Commerce Square  
2001 Market Street  
Philadelphia, Pennsylvania 19103  
Attention: Jelena Vojinovic

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**SUBORDINATION AGREEMENT**

**Among**

**U.S. BANK NATIONAL ASSOCIATION, as trustee,**

**COMMUNITY & SOUTHERN BANK,**

**PALM BEACH COUNTY,**

**and**

**LA JOYA VILLAGES, LTD.**

**Dated as of August 18, 2015**

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## SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT dated as of August 18, 2015 (as amended, modified, supplemented or assigned from time to time, this "**Agreement**") by and among U.S. BANK NATIONAL ASSOCIATION, a national banking association, duly organized and validly existing under the laws of the United States of America, as trustee (together with its permitted successors and assigns, "**Trustee**"), COMMUNITY & SOUTHERN BANK, a banking corporation, duly organized and validly existing under the laws of the State of Georgia, as the issuer of the Letter of Credit (as defined below) (together with its permitted successors and assigns, "**Bank**") (Trustee and Bank hereinafter collectively referred to as the "**Senior Lender**"), PALM BEACH COUNTY, a political subdivision of the State of Florida (together with its permitted successors and assigns, "**County**" or "**Subordinate Lender**"), and LA JOYA VILLAGES, LTD., a limited partnership duly organized and validly existing under the laws of the State of Florida (together with its permitted successors and assigns, the "**Borrower**"),

### WITNESSETH:

WHEREAS, the Borrower is the owner of certain property located in Lake Worth, Florida, more particularly described on Exhibit A attached hereto, on which the Borrower is constructing certain improvements consisting of a 55-unit multifamily apartment facility, together with related amenities (such property and the improvements described above are collectively referred to herein as the "**Property**");

WHEREAS, the Property was acquired and is being constructed, in part, with the proceeds of those certain Multifamily Housing Revenue Bonds (La Joya Villages Apartments), Series 2013 in the original aggregate principal amount of \$5,200,000 (the "**Bonds**"), the proceeds of which were loaned to the Borrower pursuant to the terms of a Loan Agreement dated as of November 1, 2013 among Housing Finance Authority of Palm Beach County, Florida (the "**Issuer**") and the Borrower (as amended, modified or supplemented from time to time, the "**Loan Agreement**");

WHEREAS, the Borrower's obligations under the Loan Agreement are evidenced by a non-recourse promissory note dated November 13, 2013 (as amended, modified or supplemented from time to time, the "**Note**"), and are secured by, among other things, a first-priority mortgage lien on the Property granted pursuant to a First Mortgage, Assignment of Rents, Security Agreement and Fixture Filing from the Borrower to the Issuer, dated as of November 1, 2013 and recorded in O.R Book 26445, Page 1833, Public Records of Palm Beach County, Florida, as assigned by the Issuer to the Trustee pursuant to an Assignment of Mortgage Documents, dated as of November 1, 2013 and recorded in O.R Book 26445, Page 1861, Public Records of Palm Beach County, Florida (collectively, and as amended, modified or supplemented from time to time, the "**First Mortgage**"), an Assignment of Leases, Rents and Other Income dated as of November 1, 2013 and recorded in O.R Book 26445, Page 1868, Public Records of Palm Beach County, Florida (as amended, modified or supplemented from time to time, the "**First Assignment**"), and a UCC-1 Financing Statement relating to the First Mortgage and recorded in O.R Book 26445, Page 1878, Public Records of Palm Beach County, Florida (as amended, modified or supplemented from time to time, the "**First Mortgage UCC**" and, collectively with the First Mortgage and the First Assignment, the "**First Mortgage Documents**"), which, together with the Loan Agreement, the Note and all other agreements contemplated therein or evidencing or securing the Borrower's obligations under the Loan Agreement are hereinafter collectively referred to as the "**Bond Documents**");

WHEREAS, the Borrower's obligation to complete construction of the Property is supported by a standby letter of credit (the "**Letter of Credit**") issued by Bank in favor of Trustee for the account of the Borrower, pursuant to a Letter of Credit and Reimbursement Agreement dated as of November 1, 2013 (as amended, modified or supplemented from time to time, the "**Reimbursement Agreement**") by and between the Borrower and Bank;

(as amended, modified or supplemented from time to time, the "**Reimbursement Agreement**") by and between the Borrower and Bank;

WHEREAS, in connection with the issuance of the Bonds and the delivery of the Letter of Credit, the Borrower and the Issuer, together with certain other parties thereto, entered into a Land Use Restriction Agreement dated as of November 1, 2013 and recorded in O.R Book 26445, Page 1788, Public Records of Palm Beach County, Florida (as amended, modified or supplemented from time to time, the "**LURA**") and an Intercreditor Agreement dated as of November 1, 2013 and recorded in O.R Book 26445, Page 1884, Public Records of Palm Beach County, Florida (as amended, modified or supplemented from time to time, the "**Intercreditor Agreement**");

WHEREAS, the Borrower's obligations to Bank under the Reimbursement Agreement are secured by a Second Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of November 1, 2013 and recorded in O.R Book 26445, Page 1909, Public Records of Palm Beach County, Florida (as amended, modified or supplemented from time to time, the "**Second Mortgage**") and a UCC-1 Financing Statement relating to the Second Mortgage and recorded in O.R Book 26445, Page 1934, Public Records of Palm Beach County, Florida (as amended, modified or supplemented from time to time, the "**Second Mortgage UCC**" and, together with the Second Mortgage, the "**Second Mortgage Documents**" and collectively with the First Mortgage Documents, the LURA, and the Intercreditor Agreement, the "**Senior Mortgage Documents**") (the Reimbursement Agreement, the Second Mortgage and all other agreements contemplated therein or evidencing or securing the Borrower's obligations under the Reimbursement Agreement are hereinafter collectively referred to as the "**Reimbursement Documents**"; the Reimbursement Documents and the Bond Documents are collectively referred to as the "**Senior Loan Documents**" and the indebtedness evidenced and secured by the Reimbursement Documents and the Bond Documents is hereinafter collectively referred to as the "**Senior Indebtedness**");

WHEREAS, County has awarded an Impact Fee Affordable Housing Assistance Program Housing Certificate of Award to Borrower on or about the date hereof (as amended, modified or supplemented from time to time, the "**Award Certificate**") and Borrower has executed a Declaration of Restrictions in connection therewith to be recorded in the Public Records of Palm Beach County, Florida (as amended, modified or supplemented from time to time, the "**Declaration**," and, collectively with the Award Certificate and all other agreements contemplated therein or evidencing or securing the Borrower's obligations thereunder, the "**Subordinate Loan Documents**"; the indebtedness evidenced by the Subordinate Loan Documents is hereinafter referred to as the "**Subordinate Indebtedness**");

WHEREAS, Senior Lender requires that the Senior Mortgage Documents be and remain liens or charges upon the Property prior and superior to the lien or charge of the Declaration, and that the Subordinate Indebtedness be subordinated in right of payment to the Senior Indebtedness;

WHEREAS, as a precondition to Senior Lender's approving the impact fee award from County to Borrower, and the related lien upon the Property, Senior Lender requires that County enter into this Subordination Agreement, in order to subordinate the Subordinate Indebtedness to the Senior Indebtedness; and

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood, and agreed as follows:

1. Subordination of Declaration. Subordinate Lender declares, agrees and acknowledges that the Senior Mortgage Documents, and any renewals or extensions thereof, and any modifications



thereof or substitutions therefor which do not increase the principal balance secured thereby (except increases by reason of protective advances or payment of Senior Lender's costs) and all advances made pursuant to the Senior Mortgage Documents, all costs and expenses secured thereby and interest on the foregoing shall unconditionally be and remain at all times liens or charges on the Property prior and superior to the lien or charge of the Declaration.

2. Subordination of Subordinate Indebtedness; Remitting Subordinate Loan Payments to Senior Lender; Reinstatement.

(a) The Subordinate Indebtedness is hereby subordinated in right of payment to any and all of the Senior Indebtedness.

(b) If Subordinate Lender shall receive any payments or other rights in any property of the Borrower after any Senior Lender has given Subordinate Lender notice of a default under the Senior Loan Documents, such payment or property shall be received by Subordinate Lender in trust for Senior Lender and shall immediately be delivered and transferred to Senior Lender.

(c) If at any time payment of all or any part of the Senior Indebtedness is rescinded or must otherwise be restored or returned by Senior Lender in connection with any bankruptcy, reorganization, arrangement, insolvency, liquidation or similar proceedings (a "Proceeding") in respect of Borrower or its general partner, and Subordinate Lender has received payment of all or any part of the Subordinate Indebtedness, Subordinate Lender shall forthwith turn over the same to, and for the account of, Senior Lender, until Senior Lender has received indefeasible payment in full of any such payments on the Senior Indebtedness that have been so rescinded, restored or returned.

3. Exercise of Remedies.

(a) Subordinate Lender declares, agrees, and acknowledges that it will not, without the prior written consent of Senior Lender: (i) sue the Borrower under any of the Subordinate Loan Documents; (ii) accelerate or accept a prepayment in full of the Subordinate Indebtedness; (iii) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof; (iv) seek or obtain a receiver for the Property or any part or portion thereof; (v) take possession or control of the Property, or collect or accept any rents from the Property; (vi) take any action that would terminate any leases or other rights held by or granted to or by third parties with respect to the Property; (vii) initiate or join any other creditor in commencing any Proceeding with respect to the Borrower; (viii) incur any obligation to the Borrower other than as provided in the Subordinate Loan Documents; (ix) exercise any other remedies under the Subordinate Loan Documents; or (x) take any other enforcement action against the Property or any part or portion thereof.

(b) Subordinate Lender agrees that Senior Lender shall have, as determined in accordance with and subject to the terms of the Senior Loan Documents, upon the occurrence of an Event of Default under and as defined in the Senior Loan Documents, the right to (i) accelerate any Senior Indebtedness; (ii) commence any action to foreclose or exercise any power of sale under the First Mortgage or Second Mortgage; (iii) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof; (iv) seek or obtain a receiver for the Property or any part or portion thereof; (v) take possession or control of the Property, and collect and accept rents from the Property; (vi) sue the Borrower under any of the Senior Loan Documents; (vii) exercise any rights of set-off or recoupment that any Senior Lender may have against the Borrower; or (viii) take any other enforcement action against the Property or any part or portion thereof, all without any responsibility or liability to Subordinate Lender with respect to the Property.

(c) Subordinate Lender agrees that Senior Lender shall have absolute power and discretion, without notice to Subordinate Lender, to deal in any manner with the Senior Indebtedness, including interest, costs and expenses payable by the Borrower to Senior Lender, and any security and guaranties therefor, including, but not by way of limitation, release, surrender, extension, renewal, acceleration, compromise or substitution; provided that Senior Lender shall not increase the principal amount of the indebtedness to which the Subordinate Loan Documents are subordinate (other than increases resulting from protective advances or payment of Senior Lender's costs) without the prior written consent of Subordinate Lender, which shall not be unreasonably withheld or delayed.

(d) Subordinate Lender further agrees that if at any time Subordinate Lender should commence any foreclosure proceeding, or commence any action to execute on any lien obtained by way of attachment or otherwise on the Property, or otherwise take any action prohibited under Paragraph 3(a), Senior Lender shall (unless Senior Lender has consented to such action or remedy) be entitled to have the same vacated, dissolved and set aside by such proceedings at law or otherwise as Senior Lender may deem proper, and this Agreement shall be and constitute full and sufficient grounds therefor and shall entitle Senior Lender to become a party to any proceedings at law or otherwise in or by which Senior Lender may deem it proper to protect its interests hereunder.

(e) No act, omission, breach or other event under this Agreement shall defeat, invalidate or impair in any respect the absolute, unconditional and irrevocable subordination of the Subordinate Loan Documents to the Senior Loan Documents as provided in this Agreement.

4. No Marshaling of Assets. Subordinate Lender specifically waives and renounces any right which it may have under any applicable statutes, whether at law or in equity, to require Senior Lender to marshal collateral or to otherwise seek satisfaction from any particular assets or properties of the Borrower or from any third party.

5. Bankruptcy Matters.

(a) The subordination provided for in this Agreement shall apply, notwithstanding the availability of other collateral to Senior Lender or the actual date and time of execution, delivery, recordation, filing or perfection of the Senior Mortgage Documents or the Declaration and, insofar as Subordinate Lender is concerned, notwithstanding the fact that the Senior Indebtedness or any claim for the Senior Indebtedness may be subordinated, avoided or disallowed, in whole or in part, as against the Borrower under the Bankruptcy Code or other applicable federal or state law. In the event of any Proceeding, the Senior Indebtedness shall include all interest and fees accrued 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 Proceeding, even if the claim for such interest and/or fees is not allowed as against the Borrower pursuant to applicable law.

(b) Without the prior written consent of Senior Lender, Subordinate Lender shall not, and Subordinate Lender waives any and all right: (1) to request adequate protection (as that term is defined in the Bankruptcy Code) (and in the event any such adequate protection is awarded to Subordinate Lender, Subordinate Lender hereby assigns any adequate protection in the form of cash to Senior Lender and any adequate protection in the form of a lien on or security interest in the Property or any other Collateral is hereby subordinated to all of Senior Lender's rights, liens or security interests in or to the Property and such other Collateral), (2) to file or support any motion for dismissal or relief from the automatic stay (as defined in the Bankruptcy Code), (3) to request any post-petition interest, (4) to request any sale of Borrower's assets, or (5) to file, propose, support, accept or reject any plan of reorganization of Borrower. Subordinate Lender further agrees that, with respect to any Proceeding: (1) it shall not make any election, give any consent, commence any action or file any motion, claim,

obligation, notice or application or take any other action in any Proceeding by or against the Borrower or General Partner without the prior written consent of Senior Lender; (2) Senior Lender may vote in any such Proceeding any and all claims of Subordinate Lender against the Borrower or General Partner, and (3) Subordinate Lender shall not challenge the validity or amount of any claim submitted in such Proceeding by Senior Lender in good faith or any valuations of the Property or any other Collateral, or any portion of the foregoing, or other Senior Indebtedness collateral submitted by Senior Lender in good faith, in such Proceeding or take any other action in such Proceeding, which is adverse to Senior Lender's enforcement of its claim or receipt of adequate protection (as that term is defined in the Bankruptcy Code).

(c) Subordinate Lender agrees that Senior Lender does not owe any fiduciary duty to Subordinate Lender in connection with the administration of the Senior Indebtedness and the Senior Loan Documents and Subordinate Lender agrees not to assert any such claim. Subordinate Lender acknowledges that Senior Lender shall have the sole discretion to exercise or not exercise the rights set forth in this Agreement from time to time; and that such rights may be exercised solely in the interest of Senior Lender and without regard to the interest of Subordinate Lender in any action or proceeding, including in connection with any Proceeding.

6. Payment Set Aside. To the extent any payment under any of the Senior Loan Documents (whether by or on behalf of the Borrower, as proceeds of security or enforcement of any right of set-off, or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or other similar party under the Bankruptcy Code or any federal or state bankruptcy, insolvency, receivership or similar law, then if such payment is recovered by, or paid over to, such trustee, receiver or other similar party, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

7. Casualty and Condemnation Proceeds. Subordinate Lender shall have no right to participate in the adjustment of the proceeds of insurance payable as the result of any casualty to the Property, or to participate in any manner whatsoever in activities relating to restoration or reconstruction of the Property, and Senior Lender shall have the exclusive right to receive, administer and apply all such proceeds as set forth in the Senior Loan Documents, subject, nevertheless to the requirements of a certain Intercreditor Agreement, executed and delivered in connection with the issuance of the Bonds. In the event Senior Lender shall release, for the purposes of restoration of all or any part of the Property, its right, title and interest in and to the proceeds under policies of insurance thereon, and/or its right, title and interest in and to any awards, or its right, title and interest in and to other compensation made for any damages, losses or compensation for other rights by reason of a taking in eminent domain, Subordinate Lender shall simultaneously release for such purpose all of Subordinate Lender's right, title and interest, if any, in and to all such insurance proceeds, awards or compensation. Subordinate Lender agrees that the balance of such proceeds remaining after such restoration, or all of such proceeds in the event such proceeds are not released for any such restoration pursuant to the Senior Loan Documents, shall be applied to the payment of amounts due under the Senior Loan Documents until all such amounts have been indefeasibly paid in full, prior to being applied to the payment of any amounts due under the Subordinate Loan Documents. If Senior Lender holds such proceeds, awards or compensation and/or monitors the disbursement thereof, Subordinate Lender agrees that Senior Lender shall also hold and monitor the disbursement of such proceeds, awards and compensation to which Subordinate Lender is or may be entitled. Nothing contained in this Agreement shall be deemed to require Senior Lender, in any way whatsoever, to act for or on behalf of Subordinate Lender or to hold or monitor any proceeds, awards or compensation in trust for or on behalf of Subordinate Lender.

8. Indemnification and Subrogation. If Subordinate Lender or any affiliate shall acquire, by indemnification, subrogation or otherwise, any lien, estate, right or other interest in the Property, that lien,

estate, right or other interest shall be subordinate to the Senior Mortgage Documents and the other Senior Loan Documents as provided herein, and Subordinate Lender or such affiliate hereby waives, until the Subordinate Indebtedness has been indefeasibly paid in full, the right to exercise any and all such rights it may acquire by indemnification, subrogation or otherwise.

9. Subordination Effective. This Agreement, the subordination effected hereby, and the respective rights and priorities of the parties hereto in and to the Property, shall be effective as stated herein, notwithstanding any modification or amendment of any Senior Loan Document (other than any modification or amendment of any Senior Loan Document that increases the amount of indebtedness to which the Subordinate Indebtedness is subordinate for reasons other than protective advances or costs of Senior Lender), or the obtaining by Senior Lender or Subordinate Lender of any additional document confirming, perfecting or otherwise affecting the Senior Loan Documents, or the Subordinate Loan Documents, as the case may be.

10. Amendments of Subordinate Loan Documents and Senior Loan Documents. The Borrower and Subordinate Lender agree that they will not enter into any amendment, modification or supplement to any of the Subordinate Loan Documents without the express prior written consent of Senior Lender (which consent shall not be unreasonably withheld) that would affect the superiority of the Senior Loan, increase the amount of Subordinate Indebtedness, modify the payment terms of the Subordinate Loan, modify the covenants concerning occupancy or affordability of the Property, or otherwise adversely affect Senior Lender. No consent of Subordinate Lender shall be required for any amendment, modification or supplement to any of the Senior Loan Documents, provided that no amendment, modification or supplement to any of the Senior Loan Documents shall increase the amount of indebtedness to which the Subordinate Loan Documents are subordinate other than increases resulting from protective advances or costs of Senior Lender.

11. Notice of Defaults. Subordinate Lender hereby agrees to give notice to Senior Lender of any default (or event that, with the giving of notice or passage of time, or both, would constitute a default) under the Subordinate Loan Documents.

12. Cross Default. The Borrower and Subordinate Lender agree that a default under the Subordinate Loan Documents or Subordinate Lender's default hereunder shall, at the election of Senior Lender, constitute a default under the Senior Loan Documents and Senior Lender shall have the right to exercise all rights or remedies under the Senior Loan Documents in the same manner as in the case of any other default under the Senior Loan Documents. If Subordinate Lender notifies Senior Lender in writing that any default under the Subordinate Loan Documents has been cured or waived, as determined by Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Property pursuant to their rights under the Senior Loan Documents, any default under the Senior Loan Documents arising solely from such default under the Subordinate Loan Documents shall be deemed cured, and the Senior Indebtedness shall be reinstated.

13. Further Assurances. The parties hereto shall cooperate fully with each other in order to carry out promptly and fully the terms and provisions of this Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

14. No Waiver. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.



15. Equitable Remedies. Each party hereto acknowledges that, to the extent that no adequate remedy at law exists for breach of its obligations under this Agreement, in the event any party fails to comply with its obligations hereunder, the aggrieved party shall have the right to obtain specific performance of the obligations of such defaulting party, injunctive relief, or such other equitable relief as may be available, other than consequential or punitive damages.

16. Notices. Any notice to be given under this Agreement shall be in writing and shall be deemed to be given when received by the party to whom it is addressed. Notwithstanding the foregoing, if any such notice is not received or cannot be delivered due to a change in the address of the receiving party of which notice was not previously given to the sending party or due to a refusal to accept by the receiving party, such notice shall be deemed received on the date delivery is attempted. Notices shall be in writing and sent by certified U.S. mail, hand delivery, or by special courier (in each case, return receipt requested). Notices to any other party hereto shall be sent to the parties at the following addresses or such other address or addresses as shall be designated by such party in a written notice to the other parties:

If to Trustee:

U.S. Bank National Association  
550 W. Cypress Creek Road, Suite 380  
Ft. Lauderdale, Florida 33309  
Attention: Amanda Bhim

If to Bank:

Community & Southern Bank  
3333 Riverwood Parkway, Suite 350  
Atlanta, Georgia 30339  
Attention: Kells Carroll

If to Subordinate Lender:

Board of County Commissioners  
c/o Palm Beach County Attorney's Office  
301 N. Olive Avenue, Suite 601  
West Palm Beach, Florida 33401  
Attention: James M. Brako, Esq., Assistant County Attorney

If to the Borrower:

La Joya Villages, Ltd.  
c/o RealTex Development Corporation  
1101 S. Capital of Texas Highway South  
Building F, Suite 200  
Austin, Texas 78746  
Attention: Rick J. Deyoe

With a copy to:

Locke Lord LLP  
600 Congress Avenue, Suite 2200  
Austin, Texas 78701  
Attention: Cynthia Bast, Esq.

Each Notice shall be effective the day delivered if personally delivered, the next business day if sent by overnight courier or three (3) days after being deposited in the United States Mail as aforesaid. Rejection or other refusal to accept or the inability to deliver because of changed address for which no Notice was given shall be deemed to be receipt of the Notice sent. Each of the parties hereto shall have the right from time to time and at any time during the term of this Agreement to change its respective address and the right to specify as its address any other address within the United States of America.

17. Limitations. This Agreement shall not affect or govern the rights of Trustee and Bank as among themselves. Once the Letter of Credit is no longer outstanding, all references herein to Senior Lender shall mean the Trustee.

18. No Third Party Beneficiaries. No person or entity other than the parties hereto and their respective successors and assigns shall have any rights under this Agreement.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

20. Amendment, Supplement, Modification, Waiver and Termination. No amendment, supplement, modification, waiver or termination of this Agreement shall be effective unless (i) the party against whom the enforcement of such amendment, supplement, modification, waiver or termination would be asserted, has consented in writing to such amendment, supplement, modification, waiver or termination and (ii) the Controlling Person (as defined in the Indenture) has consented in writing to such amendment, supplement, modification, waiver or termination.

21. Severability. In case any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and other application thereof, shall not in any way be affected or impaired thereby.

22. Governing Law; Venue. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF FLORIDA, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES, AND APPLICABLE UNITED STATES FEDERAL LAW. The venue for any litigation filed to enforce any right, remedy, or obligation under this Agreement shall be in the appropriate state or federal court located in Palm Beach County, Florida.

23. Captions. Captions and headings in this Agreement are for convenience of reference only and shall not define, expand or limit the provisions hereof.

24. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

25. Integration. This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, relating thereto.

26. No Modification. This Agreement shall not be deemed or interpreted so as to expand or otherwise modify the rights and remedies of Senior Lender under the Senior Loan Documents or Subordinate Lender under the Subordinate Loan Documents with respect to the Borrower, or to diminish or change the obligations of, the Borrower under any of the foregoing.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement as of the date and year first above written.

**U.S. BANK NATIONAL ASSOCIATION, as Trustee**

By:   
Name: Amanda Bhim  
Title: Assistant Vice President

[Signatures continued on next page.]

**COMMUNITY & SOUTHERN BANK**

By: 

Name: Kells Carroll

Title: Senior Vice President

[Signatures continued on next page.]

(COUNTY SEAL BELOW)

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

**BOARD OF COUNTY COMMISSIONERS**

ATTEST: Sharon R. Bock,  
Clerk & Comptroller

By: \_\_\_\_\_  
Shelley Vana, Mayor

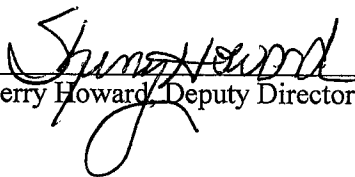
By: \_\_\_\_\_  
Deputy Clerk

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

Approved as to Form and  
Legal Sufficiency

Approved as to Terms and Conditions  
Department of Economic Sustainability


By: \_\_\_\_\_  
James Brako  
Assistant County Attorney

By:  \_\_\_\_\_  
Sherry Howard, Deputy Director

[Signatures continued on next page.]

**LA JOYA VILLAGES, LTD.,** a Florida limited partnership

By: LA JOYA VILLAGES GP, LLC,  
a Florida limited liability company,  
its general partner

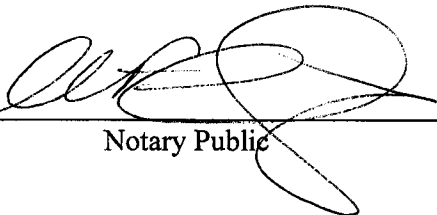
By: 

Name: Rick J. Deyoe  
Title: Managing Member

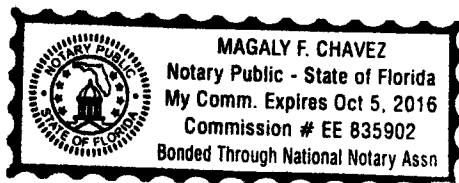
STATE OF FLORIDA )  
 ) ss.  
COUNTY OF Broward )

On July 31<sup>st</sup>, 2015, before me, Magaly F. Chavez, a Notary Public, personally appeared Amanda Bhim, Assistant Vice President of U.S. Bank National Association, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument U.S. Bank National Association executed the instrument.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public

(SEAL)



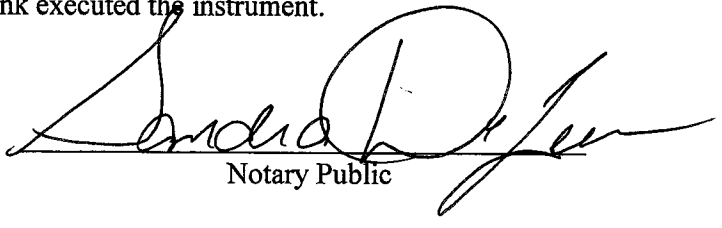


STATE OF Georgia )  
 ) ss.  
COUNTY OF Cobb )

August  
On ~~June~~ 5, 2015, before me, Kells Carroll a Notary Public, personally appeared Kells Carroll, Senior Vice President of Community & Southern Bank, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument Community & Southern Bank executed the instrument.

WITNESS my hand and official seal.

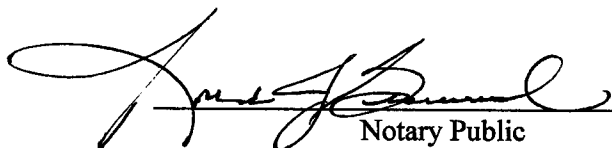


  
Notary Public

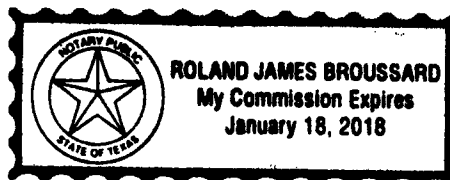
STATE OF TEXAS )  
 ) ss.  
COUNTY OF TRAVIS )

On ~~June~~ <sup>July 30</sup>, 2015, before me, RICK J. DEYOE, a Notary Public, personally appeared Rick J. Deyoe, managing member of La Joya Villages GP, LLC, general partner of La Joya Villages, Ltd., personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument he/she executed the instrument as managing member of the general partner of, and on behalf of, La Joya Villages, Ltd..

WITNESS my hand and official seal.

  
Notary Public

(SEAL)



**EXHIBIT A**

LEGAL DESCRIPTION OF REAL ESTATE

Lots 1, 2, 3, 4, 5, 10, 11 and 12, Block 201, The Palm Beach Farms Co. Plat No.2, Townsite of Lucerne, now known as Lake Worth, according to the plat thereof, recorded in Plat Book 2, Page 29, of the Public Records of Palm Beach County, Florida.

AND

Lots 6 and Lot 7, Block 201, LESS all that portion of Lot 7, lying external of the Northwest Quadrant of a circle having a radius of 12 feet and being tangent to the West and the North line of said Lot 7; and including Lot 9, Block 201, LESS the North 50 feet thereof, The Palm Beach Farms Co. Plat No. 2, Townsite of Lucerne, now known as Lake Worth, according to the plat thereof, recorded in Plat Book 2, Page 29, of the Public Records of Palm Beach County, Florida.

TOGETHER WITH

All that portion of that certain 10 foot wide alley lying between Lots 1 through 8, Block 201, and Lots 9 through 12, Block 201, The Palm Beach Farms Co. Plat No.2, Townsite of Lucerne, now known as Lake Worth, according to the Plat thereof, recorded in Plat Book 2, Page 29, of the Public Records of Palm Beach County, Florida, lying South of the South Right-of-Way line of 6<sup>th</sup> Avenue South, as recorded in Road Book 4, Pages 41 through 47, of the Public Records of Palm Beach County, Florida.

Said lands situate in Town of Lake Worth, Palm Beach County, Florida.

**BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET TRANSFER**

FUND 3534-Impact Fee Program - Roads Zone 4

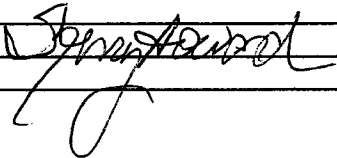
Use this form to provide budget for items not anticipated in the budget.

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED	REMAINING BALANCE
<b>EXPENDITURES</b>								
143-1456-8201	Contributions - Non Governmental Agency	0	0	186,916	0	186,916	0	5,145
821-9700-9902	Operating Reserves	433,559	433,559	0	186,916	246,643	0	30,884
<b><u>TOTAL EXPENDITURES</u></b>				<b>186,916</b>	<b>186,916</b>			

Department of Economic Sustainability  
**INITIATING DEPARTMENT/DIVISION**  
 Administration/Budget Department Approval  
 OFMB Department - Posted

**Signatures**

**Date**

 <hr/> <hr/>	<hr/> 8-5-15 <hr/>
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**By Board of County Commissioners  
 At Meeting of :  
 August 18, 2015  
 Deputy Clerk to the  
 Board of County Commissioners**

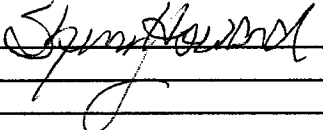
**BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET TRANSFER**

FUND 3815 -Impact Fee Program - Public Buildings

Use this form to provide budget for items not anticipated in the budget.

ACCOUNT NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED	REMAINING BALANCE
<b>EXPENDITURES</b>								
143-1456-8201	Contributions - Non Governmental Agency	0	0	5,936	0	5,936	0	6,518
821-9700-9902	Operating Reserves	72,301	50,776	0	5,936	44,840	0	50,776
<b>TOTAL EXPENDITURES</b>				<b>5,936</b>	<b>5,936</b>			

Department of Economic Sustainability  
**INITIATING DEPARTMENT/DIVISION**  
 Administration/Budget Department Approval  
 OFMB Department - Posted

<b>Signatures</b>	<b>Date</b>
	8-5-15
_____	_____
_____	_____

**By Board of County Commissioners  
 At Meeting of :  
 August 18, 2015  
 Deputy Clerk to the  
 Board of County Commissioners**