

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

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<b>Meeting Date:</b>	<b>May 17, 2016</b>	<input checked="" type="checkbox"/> <b>Consent</b>	<input type="checkbox"/> <b>Regular</b>
		<input type="checkbox"/> <b>Ordinance</b>	<input type="checkbox"/> <b>Public Hearing</b>
<b>Department:</b>	<b>Department of Economic Sustainability</b>		

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**I. EXECUTIVE BRIEF****Motion and Title: Staff recommends motion to approve:**

- A) A Loan Agreement with Royal Palm Place, Ltd. (RPP) for \$115,000 in State Housing Initiatives Partnership (SHIP) Program funds for the construction of the Royal Palm Place affordable housing project; and
- B) Delegation of authority to the County Administrator, or her designee, to execute subordination agreements with Citibank, N.A. and Florida Housing Finance Corporation (FHFC).



**Summary:** On September 9, 2014, the Board of County Commissioners (BCC) authorized the allocation of SHIP funds as the required local match under FHFC's State Apartment Incentive Loan (SAIL) Program. The Department of Economic Sustainability (DES) provided RPP a conditional award for a \$115,000 loan subject to approval of their Royal Palm Place affordable housing project by FHFC under the SAIL Program. The project, which will contain 125 affordable rental units, has now been approved by FHFC and is ready to proceed. The County's funds will be used for construction costs and will be secured by a mortgage and promissory note. The Loan Agreement requires RPP to pay annual interest payments on the loan over 30 years with the entire principal due at the end of the term. The Royal Palm Place project will be located between North Tamarind Avenue and Division Avenue just north of 15<sup>th</sup> Street in West Palm Beach. All 125 affordable rental units are intended to be rented to households whose incomes are at or below 60% of the area median income for a period of 30 years. Citibank, N.A. will be providing first mortgage financing for this project in the amount of \$14,500,000. FHFC will be providing a Sail Program loan of \$4,750,000 and an Extremely Low Income Gap Loan of \$495,000. RPP has requested that the County subordinate its \$115,000 mortgage to the mortgages securing these loans by means of subordination agreements. Delegation of authority to the County Administrator, or her designee, to execute the subordination agreements, subject to the County Attorney's approval of its content, is requested to enable a timely response when the closing is scheduled. **This project is projected to have a one (1) year Economic Sustainability Impact of \$31.1 Million. These are SHIP funds which require no local match. District 7 (JB)**

**Background and Justification:** On September 11 and 14, 2014, DES published a Notice of Funding Availability advising interested developers of the availability of SHIP funds to be used as the required local match under the FHFC's SAIL Program. Developers were invited to submit Letters of Interest along with various items of information and documentation pertaining to their proposed projects. RPP submitted the required Letter of Interest with its supporting documentation. DES issued RPP a conditional award for these funds upon determining the sufficiency of their submission.

**Attachments:**

1. Location Map
2. Loan Agreement with Exhibits A to G

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<b>Recommended By:</b>	 Department Director	<u>5-2-16</u> Date
<b>Approved By:</b>	 Assistant County Administrator	<u>5-9-16</u> Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures					
Operating Costs	\$115,000				
External Revenues					
Program Income (County)	(\$115,000)				
In-Kind Match (County)					
NET FISCAL IMPACT	-0-				


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

Fund 1100 Dept 143 Unit 7176 Object 8201 Program Code/Period RFS97D/GY14

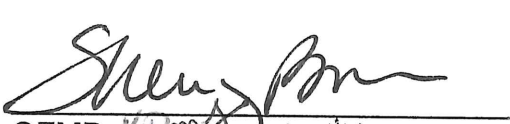
B. Recommended Sources of Funds/Summary of Fiscal Impact:


Approval of this agenda item will allocate \$115,000 to Royal Palm Place, Ltd. for the Royal Palm Place project.

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

III. REVIEW COMMENTS

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

  
OFMB 5/3/16

  
Contract Development and Control 5/5/16

B. Legal Sufficiency:

  
Assistant County Attorney 5/9/16

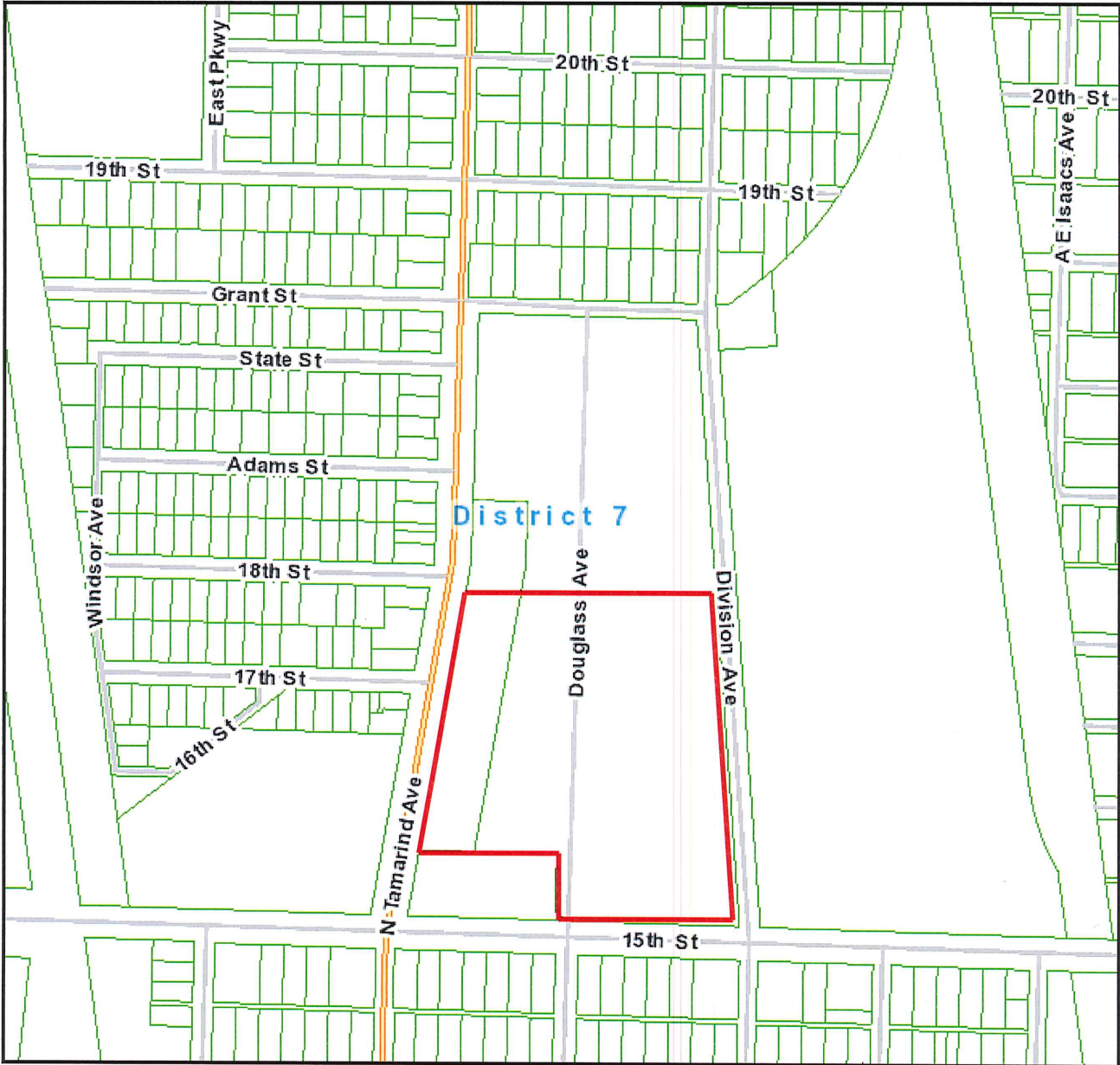
C. Other Department Review:

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

LOCATION MAP



Royal Palm Place affordable housing project



## **LOAN AGREEMENT**

**THIS AGREEMENT**, entered into on \_\_\_\_\_, 20\_\_\_\_, by and between **Palm Beach County**, a political subdivision of the State of Florida, (hereinafter referred to as the "County" and the "Lender") and **Royal Palm Place, Ltd.**, a Florida Limited Partnership, (the "Borrower"), whose Federal I.D. number is 30-0840611.

### **1. RECITALS:**

**WHEREAS**, the County secured State Housing Initiatives Partnership (SHIP) Program funds from the State of Florida;

**WHEREAS**, the County wishes to make such SHIP funds available for affordable housing projects;

**WHEREAS**, the County, on September 11 and 14, 2014, published a Notice of Funding Availability (NOFA) making these SHIP funds available as the required local match in connection with the Florida Housing Finance Corporation's (FHFC) State Apartment Incentive Loan (SAIL) Program which provides financial assistance to affordable housing projects;

**WHEREAS**, the County received a Letter of Interest from the Borrower in response to the NOFA;

**WHEREAS**, the Borrower applied to, and received from FHFC a SAIL Program loan allocation for its 125-unit affordable rental housing project to be known as Royal Palm Place to be constructed on certain land located in Palm Beach County, Florida, as more particularly described in Exhibit A, attached hereto and made a part hereof (the "Premises");

**WHEREAS**, the County wishes to assist in the provision of affordable housing by making a loan in the principal amount of \$115,000 (the "Loan") in SHIP funds to the Borrower which amount represents the required local match under the SAIL Program;

**WHEREAS**, the Borrower wishes to use the Loan to construct said 125 affordable rental housing units (the "Improvements") on the Premises;

**WHEREAS**, the Borrower leases the Premises from the West Palm Beach Housing Authority ("Housing Authority") pursuant to the terms of a long-term Lease Agreement dated January 21, 2016, as amended from time to time (the "Lease Agreement") which will be amended and restated by an Amended and Restated Ground Lease and Borrower has secured authorization for the Royal Palm Place project from the Housing Authority;

**WHEREAS**, the Borrower proposes to rent the housing units at Royal Palm Place to households earning no more than 60% of the Area Median Income as more fully set forth herein;

**WHEREAS**, the Borrower will, prior to the closing of this Loan, secure a separate construction loan from Citibank, N.A. for the completion of Royal Palm Place which construction loan shall be secured by a separate mortgage encumbering the Premises (the "First Mortgage"); and

**WHEREAS**, the Borrower will, prior to the closing of this Loan, secure a separate SAIL Program loan from FHFC for the completion of Royal Palm Place which loan shall be secured by a separate mortgage encumbering the Premises (the "Second Mortgage"); and

**WHEREAS**, the Borrower will, prior to the closing of this Loan, secure a separate Extremely Low Income Gap loan from FHFC for the completion of Royal Palm Place which loan shall be secured by a separate mortgage encumbering the Premises (the "Third Mortgage"); and

**WHEREAS**, the Borrower and the County have negotiated the terms and conditions of, and wish to enter into this Agreement in order to set forth the terms and conditions for the disbursement of the Loan.

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

## 2. THE LOAN AND LOAN EXPENDITURE REQUIREMENTS:

The County shall make the Loan to the Borrower in an amount not to exceed the principal amount of **\$115,000** upon the terms and conditions set forth herein, and at the rates and terms set forth in its Promissory Note and Mortgage which are attached hereto and made a part hereof as Exhibit B and Exhibit C, respectively.

The Borrower shall take the Loan comprised of SHIP Program funds and expressly agrees to comply with and to perform all of the terms and conditions of this Agreement, the Promissory Note, the Mortgage and any other documents evidencing and securing this Loan (collectively hereinafter referred to as the "Loan Documents"). The closing of the Loan, including the execution of the Promissory Note and Mortgage, shall occur at the offices of the County Attorney or such other mutually agreed upon site no later than April 30, 2017.

Any SHIP Program funds not drawn or expended by the date provided below shall remain with the County and not be eligible for payment to the Borrower and the County may reallocate such funds for other projects or needs, unless such date is extended by written amendment to this Agreement. Furthermore, the County shall not be obligated to replace unused or reallocated SHIP Program funds with funds from another source, and the County's right to reallocate such SHIP Program funds shall not be subject to the rights of any other lender or the terms of any subordination agreement.

Nothing in this Agreement shall obligate the Palm Beach County Board of County Commissioners to provide funding from the County's annual budget and appropriations, or from any other funding source, for any reason.

The Borrower recognizes and understands that by entering into this Agreement, the County wishes to further its provision of affordable rental housing to income qualified renters in a timely manner. The Borrower also recognizes and understands that the Borrower's performance as established under this Agreement is critical to the County's efforts in the provision of affordable housing, compliance with SHIP requirements, and requirements for the use of SHIP funds. The Borrower agrees that **time is of the essence** in regard to the Borrower's completion of the Royal Palm Place project (also referred to herein as "Project") and the occupancy of the housing units therein as more fully specified in Section 5 and Section 6 below.

In recognition of the above, the Borrower shall implement the Project as follows:

- The Borrower shall have drawn all **\$115,000, that is, 100% of the Loan, by May 31, 2017.**

## 3. CONDITIONS PRECEDENT TO CLOSING:

### (A) Conditions Precedent:

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

#### (i) Title Insurance:

(a) Within thirty (30) days of the effective date hereof, Borrower shall deliver to County a title commitment issued by a title insurance company qualified to do business in the State of Florida and acceptable to County, agreeing to issue to County upon recording of the Mortgage a Lender's Title Insurance Policy in the amount of said Mortgage, subject only to the Permitted Exceptions listed on Exhibit D attached hereto and made a part hereof. Said commitment shall have attached to it copies of all exceptions referred to in the title commitment. The cost of said title commitment and policy and any premium therefore shall be borne by Borrower.

(b) County shall have fifteen (15) days after receipt of the title insurance commitment in which to review the same. In the event the title insurance commitment shall show as an exception any matter other than the Permitted Exceptions, County shall notify Borrower of its objections thereto and Borrower

shall act to remove such exceptions, which exception shall be deemed to constitute title defects. The Borrower shall be entitled to thirty (30) days from the day of notification within which to cure such defects or make arrangements with the title insurer for the removal of any such objections from the commitment. If the defect shall not have been so cured or removed from the commitment by endorsement thereto within said thirty (30) day period, the County shall have the option of accepting title as it then exists or terminating this Agreement, by giving written notice thereof to Borrower, in which event the parties shall be relieved of all further obligations hereunder. Notwithstanding the foregoing, County shall not object to any exception necessary for the construction and development of the Improvements.

(c) The title insurance commitment shall be endorsed at closing to remove any and all requirements of pre-conditions to the issuance of a Lender's Title Insurance Policy, and to delete any exceptions for: (1) any rights or claims or parties in possession not shown by the public records; (2) encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the Premises; (3) unrecorded easements and claims of liens; (4) taxes for the year 2015 and all prior years; (5) matters arising or attaching subsequent to the effective date of the commitment but before the Mortgage becomes recorded in the Public Records, except those matters necessary for the construction and development of the Improvements.

(ii) Survey: Borrower shall, concurrent with the submission of the above mentioned title commitment, deliver to the County a current certified survey of the Premises, prepared by a surveyor acceptable to the County, showing the following:

(a) The location of the perimeter of the Premises by courses and distances and perimeter footings in place, and by reference to Township, Range, Section unless platted, in which case, reference shall be to Tract, or Lot and Block per Plat.

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

(c) The location of all building setback lines.

(d) The lines of the streets abutting the Premises and the width thereof.

(e) All encroachments, and the extent thereof, in feet and inches upon the Premises.

(f) Flood zone certification.

(g) Any other notations required for the deletion of the survey exception from the Title Insurance Policy to be issued in accordance with Section 3(A)(i) above and any other requirements requested by the County.

(h) The survey shall be certified to: Palm Beach County, a political subdivision of the State of Florida.

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

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

- (a) The Mortgage shall not be subject to any prepayment penalty.
- (b) The Mortgage shall become immediately due and payable upon an unpermitted sale, transfer, or refinancing of the Premises.
- (c) The Mortgage shall be non-assumable, unless the County has otherwise consented.
- (v) Mortgagor's Affidavit: An affidavit of Borrower shall be executed and delivered to the County as required by the title insurer as noted in Section 3(A)(i) above, certifying to all such facts as are required to delete the Standard Exceptions from the Lender's Title Insurance Policy and certifying that no liens exist on the Premises for taxes not yet due and payable and that no other parties are entitled to possession except as otherwise provided therein.
- (vi) Public Requirements: The Borrower shall deliver to the County:
  - (a) Letters from local utility companies or municipal authorities stating that electricity, telephone, sewer and water facilities will be available to the Premises upon the completion of the intended Improvements.
  - (b) A letter from the appropriate Zoning Department certifying as to compliance with all zoning and land use regulations including but not limited to compliance with parking requirements, a copy of the applicable zoning ordinances certified by an appropriate official to be a complete and accurate statement thereof, and an up-to-date zoning map similarly certified.
  - (c) Evidence satisfactory to the County that all roads necessary for the full utilization of the intended Improvements for their intended purposes have either been acquired by the appropriate governmental authorities or have been dedicated to public use and accepted by such governmental authorities and that all necessary steps have been taken by Borrower and such governmental authorities to assure the complete construction and installation thereof.
  - (d) Copies of subdivision plats, restrictive covenants, plans of developments, and all other documents required by the local zoning and subdivision ordinances, and such other documents required by and satisfactory to the County; and evidence satisfactory to the County and its counsel that the Final Plans conform to all federal, state, and local laws, ordinances, rules and regulations, including, but not limited to, laws of the State of Florida regulating air and water pollution and land use.
  - (e) Copies of all necessary approvals from appropriate environmental protection agencies.
  - (f) Satisfactory soil test report.
- (vii) Company Documents: The Borrower shall deliver to the County the following documents:
  - (a) The Certificate of Limited Partnership of the Borrower and all amendments thereof, certified by the appropriate official of the State of Florida, together with certificates of such official to the effect that Borrower is in good standing therein.
  - (b) Certified resolutions of the Borrower authorizing the execution and delivery of this Agreement, the Mortgage, Promissory Note and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement.
- (viii) Flood Insurance: The Borrower shall deliver to the County evidence satisfactory to the County either that the Premises are not within a hazardous flood area as designated by the Department of Housing and Urban Development and any other governmental authority, or if the Premises are within such a hazardous area, that the

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

(ix) Senior Mortgages: The closing of the First Mortgage, the Second Mortgage and the Third Mortgage (all three (3) afore stated mortgages collectively hereinafter the "Senior Mortgages") shall have occurred, and the Senior Mortgages documents shall be presented to County. The term "First Mortgage" is expected to refer to mortgage financing from Citibank, N.A., but may refer to a lien of first mortgage held by a substitute primary lender.

(x) Other Conditions: The Borrower shall deliver to the County the following documents in a form satisfactory to the County:

(a) A copy of the Amended and Restated Ground Lease (which amends and restates the terms of the Lease Agreement) and a Memorandum of Amended and Restated Ground Lease in effect on the date the Borrower closes on its construction financing from Citibank, N.A. with respect to Royal Palm Place. The Borrower shall record the Memorandum of Amended and Restated Ground Lease in the public records of Palm Beach County, Florida.

(b) Evidence that the U. S. Department of Housing and Urban Development (hereinafter "HUD") has approved the disposition of the Premises to the Borrower.

(c) A copy of the partial release from HUD of the Declarations of Trust encumbering the Premises as found in Deed Book 623, Page 249, in Deed Book 1099, Page 677, Official Records Book 6064, Page 1494, and Official Records Book 6239, Page 1364, all in the public records of Palm Beach County, Florida. The Borrower shall record the partial release in the public records of Palm Beach County, Florida.

(d) The Housing Authority's joinder and consent to the Mortgage securing the Loan.

(e) A copy of the Developer's non-discrimination policy or a signed statement as required by Section 7(E) herein.

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

(a) This Agreement and all Loan Documents and any other documents required to be delivered hereunder have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms subject to applicable bankruptcy, insolvency, and similar laws affecting rights of creditors.

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

(c) That to the best of counsel's knowledge, the execution and delivery of the Loan Documents, the performance by the Borrower of its obligations under the Loan Documents, and the exercise by the Borrower of the rights created by the Loan Documents do not violate any Federal, Florida, or local law, rule or regulation.

(d) That the execution and delivery of the Loan Documents, the performance by the Borrower of its obligations under the Loan Documents, and the exercise by the Borrower of the rights created by the Loan Documents do not (1) violate the Borrower's Certificate of Limited Partnership or Operating Agreement, or (2) to Counsel's knowledge, constitute a breach of or a default under any agreement or instrument to which the Borrower is a party or by which it or its assets are bound or result in the creation of a mortgage, security interest or other encumbrance upon the assets of the Borrower (except as set forth in the Loan Documents), or (3) to Counsel's knowledge, violation a judgment, decree or order of any court or administrative tribunal, which judgment, decree or order is binding on the Borrower or its assets.

(e) That to counsel's knowledge, and based on a certificate to be provided by Borrower, there are no proceedings pending or threatened before any court or administrative agency which will materially adversely affect the financial condition or operation of Borrower or the Premises, including but not limited to bankruptcy, reorganization or insolvency proceeding or any other debtor-creditor proceedings under the Bankruptcy Code or any similar statute.

(f) That the lien of the Mortgage is a valid lien on the Premises and the security interest described in the Mortgage is a good and valid security interest.

(g) Such other matters as the County may reasonably require.

(B) Expenses:

The Borrower shall have paid, or shall pay, all those fees and charges due and payable or ordered paid by the County as provided herein under Section 4 of this Agreement entitled Expenses.

(C) Other Documents:

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

(D) Representations and Warranties:

The representations and warranties of Borrower as set forth in this Agreement and the Loan Documents are true and correct.

**4. EXPENSES:**

The Borrower shall pay fees and charges incurred in the procuring and making of this Loan, if applicable, and other reasonable expenses incurred by the County related to the administration of the Loan, including but not limited to, Title Insurance Company's fees and premiums, charges for examination of title to the Premises, expenses of surveys, recording expenses, any and all insurance premiums, taxes, assessments, water rates, sewer rates and other charges, liens and encumbrances upon the Premises, annual loan servicing, rental compliance monitoring fee, and administrative fee as applicable, and any other amounts necessary for the payment of the costs of Improvements, or as otherwise enumerated in any other Loan Document.

**5. USE OF LOAN FUNDS, UNITS TO BE CONSTRUCTED AND RELATED DATES:**

Borrower shall use the Loan in the amount of \$115,000 for construction costs of the Project and the Borrower shall construct 125 affordable rental housing units on the Premises which units shall be occupied at affordable rental rates by households as specified in Section 6 below. Construction of said units shall commence no later than May 15, 2017, and shall be completed, with all Certificates of Occupancy issued and all units leased by June 30, 2019. Notwithstanding the preceding, all units at the Project shall be leased, within six (6) months after issuance of all Certificates of Occupancy for the Project if such date is earlier than June 30, 2019.

**THE REQUIREMENTS AND RESTRICTIONS SET FORTH IN THIS SECTION 5, USE OF LOAN FUNDS, UNITS TO BE CONSTRUCTED AND RELATED DATES, SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT AND SHALL BE COVENANTS RUNNING WITH THE LAND FOR THE THIRTY (30) YEAR AFFORDABILITY PERIOD SET FORTH HEREIN.**

**6. OCCUPANCY AND AFFORDABILITY REQUIREMENTS:**

The Borrower expressly agrees to the following terms and conditions:

**(A) Occupancy:**

All rental housing units to be constructed at the Project shall, for a period of thirty (30) years commencing from the date of the Certificate of Occupancy for the Project be leased to households whose annual gross incomes, adjusted for family size, are at no more than sixty percent (60%) of Area Median Income (hereinafter "AMI") at any time new tenants occupy these units. AMI shall mean the most current area median income published by HUD for the West Palm Beach-Boca Raton Metropolitan Statistical Area and annual gross income shall be as defined at s. 420.9071, Florida Statutes. The Borrower shall re-certify the tenant's household income annually after the date of initial occupancy to ensure continued income eligibility. Limitations, if any, on the increase of tenants' annual gross incomes while in occupancy of these units shall be as established by FHFC under its SAIL Program.

**(B) Affordability:**

All rental housing units to be constructed at the Project shall, for the aforesaid thirty (30) year period, be rented at affordable rental rates. Affordability shall be as defined at s. 420.9071, Florida Statutes.

**THE REQUIREMENTS AND RESTRICTIONS SET FORTH IN THIS SECTION 6, OCCUPANCY AND AFFORDABILITY REQUIREMENTS, SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT AND SHALL BE COVENANTS RUNNING WITH THE LAND FOR THE THIRTY (30) YEAR AFFORDABILITY PERIOD SET FORTH HEREIN.**

**7. SPECIAL PROVISIONS:**

The Borrower expressly agrees to the following terms and conditions:

**(A) Disbursement of Loan Funds:**

The Borrower may request reimbursement from the County for construction payments made by the Borrower for the Project. Reimbursements made hereunder shall be limited to construction improvements undertaken on the Premises and shall exclude the cost of off-site improvements.

When requesting reimbursement, the Borrower shall submit the following to the County:

- (i) A letter from the Borrower, on the Borrower's letterhead, shall be provided for each reimbursement request pertaining to construction costs. The letter shall reference the Project, the date of this Agreement and its document reference number (if such number is available), and shall contain a statement requesting the payment of the amount needed for reimbursement of construction costs, as well as the name and signature of a person authorized by the Borrower to make such a request.
- (ii) Evidence of payment made by the Borrower for construction costs shall accompany each reimbursement request letter provided that such evidence of payment demonstrate that payment was made after the effective date of this Agreement.
- (iii) A copy of the prime contractor's request for payment prompting the Borrower's payment shall accompany each reimbursement request letter. The contractor shall be required to use American Institute of Architects (AIA) form G702/703, or an equivalent form, to request payment.

(B) Green Building and Wind Load Requirement:

The County encourages all new construction or substantial rehabilitation to incorporate green building, also known as a sustainable building that is a structure designed, built, renovated, operated, or reused in an ecological and resource-efficient manner. The Borrower is required to meet the requirements of 110-120 mph wind load for new construction and rehabilitation of existing properties and incorporate wind and solar powered energy consumption where practical.

(C) Certificate of Occupancy:

Upon the completion of construction and the Borrower's receipt of a Certificate of Occupancy for the Project from the building department with jurisdiction over the Project, the Borrower shall provide the County a copy of such Certificate of Occupancy.

(D) Affirmative Marketing:

In furtherance of the County's commitment to non-discrimination and equal opportunity in housing, the County's Department of Economic Sustainability (DES) has established policies and procedures to affirmatively market housing units produced through the use of these 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, gender identity or expression or genetic information.

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

(iv) Use the Equal Opportunity logo or slogan in advertisements;

(v) Solicit applications from persons in the housing market area who are not likely to apply for housing without special outreach. The Borrower 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

(vi) Borrower shall keep records of its efforts to affirmatively market units and the Borrower shall provide DES copies of its records, including advertisements, minutes of meetings, income documentation, and census tract information, as applicable, as evidence of the Borrower's efforts.

(vii) Affirmative marketing records of the Borrower 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 Borrower will be informed of their responsibility to adhere to said requirements. The Borrower 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.

(viii) The County will also assess the Borrower'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.

(E) Nondiscrimination:

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.

(F) Reporting Requirements:

(i) The Borrower shall submit to the County a **Monthly Performance Report** in the form provided as Exhibit E to this Agreement. The Borrower 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 Borrower provides a Report for the month during which the Certificate of Occupancy for the Project is issued, the Borrower may cease submitting this Report.

(ii) The Borrower shall submit to the County a **Tenant Information Report** in the form provided as Exhibit F to this Agreement. The Borrower shall first submit this Report on the last day of the month during which the Certificate of Occupancy for Project is issued, and thereafter, on the last day of each month following the month during which said Certificate of Occupancy was issued. After the Borrower provides this Report on all 125 apartments described herein, the Borrower may cease submitting this Report.

(iii) The Borrower shall submit to the County an **Annual Rent Roll** in the form provided as Exhibit G to this Agreement. The Borrower 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 Mortgage.

Exhibits E, F, and G are all attached hereto and made a part hereof.

8. **REPRESENTATIONS AND WARRANTIES OF BORROWER:**

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

(A) Organization Status and Authority to Enter into Loan Documents:

The Borrower 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. The Borrower is duly authorized to borrow from County the principal sum of \$115,000 and execute all the Loan Documents. The Borrower has full power and authority to enter into the Loan Documents and consummate the transactions contemplated hereby, and the facts and matters expressed or implied in the opinions of its legal counsel are true and correct.

(B) Validity of Loan Documents:

The Loan Documents have been approved by those persons having proper authority, and to the best of Borrower's knowledge are in all respects legal, valid, and binding according to their terms subject to applicable bankruptcy, insolvency and similar laws affecting rights of creditors.

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

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

To Borrower's knowledge there are no actions, suits or proceedings pending before any court of law or equity, or any Administrative Board, or, to the knowledge of the Borrower, threatened against or affecting it or the Premises, or, involving the validity or enforceability of the Mortgage, or of any of the Loan Documents.

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

All utility services necessary for the construction of the Improvements and the operation thereof for their intended purpose are or will be available at the boundaries of the Premises, including water supply, storm and sanitary sewer facilities, and electric and telephone facilities, and Borrower has obtained or will obtain all necessary permits and permissions required from governmental authorities for unrestricted access to and use of such services in connection with the construction and use of the intended Improvements.

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

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

(E) No Default:

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

(F) Advertising:

During the period of the construction of the Improvements, the County shall have the right to install and maintain on the Premises one or more signs identifying the County, or to be identified on such signs installed by others, as one of the institutions financing the Premises. Sign or signs will be provided by the County and erected at Borrower's expense.

(G) Hazardous Waste:

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

(H) Filing and Payment of Taxes:

The Borrower has filed all Federal, State and local tax reports and returns required by any law or regulation to be filed by them, and have either duly paid all taxes, duties and charges indicated due on the basis of such returns and reports, or made adequate provisions for the payment thereof, and the assessment of any material amount of additional taxes in excess of those paid and reported is not reasonably expected.

**9. ADDITIONAL COVENANTS OF BORROWER:**

The Borrower covenants and agrees with the County as follows:

(A) Mechanics' Liens:

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

The Borrower agrees, at its sole cost and expense, to have any mechanics' lien or equitable lien which may be filed against the Premises or undisbursed funds of this Loan released, bonded or insured over within sixty (60) days of the date of filing same, time being of the essence. The County shall be under no obligation to make further disbursements while any such lien remains outstanding against the Premises. If Borrower fails, after demand, to cause said lien or liens to be released, bonded or insured over, the County may take such steps as it deems necessary and any funds expended shall be charged to Borrower's Loan Account and shall bear interest as provided by the Loan Documents.

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

(B) No Transfer of Premises:

The Borrower leases the Premises from the Housing Authority pursuant to the terms of the Lease Agreement. Except as specifically set forth in the Lease Agreement, the Mortgage, the Limited Partnership Agreement of the Borrower or as set forth herein, including in the Permitted Exceptions, the Premises or any part thereof shall not be sold, leased (except for tenant leases), conveyed, mortgaged or encumbered in any way without the prior written consent of the County, which consent shall not be unreasonably withheld or delayed, except as provided elsewhere herein or in the Mortgage, it being understood and agreed that part of the consideration for the Loan is the obligation of Borrower. Notwithstanding the foregoing, Borrower may enter into utility easements or licenses or leases for tenant services, such as laundry or concessions, and refinancing of the First Mortgage with an independent institutional lender shall be permitted without the prior written consent of the County so long as the refinancing does not increase the amount of indebtedness then secured by the First Mortgage.

(C) Compliance with Laws:

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

(D) Brokerage Commissions:

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

(E) Financial Statements to be Furnished:

The Borrower shall furnish to the County:

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

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

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

(iv) Other information regarding the operations, business, affairs, and financial condition of Borrower as the County may reasonably request.

(F) Borrower to Maintain Bookkeeping System:

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

(G) Insurance Proceeds:

The Borrower shall keep the Premises continually insured in an amount not less than full insurable value of the Premises, which coverage shall insure the Premises against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the County, in its sole discretion, shall from time to time reasonably require, for the benefit of the County. All such insurance at all times will be with an insurance company or companies in such amounts and with terms acceptable to the County, with loss in excess of \$200,000, if any, payable to the County, as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be reasonably satisfactory to the County. Upon the issuance of such policies, Borrower will deliver to the County copies of receipts for the premiums paid thereon, certificates of insurance, and copies of such policies. In the event of a foreclosure or other transfer of title to the Property in lieu of foreclosure, or by purchase at the foreclosure sale, all interest in any proceeds due in connection with any claims made under the policy(ies) (for events arising prior to the title transfer) shall pass to Lender, transferee or purchaser, as the case may be. Subject to the provisions of the First Mortgage, should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Premises, then in such event, County and Borrower may jointly elect to use the proceeds for the reconstruction and repair of the Premises or, in the alternative, to apply the net proceeds to the payment of the indebtedness hereby secured, whether then due or not. Notwithstanding anything to the contrary contained herein, if there is no Event of Default that is continuing, Borrower shall have the right to use the insurance proceeds for the reconstruction of the Premises provided the Borrower can provide evidence to the County of sufficient funds from other sources available to effectively rebuild the Project in compliance with the terms of this Agreement and the herein described SHIP funding. This Section is subordinate and subject to the First Mortgage.

(H) Indebtedness:

With respect to the Premises encumbered by the Borrower of even date herewith, Borrower will not incur, create, assume or permit to exist any indebtedness superior to this Mortgage, except in the ordinary course of business constituting the deferred purchase price of any property or assets, or any indebtedness or liability evidenced by notes, bonds, debentures or similar obligations without the written approval of the County, which approval shall not be unreasonably withheld or delayed, except indebtedness owed the County and the aforementioned Senior Mortgages; provided however, that the Senior Mortgages shall not exceed the amounts contained in the recitals incorporated in this Agreement.

(I) Further Assurances and Preservation of Security:

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

(J) No Assignment:

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

**10. RIGHT TO AUDIT, ACCESS TO RECORDS, AND INSPECTOR GENERAL:**

The Borrower shall maintain adequate records to justify all charges, expenses, and costs incurred for construction of the Improvements for at least five (5) years after completion. Furthermore, the Borrower shall maintain ongoing records related to its tenants (such as their incomes, their household composition, their household characteristics, and their leases) for at least five (5) years after the end of each tenancy to enable the County to verify the Borrower's compliance with the occupancy, affordability, and all other requirements in this Agreement.

The County shall have access to such books, records, and documents as required in this Section for the purpose of inspection or audit during normal business hours, at the Borrower's place of business.

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

**11. INSPECTIONS:**

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

**12. DEFAULT:**

The following events, after expiration of any notice and cure period, shall be deemed Events of Default:

(A) Bankruptcy:

If there is filed by or against Borrower a petition in bankruptcy or a petition for the appointment of a receiver or trustee of the property of Borrower, and any such petition not filed by Borrower is not dismissed within ninety (90) days of the date of filing, or if Borrower files a petition for reorganization under any of the provisions of the Bankruptcy Code or of any assignment for the benefit of creditors or makes any insolvency assignment or is adjusted insolvent by any court of competent jurisdiction.

(B) Breach of Covenants, Warranties and Representations:

If any warranty or representation made by Borrower in this Agreement or in any other Loan Document shall at any time be false or misleading in any material respect when made, or if Borrower shall fail to keep, observe or perform any of the material terms, covenants, representations or warranties contained in this Agreement, the Promissory Note, the Mortgage, the Loan Documents, and any other document given in connection with the Loan or development of the Improvement (provided, that with respect to non-monetary defaults, the County shall give written notice to Borrower, who shall have thirty (30) days to cure, with additional time as may be required if the cure is diligently commenced but cannot be completed within said thirty (30) days and the County concurs, and provided that, with respect to monetary defaults, the County shall give written notice to Borrower, who shall have fifteen (15) days to cure), or is unwilling to meet its obligations. County agrees to accept a cure tendered by any of the Senior Mortgages provided such cure meets all of the requirements to fully cure the breach.

(C) Failure to Use Funds:

The Borrower shall fail to use Loan funds for the costs specified herein.

(D) Failure to Commence Construction:

The Borrower shall fail to commence construction of the Improvements by May 15, 2017, unless revised by written agreement between the parties.

(E) Failure to Comply with Lease Deadlines:

The Borrower shall fail to comply with the deadline to complete construction of the Improvements, secure a Certificate of Occupancy for the Improvements, and lease the all units at the Project by June 30, 2019, or within six (6) months after issuance of all Certificates of Occupancy for the Project, whichever date occurs first.

(F) Default Under the Senior Mortgages:

The Borrower shall default under any of the Senior Mortgages which is not cured within applicable cure periods.

**13. REMEDIES OF LENDER:**

Upon the happening of an Event of Default, which default is not cured within any applicable cure or grace period, then the County may, at its option, upon written notice to Borrower:

(A) Cancellation of Agreement:

Cancel this Agreement.

(B) Commencement of Legal or Equitable Action:

Commence an appropriate legal or equitable action to enforce performance of this Agreement.

(C) Acceleration of Payment:

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

(D) Rights and Remedies:

Exercise any other rights or remedies the County may have under the Mortgage or other Loan Documents executed in connection with the Loan or which may be available under applicable law.

**14. GENERAL TERMS:**

The following shall be applicable throughout the period of this Agreement or thereafter as provided herein:

(A) Rights of Third Parties:

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

All conditions of the County hereunder are imposed solely and exclusively for the benefit of the County and its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or be entitled to assume that the County will make disbursements in the absence of strict compliance with any or all thereof, and no other person shall, under any circumstances, be deemed to be a beneficiary of this Agreement or the Loan Documents, any provisions of which may be freely waived in whole or in part by the County at any time if, in its sole discretion, it deems it desirable to do so. In particular, the County makes no representations and assumes no duties or obligations as to third parties concerning the quality of the construction by Borrower of the Improvements, or the absence therefrom, of defects.

(B) Borrower is not the County's Agent:

Nothing in this Agreement, the Promissory Note, the Mortgage or any other Loan Document shall be construed to make the Borrower the County's agent for any purpose whatsoever, or the Borrower and the County partners, or joint or co-venturers, and the relationship of the parties shall, at all times, be that of debtor and creditor.

(C) Public Entity Crimes:

As provided in F.S. 287.133, by entering into this Agreement or performing any work in furtherance hereof, the Borrower certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State of Florida Department of Management Services within the thirty-six (36) months immediately preceding the date hereof. This notice is required by F.S. 287.133 (3)(a).

(D) Conflict of Interest:

The Borrower represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder, as provided for in Chapter 112, Part III, Florida Statutes, and the Palm Beach County Code of Ethics. The Borrower further represents that no person having any such conflict of interest shall be employed for said performance of services.

The Borrower shall promptly notify the County's representative, in writing, by certified mail, of all potential conflicts of interest of any prospective business association, interest or other circumstance which may influence or appear to influence the Borrower's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Borrower may undertake and request an opinion of the County as to whether the association, interest or circumstance would, in the opinion of the County, constitute a conflict of interest if entered into by the Borrower. The County agrees to notify the Borrower of its opinion by certified mail within thirty (30) days of receipt of notification by the Borrower. If, in the opinion of the County, the prospective business association, interest or circumstance would not constitute a conflict of interest by the Borrower, the County shall so state in the notification and the Borrower shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the County by the Borrower under the terms of this Agreement.

(E) County Not Liable for Damage or Loss:

All inspections and other services rendered by or on behalf of the County pursuant to this Agreement shall be rendered solely for the protection and benefit of the County. Neither Borrower nor other third persons shall be entitled to claim any loss or damage against the County or against its agents or employees for failure to properly conduct inspections and other such services contemplated by this Agreement.

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

Nothing contained in this Agreement, or any Loan Documents, shall impose upon the County any obligation to oversee the proper use or application of any disbursements and disbursements of funds made hereunder so long as disbursements are made to Borrower.

(G) Indemnification from Third Party Claims:

The Borrower shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Loan proceeds to Borrower or from the condition of the Premises, whether related to the quality of construction or otherwise, and whether arising during or after the term of the Loan, except any liability due to the gross negligence or willful

misconduct of County. This provision shall survive the repayment of the Loan and shall continue in a full force and effect so long as the possibility of such liability, claims, or losses exists.

(H) Rights of Subcontractors, Laborers, and Materialmen:

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

(I) Evidence of Satisfaction of Conditions:

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

(J) Headings:

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

(K) Invalid Provisions to Affect No Others:

If performance of any provision hereof or any transaction related hereto is limited by law, then the obligation to be performed shall be reduced accordingly; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Agreement in part, then the invalid part of said clause or provision only shall be held for naught, as though not contained herein, and the remainder of this Agreement shall remain operative and in full force and effect.

(L) Application of Interest to Reduce Principal Sums Due:

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

(M) Governing Law and Remedies:

This Agreement shall be governed by the laws of the State of Florida. Any legal action necessary to enforce the Agreement will be held in a court of competent jurisdiction located in Palm Beach County, Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

(N) Number and Gender:

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

(O) Agreement:

The Borrower agrees to comply with all provisions of the State Housing Initiatives Partnership Act (Title XXX, Chapter 420, Part VII, Florida Statutes) and of Chapter 67-37, Florida Administrative Code that are applicable to a recipient of SHIP funds and that are required to be adhered to for this Loan, and such provisions are incorporated herein by reference and are made a part hereof. The Loan Documents constitute the entire understanding and agreement between the parties with respect the subject matter hereof, supersede all prior agreements, including commitment letters, and may not be modified or amended, except in writing and signed by all parties hereto.

(P) Waiver:

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

(Q) Notices to Borrower and County:

All notice from the Borrower to the County and the County to Borrower required or permitted by any provision of this agreement shall be in writing and sent by registered or certified mail and addressed as follows:

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

TO BORROWER: Royal Palm Place, Ltd.  
3050 Biscayne Boulevard, Suite 300  
Miami, FL 33137  
Attention: Francisco Rojo

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

(R) Notices to Limited Partner and Right to Cure:

The Borrower shall, prior to closing on the Loan, advise the County as to the identity and address of its limited partner.

Notwithstanding anything to the contrary set forth in any one or more of the Loan Documents evidencing or securing the County's Loan to the Borrower, the County makes the covenants and representations set forth below.

The County will give the Borrower's limited partner (together with its successors and assigns, the "Limited Partner") a copy of any written notice of an Event of Default it gives to the Borrower under the Loan Documents, at the address provided by the Borrower for such purpose, or at any other address provided by the Limited Partner to the County.

The County will give the Limited Partner ten (10) business days after the Limited Partner's receipt of such notice to cure a non-payment of any sum due under the Loan Documents.

The County will give the Limited Partner thirty (30) days after the Limited Partner's receipt of such notice to cure any other default under the Loan Documents.

If a default is incapable of being cured within thirty (30) days, the County will give the Limited Partner such additional time as is reasonably necessary to cure such default provided it has commenced to cure such default within thirty (30) days and diligently proceeds to cure such default.

If the Limited Partner makes any such payment or otherwise cures such default, the County will accept such action as curing the respective default under the Loan Documents.

(S) Submittals:

All information required to be submitted to the County shall be submitted to the County's Department of Economic Sustainability, Attn: Director, 100 Australian Avenue, Suite 500, West Palm Beach, FL 33406.

(T) Successors and Assigns:

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

(U) Counterparts:

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

(V) Waiver of Jury Trial:

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

**15. SUBORDINATION:**

Lender hereby approves the First Mortgage provided that it does not exceed \$14,500,000 plus any protective advances made in accordance with applicable law, and further agrees to subordinate to such First Mortgage or any refinancing of the First Mortgage with an independent institutional lender permitted under Section 9(B) hereof. The Mayor of the Board of County Commissioners of Palm Beach County and the Clerk of the Court for Palm Beach County are hereby authorized to execute subordination agreements required herein in connection with a permitted refinancing of the First Mortgage without further approval of the Board of County Commissioners of Palm Beach County, Florida, provided such documents are in a form acceptable to the County Attorney.

Lender hereby approves the Second Mortgage provided that it does not exceed \$4,750,000 plus any protective advances made in accordance with applicable law, and further agrees to subordinate to such Second Mortgage.

Lender hereby approves the Third Mortgage provided that it does not exceed \$495,000 plus any protective advances made in accordance with applicable law, and further agrees to subordinate to such Third Mortgage.

Nothing contained herein shall, however, relieve the Borrower from its obligation to make payments under the Promissory Note in accordance with its terms.

**16. NONRECOURSE:**

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT BY THE BORROWER UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE LENDER SHALL BE TO FORECLOSE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND IN NO EVENT SHALL THE BORROWER HAVE ANY LIABILITY FOR THE PAYMENT OF THE LOAN OR ANY OTHER OBLIGATIONS REFERENCED HEREIN, OR FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THE LOAN.

**17. EFFECTIVE DATE OF AGREEMENT:**

This Agreement shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners or its designee. The Effective Date shall be the date on which this Agreement is executed by Palm Beach County.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, Borrower and the County have caused this Agreement to be executed on the dates set forth herein.

Signed, sealed and delivered  
in the presence of:

Witnesses:

[Signature]  
Witness Signature

Oliver Pfeiffer  
Print Witness Name

[Signature]  
Witness Signature

Justin Gilbert  
Print Witness Name

**BORROWER:**

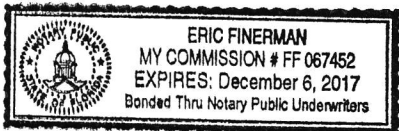
**ROYAL PALM PLACE, LTD.,**  
a Florida limited partnership

By: Royal Palm Place GP, LLC,  
a Florida limited liability company,  
its Managing General Partner

By: [Signature]  
Francisco Rojo, Vice President

STATE OF FLORIDA  
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of APRIL, 2016,  
by Francisco Rojo, as Vice President of Royal Palm Place GP, LLC, the Managing General  
Partner of Royal Palm Place, Ltd., who is personally known to me, or who has produced  
\_\_\_\_\_ as identification and who did/did not take an oath.



(NOTARY SEAL ABOVE)

Signature: [Signature]

Notary Name: Eric Finerman  
Notary Public - State of Florida

(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: \_\_\_\_\_  
Mary Lou Berger, Mayor  
Palm Beach County

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: [Signature]  
Sherry Howard, Deputy Director

## EXHIBIT A

### LEGAL DESCRIPTION

#### PARCEL 1 (LEASEHOLD PARCEL):

A PORTION OF DUNBAR VILLAGE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 18, PAGE 77, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID DUNBAR VILLAGE; THENCE SOUTH 88° 48' 29" EAST, ALONG THE SOUTH LINE OF DUNBAR VILLAGE, A DISTANCE OF 338.89 FEET TO THE POINT OF BEGINNING; THENCE, DEPARTING SAID SOUTH LINE ALONG THE ARC OF A CURVE TO THE LEFT WHOSE CHORD BEARS N43°33'43"W, HAVING A RADIUS OF 18.00 FEET, A CENTRAL ANGLE OF 90°05'21", AN ARC DISTANCE OF 28.30 FEET; THENCE NORTH 01° 23' 32" EAST, A DISTANCE OF 125.09 FEET; THENCE NORTH 88° 48' 30" WEST, A DISTANCE OF 179.89 FEET; THENCE NORTH 09° 15' 40" EAST, A DISTANCE OF 341.93 FEET; THENCE SOUTH 88° 37' 00" EAST, A DISTANCE OF 484.35 FEET TO A POINT OF INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF DIVISION AVENUE, AS SHOWN ON SAID PLAT OF DUNBAR VILLAGE; THENCE, ALONG SAID WEST RIGHT-OF-WAY LINE, SOUTH 04° 48' 42" EAST, A DISTANCE OF 482.75 FEET TO A POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF 15TH STREET AS SHOWN ON SAID PLAT OF DUNBAR VILLAGE; THENCE, ALONG SAID NORTH RIGHT -OF-WAY LINE, NORTH 88° 48' 29" WEST, A DISTANCE OF 385.45 FEET TO THE POINT OF BEGINNING.

SAID LANDS SITUATE IN SECTION 16, TOWNSHIP 43 SOUTH, RANGE 43 EAST, THE CITY OF WEST PALM BEACH, PALM BEACH COUNTY, FLORIDA.

AND

#### PARCEL 2 (EASEMENT PARCEL):

TOGETHER WITH THOSE CERTAIN NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN THAT CERTAIN EASEMENT AGREEMENT BY AND BETWEEN THE WEST PALM BEACH HOUSING AUTHORITY, A PUBLIC BODY CORPORATE AND POLITIC (THE "AUTHORITY"), AND SILVER PALM PLACE ASSOCIATES, LTD., A FLORIDA LIMITED PARTNERSHIP ("SPP"), RECORDED IN OFFICIAL RECORDS BOOK 27952 AT PAGE 207 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, AS AMENDED BY FIRST AMENDMENT TO EASEMENT AGREEMENT BY AND AMONG THE AUTHORITY, SPP AND ROYAL PALM PLACE, LTD., OVER, UNDER AND ACROSS THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF DUNBAR VILLAGE ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 18, PAGE 77 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID DUNBAR VILLAGE; THENCE N.09°15'40"E ALONG THE WEST LINE THEREOF, A DISTANCE OF 486.95 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N.09°15'40"E ALONG THE WEST LINE OF SAID DUNBAR VILLAGE, A DISTANCE OF 50.48 FEET; THENCE S.88°37'00"E. A DISTANCE OF 593.15 FEET TO A POINT OF INTERSECTION WITH THE EAST LINE OF SAID DUNBAR VILLAGE, THENCE S.04°48'42"E., ALONG THE EAST LINE OF SAID DUNBAR VILLAGE A DISTANCE OF 50.29 FEET; THENCE N.88°37'00"W, A DISTANCE OF 605.50 FEET TO THE POINT OF BEGINNING.

SAID LANDS SITUATE IN SECTION 16, TOWNSHIP 43 SOUTH, RANGE 43 EAST, PALM BEACH COUNTY, FLORIDA.

EXHIBIT B

PROMISSORY NOTE

**\$115,000.00**

West Palm Beach, Florida  
\_\_\_\_\_, 2017

**FOR VALUE RECEIVED** the undersigned **Royal Palm Place, Ltd.**, a Florida Limited Partnership ("Maker"), promises to pay to the order of **PALM BEACH COUNTY**, a political subdivision of the State of Florida, together with any other holder hereof ("Holder"), at 301 North Olive Avenue, West Palm Beach, Florida 33401, or such other place as Holder may from time to time designate in writing, the principal sum of **One Hundred Fifteen Thousand Dollars (\$115,000.00)** (the "Loan"), plus accrued interest, to be paid in lawful money of the United States of America, as follows:

- 1) The entire Loan is non-amortizing and this Note shall bear interest at the stated rate of **one percent (1%) per annum** (compounded annually) computed on the outstanding principal balance remaining unpaid from time to time. The outstanding principal balance shall be due in full on the Maturity Date (as defined below).
- 2) Repayment hereunder shall occur as follows:
  - (a) Interest will accrue beginning on the date hereof with the first annual interest payment being payable to Holder on \_\_\_\_\_, 2018.
  - (b) From and after \_\_\_\_\_, 2018, annual payments of interest shall be made to Holder on the \_\_\_ day of \_\_\_\_\_ for each preceding calendar year thereafter through \_\_\_\_\_, 2047, (**Maturity Date**), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon shall be due and payable, unless acceleration is made by Holder pursuant to the provisions hereof.
- 3) Maker shall also pay Holder an annual Compliance Monitoring Fee. The Fee shall be in the amount of \$500.00 and shall be due commencing \_\_\_\_\_, 2018, and every \_\_\_\_\_ thereafter through the Maturity Date.
- 4) This Note may be prepaid in whole or in part at any time, without penalty or premium. Any prepayment hereunder shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to accrued, deferred and unpaid interest and the balance, if any, to the principal balance. The restrictive covenants contained in the Mortgage shall survive if this Note is wholly prepaid prior to the expiration of the term of such covenants. The restrictive covenants may, with the approval of Holder, be transferred to a separate Declaration of Restrictive Covenants which shall be recorded in the public records of Palm Beach County.
- 5) After maturity or acceleration, this Note shall bear interest at the Default Interest Rate which shall be the maximum interest rate allowed by applicable law until paid in full.
- 6) All terms hereunder shall be as construed and defined in Florida Law.

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

This Note is executed pursuant to the terms and conditions of that certain Loan Agreement dated \_\_\_\_\_, 2016, between Maker, as Borrower, and Holder, as Lender, is secured by a Mortgage and Security Agreement (the "Mortgage"), of even date herewith, encumbering certain real property located in Palm Beach County, Florida (the "Premises"). The foregoing and all other agreements, instruments and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents". Project is the construction of 125 affordable rental housing units known as **Royal Palm Place**, which is more fully described in the Loan Documents.

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

Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require the Maker to pay interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to ethical law. Should any interest or other charges paid by the Maker, or parties liable for the payment of this Note, in connection with the Loan Documents result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, any and all such excess shall be and the same is hereby waived by the Holder, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and a portion of said excess which exceeds the balance due under this indebtedness shall be paid by the Holder to the Maker.

Holder shall have the right to declare the total unpaid balance hereof to be immediately due and payable in advance of the Maturity Date upon the failure of Maker to pay when due any payment of interest or other amount due hereunder; or upon the occurrence of an Event of Default pursuant to any other Loan Documents now or hereafter evidencing, securing or guarantying payment of this Note. Notwithstanding the foregoing, Holder shall not exercise any remedies hereunder prior to the expiration of any notice and cure period in the Loan Agreement.

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

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

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

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

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

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

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

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

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

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT, SUBJECT TO APPLICABLE NOTICE AND CURE PROVISIONS, BY THE MAKER UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE HOLDER SHALL BE TO FORECLOSE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND IN NO EVENT SHALL THE MAKER HAVE ANY LIABILITY FOR THE PAYMENT OF THE LOAN OR FOR ANY OTHER OBLIGATIONS REFERENCED HEREIN, OR FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THE LOAN.

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

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

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

Signed, sealed and delivered  
in the presence of:

**MAKER:**

Witnesses:

**ROYAL PALM PLACE, LTD.,**  
a Florida limited partnership

\_\_\_\_\_  
Witness Signature

By: Royal Palm Place GP, LLC,  
a Florida limited liability company,  
its Managing General Partner

\_\_\_\_\_  
Print Witness Name

By: \_\_\_\_\_  
Francisco Rojo, Vice President

\_\_\_\_\_  
Witness Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Print Witness Name

STATE OF FLORIDA  
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by Francisco Rojo, as Vice President of Royal Palm Place GP, LLC, the Managing General Partner of Royal Palm Place, Ltd., who is personally known to me, or who has produced \_\_\_\_\_ as identification.

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

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

(NOTARY SEAL ABOVE)

Notary Public - State of Florida

## EXHIBIT C

Return to:

Prepared by:

James Brako, Esq.  
Palm Beach County Attorney's Office  
P.O. Box 1989  
West Palm Beach, FL 33402

PNC: \_\_\_\_\_

**NOTE TO CLERK OF CIRCUIT COURT: THIS INSTRUMENT SECURES A PROMISSORY NOTE IN THE PRINCIPAL AMOUNT OF \$115,000.00 AND DOCUMENTARY STAMP TAX IS BEING PAID HEREON. BECAUSE THE HOLDER OF THE PROMISSORY NOTE SECURED BY THIS INSTRUMENT AND THE HOLDER OF THIS INSTRUMENT IS A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, NO INTANGIBLES TAX IS REQUIRED TO BE PAID ON THIS INSTRUMENT PURSUANT TO SECTION 199.183(1), FLORIDA STATUTES.**

### MORTGAGE AND SECURITY AGREEMENT

**THIS MORTGAGE AND SECURITY AGREEMENT** (this "Mortgage"), executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by **Royal Palm Place, Ltd.**, a Florida limited partnership (the "Mortgagor"), as Party of the First Part, and **Palm Beach County**, a political subdivision of the State of Florida (the "Mortgagee" or "County") (which term as used in every instance shall include the Mortgagee's successors and assigns), as Party of the Second Part;

### WITNESSETH:

The Mortgagor is the lessee of the premises described in Exhibit A attached hereto (hereinafter the "Premises") and made a part hereof, pursuant to the terms of a long-term Lease Agreement dated January 21, 2016, as amended and restated by an Amended and Restated Ground Lease with the West Palm Beach Housing Authority, whose consent to this Mortgage is attached hereto and made a part hereof. Mortgagee has this date loaned One Hundred Fifteen Thousand Dollars (\$115,000) to Mortgagor and in connection therewith Mortgagor has this date executed and delivered to Mortgagee its Promissory Note in that amount (the "Note"). A true copy of the Note is annexed hereto as Exhibit B and forms a part hereof.

This Mortgage is given in accordance with that certain Loan Agreement between Mortgagor and Mortgagee as executed on \_\_\_\_\_, 2016. This Mortgage and Security Agreement, the Note, and the Loan Agreement shall hereinafter collectively be referred to as the "Loan Documents".

### GRANTING CLAUSE

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

**TOGETHER** with all and singular the rights, interests and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the Premises hereinabove mentioned or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Mortgagor including but not limited to all of Mortgagor's sewer capacity rights, and Mortgagor's rights under contracts, permits, licenses and all other documents and payments affecting the Premises, reserving only the right to the Mortgagor to collect the same so long as the Mortgagor is not in Default hereunder subject to applicable notice and cure provisions and so long as the same are not subjected to garnishment, levy, attachment, or lien.

**TO HAVE AND TO HOLD** the Premises and all parts, rights, members and appurtenances thereof, to the use, benefit and behalf of the Mortgagee, its successors and assigns, and the Mortgagor covenants that the Mortgagor possesses a non-freehold estate in the Premises, is in lawful possession thereof, and has good right to encumber the same, that the same are unencumbered excepting taxes accruing subsequent to 2014, and those certain exceptions appearing on the Mortgagee's Title Insurance Policy given in connection herewith and specifically approved by Mortgagee, and that the Mortgagor will warrant and defend the title thereto against the claims of all persons whomsoever, except as hereinafter expressly provided.

Notwithstanding the foregoing, this Mortgage shall be subject and subordinate to separate mortgage and security agreements and related loan documents encumbering the Premises upon their execution by Mortgagor in favor of Citibank, N.A. in an original principal amount not to exceed \$14,500,000 ("First Mortgage"), in favor of the Florida Housing Finance Corporation in an original principal amount not to exceed \$4,750,000 ("Second Mortgage"), and in favor of the Florida Housing Finance Corporation in an original principal amount not to exceed \$495,000 ("Third Mortgage").

**PROVIDED ALWAYS** that if the Mortgagor shall pay unto the Mortgagee all sums required under the terms of the Note, which Note is in the original principal amount of \$115,000 and has a maturity date of \_\_\_\_\_, 2047, unless such maturity is accelerated as set forth in the Note, and shall comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Loan Documents, then in such event this Mortgage and Security Agreement and the estate hereby created shall cease and be null and void.

The Mortgagor covenants with the Mortgagee as follows:

## **ARTICLE 1**

### **1.1 Payments of Indebtedness:**

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

### **1.2 Taxes, Liens and Other Charges.**

(a) The Mortgagor, from time to time when the same shall become due and payable but in any event prior to delinquency, will pay and discharge all taxes of every kind and nature, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges and all other public charges, whether of a like or different nature, imposed upon or assessed against the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof. This requirement does not in any way preclude Mortgagor from contesting real or personal property taxes when appropriate. The Mortgagor will, upon the request of the Mortgagee, deliver to the Mortgagee copies of receipts evidencing the payment of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against the Mortgaged Property or the revenues, rents, issues, income or profits thereof.

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

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

### 1.3 Insurance:

The Mortgagor will keep the Mortgaged Property continuously insured in an amount no less than full insurable value which coverage shall insure the Mortgaged Property against loss or damage by fire and by the perils covered by extended coverage and against such other hazards, including flood, as the Mortgagee, in its sole discretion, shall from time to time require, for the benefit of the Mortgagee. All such insurance at all times will be in an insurance company or companies in such amounts and with terms reasonably acceptable to the Mortgagee, with loss, if any, payable to the Mortgagee as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to the Mortgagee; and forthwith upon the issuance of such policies they will deliver to the Mortgagee copies of receipts for the premiums paid thereon and certificates of insurance and copies of such policies. In the event of a foreclosure or other transfer of title to the Property in lieu of foreclosure, or by purchase at the foreclosure sale, all interest in any proceeds due in connection with any claims made under the policy(ies) (for events arising prior to the title transfer) shall pass to Mortgagee, transferee or purchaser, as the case may be. Subject to the rights of the Mortgagee pursuant to the First Mortgage, the Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Mortgaged Property jointly with the Mortgagor. Each insurance company is hereby authorized and directed to make payment for all such losses to the Mortgagor and the Mortgagee jointly. Unless Mortgagor and Mortgagee otherwise agree in writing, insurance proceeds shall be applied to restoration or repair, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby materially impaired. In order to determine whether restoration is economically feasible, Mortgagor must provide evidence to the Mortgagee that the Mortgagor has sufficient funds to completely restore or repair the Mortgaged Property to a multi-family affordable housing complex in accord with the Loan Agreement and the SHIP requirements described therein. If such restoration or repair is not economically feasible or if the security of this Mortgage would be materially impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage with the excess, if any, paid to Mortgagor. The provisions of this Section 1.3 are expressly subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate.

### 1.4 Care of Premises:

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

(b) If the Premises or any part thereof is damaged by fire or any other cause, which damage exceeds Two Hundred Thousand Dollars (\$200,000), the Mortgagor will give immediate written notice of the same to the Mortgagee.

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

(d) The Mortgagor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Premises or any part thereof. Mortgagee shall have the right to monitor the project and enforce the terms of all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Premises or any part thereof.

(e) If all or any part of the Premises shall be damaged by fire or other casualty, the Mortgagor will, upon request of the Mortgagee, promptly restore the Premises to the substantial equivalent of its condition immediately prior to such damage, and if a part of the Premises shall be damaged through condemnation, the Mortgagor will, upon request of Mortgagee, promptly restore, repair or alter the remaining part of the Premises in a manner reasonably satisfactory to the Mortgagee.

The Mortgagee recognizes that this mortgage will be subordinate to the First Mortgage, and to the extent this provision conflicts with the similar terms and conditions of the First Mortgage, the First Mortgage shall supersede and shall be controlling. Nothing contained herein shall, however, relieve the Mortgagor from its obligation to make payments under the Promissory Note in accordance with its terms.

1.5 Covenants Running With the Land:

The Mortgagor expressly agrees to the following terms and conditions:

(a) Use of Loan Funds, Units to be Constructed and Related Dates:

The Mortgagor shall use the loan in the amount of \$115,000 for construction costs of the Royal Palm Place Project described in the Loan Documents and the Mortgagor shall construct 125 affordable rental housing units on the Premises which units shall be occupied at affordable rental rates by households as specified in Section 1.5(b) below. Construction of said units shall commence no later than May 15, 2017, and shall be completed, with all Certificates of Occupancy issued and all units leased by June 30, 2019. Notwithstanding the preceding, all units at said Project shall be leased, within six (6) months after issuance of all Certificates of Occupancy for the Project if such date is earlier than June 30, 2019.

(b) Occupancy and Affordability Requirements:

(1) Occupancy: All rental housing units to be constructed at said Project shall, for a period of thirty (30) years commencing from the date of the Certificate of Occupancy for the Project be leased to households whose annual gross incomes, adjusted for family size, are at no more than sixty percent (60%) of Area Median Income (hereinafter "AMI") at any time new tenants occupy these units. AMI shall mean the most current area median income published by HUD for the West Palm Beach-Boca Raton Metropolitan Statistical Area and annual gross income shall be as defined in s. 420.9071, Florida Statutes. The Mortgagor shall re-certify the tenant's household income annually after the date of initial occupancy to ensure continued income eligibility. Limitations, if any, on the increase of tenants' annual gross incomes while in occupancy of these units shall be as established by FHFC under its State Apartment Incentive Loan (SAIL) Program.

(2) Affordability: All rental housing units to be constructed at said Project shall, for the aforesaid thirty (30) year period, be rented at affordable rental rates. Affordability shall be as defined in s. 420.9071, Florida Statutes.

**THE REQUIREMENTS AND RESTRICTIONS SET FORTH IN THIS SECTION 1.5 SHALL BE COVENANTS RUNNING WITH THE LAND FOR THE THIRTY (30) YEAR AFFORDABILITY PERIOD SET FORTH HEREIN, AND SHALL SURVIVE ANY FORECLOSURE OR DEED-IN-LIEU OF FORECLOSURE. IN THE EVENT THE MORTGAGE IS SATISFIED PRIOR TO THE EXPIRATION OF THE AFFORDABILITY PERIOD, THE RESTRICTIVE COVENANTS MAY, WITH THE APPROVAL OF THE COUNTY, BE TRANSFERRED TO A SEPARATE DECLARATION OF**

**RESTRICTIVE COVENANTS CONSISTENT WITH THE TERMS SET FORTH  
HEREIN, WHICH COVENANTS WHICH SHALL BE RECORDED IN THE  
PUBLIC RECORDS OF PALM BEACH COUNTY.**

1.6 Further Assurances; Modifications:

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

1.7 Expenses.

In addition to the expenses described in Section 2.6(b) hereof, the Mortgagor will pay or reimburse the Mortgagee for all reasonable attorney's fees, costs and expenses, including those in connection with appellate proceedings, incurred by the Mortgagee in any proceedings or in any action, legal proceeding or dispute of any kind which relate to or arise from the Mortgage of the interest created herein, or the Premises, including but not limited to foreclosure of this Mortgage, any condemnation action involving the Premises or any action to protect the security hereof; and any such amounts paid by the Mortgagee shall be secured by this Mortgage.

1.8 Estoppel Affidavits:

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

1.9 Subrogation:

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

1.10 Performance by Mortgagee of Defaults by Mortgagor:

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

1.11 Condemnation:

In the event of a condemnation (which term when used in the Mortgage shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), unless Mortgagor and Mortgagee otherwise agree in writing, condemnation awards shall be applied to restoration or repair of the Premises, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby materially impaired. If

such restoration or repair is not economically feasible or if the security of this Mortgage would be materially impaired, the condemnation award shall be applied to the sums secured by this Mortgage with the excess, if any, paid to Mortgagor. In the event of a condemnation, if an Event of Default shall exist hereunder, the Mortgagee shall be entitled to all compensation, awards, and other payments or relief thereof, and is hereby authorized at its option, to commence, appear in, and prosecute, in its own, or the Mortgagor's name, any action or proceeding relating to any condemnation, either to settle or compromise any claim in connection therewith; and all such compensation, awards, damages, claims, rights of action and proceeds, and the right thereto from any condemnation are hereby assigned by the Mortgagor to the Mortgagee. The Mortgagor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds from a condemnation as the Mortgagee may require. The provisions of this Section 1.11 are subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate. Notwithstanding the foregoing, any condemnation for less than twenty percent (20%) of value of the Premises or any condemnation that will not render the Premises unusable shall not be affected by this section.

#### 1.12 Environmental Representations:

- (a) The Mortgagor covenants with the Mortgagee that to the best of Mortgagor's knowledge the Premises have not been used and will not be used in whole or in part for the storage of hazardous waste other than typical cleaning and maintenance supplies kept in accordance with all laws and regulations.
- (b) To the best of Mortgagor's knowledge, no violation of any Federal, State or local environmental regulations now exists regarding the Mortgage Property.
- (c) Mortgagor shall comply with all Federal, State and local environmental regulations during the construction of the improvements on the Premises.
- (d) Mortgagor shall give written notice to Mortgagee immediately upon Mortgagor's acquiring knowledge of the presence of any hazardous substances on the Mortgaged Property or of any hazardous substances contamination thereon, or of any notices received by Mortgagor that are violations or potential violations of any environmental regulation laws, ordinances, rules or regulations exists on the Mortgage Property.

### **ARTICLE 2**

#### 2.1 Due on Sale or Further Encumbrance Clause:

In determining whether or not to make the loan secured hereby, Mortgagee examined the credit-worthiness of Mortgagor, found it acceptable and continues to rely upon the same as the means of repayment of the loan. Mortgagee also evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found it acceptable and continues to rely upon same as the means of maintaining the value of the Premises. Mortgagor was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress or any kind for all of the terms and conditions of the loan, including this provision. Mortgagor further recognizes that any secondary or junior financing placed upon the Premises (a) may divert funds which would otherwise be used to pay the Note secured hereby; (b) could result in acceleration and foreclosure by any such junior encumbrance which would force Mortgagee to take measures and incur expenses to protect its security; (c) could detract from the value of the Premises should Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security both of repayment by Mortgagor and of value of the Premises; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; (iii) allowing Mortgagee to charge default rate interest in the case of an uncured Event of Default; and (iv) keeping the Premises free of subordinate financing liens, Mortgagor agrees that if this Section be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises or any interest therein except as permitted under the Loan Agreement (whether voluntarily or by operation of law) without the

Mortgagee's prior written consent, which consent shall not be unreasonably withheld, or delayed, shall be an Event of Default hereunder, except for any refinancing of the First Mortgage with an independent institutional lender permitted under the Loan Agreement, which shall be permitted without the prior written consent of the Mortgagee. For the purpose of and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the Premises and therefore an Event of Default hereunder:

(a) any sale, conveyance, assignment or other transfer of or the grant of a security interest in, all or any part of the title to the Premises, other than easements or licenses necessary for the development and use of the improvements on the Premises, excluding the First Mortgage or any refinancing of the First Mortgage with an independent institutional lender, which shall include tenant services or benefits; or

(b) any new or additional liabilities secured by the Premises without the prior written consent of Mortgagee.

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

## 2.2 Events of Default:

An Event of Default ("Default") shall have occurred hereunder if:

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

(b) The Mortgagor shall fail to duly observe on time any other covenant, condition or agreement of this Mortgage, the Note, the Loan Documents or of any other instrument evidencing, security or executed in connection with the indebtedness secured hereby, and such failure continues for a period of thirty (30) days following written notice by the Mortgagee or such additional time as may be required, provided a cure is timely commenced and diligently prosecuted; or

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

(d) Any lien for labor or material or otherwise shall be filed against the Premises, and such lien is not canceled, removed, bonded over, insured against or transferred within sixty (60) days after notice of such lien; or

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

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

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

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

(i) In any legal proceeding the Mortgagor shall be alleged to be insolvent or unable to pay the Mortgagor's debts as they become due and is not dismissed within ninety (90) days of Filing; or

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

(k) The Mortgagor shall, during the thirty (30) year period following the date of issuance of the Certificate of Occupancy for the affordable rental housing units constructed on the Mortgaged Property, cease to lease all such housing units to the households specified in the Loan Agreement and at the affordable rates specified therein; or

(l) The Mortgagor shall default on the First Mortgage and such default remains uncured after expiration of any applicable cure or grace period; or

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

### 2.3 Special Conditions:

(a) The Note can be assumed upon sale, transfer, or refinancing of the Premises, provided the Mortgagor has obtained the consent of Mortgagee to such sale, transfer or refinancing, or the sale, transfer or refinancing is otherwise permitted under the terms of the Loan Agreement.

In the event the Note will not be assumed upon sale, transfer or refinancing of the Premises, all available proceeds of the sale or refinancing shall be applied to pay the following items in order of priority:

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

(b) Except as set forth in Section 2.3(a) above, all of the principal and interest of the indebtedness secured hereby shall be due and payable upon sale, transfer, or refinancing, other than a refinancing of the First Mortgage with an independent institutional lender permitted under the Loan Agreement.

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

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

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

### 2.4 Acceleration of Maturity:

If a default shall have occurred hereunder and is not cured within applicable cure periods, then the whole unpaid principal sum of the indebtedness secured hereby with interest accrued thereon shall, at the option of the Mortgagee, become due and payable without notice or demand, time being of the essence of this Mortgage and of the Note secured hereby; and no omission on the part of the Mortgagee to exercise such option when entitled to do so shall be considered as a waiver of such right.

2.5 Right of Lender to Enter and Take Possession:

(a) If any Default shall have occurred and be continuing beyond expiration of any applicable cure or grace period, the Mortgagor, upon demand of the Mortgagee, shall forthwith surrender to the Mortgagee the actual possession of the Premises and if, and to the extent permitted by law, the Mortgagee may enter and take possession of the Premises and may exclude the Mortgagor and the Mortgagor's agents and employees wholly therefrom. In the event Mortgagee exercises its rights pursuant to this Section 2.5(a), the Mortgagee shall be deemed to be acting as agent of Mortgagor and not as owner of the Premises.

(b) For the purpose of carrying out the provisions of this Section 2.5, the Mortgagor hereby constitutes and appoints the Mortgagee the true and lawful attorney in fact of the Mortgagor to do and perform, from time to time, any and all actions necessary and incidental to such purpose and does, by these presents, ratify and confirm any and all actions of said attorney in fact in the Premises.

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

(d) The provisions of this Section 2.5 are subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate.

2.6 Appointment of a Receiver and Foreclosure:

(a) If a Default shall have occurred hereunder and is not cured within applicable cure periods, then the whole debt secured by this Mortgage, with all interest thereon, and all other amounts hereby secured shall, at the option of Mortgagee, become immediately due and payable, and may forthwith or at any time thereafter be collected by suit at law, foreclosure or other proceeding upon this Mortgage or by any other proper, real or equitable procedure without declaration of such option and without notice.

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

(c) Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit, and in case of a sale and a deficiency, during the full statutory period

of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period.

(d) If a Default shall have occurred hereunder and is not cured within applicable cure periods, Mortgagor shall deliver to Mortgagee at any time on its request, all agreements for deed, contracts, leases, abstracts, title insurance policies, muniments of title, surveys and other papers relating to the Premises, and in case of foreclosure thereof and failure to redeem, the same shall be delivered to and become the property of the person obtaining a deed to the Premises by reason of such foreclosure.

(e) The provisions of this Section 2.6 are subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate.

## 2.7 Discontinuance of Proceedings and Restoration of the Parties:

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

## 2.8 Remedies Cumulative:

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

## 2.9 Stamp and Excise Tax:

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

# **ARTICLE 3**

## 3.1 Successors and Assigns Included in Parties:

Whenever in this Mortgage one of the parties hereto is named or referred to, the heirs, legal representatives, successors and assigns of such parties shall be included and all covenants and agreements contained in this indenture by or on behalf of the Mortgagor and by or on behalf of the Mortgagee shall bind and inure to the benefit of their respective heirs, legal representatives, successors and assigns, whether so expressed or not.

Provided, however, that the Mortgagor shall have no right to assign its obligations hereunder without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld.

## 3.2 Headings:

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

3.3 Invalid Provisions to Affect No Others:

If fulfillment of any provision hereof or any transaction related hereto or to the Note, at the time performance of such provisions shall be due, shall involve transcending the limit of validity prescribed by law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained operates or would prospectively operate to invalidate this Mortgage in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this Mortgage shall remain operative and in full force and effect. Notwithstanding any provision contained herein, the total liability of Mortgagor for payment of interest, including service charges, penalties or any other fees shall not exceed the maximum amount of such interest permitted by applicable law to be charged, and if any payments by Mortgagor include interest in excess to the reduction of the unpaid principal amount due and pursuant hereto.

3.4 Number and Gender:

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

**ARTICLE 4**

4.1 Notices to Mortgagor and Mortgagee:

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

TO MORTGAGOR:           Royal Palm Place, Ltd.  
                                  3050 Biscayne Boulevard, Suite 300  
                                  Miami, FL 33137  
                                  Attention: Francisco Rojo

TO MORTGAGEE:           Palm Beach County  
                                  c/o County Attorney's Office  
                                  301 North Olive Avenue, Suite 601  
                                  West Palm Beach, FL 33401  
                                  Attention: James Brako

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

4.2 Notices to Limited Partner and Right to Cure:

Notwithstanding anything to the contrary set forth in any one or more of the Loan Documents evidencing or securing the Mortgagee's \$115,000 loan to the Mortgagor, the Mortgagee makes the covenants and representations set forth below.

The Mortgagee will give \_\_\_\_\_, together with its successors and assigns, (the "Limited Partner") a copy of any written notice of an Event of Default it gives to the Mortgagor under the Loan Documents, at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn.: \_\_\_\_\_

The Mortgagee will give the Limited Partner ten (10) business days after the Limited Partner's receipt of such notice to cure a non-payment of any sum due under the Loan Documents.

The Mortgagee will give the Limited Partner thirty (30) days after the Limited Partner's receipt of such notice to cure any other default under the Loan Documents.

If a default is incapable of being cured within thirty (30) days, the Mortgagee will give the Limited Partner such additional time as is reasonably necessary to cure such default provided it has commenced to cure such default within thirty (30) days and diligently proceeds to cure such default.

If the Limited Partner makes any such payment or otherwise cures such default, the Mortgagee will accept such action as curing the respective default under the Loan Documents.

## **ARTICLE 5**

### **5.1 Future Advances:**

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

### **5.2 Subordination:**

Mortgagee has approved a First Mortgage provided that it does not exceed \$14,500,000 plus any protective advances made in accordance with applicable law, and further has agreed to subordinate to such First Mortgage or any refinancing of the First Mortgage with an independent institutional lender so long as the refinancing does not increase the amount of indebtedness then secured by the First Mortgage. The Mayor of the Board of County Commissioners of Palm Beach County and the Clerk of the Court for Palm Beach County, are hereby authorized to execute subordination agreements required herein without further approval of the Board of County Commissioners of Palm Beach County, Florida, provided such documents are in a form acceptable to the County Attorney.

Mortgagee has approved a Second Mortgage provided that it does not exceed \$4,750,000 plus any protective advances made in accordance with applicable law, and further has agreed to subordinate to such Second Mortgage.

Mortgagee has approved a Third Mortgage provided that it does not exceed \$495,000 plus any protective advances made in accordance with applicable law, and further has agreed to subordinate to such Third Mortgage.

Nothing contained herein shall, however, relieve the Mortgagor from its obligation to make payments under the Promissory Note in accordance with its terms.

5.3 Lien Priority:

The lien priority of this Mortgage shall not be affected by any changes in the Note including, but not limited to, an increase in the interest rate charged pursuant to the Note. Any parties acquiring an interest in the Premises subsequent to the date of this Mortgage is recorded shall acquire such interest in the Premises with notice that Mortgagee may charge a default rate of interest in the event of an uncured Event of Default, or with the consent of the Mortgagor, otherwise modify the Note and the Note, as modified, and the Mortgage shall remain superior to the interest of any Party in the Premises acquired subsequent to the date of this Mortgage is recorded, other than the First Mortgage or any refinancing of the First Mortgage with an independent institutional lender.

5.4 Security Agreement:

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

5.5 Nonrecourse:

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT BY THE MORTGAGOR UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE MORTGAGEE SHALL BE TO FORECLOSE AGAINST THE MORTGAGED PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND IN NO EVENT SHALL THE MORTGAGOR HAVE ANY LIABILITY FOR THE PAYMENT OF THE LOAN OR FOR ANY OTHER OBLIGATIONS REFERENCED HEREIN, OR FOR THE PAYMENT OF ANY DEFICIENCY FOLLOWING THE FORECLOSURE AGAINST THE MORTGAGED PROPERTY GIVEN AS SECURITY FOR THE LOAN.

5.6 Choice of Law:

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

**(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)**

5.7 Binding Effect:

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

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

Signed, sealed and delivered  
in the presence of:

**MORTGAGOR:**

Witnesses:

**ROYAL PALM PLACE, LTD.,**  
a Florida limited partnership

\_\_\_\_\_  
Witness Signature

By: Royal Palm Place GP, LLC,  
a Florida limited liability company,  
its Managing General Partner

\_\_\_\_\_  
Print Witness Name

By: \_\_\_\_\_  
Francisco Rojo, Vice President

\_\_\_\_\_  
Witness Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Print Witness Name

STATE OF FLORIDA  
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me this \_\_\_\_ day of, \_\_\_\_\_, 2016,  
by Francisco Rojo, as Vice President of Royal Palm Place GP, LLC, the Managing General  
Partner of Royal Palm Place, Ltd., who is personally known to me, or who has produced  
\_\_\_\_\_ as identification.

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

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

(NOTARY SEAL ABOVE)

Notary Public - State of Florida

**CONSENT TO MORTGAGE**

The undersigned, the owner and lessor of the property described in Exhibit A attached hereto (the "Premises"), hereby acknowledges and consents to the mortgage set forth in the Mortgage and Security Agreement to which this Consent to Mortgage is attached, which Mortgage and Security Agreement has been executed by the lessee of the Premises, Royal Palm Place, Ltd., a Florida limited partnership. By execution of this Consent to Mortgage, the undersigned owner does not assume any responsibility, obligation, or liability under the terms of the Mortgage.

West Palm Beach Housing Authority,  
a public body corporate and politic  
established pursuant to Chapter 421  
of the Florida Statutes

By: \_\_\_\_\_  
Laurel Robinson, Executive Director

Date: \_\_\_\_\_

West Palm Beach Housing Authority  
1715 Division Avenue  
West Palm Beach, FL 33407

STATE OF FLORIDA  
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by Laurel Robinson as Executive Director of West Palm Beach Housing Authority, who is personally known to me, or who has produced \_\_\_\_\_ as identification.

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

(NOTARY SEAL ABOVE)

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

**EXHIBIT A**  
**The Premises**

**LEGAL DESCRIPTION**

PARCEL 1 (LEASEHOLD PARCEL):

A PORTION OF DUNBAR VILLAGE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 18, PAGE 77, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID DUNBAR VILLAGE; THENCE SOUTH 88° 48' 29" EAST, ALONG THE SOUTH LINE OF DUNBAR VILLAGE, A DISTANCE OF 338.89 FEET TO THE POINT OF BEGINNING; THENCE, DEPARTING SAID SOUTH LINE ALONG THE ARC OF A CURVE TO THE LEFT WHOSE CHORD BEARS N43°33'43"W, HAVING A RADIUS OF 18.00 FEET, A CENTRAL ANGLE OF 90°05'21", AN ARC DISTANCE OF 28.30 FEET; THENCE NORTH 01° 23' 32" EAST, A DISTANCE OF 125.09 FEET; THENCE NORTH 88° 48' 30" WEST, A DISTANCE OF 179.89 FEET; THENCE NORTH 09° 15' 40" EAST, A DISTANCE OF 341.93 FEET; THENCE SOUTH 88° 37' 00" EAST, A DISTANCE OF 484.35 FEET TO A POINT OF INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF DIVISION AVENUE, AS SHOWN ON SAID PLAT OF DUNBAR VILLAGE; THENCE, ALONG SAID WEST RIGHT-OF-WAY LINE, SOUTH 04° 48' 42" EAST, A DISTANCE OF 482.75 FEET TO A POINT OF INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF 15TH STREET AS SHOWN ON SAID PLAT OF DUNBAR VILLAGE; THENCE, ALONG SAID NORTH RIGHT -OF-WAY LINE, NORTH 88° 48' 29" WEST, A DISTANCE OF 385.45 FEET TO THE POINT OF BEGINNING.

SAID LANDS SITUATE IN SECTION 16, TOWNSHIP 43 SOUTH, RANGE 43 EAST, THE CITY OF WEST PALM BEACH, PALM BEACH COUNTY, FLORIDA.

AND

PARCEL 2 (EASEMENT PARCEL):

TOGETHER WITH THOSE CERTAIN NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN THAT CERTAIN EASEMENT AGREEMENT BY AND BETWEEN THE WEST PALM BEACH HOUSING AUTHORITY, A PUBLIC BODY CORPORATE AND POLITIC (THE "AUTHORITY"), AND SILVER PALM PLACE ASSOCIATES, LTD., A FLORIDA LIMITED PARTNERSHIP ("SPP"), RECORDED IN OFFICIAL RECORDS BOOK 27952 AT PAGE 207 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, AS AMENDED BY FIRST AMENDMENT TO EASEMENT AGREEMENT BY AND AMONG THE AUTHORITY, SPP AND ROYAL PALM PLACE, LTD., OVER, UNDER AND ACROSS THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF DUNBAR VILLAGE ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 18, PAGE 77 OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID DUNBAR VILLAGE; THENCE N.09°15'40"E ALONG THE WEST LINE THEREOF, A DISTANCE OF 486.95 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N.09°15'40"E ALONG THE WEST LINE OF SAID DUNBAR VILLAGE, A DISTANCE OF 50.48 FEET; THENCE S.88°37'00"E. A DISTANCE OF 593.15 FEET TO A POINT OF INTERSECTION WITH THE EAST LINE OF SAID DUNBAR VILLAGE, THENCE S.04°48'42"E., ALONG THE EAST LINE OF SAID DUNBAR VILLAGE A DISTANCE OF 50.29 FEET; THENCE N.88°37'00"W, A DISTANCE OF 605.50 FEET TO THE POINT OF BEGINNING.

SAID LANDS SITUATE IN SECTION 16, TOWNSHIP 43 SOUTH, RANGE 43 EAST, PALM BEACH COUNTY, FLORIDA.

## **EXHIBIT D**

### **PERMITTED EXCEPTIONS**

1. Taxes and assessments for the year 2016 and subsequent years, which are not yet due and payable.
2. Standard Exceptions:
  - A. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
  - B. Rights or claims of parties in possession not shown by the public records.
  - C. Any lien, or right to a lien, for services, labor; or materials heretofore or hereafter furnished, imposed by law and not shown by the public records.
  - D. Taxes or assessments which are not shown as existing liens in the public records.
3. Any claim that any portion of the insured land is sovereign lands of the State of Florida, including submerged, filled or artificially exposed lands accreted to such land.
4. Any lien provided by County Ordinance or by Chapter 159, Florida Statutes, in favor of any city, town, village or port authority for unpaid service charges for service by any water, sewer or gas system supplying the insured land.
5. Bill of Sale and Easement to Florida Power & Light Company recorded in Official Records Book 2214, Page 367.
6. Restrictive Covenant (Affordable Housing- Capacity Fees) recorded March 7, 2014 in Official Records Book 26655, Page .840.
7. Rights of tenants in possession under unrecorded leases.
8. Easement in favor of Florida Public Utilities Company recorded October 22, 2014 in Official Records Book 27111, Page 1521.
9. Terms and conditions of the Ground Lease by and between The West Palm Beach Housing Authority and Royal Palm Place, Ltd., as evidenced by Memorandum of Lease recorded \_\_, 2015 in Official Records Book \_\_, Page \_\_.
10. Terms and conditions of the insured Easement between The West Palm Beach Housing Authority and Royal Palm Place, Ltd. dated November 17, 2015, recorded November 25, 2015, in Official Records Book 27952, Page 207, as amended by First Amendment to Easement recorded on \_\_, 2016 In Official Records Book \_\_, Page \_\_.

**EXHIBIT E**

**PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY**

**MONTHLY PERFORMANCE REPORT**

<b>Report For:</b>	Month: _____ Year: 20____
<b>Project Name:</b>	Royal Palm Place
<b>Report Prepared By:</b>	<div><div>_____</div><div>Name</div><div>_____</div><div>Signature</div><div>_____</div><div>Date</div></div>

**FINANCING ACTIVITIES**

Describe your accomplishments during the reporting period: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**DESIGN AND LAND PLANNING ACTIVITIES**

Describe your accomplishments during the reporting period: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CONSTRUCTION ACTIVITIES**

Describe your accomplishments during the reporting period: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MARKETING AND LEASEUP ACTIVITIES**

Describe your accomplishments during the reporting period: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I, \_\_\_\_\_, do hereby certify that the Royal Palm Place Project has met all of its performance requirements during this reporting period as referenced in the Loan Agreement.

\_\_\_\_\_  
Name & Title of Certifying Representative

**EXHIBIT F**

**PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY**

**TENANT INFORMATION REPORT**

<b>Project Name:</b>	Royal Palm Place		
<b>Report Period:</b>	From _____, 20__ to _____, 20__		
<b>Prepared By:</b>			
<b>Report Date:</b>	_____, 20__	Page ____ of ____ Pages	

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

<b>Building Address:</b>							
	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>
Tenant Name:							
Lease start date:							
No. of bedrooms:							
Household Income at 50% of AMI or less	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Household Income at or below 60% of AMI but greater than 50% of AMI	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Female Head of Household	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Disabled Head of Household	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Hispanic Ethnicity	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
White	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
African American	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Asian	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
American Indian or Alaskan Native	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Native Hawaiian Pacific Islander	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
American Indian or Alaskan Native and White	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Asian and White	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
African American and White	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
American Indian/Alaskan Native and African American	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
Other Multi-racial	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]

**EXHIBIT G**

**PALM BEACH COUNTY DEPARTMENT OF ECONOMIC SUSTAINABILITY**

**ANNUAL RENT ROLL**

<b>Project Name:</b>	Royal Palm Place		
<b>Report Period:</b>	From _____, 20__ to _____, 20__		
<b>Prepared By:</b>			
<b>Report Date:</b>	_____, 20__	Page ____ of ____ Pages	

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

<b>Building Address:</b>				
	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>
Tenant Name:				
Lease start date:	/ /	/ /	/ /	/ /
Contract Rent:	\$	\$	\$	\$
Tenant Rent:	\$	\$	\$	\$
No. of bedrooms:				
No. of occupants:				
Date last income certified:	/ /	/ /	/ /	/ /
Annual income:	\$	\$	\$	\$
Household Income at 50% of AMI or less	[ ]	[ ]	[ ]	[ ]
Household Income at or below 60% of AMI but greater than 50% of AMI	[ ]	[ ]	[ ]	[ ]
	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>	<b>Apt. No. ____</b>
Tenant Name:				
Lease start date:	/ /	/ /	/ /	/ /
Contract Rent:	\$	\$	\$	\$
Tenant Rent:	\$	\$	\$	\$
No. of bedrooms:				
No. of occupants:				
Date last income certified:	/ /	/ /	/ /	/ /
Annual income:	\$	\$	\$	\$
Household Income at 50% of AMI or less	[ ]	[ ]	[ ]	[ ]
Household Income at or below 60% of AMI but greater than 50% of AMI	[ ]	[ ]	[ ]	[ ]