

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

Meeting Date:	August 20, 2019	<input type="checkbox"/> Consent	<input checked="" type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing
Department:	Department of Housing and Economic Sustainability		



I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: **A) approve** a Loan Agreement with Amelia Gardens, LLC (Borrower), that restructures \$598,448 in State Housing Initiatives Partnership (SHIP) funds owed by the Borrower in connection with a previous loan made to the Borrower under a May 6, 2003, Loan Agreement (R2003-0627); **B) approve** the forgiveness of \$109,050 in deferred and accrued interest owed by the Borrower, under a Promissory Note as recorded in Official Records Book 15438, on Page 838, of the Public Records of Palm Beach County, Florida; and **C) delegate** authority to the County Administrator, or designee, to execute future amendments to the Loan Agreement and all other documents necessary for implementation of the project.

Summary: On May 6, 2003, the County entered into a Loan Agreement (R2003-0627) with the Borrower to provide \$489,398 in SHIP funds to assist in the construction of 22 affordable rental housing units located on SW 14th Street in Belle Glade. On May 30, 2003, a loan closing was held and the County's funds were secured by a mortgage and promissory note. The loan terms were set at a rate of 3% for 15 years. Annual payments of interest only were to be made subject to cash flow from the property with all deferred and accrued interest together with the principal amount payable on the December 31, 2018 (the Maturity Date). No payments were received by the County from the Borrower over the life of the loan. A total of \$707,498 (consisting of the \$489,398 principal amount plus \$218,100 in interest) was due on the Maturity Date. Staff is recommending the restructuring of the loan to be repaid over a new 15 year period during which the affordability of the rental units will be extended. The restructured loan would forgive one half of the interest (\$109,050) and make the new principal amount of \$598,448, comprising the other one half of the interest (\$109,050) plus the original principal (\$489,398), payable (with no interest) on a monthly basis over 15 years. This would require a monthly payment of \$3,324.71 over the life of the new loan. As a precondition to the closing on the new loan, the Borrower will be required to fund a replacement reserve account for repairs and maintenance of the units and obtain subordinations to the County's new loan from the lender of two (2) other loans secured by mortgages on the property. **These are SHIP grant funds which require no local match.** District 6 (HJF)

Background and Policy Issues: Palm Beach County has participated in the SHIP Program since 1993. SHIP funds are used to facilitate the acquisition and construction of affordable single-family and multi-family/rental housing and to fund utility connection and impact fee payments, emergency repairs, foreclosure prevention, homeownership development, and first and second mortgages. Under the Loan Agreement, occupancy of 19 of the 22 rental units will be limited households whose income do not exceed 80% of Area Median Income (AMI) and occupancy of 3 of the 22 rental units will be limited households whose income do not exceed 50% of AMI. Rent affordability will maintained according to SHIP requirements.

- Attachment(s):**
- 1. Loan Agreement with Amelia Gardens, LLC
 - 2. Loan Agreement (R2003-0627) dated May 6, 2003
 - 3. Mortgage and Promissory Note dated May 30, 2003

Recommended By:	 Department Director	7/30/19 Date
Approved By:	 Assistant County Administrator	8/9/19 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income	\$109,050				
In-Kind Match (County)					
NET FISCAL IMPACT	\$109,050				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes _____ No X
Does this Item include the use of Federal funds? Yes _____ No X

Budget Account No.:
Fund 1100 Dept 143 Unit 7176 Object 6112 Program Code/Period _____

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

Approval of this agenda item will decrease the amount of program income that would be deposited in the Affordable Housing Trust Fund by \$109,050.

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

III. REVIEW COMMENTS

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

8/5/19
OFMB KP
8/2

8/8/19
Contract Development and Control

B. Legal Sufficiency:

8/8/19
Assistant County Attorney

C. Other Department Review:

Department Director

LOAN AGREEMENT

THIS AGREEMENT, entered into on _____, by and between **PALM BEACH COUNTY**, a political subdivision of the State of Florida, (hereinafter referred to as the "County") and **AMELIA GARDENS, LLC**, a Florida Limited Liability Company, (the "Borrower"), whose Federal I.D. number is 13-4243271.

1. RECITALS:

WHEREAS, the Borrower is the owner of certain land, and certain improvements thereon, located on SW 14th Street in Belle Glade, Florida, as more particularly described in Exhibit A, attached hereto and made a part hereof (the "Premises");

WHEREAS, on May 6, 2003, the County entered into a Loan Agreement (R2003-0627) (the "Original Loan Agreement") with the Borrower to provide a loan of \$489,398 in State Housing Initiatives Partnership (SHIP) Program funds which were used towards the construction of Amelia Gardens, consisting of 22 affordable rental housing units (the "Improvements"), on the Premises;

WHEREAS, on May 30, 2003, the Borrower and the County closed on the loan of \$489,398 (the "Original Loan"), and the Borrower executed and delivered to County its promissory note in the principal sum of \$489,398 (the "Original Note"), bearing interest and payable as set forth in the Original Mortgage described below, the final payment of which was due on December 31, 2018 (the "Original Maturity Date");

WHEREAS, the repayment of the Original Note was secured by, *inter alia*, a Mortgage and Security Agreement recorded on June 26, 2003, in Official Records Book 15438, at Page 822, of the Public Records of Palm Beach County, Florida (the "Original Mortgage");

WHEREAS, the Borrower did not repay the Original Loan in full upon the Original Maturity Date, and after the County unsuccessfully demanded payment of the amount due pursuant to the terms of the Original Note and Original Mortgage, the County notified the Borrower that the County was ready to commence legal proceedings to recover the monies owed;

WHEREAS, the total amount of the Original Loan due and payable by the Borrower on the Original Maturity Date was \$707,498, comprised of the principal amount of \$489,398, plus \$218,100 in deferred and accrued interest;

WHEREAS, the Borrower requested the County to restructure the debt of \$707,498 owed by the Borrower to allow the Borrower to repay the County according to certain terms and conditions in lieu of the County commencing legal proceedings to recover the monies owed;

WHEREAS, the County has agreed to restructure the debt of the \$707,498 owed by the Borrower;

WHEREAS, as part of restructuring the Borrower's debt, the Board of County Commissioners of Palm Beach County, Florida, has, on this date, agreed to forgive \$109,050 of such debt, which forgiven amount represents one-half of the \$218,100 in deferred and accrued interest;

WHEREAS, following the above action of Board of County Commissioners, the Borrower and the County have agreed that as of the date of this Agreement the principal amount owed by the Borrower as a result of the restructuring of the debt shall be \$598,448 (hereinafter the "Loan"), which amount represents the sum of the principal amount of \$489,398, plus \$109,050 (being one-half of the \$218,100 in deferred and accrued interest due on the Original Maturity Date); 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 repayment 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 THE LOAN DOCUMENTS:

The County shall make the Loan to the Borrower in an amount not to exceed the principal amount of **\$598,448** upon the terms and conditions set forth herein, and at the rates and terms set forth in its Renewal Promissory Note and Amended and Restated Mortgage Agreement 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 Renewal Promissory Note, the Amended and Restated Mortgage Agreement, including any amendments thereto, 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 Renewal Promissory Note and the Amended and Restated Mortgage Agreement, shall occur at the offices of the County Attorney or such other mutually agreed upon site no later than October 31, 2019, unless extended by the County in its sole discretion.

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 compliance with the terms and conditions of this Agreement and the occupancy and affordability of the housing units at Amelia Gardens (also referred to herein as "Project") as more fully specified in Section 5 below.

3. CONDITIONS PRECEDENT TO CLOSING:

(A) Conditions Precedent:

The conditions listed below are a condition precedent to the County's execution and acceptance of the Renewal Promissory Note and Amended and Restated Mortgage Agreement 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 the County a title commitment issued by a title insurance company qualified to do business in the State of Florida, agreeing to issue to the County upon recording of the Amended and Restated Mortgage Agreement a Lender's Title Insurance Policy in the amount of said Amended and Restated Mortgage Agreement. Said commitment shall have attached to it copies of all exceptions referred to in the title commitment. The cost of said title commitment and policy and any premium therefor shall be borne by Borrower.

(b) The County shall have fifteen (15) days after receipt of the title insurance commitment in which to review the same. In the event the title insurance commitment shall show as an exception any matter to which the County objects, the County shall notify Borrower of its objections thereto and Borrower shall exercise commercially reasonable efforts 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, the County shall not object to any exception which does not adversely impact the Premises, its value, or the County's Renewal Promissory Note and the Amended and Restated Mortgage Agreement.

(c) The title insurance commitment shall be endorsed at closing to remove any and all requirements or 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 of the Premises; (3) unrecorded easements and claims of liens; (4) taxes for the year 2018 and all prior years; (5) matters arising or attaching subsequent to the effective date of the commitment but before the Amended and Restated Mortgage Agreement becomes recorded in the Public Records.

- (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 licensed in the State of Florida, 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) Renewal Promissory Note: The Renewal Promissory Note, in a form acceptable to the County Attorney, shall be duly authorized, executed and delivered to the County;
- (iv) Amended and Restated Mortgage Agreement: The Amended and Restated Mortgage Agreement, 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 first priority 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 Amended and Restated Mortgage Agreement:
 - (a) The Amended and Restated Mortgage Agreement shall not be subject to any prepayment penalty.
 - (b) The Amended and Restated Mortgage Agreement shall become immediately due and payable upon the sale, transfer, or refinancing of the Premises.
 - (c) The Amended and Restated Mortgage Agreement 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 except for taxes not yet due and payable and that no other parties are entitled to possession.

(vi) Company Documents: The Borrower shall deliver to the County the following documents:

(a) The Articles of Organization 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 Renewal Promissory Note, the Amended and Restated Mortgage Agreement and all other documents necessary or desirable, for the consummation of the transactions contemplated by this Agreement.

(vii) 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 Amended and Restated Mortgage Agreement. Satisfactory evidence of flood area designation shall be a certification from the Surveyor appearing on the survey drawing.

(viii) Subordination Agreements: The Borrower shall deliver to the County the Subordination Agreement (\$100,000 Loan) and the Subordination Agreement (\$700,000 Loan) which are attached hereto and made a part hereof as Exhibit D and Exhibit E, respectively. Both aforesaid documents shall be executed by First National Bank of Coffee County.

(ix) Replacement Reserve Account: The Borrower shall deliver to the County evidence that it has funded a separate replacement reserve account in which it has deposited no less than \$350 per unit for each of the 22 units at Amelia Gardens as specified herein. The Borrower shall further deposit funds into, and use funds from, such account as specified herein.

(x) HQS Inspections: The Borrower shall have made all necessary repairs to the housing units at Amelia Gardens and to their ancillary site improvements to have successfully passed an HQS (Housing Quality Standards) inspection as performed by the County's Department of Housing and Economic Sustainability or by its agent or subcontractor.

(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 opinion 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 not-for-profit corporation 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 organizational documents, 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 Amended and Restated Mortgage Agreement is a valid first priority lien on the Premises and the security interest described in the Amended and Restated Mortgage Agreement 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. OCCUPANCY AND AFFORDABILITY REQUIREMENTS:

The Borrower expressly agrees to the following terms and conditions:

(A) Occupancy:

Nineteen (19) of the twenty-two (22) rental housing units at the Project shall, for a period of fifteen (15) years commencing from the date of the Amended and Restated Mortgage Agreement, each be leased to a person or persons whose household annual gross income, adjusted for family size, is at no more than eighty percent (80%) of Area Median Income (hereinafter "AMI") at any time new tenants occupy these units.

Three (3) of the twenty-two (22) rental housing units at the Project shall, for a period of fifteen (15) years commencing from the date of the Amended and Restated Mortgage Agreement, each be leased to a person or persons whose household annual gross income, adjusted for family size, is at no more than fifty percent (50%) 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 the Florida Housing Finance Corporation.

(B) Affordability:

All twenty-two (22) rental housing units to be constructed at the Project shall, for the aforesaid fifteen (15) 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 5, OCCUPANCY AND AFFORDABILITY REQUIREMENTS, SHALL BE RECORDED IN THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA, AND SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT AND SHALL BE COVENANTS RUNNING WITH THE LAND FOR THE FIFTEEN (15) YEAR AFFORDABILITY PERIOD SET FORTH HEREIN.

6. SPECIAL PROVISIONS:

The Borrower expressly agrees to the following terms and conditions:

(A) Replacement Reserve Account: The Borrower shall for the duration of the aforesaid fifteen (15) year period maintain a replacement reserve account for the Project with a financial institution such as a bank or credit union as follows:

- (i) The Borrower shall, as a precondition for the closing specified herein, initially fund such Replacement Reserve Account in an amount that is no less than \$350 per unit for each of the 22 units at Amelia Gardens.
- (ii) The Borrower shall, on the first anniversary of the date of the Amended and Restated Mortgage Agreement, fund the Replacement Reserve Account an amount equivalent to the initial deposit amount plus 3% and shall on each subsequent anniversary increase the amount to be funded by 3% over the amount of the prior year.
- (iii) Only work required in order to keep the Project in good order and repair and in a good marketable condition and to keep the Project or any portion thereof from deteriorating may be paid for from the Replacement Reserve Account. The funds in the Replacement Reserve Account may not be used for routine maintenance or for any other purposes such as debt service or administrative costs. The funds in the Replacement Reserve Account shall only be used for costs of the items shown below:

Air Conditioning Equipment

Air handlers, motors and fans
Compressors
Chillers

Exterior

Doors
Windows
Roofing, Shingles, Tiles
Solar Panels
Gutters and Downspouts
Concrete walks and curbs
Painting
Irrigation system repairs
Siding repairs
Brick repairs

Plumbing

Toilets and valves
Bathtubs and sinks
Kitchen fixtures
Plumbing system

Appliances

Ranges
Refrigerators
Dishwashers
Laundry washers
Laundry dryers
Exhaust Fans
Disposals
Water heaters

Miscellaneous

Resurfacing asphalt
Smoke detectors
Carbon monoxide detectors
Electrical system
Code compliance repairs

Interior

Carpet
Doors and Door Frames
Floor Tile
Kitchen cabinets
Drapes, Shades, Blinds
Electrical Fixtures
Drywall Replacement

(iv) All work paid for from the Replacement Reserve Account shall comply with all applicable laws, ordinances, rules and regulations of all governmental authorities having jurisdiction over the Project and applicable insurance requirements including, without limitation, applicable building codes, special use permits, environmental regulations, and requirements of insurance underwriters.

(v) The Borrower shall maintain records of its disbursements from the Replacement Reserve Account such as contracts or work orders (with materialmen, mechanics, suppliers, subcontractors, contractors or other parties providing labor or materials to the Project), invoices, evidence of payment and inspections. All such records shall be subject to the County's monitoring and the audit and records retention requirements herein.

(B) Affirmative Marketing:

In furtherance of the County's commitment to non-discrimination and equal opportunity in housing, the County's Department of Housing and Economic Sustainability (HES) 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 HES 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 HES's Affirmative Marketing Program, shall comply with the following procedures:

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

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

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

(C) Nondiscrimination:

The Borrower 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.

Furthermore, Borrower 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.

(D) Tenant Records to be Maintained:

The Borrower shall, for each household that is rented a unit at the Project, comply with the below requirements and maintain a file that, at minimum, contains the following:

- (i) An application for lease, signed and dated by the applicant(s), identifying the household members that intend to occupy the apartment, the household characteristics, and the household income they have disclosed.
- (ii) Source documentation evidencing the Borrower's verification of the applicant's household income and a computation sheet demonstrating the Borrower's determination of the applicant's income eligibility to occupy the unit. Household income computation shall follow the HUD Section 8 method (24 CFR 5.609).
- (iii) Documentation evidencing the Borrower's recertification of the tenant's household income at the time of the first lease renewal to ensure continued income eligibility.
- (iv) A copy of the HUD income levels in effect at the time the initial lease is signed and at the time of each lease renewal.
- (v) A copy of each tenant's initial lease and all lease renewals and a computation sheet and supporting documentation for each demonstrating that the rent charged by the Borrower is an affordable rental rate as defined at s. 420.9071, Florida Statutes.
- (vi) The Borrower shall conduct background checks on adult members of households prior to occupancy and maintain a copy of the of such background check. Should the Borrower elect to utilize criminal background information in the screening of prospective tenants or the retention/termination of tenants, the Borrower must develop and implement tenant selection policies which comply with HUD guidance on the use of criminal background information.

Tenant selection/retention/termination shall not:

- Exclude persons from housing based on records of arrests not resulting in conviction;
- Exclude persons from housing based solely on conviction of any type, with the exception of those identified by HUD (methamphetamine production and registered sex offender); and
- Be utilized to intentionally discriminate against protected classes of persons.

Tenant selection/retention/termination shall:

- Serve a substantial, legitimate, and non-discriminatory interest of the housing provider;
- Distinguish between criminal conduct which indicates a demonstrable risk to resident safety and/or property and that which does not;
- Consider the nature, severity, and recency of the criminal offense;
- Consider relevant individualized evidence such as: circumstances surrounding the criminal conduct; the age of the individual at the time of the conduct; tenant history before and/or after the criminal conduct; and rehabilitation efforts; and
- Be applied equally among all classes of protected persons.

The Borrower shall submit its written tenant selection/retention/termination policy to HES for approval.

- (vii) Any other documentation evidencing the Borrower's compliance with this Agreement.

(E) Reporting Requirements:

(i) 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 following the month in which the Amended and Restated Mortgage Agreement is executed, and thereafter, on the last day of each following month. After the Borrower provides this Report for all 22 rental units described herein, the Borrower may cease submitting this Report.

(ii) 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 signing of the Amended and Restated Mortgage Agreement, and then annually thereafter for the duration of the fifteen (15) year period specified in Section 5 above.

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

7. 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 Liability Company duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein. The Borrower is duly authorized to borrow from County the principal sum of **\$598,448** 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 Renewal Promissory Note, the Amended and Restated Mortgage Agreement, or of any of the Loan Documents.

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

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

All roads necessary for the full utilization of the Improvements for their intended purposes have either been completed or the necessary rights of way therefor have either been acquired by the appropriate local authorities or have been dedicated to public use and accepted by such local authorities.

(E) No Default:

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

(F) Advertising/Marketing:

The Borrower shall include the County logo in all its marking materials for the Project.

(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.

8. ADDITIONAL COVENANTS OF BORROWER:

The Borrower covenants and agrees with the County as follows:

(A) No Transfer of Premises:

Except as specifically set forth in the Amended and Restated Mortgage Agreement or 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 Amended and Restated Mortgage Agreement, 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.

(B) 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.

(C) 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.

(D) 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 County.

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

(E) 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.

(F) 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 reasonably 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 the County, transferee or purchaser, as the case may be. Should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Premises, then in such event, County and 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.

(G) 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 the Amended and Restated Mortgage Agreement.

(H) 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 Renewal Promissory Note, as the County may reasonably require.

(I) No Assignment:

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

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

The 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.

10. INSPECTIONS:

The Borrower will permit the County, or its representatives, to enter upon the Premises during normal business hours for the purpose of inspecting the Improvements.

11. DEFAULT:

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

(A) Bankruptcy:

If there is filed by or against 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 Renewal Promissory Note, the Amended and Restated Mortgage Agreement, the Loan Documents, and any other document given in connection with the Loan or development of the Improvements (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 First National Bank of Coffee County provided such cure meets all of the requirements to fully cure the breach.

(C) Failure to Close or Use Funds:

The Borrower shall fail to close the Loan by the deadlines set forth herein.

(D) Failure to Maintain a Replacement Reserve Account:

The Borrower shall fail to maintain the Replacement Reserve Account as specified herein or to use the funds therein as specified herein.

(E) Default Under Other Mortgages:

The Borrower shall default under any of the mortgages encumbering the Premises which are not cured within applicable cure periods.

12. REMEDIES OF COUNTY:

Upon the happening of an Event of Default, which default is not cured within any applicable cure or grace period, then the County may, at its option, upon written notice to 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 Renewal Promissory Note and any other sums secured by the Amended and Restated Mortgage Agreement, and commence appropriate legal and equitable action to foreclose the Amended and Restated Mortgage Agreement 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.

13. 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 Borrower, other than First National Bank of Coffee County 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 restructure the Borrower's debt 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 Improvements, or the absence therefrom, of defects.

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

Nothing in this Agreement, the Renewal Promissory Note, the Amended and Restated Mortgage Agreement 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) As provided in F.S. 287.135, 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 Scrutinized Companies that boycott Israel List, or is engaged in a boycott of Israel, pursuant to F.S. 215.4725.

As provided in F.S. 287.135, 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 Scrutinized Companies With Activities in Sudan List or Scrutinized Companies With Activities in The Iran Petroleum Energy Sector List created pursuant to F.S. 215.473 or is engaged in business operations in Cuba or Syria. If the County determines, using credible information available to the public, that a false certification has been submitted by Borrower, this Agreement may be terminated and a civil penalty equal to the greater of \$2 million or twice the amount of this Agreement shall be imposed, pursuant to F.S. 287.135. Said certification must also be submitted at the time of Agreement renewal, if applicable.

(E) 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 may, 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.

(F) Public Records:

Notwithstanding anything contained herein, as provided under Section 119.0701, F.S., if the Borrower: (i) provides a service; and (ii) acts on behalf of the County as provided under Section 119.011(2) F.S., the Borrower shall comply with the requirements of Section 119.0701, Florida Statutes, as it may be amended from time to time. The Borrower is specifically required to:

- (i) Keep and maintain public records required by the County to perform services as provided under this Agreement.
- (ii) Upon request from the County's Custodian of Public Records, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119 or as otherwise provided by law. The Borrower further agrees that all fees, charges and expenses shall be determined in accordance with Palm Beach County PPM CW-F-002, Fees Associated with Public Records Requests, as it may be amended or replaced from time to time.
- (iii) Ensure that public records that are exempt, or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement, if the Borrower does not transfer the records to the public agency.

Failure of the Borrower to comply with the requirements of this article shall be a material breach of this Agreement. The County shall have the right to exercise any and all remedies available to it, including but not limited to, the right to terminate for cause. The Borrower acknowledges that it has familiarized itself with the requirements of Chapter 119, F.S., and other requirements of state law applicable to public records not specifically set forth herein.

IF THE BORROWER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE BORROWER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, PLEASE CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT RECORDS REQUEST, PALM BEACH COUNTY PUBLIC AFFAIRS DEPARTMENT, 301 NORTH OLIVE AVENUE, WEST PALM BEACH, FL 33401, BY E-MAIL AT RECORDSREQUEST@PBCGOV.ORG OR BY TELEPHONE AT (561) 355-6680.

(G) 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.

(H) 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.

(I) 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.

(J) 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.

(K) Evidence of Satisfaction of Conditions:

The County shall, at all times, be free to independently 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.

(L) 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.

(M) 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.

(N) 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.

(O) 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 state 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.

(P) 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.

(Q) 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 to 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.

(R) 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.

(S) 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 COUNTY: Department of Housing and Economic Sustainability
Palm Beach County
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

With copy to:
County Attorney's Office
Palm Beach County
301 North Olive Avenue, Suite 601
West Palm Beach, FL 33401

TO BORROWER: Amelia Gardens, LLC
685 South Main Street
Belle Glade, FL 33403

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.

(T) 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.

(U) 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.

(V) Counterparts:

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

(W) Incorporation by Reference:

Exhibits attached hereto and referenced herein shall be deemed to be incorporated into this Agreement by reference.

(X) 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.

14. EFFECTIVE DATE OF AGREEMENT:

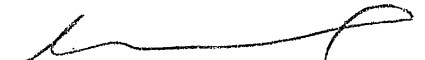
This Agreement shall become effective only when signed by all parties and approved by the Palm Beach County Board of County Commissioners or its designee. The Effective Date shall be the date on which this Agreement is executed by Palm Beach County.

(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:



Witness Signature

Allana Monroe

Print Witness Name



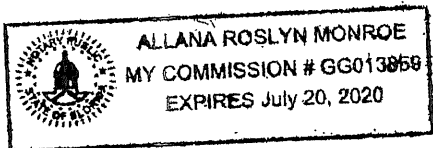
Witness Signature

Teshia Bryant

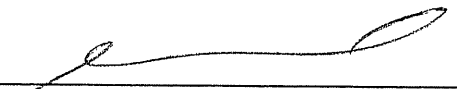
Print Witness Name

**STATE OF FLORIDA
COUNTY OF PALM BEACH**

The foregoing instrument was acknowledged before me this 24th day of July, 2019,
by James T. Houston, III, as Manager of Amelia Gardens, LLC, a Florida limited liability
company, who is personally known to me, or who has produced
_____ as identification.



(NOTARY SEAL ABOVE)

Signature: 

Notary Name: Allana Monroe
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: _____
Mack Bernard, Mayor

By: _____
Deputy Clerk

Document No.: _____

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Dept. of Housing and Economic Sustainability

By: _____
Howard J. Falcon III
Chief Assistant County Attorney


By:  for
Sherry Howard,
Deputy Director

EXHIBIT A

LEGAL DESCRIPTION

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East, according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund Tallahassee, Florida", dated December 1, 1916, thence North 89° 59' 58" East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south 29° 28' 43" West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South 29° 28' 43" West along the East line of said State Lot 8 a distance of 150.09 feet; thence South 89° 59' 58" West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North 29° 24' 58" East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North 89° 59' 58" East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

Beginning at the Northwest corner of Tract 8 of State Subdivision of Block 6 of the Hiatus between Townships 43 and 44 South, Range 37 East and run thence East a distance of 527.1 feet for a Point of Beginning; thence continue along the same line a distance of 132 feet; thence run south 29° 43' West a distance of 660 feet; thence run Westerly a distance of 132 feet; thence run North 29° 43' East a distance of 660 feet to the Point of Beginning.

Less and not including the following described parcel:

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund, Tallahassee, Florida", dated December 1, 1916, thence North 89° 59' 58" East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south 29° 28' 43" West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South 29° 28' 43" West along the East line of said State Lot 8 a distance of 150.09 feet; thence South 89° 59' 58" West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North 29° 24' 58" East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North 89° 59' 58" East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

And Less that part of the East 132 feet of the West 659.1 feet of the North 660 feet of Tract 8, Block 6, of State Subdivision of Hiatus between Township 43 South and Township 44 South, Range 37 East, which lies within 35 feet of the South line of Township 43 South, Range 37 east. Less existing right-of-way of Avenue "E".

Being a parcel of land in Lot 8, of the Subdivision of Block 6, Hiatus between Townships 43 and 44 South, Range 37 East, City of Belle Glade, Palm Beach County, Florida, according to the plat entitled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund", dated December 1, 1916 and more particularly described as follows;

Commencing at the Northwest corner of said Block 6; thence run East along the North line of said Block 6; this line being the same as the centerline of Southwest Avenue E, as now laid out and in use for a distance of 527.10 feet to a point; thence turn an angle of 60° 35' 00" measured from the preceding course to the South and run for a distance of 681.08 feet to the Point of Beginning thence turn an angle of 60° 35' 00" measured from the preceding course to the East and run along a line parallel to the North line of said Hiatus Block 6, for a distance of 131.25 feet to a point on the East line of Lot 8 of said Hiatus Block 6; thence turn an angle of 60° 31' 18" measured from the preceding course to the South and run along the East line of said Lot 8 of the Hiatus Block 6 for a distance of 257.50 feet to a point; thence turn an angle of 90° 03' 42" measured from the preceding course to the West and run Northwesterly along a line perpendicular to the West line of said Lot 8 Hiatus Block 6 for a distance of 114.05 feet to a point; thence turn an angle of 90° measured from the preceding course to the North and run a distance of 193.04 feet to the Point of Beginning.

EXHIBIT B

RENEWAL PROMISSORY NOTE

\$598,448

West Palm Beach, Florida
_____, 2019

FOR VALUE RECEIVED the undersigned **AMELIA GARDENS, LLC**, a Florida limited liability company ("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 FIVE HUNDRED NINETY-EIGHT THOUSAND FOUR HUNDRED FOURTY-EIGHT and 00/100 DOLLARS (\$598,448.00) plus accrued interest, to be paid in lawful money of the United States of America, as follows:

1) This Note shall bear interest computed at the stated rate of zero (0%) percent simple interest per annum on the outstanding principal balance.

2) Repayment hereunder shall occur as follows:

The first monthly payment of \$3,324.71 hereunder shall be made on _____, 2019. The subsequent 179 monthly payments shall each be due and payable on the _____ day of each month thereafter through _____, 20____ (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 \$1,000.00 and shall be due commencing _____, 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. STAMPS HAVE BEEN AFFIXED TO THE MORTGAGE AND CANCELED AS REQUIRED BY LAW.

This Note is executed pursuant to the terms and conditions of that certain Loan Agreement dated _____, 2019, between Maker, as Borrower, and Holder, as Lender, and is secured by an Amended and Restated Mortgage Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"). The foregoing, including any amendments thereto, and all other agreements, instruments and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents."

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

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

Holder shall have the right to declare the total unpaid balance hereof to be immediately due and payable in advance of the Maturity Date upon the failure of Maker to pay when due any payment of principal or interest or other amount due hereunder which continues beyond any applicable notice or grace period contained herein or in any of the other Loan Documents; 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 which continues beyond any applicable notice or grace period contained herein or therein. Exercise of this right shall be without notice to Maker or to any other person liable for payment hereof, notice of such exercise being hereby expressly waived.

Any 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 when said payment is due pursuant to this 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 therefrom, Maker agrees, to pay all costs of collection including reasonable attorneys' fees, whether or not suit is brought, and whether incurred in connection with collection, trial, appeal, bankruptcy or other creditors proceedings or otherwise.

Acceptance of partial payments or payments marked "payment in full" or "in satisfaction" or words to similar effect shall not affect the duty of Maker to pay all 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. Any failure to exercise or forbearance in the exercise of any remedy, shall not 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 course 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 neuter gender includes the feminine and/or masculine, as the case may be, and the singular number includes the plural, and the plural number includes the singular.

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

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

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

AMELIA GARDENS, LLC,
a Florida limited liability company

BY: _____
James T. Houston, III, Manager

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by James T. Houston, III, as Manager of Amelia Gardens, LLC, a Florida limited liability company, 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:

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

Tax Legend for Amended and Restated Mortgage Agreement

NOTICE TO RECORDER: This Mortgage amends and restates a certain previous Mortgage recorded in the Official Records of Palm Beach County at Official Record Book 15438, Page 822 (the "Original Mortgage"), which secured a debt of \$489,398. The Note secured by the Original Mortgage had an unpaid principal balance of \$489,398. The Amended and Restated Mortgage increases the amount of indebtedness secured by Florida real property to \$598,448 an increase of \$109,050. The obligor/mortgagor under both the Original Mortgage and the Amended and Restated Mortgage is the same. **THIS AMENDED AND RESTATED MORTGAGE IS GIVEN TO SECURE THE FINANCING OF HOUSING UNDER PART V OF CHAPTER 420 OF THE FLORIDA STATUTES AND IS EXEMPT FROM TAXATION PURSUANT TO SECTION 420.513, FLORIDA STATUTES.**

AMENDED AND RESTATED MORTGAGE AGREEMENT

This Agreement restates and replaces the mortgage recorded at ORB 15438, Page 822, of the Palm Beach County Public Records.

THIS AMENDED AND RESTATED MORTGAGE AGREEMENT (the "Mortgage"), executed on _____, between **AMELIA GARDENS, LLC**, a Florida Limited Liability Company, (the "Mortgagor"), whose address is 685 South Main Street, Belle Glade, FL 33403, and **PALM BEACH COUNTY**, a political subdivision of the State of Florida (the "County" or "Mortgagee"), located at 301 North Olive Avenue, Suite 601, West Palm Beach, Florida 33401.

WITNESSETH:

WHEREAS, on May 6, 2003, Mortgagor and County entered into a mutually binding Loan Agreement (R2003-0627) (the "Original Loan Agreement") to obligate the use of \$489,398 in County funds to assist in the financing of Mortgagor's costs of constructing and equipping Amelia Gardens, a 22 affordable rental housing unit development, located in Belle Glade, Florida (the "Project"); and

WHEREAS, on May 30, 2003, pursuant to the Original Loan Agreement, the Mortgagor and the County closed on the loan of \$489,398 (the "Original Loan"), and the Mortgagor executed and delivered to County its promissory note in the principal sum of \$489,398 (the "Original Note"), bearing interest and payable as set forth in the Original Mortgage described below, the final payment of which was due on December 31, 2018 (the "Original Maturity Date"); and

WHEREAS, the repayment of the Original Note was secured by, *inter alia*, a Mortgage and Security Agreement recorded on June 26, 2003, in Official Records Book 15438, at Page 822, of the Public Records of Palm Beach County, Florida (the "Original Mortgage"); and

WHEREAS, the Mortgagor did not repay the Original Loan in full upon the Original Maturity Date, and after the County unsuccessfully demanded payment of the amount due pursuant to the terms of the Original Note and Original Mortgage, the County notified the Mortgagor that the County was ready to commence legal proceedings to recover the monies owed; and

WHEREAS, the total amount of the Original Loan due and payable by the Mortgagor on the Original Maturity Date was \$707,498, comprised of the principal amount of \$489,398, plus \$218,100 in deferred and accrued interest;

WHEREAS, the Mortgagor requested the County to restructure the debt of \$707,498 owed by the Mortgagor to allow the Mortgagor to repay the County according to certain terms and conditions in lieu of the County commencing legal proceedings to recover the monies owed;

WHEREAS, the County has agreed to restructure the debt of the \$707,498 owed by the Mortgagor;

WHEREAS, as part of restructuring the Mortgagor's debt, the Board of County Commissioners of Palm Beach County, Florida, has, on _____, agreed to forgive \$109,050 of such debt, which forgiven amount represents one-half of the \$218,100 in deferred and accrued interest;

WHEREAS, on _____, the Mortgagor and the County entered into a Loan Agreement in which they agreed that the principal amount owed by the Mortgagor as a result of the restructuring of the debt shall be \$598,448 (hereinafter the "Loan"), which amount represents the sum of the principal amount of \$489,398, plus \$109,050 (being one-half of the \$218,100 in deferred and accrued interest due on the Original Maturity Date); and

WHEREAS, the parties wish to modify the Original Note and Original Mortgage held by County to incorporate the terms and conditions of the restructuring of the Mortgagor's debt; and

WHEREAS, the parties have agreed to amend, restate, and replace the Original Mortgage in its entirety with this Mortgage, acknowledging that this Mortgage relates back to the Original Mortgage and maintains that lien priority. This Mortgage encumbers the property described in Exhibit A attached hereto and made a part hereof (the "Premises"); and

WHEREAS, Mortgagor has agreed to also modify, renew and replace the Original Note in its entirety and has executed and delivered to County the Renewal Promissory Note dated _____, in the principal amount of \$598,448 (the "Renewal Note"), a copy of which is attached hereto as Exhibit B; and

WHEREAS, this Mortgage is given in accordance with that certain Loan Agreement between Mortgagor and County executed on _____ (the "Loan Agreement") which replaces the Original Loan Agreement between Mortgagor and County in its entirety. This Mortgage, the Renewal Note, the Loan Agreement, including any amendments thereto, and any other documents evidencing and securing this Loan shall hereinafter collectively be referred to as the "Loan Documents".

WHEREAS, Mortgagor and County have executed this Amended and Restated Mortgage Agreement in order to modify the terms of the Original Mortgage to: (i) evidence that the Mortgage secures repayment of the Renewal Note, (ii) acknowledge the restructuring the Mortgagor's debt; and (iii) restate the obligations of the Mortgagor.

GRANTING CLAUSE

NOW THEREFORE, for and in consideration of the terms and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mortgagor and County covenant and agree that the Original Mortgage is hereby amended and restated in its entirety as follows.

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 Renewal Note or this Mortgage, and the performance and observance of all the provisions hereof, and of the Loan Documents, hereby gives, leases, bargains, sells, warrants, aliens, remises, releases, conveys, assigns, transfers, mortgages, hypothecates, deposits, pledges, sets over and confirms unto County, 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 are 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, and Mortgagor's rights under contracts, permits, licenses and all other documents and payments affecting the Premises, reserving only the right to the Mortgagor to collect the same so long as the Mortgagor is not in default hereunder and so long as the same are not subjected to garnishment levy, attachment or lien.

TO HAVE AND TO HOLD the Premises and all parts, rights, members and appurtenances thereof, to the use, benefit and behalf of the County, its successors and assigns in fee simple forever, and the Mortgagor covenants that the Mortgagor is lawfully seized and possessed of the Premises in fee simple and has good right to convey the same, that the same are unencumbered excepting taxes accruing subsequent to 2018, and those certain exceptions appearing on the County's Title Insurance Policy given in connection herewith and specifically approved by County, and that the Mortgagor will warrant and defend the title thereto against the claims of all persons whomsoever, except as hereinafter expressly provided.

PROVIDED ALWAYS that if the Mortgagor shall pay unto the County all sums required under the terms of the Renewal Note, which Renewal Note is in the original principal amount of \$598,448 and has a maturity date of _____, unless such maturity is accelerated as set forth in the Renewal 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 the estate hereby created shall cease and be null and void.

The Mortgagor covenants with the County 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 Renewal Note at the time and place and in the manner specified in the Renewal 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 County by reason of the County's ownership of the Renewal 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 Mortgaged 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. 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 an 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.

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.

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

1.5 Right to Enter Premises.

The Mortgagee, by any of its agents or representatives, shall have the right to inspect the Premises from time to time at any reasonable hour of the day. Should the Premises, or any

part thereof, at any time require inspection, repair, care or attention of any kind or nature not provided by this Mortgage as determined by the Mortgagee in its sole discretion, the Mortgagee may, after notice to the Mortgagor, enter or cause entry to be made upon the Premises and inspect, repair, protect, care for or maintain such property, as the Mortgagee may in its sole discretion deem necessary, and may pay all amounts of money therefor, as the Mortgagee may in its sole discretion deem necessary, all of which amounts so paid by the Mortgagee, with interest thereon from the date of each such payment, at the rate, if any, provided in the Renewal Note, shall be payable by the Mortgagor to the Mortgagee on demand and shall be secured by this Mortgage.

1.6 Covenants Running With the Land:

The Mortgagor expressly agrees to the following terms and conditions:

(a) Occupancy Requirements:

Nineteen (19) of the twenty-two (22) rental housing units at the Project shall, for a period of fifteen (15) years commencing from the date hereof, each be leased to a person or persons whose household annual gross income, adjusted for family size, is at no more than eighty percent (80%) of Area Median Income (hereinafter "AMI") at any time new tenants occupy these units.

Three (3) of the twenty-two (22) rental housing units at the Project shall, for a period of fifteen (15) years commencing from the date hereof, each be leased to a person or persons whose household annual gross income, adjusted for family size, is at no more than fifty percent (50%) 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 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 the Florida Housing Finance Corporation.

(b) Affordability Requirements:

All twenty-two (22) rental housing units to be constructed at the Project shall, for the aforesaid fifteen (15) 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 1.6 SHALL BE COVENANTS RUNNING WITH THE LAND FOR THE FIFTEEN (15) 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 SHALL BE RECORDED IN THE PUBLIC RECORDS OF PALM BEACH COUNTY.

IN THE EVENT THE MORTGAGOR OFFERS THE MORTGAGED PROPERTY FOR SALE WITHIN FIFTEEN (15) YEARS FROM THE DATE OF THIS MORTGAGE, OR WHILE THIS MORTGAGE IS IN FULL FORCE AND EFFECT, THEN THE MORTGAGOR MUST GIVE THE FIRST RIGHT OF REFUSAL TO ELIGIBLE NONPROFIT ORGANIZATIONS FOR PURCHASE AT CURRENT MARKET VALUE FOR CONTINUED OCCUPANCY BY ELIGIBLE PERSONS AS REQUIRED BY SECTION 420.9075(5)(i), FLORIDA STATUTES, AS AMENDED FROM TIME TO TIME.

1.7 Further Assurances; Modifications.

At any time, and from time to time, upon request by the County, the Mortgagor will make, exercise and deliver or cause to be made, executed and delivered, to the County, any and all other further instruments, certificates and other documents as may, in the opinion of the County, be necessary or desirable in order to effectuate, complete, or perfect or to continue and preserve (i) the obligations of the Mortgagor under the Renewal Note, (ii) the security interest of this Mortgage, and (iii) the mortgage lien hereunder. Upon any Default, as defined below, by the Mortgagor pursuant to this Section or any other Section of this Mortgage, 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 County the agent and the attorney in fact of the Mortgagor so to do.

1.8 Expenses.

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

1.9 Estoppel Affidavits.

The Mortgagor, upon ten days' prior written notice, shall furnish the County 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.

1.10 Subrogation.

The County 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.

1.11 Performance by County 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 County, at its option, may perform or observe the same, and all payments made or costs incurred by the County in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by the Mortgagor to the County with interest thereon at the maximum rate provided by law. The County shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim, premium and obligation, of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The County 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.

1.12 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. 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.

1.13 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 Mortgaged 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 County immediately upon Mortgagor's acquiring knowledge of the presence of any hazardous substances on the Mortgage Property or of any hazardous substances contamination thereon, or of any notices received by Mortgagor that there are violations or potential violations of any environmental regulation laws, ordinances, rules or regulations existing on the Mortgaged 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 Renewal 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. 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, 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 Default.

A default shall have occurred hereunder if:

(a) The Mortgagor shall fail to pay in full within fifteen (15) days from the date due and payable any installment of principal, interest, loan servicing and administrative fee, compliance monitoring fee, late charges or escrow deposits as required by the Renewal 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 Renewal Note, the Loan Documents or of any other instrument evidencing, securing 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 such legal proceeding is not dismissed within sixty (60) days of Filing; or

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

(k) A material breach by Mortgagor of any covenant, representation, or warranty set forth in the Loan Agreement and the expiration of any applicable grace period, or an

Event of Default occurs under the terms of the Loan Agreement or any of the other Loan Documents pertaining to the Renewal Note and Mortgage; or

(l) The Mortgagor shall, during the fifteen (15) year period following the date hereof, cease to lease all housing units at the Project to the households specified herein and at the affordable rates specified herein; or

(m) The Mortgagor shall default under any of the mortgages encumbering the Premises which defaults are not cured within applicable cure periods.

If the County shall reasonably believe that any one or more of the defaults enumerated in paragraphs (a) through (m) may occur, then the County 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 County 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 Renewal 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 Documents:

In the event the Renewal 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) This Mortgage debt in full, including fees;
- (3) All accrued but unpaid interest on the Renewal Note;
- (4) Other mortgage debt on the Premises;

(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.

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

(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.

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

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

2.5 Right of County 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 paragraph 2.5, the Mortgagor hereby constitutes and appoints the County 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 County shall surrender possession of the Premises to the Mortgagor, provided that the right of the County to take possession, from time to time, pursuant to subparagraph 2.5(a) shall exist if any subsequent default shall occur and be continuing beyond any applicable notice or grace period.

2.6 Appointment of a Receiver and Foreclosure.

(a) 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 County for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication cost and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstract of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as County may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional debt secured hereby and shall be immediately due and payable with interest thereon at the maximum rate provided by law, when paid or incurred by County 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.

(b) 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.

(c) Mortgagor shall deliver to County 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.

2.7 Discontinuance of Proceedings and Restoration of the Parties.

In case the County 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 County, then in every such case the Mortgagor and the County shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the County 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 County 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 additional documentary stamp or excise tax shall become applicable with respect to this Mortgage, the Renewal 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 County harmless with respect thereto. The Mortgagor's liability under this paragraph 2.9 will survive the repayment of indebtedness under the Renewal 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 County 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 County, which shall not be unreasonably withheld.

3.2 Headings.

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

3.3 Invalid Provisions to Affect No Others.

If fulfillment of any provision hereof or any transaction related hereto or to the Renewal 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 of the maximum amount permitted by applicable law to be charged, all amounts so paid shall be used to reduce the unpaid principal amount due 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.

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

Mortgagor: Amelia Gardens, LLC
685 South Main Street
Belle Glade, FL 33403

County: Department of Housing and Economic Sustainability
Palm Beach County
100 Australian Avenue, Suite 500
West Palm Beach, FL 33406

With copy to:
County Attorney's Office
Palm Beach County
301 North Olive Avenue, Suite 601
West Palm Beach, FL 33401

Any party may change said address by giving the other parties hereto notice of such change of address. Notice given as hereinabove provided shall be deemed given on the third business day following the date on which said notice is deposited in the mail , unless sooner received, or if a courier system is used, on the date of delivery of the notice.

ARTICLE 5

5.1 Lien Priority.

The lien priority of this Mortgage shall not be affected by any changes in the Renewal Note including, but not limited to, an increase in the interest rate charged pursuant to the Renewal 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 County may increase the interest rate charged pursuant to the Renewal Note or otherwise modify the Renewal Note and the Renewal 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.

5.2 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 County under the Florida Uniform Commercial Code to secure payment of principal, interest and other amounts due County now or hereafter secured hereby, and County shall also have all the rights and remedies of a secured part under the Florida Uniform Commercial Code which shall be cumulative and in addition to all other rights and remedies of County arising under the common law or any other laws of the State of Florida or any other jurisdiction.

5.3 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 a state court of competent jurisdiction in Palm Beach County, Florida.

5.4 Binding Effect.

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

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

Witnesses: **AMELIA GARDENS, LLC,**
a Florida limited liability company

Witness Signature BY: _____
James T. Houston, III, Manager

Print Witness Name

Witness Signature

Print Witness Name

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of, _____, 20____,
by James T. Houston, III, as Manager of Amelia Gardens, LLC, a Florida limited liability
company, who is personally known to me, or who has produced
_____ as identification.

Signature: _____

(NOTARY SEAL ABOVE) Notary Name: _____
Notary Public - State of Florida

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

FOR ITS BOARD OF COUNTY COMMISSIONERS

By: _____
Jonathan B. Brown, Director
Dept. Of Housing And Economic Sustainability

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of, _____, 20____,
by Jonathan B. Brown, as Director of the Dept. Of Housing And Economic Sustainability of
Palm Beach County, Florida, a political subdivision of the State of Florida, who is personally
known to me, or who has produced _____ as identification.

Signature: _____

(NOTARY SEAL ABOVE) Notary Name: _____
Notary Public - State of Florida

Approved as to Form and
Legal Sufficiency
Approved as to Terms and Conditions
Department of Housing and Economic Sustainability

By: _____ By: _____
Howard J. Falcon III, Sherry Howard,
Chief Assistant County Attorney Deputy Director

EXHIBIT A

PREMISES

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East, according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund Tallahassee, Florida", dated December 1, 1916, thence North 89° 59' 58" East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south 29° 28' 43" West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South 29° 28' 43" West along the East line of said State Lot 8 a distance of 150.09 feet; thence South 89° 59' 58" West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North 29° 24' 58" East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North 89° 59' 58" East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

Beginning at the Northwest corner of Tract 8 of State Subdivision of Block 6 of the Hiatus between Townships 43 and 44 South, Range 37 East and run thence East a distance of 527.1 feet for a Point of Beginning; thence continue along the same line a distance of 132 feet; thence run south 29° 43' West a distance of 660 feet; thence run Westerly a distance of 132 feet; thence run North 29° 43' East a distance of 660 feet to the Point of Beginning.

Less and not including the following described parcel:

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund, Tallahassee, Florida", dated December 1, 1916, thence North 89° 59' 58" East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south 29° 28' 43" West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South 29° 28' 43" West along the East line of said State Lot 8 a distance of 150.09 feet; thence South 89° 59' 58" West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North 29° 24' 58" East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North 89° 59' 58" East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

And Less that part of the East 132 feet of the West 659.1 feet of the North 660 feet of Tract 8, Block 6, of State Subdivision of Hiatus between Township 43 South and Township 44 South, Range 37 East, which lies within 35 feet of the South line of Township 43 South, Range 37 east. Less existing right-of-way of Avenue "E".

Being a parcel of land in Lot 8, of the Subdivision of Block 6, Hiatus between Townships 43 and 44 South, Range 37 East, City of Belle Glade, Palm Beach County, Florida, according to the plat entitled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund", dated December 1, 1916 and more particularly described as follows;

Commencing at the Northwest corner of said Block 6; thence run East along the North line of said Block 6; this line being the same as the centerline of Southwest Avenue E, as now laid out and in use for a distance of 527.10 feet to a point; thence turn an angle of 60° 35' 00" measured from the preceding course to the South and run for a distance of 681.08 feet to the Point of Beginning thence turn an angle of 60° 35' 00" measured from the preceding course to the East and run along a line parallel to the North line of said Hiatus Block 6, for a distance of 131.25 feet to a point on the East line of Lot 8 of said Hiatus Block 6; thence turn an angle of 60° 31' 18" measured from the preceding course to the South and run along the East line of said Lot 8 of the Hiatus Block 6 for a distance of 257.50 feet to a point; thence turn an angle of 90° 03' 42" measured from the preceding course to the West and run Northwesterly along a line perpendicular to the West line of said Lot 8 Hiatus Block 6 for a distance of 114.05 feet to a point; thence turn an angle of 90° measured from the preceding course to the North and run a distance of 193.04 feet to the Point of Beginning.

EXHIBIT D

Record and Return to:

Prepared by:

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

SUBORDINATION AGREEMENT **(\$100,000 Loan)**

This SUBORDINATION AGREEMENT (the "Agreement") is entered into on _____, by and between **FIRST NATIONAL BANK OF COFFEE COUNTY**, whose address is 420 South Madison Avenue, Douglas, Georgia 31533 (the "Bank") and **PALM BEACH COUNTY**, a political subdivision of the State of Florida whose address is 301 North Olive Avenue, West Palm Beach, FL 33401, (the "County") relating to the Amelia Gardens rental development owned by Amelia Gardens, LLC, a Florida Limited Liability Company whose address is 685 South Main Street, Belle Glade, FL 33403 ("Borrower").

RECITALS:

- A.** The Borrower is the owner of a 22-unit residential rental development known as Amelia Gardens (the "Project") located on SW 14th Street in Belle Glade, Florida, more particularly described in **Exhibit 1** attached hereto (the "Property"); and
- B.** On May 30, 2003, the County made a loan to the Borrower in the original principal amount of \$489,398, as evidenced by a Mortgage and Security Agreement ("County Mortgage") secured by the Property and which County Mortgage was recorded on June 26, 2003, in Official Records Book 15438, at Page 822, of the Public Records of Palm Beach County, Florida; and
- C.** On August 28, 2015, the Bank made a subordinate loan to the Borrower in the original principal amount of \$100,000 (2015 Bank Loan), as evidenced by a Mortgage, Assignment of Leases and Rents, and Security Agreement ("2015 Subordinate Mortgage") secured by the Property and which 2015 Subordinate Mortgage was recorded on September 2, 2015, in Official Records Book 27778, at Page 735, of the Public Records of Palm Beach County, Florida; and
- D.** On March 10, 2017, the Bank and the Borrower entered into a Modification of Mortgage to Extend Maturity Date which amended the 2015 Subordinate Mortgage for the purpose of extended the maturity date of the 2015 Subordinate Mortgage and which Modification of Mortgage to Extend Maturity Date was recorded on April 10, 2017, in Official Records Book 29004, at Page 1461, of the Public Records of Palm Beach County, Florida; and
- E.** The Borrower now owes the County \$598,448, under the County Mortgage which amount is comprised of the \$489,398, being the principal loan amount, together with \$109,050, in deferred and accrued interest; and
- F.** The Borrower wishes to restructure the payment of the \$598,448 owed the County (County Loan) by means of an Amended and Restated Mortgage Agreement; and
- G.** The Borrower and the County entered into said Amended and Restated Mortgage Agreement on even date herewith in order to restructure the payment of the County Loan while preserving the seniority of the County Mortgage as amended, restated, and replaced by the Amended and Restated Mortgage Agreement; and
- H.** The Bank and the County wish to enter into this Agreement to confirm the priority of their loans with respect to each other.

NOW, THEREFORE, for the reasons set forth above, and in consideration of the mutual covenants and promises of the parties hereto, the parties agree as follows:

1. Recitals. The above recitals are true and correct, and are incorporated herein and made a part hereof.
2. Priority. By agreement among the Bank and the County, the County Loan shall have priority over the 2015 Bank Loan and the 2015 Subordinate Mortgage shall be subject and subordinate to the Amended and Restated Mortgage Agreement.
3. Condition of Execution. The execution and delivery of this Agreement is a condition of the Amended and Restated Mortgage Agreement.
4. Increases and Amendments. The parties hereby agree that neither party shall increase the amounts of their respective debt as owed by the Borrower on the date hereof.
5. Enforcement Actions and Notice. The parties agree that neither party will initiate enforcement action on their respective loans without prior notice to the other party.
6. Effect and Binding Effect. Except as provided herein, this Agreement does not impair, amend, modify, cancel or affect in any manner whatsoever the rights and obligations of the parties as provided by law or equity or the terms, provisions and conditions of the respective debt instruments. This Agreement shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors, and assigns of the parties hereto.
7. Time of the Essence. This Agreement shall become null and void and of no force and effect unless fully executed and recorded within thirty (30) days of the date first above written.

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

**FIRST NATIONAL BANK
OF COFFEE COUNTY**

By: _____
Name: _____
Title: _____

**STATE OF GEORGIA
COUNTY OF COFFEE**

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, as _____ of First National Bank of Coffee County, who is personally known to me, or who has produced _____ as identification.

Signature: _____

(NOTARY SEAL ABOVE)

Notary Name: _____
Notary Public - State of Georgia

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

FOR ITS BOARD OF COUNTY COMMISSIONERS

By: _____
Jonathan B. Brown, Director
Dept. Of Housing And Economic Sustainability

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by Jonathan B. Brown, as Director of the Dept. Of Housing And Economic
Sustainability of Palm Beach County, Florida, a political subdivision of the State of Florida,
who is personally known to me, or who has produced _____
as identification.

Signature: _____

(NOTARY SEAL ABOVE)

Notary Name: _____
Notary Public - State of Florida

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Dept. of Housing and Economic Sustainability

By: _____
Howard J. Falcon III,
Chief Assistant County Attorney

By: _____
Sherry Howard,
Deputy Director

CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated _____, by and between First National Bank of Coffee County and Palm Beach County and consents to the agreement of the parties set forth in this Agreement.

AMELIA GARDENS, LLC,
a Florida limited liability company

By: _____
James T. Houston, III, Manager

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of, _____, 20____, by James T. Houston, III, as Manager of Amelia Gardens, LLC, a Florida limited liability company, who is personally known to me, or who has produced _____ as identification.

Signature: _____

(NOTARY SEAL ABOVE)

Notary Name: _____
Notary Public - State of Florida

EXHIBIT 1

LEGAL DESCRIPTION

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East, according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund Tallahassee, Florida", dated December 1, 1916, thence North 89° 59' 58" East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south 29° 28' 43" West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South 29° 28' 43" West along the East line of said State Lot 8 a distance of 150.09 feet; thence South 89° 59' 58" West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North 29° 24' 58" East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North 89° 59' 58" East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

Beginning at the Northwest corner of Tract 8 of State Subdivision of Block 6 of the Hiatus between Townships 43 and 44 South, Range 37 East and run thence East a distance of 527.1 feet for a Point of Beginning; thence continue along the same line a distance of 132 feet; thence run south 29° 43' West a distance of 660 feet; thence run Westerly a distance of 132 feet; thence run North 29° 43' East a distance of 660 feet to the Point of Beginning.

Less and not including the following described parcel:

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund, Tallahassee, Florida", dated December 1, 1916, thence North 89° 59' 58" East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south 29° 28' 43" West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South 29° 28' 43" West along the East line of said State Lot 8 a distance of 150.09 feet; thence South 89° 59' 58" West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North 29° 24' 58" East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North 89° 59' 58" East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

And Less that part of the East 132 feet of the West 659.1 feet of the North 660 feet of Tract 8, Block 6, of State Subdivision of Hiatus between Township 43 South and Township 44 South, Range 37 East, which lies within 35 feet of the South line of Township 43 South, Range 37 east. Less existing right-of-way of Avenue "E".

Being a parcel of land in Lot 8, of the Subdivision of Block 6, Hiatus between Townships 43 and 44 South, Range 37 East, City of Belle Glade, Palm Beach County, Florida, according to the plat entitled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund", dated December 1, 1916 and more particularly described as follows;

Commencing at the Northwest corner of said Block 6; thence run East along the North line of said Block 6; this line being the same as the centerline of Southwest Avenue E, as now laid out and in use for a distance of 527.10 feet to a point; thence turn an angle of 60° 35' 00" measured from the preceding course to the South and run for a distance of 681.08 feet to the Point of Beginning thence turn an angle of 60° 35' 00" measured from the preceding course to the East and run along a line parallel to the North line of said Hiatus Block 6, for a distance of 131.25 feet to a point on the East line of Lot 8 of said Hiatus Block 6; thence turn an angle of 60° 31' 18" measured from the preceding course to the South and run along the East line of said Lot 8 of the Hiatus Block 6 for a distance of 257.50 feet to a point; thence turn an angle of 90° 03' 42" measured from the preceding course to the West and run Northwesterly along a line perpendicular to the West line of said Lot 8 Hiatus Block 6 for a distance of 114.05 feet to a point; thence turn an angle of 90° measured from the preceding course to the North and run a distance of 193.04 feet to the Point of Beginning.

EXHIBIT E

Record and Return to:

Prepared by:

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

SUBORDINATION AGREEMENT **((\$700,000 Loan))**

This SUBORDINATION AGREEMENT (the "Agreement") is entered into on _____, by and between **FIRST NATIONAL BANK OF COFFEE COUNTY**, whose address is 420 South Madison Avenue, Douglas, Georgia 31533 (the "Bank") and **PALM BEACH COUNTY**, a political subdivision of the State of Florida whose address is 301 North Olive Avenue, West Palm Beach, FL 33401, (the "County") relating to the Amelia Gardens rental development owned by Amelia Gardens, LLC, a Florida Limited Liability Company whose address is 685 South Main Street, Belle Glade, FL 33403 ("Borrower").

RECITALS:

- A.** The Borrower is the owner of a 22-unit residential rental development known as Amelia Gardens (the "Project") located on SW 14th Street in Belle Glade, Florida, more particularly described in **Exhibit 1** attached hereto (the "Property") ;and
- B.** On May 30, 2003, the County made a loan to the Borrower in the original principal amount of \$489,398, as evidenced by a Mortgage and Security Agreement ("County Mortgage") secured by the Property and which County Mortgage was recorded on June 26, 2003, in Official Records Book 15438, at Page 822, of the Public Records of Palm Beach County, Florida; and
- C.** On January 31, 2018, the Bank made a subordinate loan to the Borrower in the original principal amount of \$700,000 (2018 Bank Loan), as evidenced by a Mortgage, Assignment of Leases and Rents, and Security Agreement ("2018 Subordinate Mortgage") secured by the Property and which 2018 Subordinate Mortgage was recorded on February 6, 2018, in Official Records Book 29633, at Page 1179, of the Public Records of Palm Beach County, Florida; and
- D.** The Borrower now owes the County \$598,448, under the County Mortgage which amount is comprised of the \$489,398, being the principal loan amount, together with \$109,050, in deferred and accrued interest; and
- E.** The Borrower wishes to restructure the payment of the \$598,448 owed the County (County Loan) by means of an Amended and Restated Mortgage Agreement; and
- F.** The Borrower and the County entered into said Amended and Restated Mortgage Agreement on even date herewith in order to restructure the payment of the County Loan while preserving the seniority of the County Mortgage as amended, restated, and replaced by the Amended and Restated Mortgage Agreement; and
- G.** The Bank and the County wish to enter into this Agreement to confirm the priority of their loans with respect to each other.

NOW, THEREFORE, for the reasons set forth above, and in consideration of the mutual covenants and promises of the parties hereto, the parties agree as follows:

- 1.** Recitals. The above recitals are true and correct, and are incorporated herein and made a part hereof.

2. Priority. By agreement among the Bank and the County, the County Loan shall have priority over the 2018 Bank Loan and the 2018 Subordinate Mortgage shall be subject and subordinate to the Amended and Restated Mortgage Agreement.
3. Condition of Execution. The execution and delivery of this Agreement is a condition of the Amended and Restated Mortgage Agreement.
4. Increases and Amendments. The parties hereby agree that neither party shall increase the amounts of their respective debt as owed by the Borrower on the date hereof.
5. Enforcement Actions and Notice. The parties agree that neither party will initiate enforcement action on their respective loans without prior notice to the other party.
6. Effect and Binding Effect. Except as provided herein, this Agreement does not impair, amend, modify, cancel or affect in any manner whatsoever the rights and obligations of the parties as provided by law or equity or the terms, provisions and conditions of the respective debt instruments. This Agreement shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors, and assigns of the parties hereto.
7. Time of the Essence. This Agreement shall become null and void and of no force and effect unless fully executed and recorded within thirty (30) days of the date first above written.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

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

**FIRST NATIONAL BANK
OF COFFEE COUNTY**

By: _____
Name: _____
Title: _____

**STATE OF GEORGIA
COUNTY OF COFFEE**

The foregoing instrument was acknowledged before me this ____ day of, _____, 20____, by _____, as _____ of First National Bank of Coffee County, who is personally known to me, or who has produced _____ as identification.

Signature: _____

(NOTARY SEAL ABOVE)

Notary Name: _____
Notary Public - State of Georgia

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

FOR ITS BOARD OF COUNTY COMMISSIONERS

By: _____
Jonathan B. Brown, Director
Dept. Of Housing And Economic Sustainability

**STATE OF FLORIDA
COUNTY OF PALM BEACH**

The foregoing instrument was acknowledged before me this ____ day of, _____,
20____, by Jonathan B. Brown, as Director of the Dept. Of Housing And Economic
Sustainability of Palm Beach County, Florida, a political subdivision of the State of Florida,
who is personally known to me, or who has produced
_____ as identification.

Signature: _____

(NOTARY SEAL ABOVE)

Notary Name: _____
Notary Public - State of Florida

Approved as to Form and
Legal Sufficiency

Approved as to Terms and Conditions
Dept. of Housing and Economic Sustainability

By: _____
Howard J. Falcon III,
Chief Assistant County Attorney

By: _____
Sherry Howard,
Deputy Director

CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated _____, by and between First National Bank of Coffee County and Palm Beach County and consents to the agreement of the parties set forth in this Agreement.

AMELIA GARDENS, LLC,
a Florida limited liability company

By: _____
James T. Houston, III, Manager

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this ____ day of, _____, 20____, by James T. Houston, III, as Manager of Amelia Gardens, LLC, a Florida limited liability company, who is personally known to me, or who has produced _____ as identification.

Signature: _____

(NOTARY SEAL ABOVE)

Notary Name: _____
Notary Public - State of Florida

EXHIBIT 1

LEGAL DESCRIPTION

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East, according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund Tallahassee, Florida", dated December 1, 1916, thence North 89° 59' 58" East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south 29° 28' 43" West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South 29° 28' 43" West along the East line of said State Lot 8 a distance of 150.09 feet; thence South 89° 59' 58" West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North 29° 24' 58" East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North 89° 59' 58" East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

Beginning at the Northwest corner of Tract 8 of State Subdivision of Block 6 of the Hiatus between Townships 43 and 44 South, Range 37 East and run thence East a distance of 527.1 feet for a Point of Beginning; thence continue along the same line a distance of 132 feet; thence run south 29°43' West a distance of 660 feet; thence run Westerly a distance of 132 feet; thence run North 29°43' East a distance of 660 feet to the Point of Beginning.

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And Less that part of the East 132 feet of the West 659.1 feet of the North 660 feet of Tract 8, Block 6, of State Subdivision of Hiatus between Township 43 South and Township 44 South, Range 37 East, which lies within 35 feet of the South line of Township 43 South, Range 37 east. Less existing right-of-way of Avenue "E".

Being a parcel of land in Lot 8, of the Subdivision of Block 6, Hiatus between Townships 43 and 44 South, Range 37 East, City of Belle Glade, Palm Beach County, Florida, according to the plat entitled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund", dated December 1, 1916 and more particularly described as follows;

Commencing at the Northwest corner of said Block 6; thence run East along the North line of said Block 6; this line being the same as the centerline of Southwest Avenue E, as now laid out and in use for a distance of 527.10 feet to a point; thence turn an angle of 60° 35' 00" measured from the preceding course to the South and run for a distance of 681.08 feet to the Point of Beginning thence turn an angle of 60° 35' 00" measured from the preceding course to the East and run along a line parallel to the North line of said Hiatus Block 6, for a distance of 131.25 feet to a point on the East line of Lot 8 of said Hiatus Block 6; thence turn an angle of 60° 31' 18" measured from the preceding course to the South and run along the East line of said Lot 8 of the Hiatus Block 6 for a distance of 257.50 feet to a point; thence turn an angle of 90° 03' 42" measured from the preceding course to the West and run Northwesterly along a line perpendicular to the West line of said Lot 8 Hiatus Block 6 for a distance of 114.05 feet to a point; thence turn an angle of 90° measured from the preceding course to the North and run a distance of 193.04 feet to the Point of Beginning.

EXHIBIT F

PALM BEACH COUNTY
DEPARTMENT OF HOUSING AND ECONOMIC SUSTAINABILITY

TENANT INFORMATION REPORT

Project Name:	Amelia Gardens	
Report Period:	From _____, 20__ to _____, 20__	
Prepared By:		
Report Date:	_____, 20__	Page ____ of ____ Pages

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

Building Address:							
	Apt. No. —	Apt. No. —	Apt. No. —	Apt. No. —	Apt. No. —	Apt. No. —	Apt. No. No. —
Tenant Name:							
Lease start date:							
No. of bedrooms:							
Household Income at 80% of AMI or less	[]	[]	[]	[]	[]	[]	[]
Household Income at 50% of AMI or less	[]	[]	[]	[]	[]	[]	[]
Female Head of Household	[]	[]	[]	[]	[]	[]	[]
Disabled Head of Household	[]	[]	[]	[]	[]	[]	[]
Hispanic Ethnicity	[]	[]	[]	[]	[]	[]	[]
White	[]	[]	[]	[]	[]	[]	[]
African American	[]	[]	[]	[]	[]	[]	[]
Asian	[]	[]	[]	[]	[]	[]	[]
American Indian or Alaskan Native	[]	[]	[]	[]	[]	[]	[]
Native Hawaiian Pacific Islander	[]	[]	[]	[]	[]	[]	[]
American Indian or Alaskan Native and White	[]	[]	[]	[]	[]	[]	[]
Asian and White	[]	[]	[]	[]	[]	[]	[]
African American and White	[]	[]	[]	[]	[]	[]	[]
American Indian/Alaskan Native and African American	[]	[]	[]	[]	[]	[]	[]
Other Multi-racial	[]	[]	[]	[]	[]	[]	[]

EXHIBIT G

PALM BEACH COUNTY
DEPARTMENT OF HOUDING AND ECONOMIC SUSTAINABILITY
ANNUAL RENT ROLL

Project Name:	Amelia Gardens		
Report Period:	From _____, 20__ to _____, 20__		
Prepared By:			
Report Date:	_____, 20__	Page ____ of ____ Pages	

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

Building Address:				
	Apt. No. ____	Apt. No. ____	Apt. No. ____	Apt. No. ____
Tenant Name:				
Lease start date:	/ /	/ /	/ /	/ /
Contract Rent:	\$	\$	\$	\$
Tenant Rent:	\$	\$	\$	\$
No. of bedrooms:				
No. of occupants:				
Date last income certified:	/ /	/ /	/ /	/ /
Annual income:	\$	\$	\$	\$
Household Income at 80% of AMI or less	[]	[]	[]	[]
Household Income at 50% of AMI or less	[]	[]	[]	[]
	Apt. No. ____	Apt. No. ____	Apt. No. ____	Apt. No. ____
Tenant Name:				
Lease start date:	/ /	/ /	/ /	/ /
Contract Rent:	\$	\$	\$	\$
Tenant Rent:	\$	\$	\$	\$
No. of bedrooms:				
No. of occupants:				
Date last income certified:	/ /	/ /	/ /	/ /
Annual income:	\$	\$	\$	\$
Household Income at 80% of AMI or less	[]	[]	[]	[]
Household Income at 50% of AMI or less	[]	[]	[]	[]

R2003 0627

LOAN AGREEMENT

THIS AGREEMENT, dated as of this _____ day of MAY 06 2003, 200_, by and between Palm Beach County, a political subdivision of the State of Florida, (hereinafter referred to as the "County" and the "Lender") and Amelia Gardens, LLC, a Florida limited liability company, whose Federal I.D. number has been applied for (the "Borrower").

1. RECITALS.

(a) Borrower is the owner of 2.5 acres of real property located on Southwest 14th Street, in Belle Glade, Palm Beach County, Florida, as more particularly described in Exhibit "A", attached hereto and made a part hereof, (the "Premises"):

(b) Borrower has applied to the County for a loan in the principal amount of \$489,398.00 (the "Loan") to be used by Borrower to construct Improvements on the Premises. Borrower intends to construct a 22-unit rental duplex complex to serve very low and low income households on the Premises (the "Improvements").

(c) 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.

(d) First Community Bank of Palm Beach County, 12850 Forest Hill Blvd, Wellington, FL 33414, has agreed to finance up to \$1,305,000.00 of the construction of the Improvements pursuant to a separate loan to Borrower, secured by a separate mortgage, encumbering the Premises (the "First Mortgage").

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

2. THE LOAN. The County shall make the Loan to Borrower in an amount not to exceed \$489,398.00 upon the terms and conditions set forth herein, and at the rates and terms set forth in its Note and Mortgage attached hereto as Exhibit "B" and "C" respectively, and Borrower shall take the Loan and expressly agrees to comply with and to perform all of the terms and conditions of this Loan Agreement, the Note, the Mortgage and any other documents evidencing and securing this Loan (collectively hereinafter referred to as the "Loan Documents"). The closing of the Loan including the execution of the Note and Mortgage, shall occur at the offices of the County Attorney or such other mutually agreed upon site no later than December 31, 2003.

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

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

(a) Title Insurance:

(i) Within thirty (30) days of the effective date hereof, Borrower shall deliver to County a title commitment issued by a title insurance company qualified to do business in the State of Florida and acceptable to County, agreeing to issue to County upon recordation of the Mortgage a Lender's Title Insurance Policy in the amount of said Mortgage, subject only to the Permitted Exceptions listed on Exhibit "D" attached hereto and made a part hereof. 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.

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

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

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

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

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

(iii) the location of all building setback lines:

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

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

(vi) if the Premises are described as being on a

filed map, a legend relating the plat of survey to such map;

(vii) flood zone certification; and

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

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

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

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

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

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

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

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

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

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

(vi) satisfactory soil test report;

(g) Corporate Documents: Borrower shall deliver to the County the following documents:

(i) The Certificate of Incorporation 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;

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

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

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

(i) This Loan Agreement and all Loan Documents and any other documents required to be delivered hereunder have been duly authorized, executed and delivered and are valid, binding and enforceable in accordance with their terms.

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

(iii) that Borrower is in compliance with all laws, regulations, ordinances and orders of all governmental authorities, including, but not limited to, all applicable federal and state securities laws, and all laws of the State of Florida, applicable to the type of development contemplated hereunder,

(iv) that the proposed construction of the Improvements and proposed use of the Premises comply with all applicable zoning and building laws and regulations, and all other applicable federal, state and local laws, ordinance and

regulations, and that all permits and approvals required by all governmental agencies regulating air and water pollution have been obtained, and Florida Statute Chapter 380 pertaining to Development of Regional Impact (including the Aggregation Rule) as it relates to the Premises is not applicable,

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

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

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

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

(j) Expenses: Borrower shall have paid all those fees and charges due and payable or ordered paid by the County as provided herein under Paragraph 6 of this Loan Agreement entitled Expenses;

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

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

5. DISBURSEMENT OF LOAN FUNDS: Upon receipt of documentation evidencing payment of construction costs associated with the construction of the Improvements on the Premises by Borrower, the County shall disburse the Loan funds to Borrower in an amount not to exceed \$489,398.00. Payment will not be made hereunder for any other purpose or purposes except with prior written approval of the Board of County Commissioners of Palm Beach County.

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

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

(a) Borrower agrees that the Improvements will consist of a 22-unit rental duplex complex, and that 19 of the units to be constructed on the Premises shall be reserved for households who have low income pursuant to U.S. Government HUD guidelines for a period of fifteen (15) years and 3 of the apartment units to be constructed on the Premises shall be reserved for households who have very low income pursuant to U.S. Government HUD guidelines for a period of fifteen (15) years.

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

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

(d) The Mortgage shall become immediately due and payable upon sale, transfer, or refinancing.

(e) The Mortgage shall be non-assumable.

(f) Borrower agrees that the project will:

(i) provide energy efficient heating and cooling;

(ii) provide ceiling fans in at least one living area and bedroom;

(iii) provide awnings, blinds, sun screening or similar window treatment and roof ventilation by mechanical means;

(iv) provide high efficiency appliances over 8 SEER;

(v) provide high efficiency water heater;

(vi) provide water-conserving irrigation system and xeriscape vegetation;

(vii) install wall insulation R-13 or better (wood) or R-7 or better (CBS);

(viii) provide washer and dryer hook-up in each unit or laundry facilities with full size washer and dryer available on site;

(ix) provide outdoor living area attached to units;

(x) provide resident programs in the form of first-time homebuyer education; health and nutrition classes; and life safety training.

(xi) conduct background checks on adult members of household prior to occupancy.

(xii) utilize leases which requires parents to be held legally and financially liable for the acts of their children in the complex and allows management to terminate the lease of any household where a household member is engaged in illegal or criminal activity or where a household member is engaged in anti-social behavior which denies the project's residents or area residents the quiet and peaceful enjoyment of their homes or

businesses.

Conditions (a) (b) and (f) above shall, upon closing become covenants running with the land and shall survive the closing, and the payment or other termination of the Mortgage and Note. Notwithstanding the foregoing, all conditions shall terminate fifteen (15) years from the date of completion of the units. These conditions and covenants will be recorded in the land records of Palm Beach County, Florida by inclusion in the mortgage and/or by separate document satisfactory to the County's Attorney citing the granting of this loan and mortgage as consideration.

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

(a) Organization Status. Borrower is a Florida limited liability company duly organized and validly existing in good standing under the laws of the State of Florida with full power and authority to consummate the transactions contemplated herein. Borrower is duly authorized to borrow from County the principal sum of \$489,398.00 and execute all Loan the documents pertaining thereto.

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

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

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

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

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

(g) Availability of Utilities. 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 all necessary permits and permissions required from governmental authorities for unrestricted access to and use of such services in connection with the construction and use of the intended Improvements;

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

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

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

(k) Advertising. During the period of the construction of the Improvements, the 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.

(l) Hazardous Waste. 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.

(m) 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. Borrower covenants and agrees with the County as follows:

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

In addition, Borrower agrees, at its sole cost and expense, to have any mechanics' lien or equitable lien which may be filed against the Premises or undisbursed funds of this Loan released, 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 as aforesaid the County may take such steps as it deems necessary and any funds expended shall be charged to Borrower's Loan Account and shall bear interest as provided by the Loan Documents.

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

(b) No Transfer of Premises. In the event of conveyance of any interest in the Property, the Loan, together with all accrued interest shall be immediately due and payable; however, conditions (a), (b) and (f) of paragraph 9 shall survive for fifteen (15) years from completion of the units notwithstanding repayment of the Loan.

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

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

consummation of the transactions contemplated hereby.

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

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

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

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

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

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

(g) Insurance Proceeds. The Borrower shall keep the Premises continually insured in an amount not less than full insurable value of the Premises, which coverage shall insure the Premises against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the County, in its sole discretion, shall from time to time require, for the benefit of the County. All such insurance at all times will be in an insurance company or companies in such amounts and with terms acceptable to the County, with loss, if any, payable to the County, as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to the County; and forthwith upon the issuance of such policies they will deliver to the County copies of receipts for the premiums paid thereon and certificates of insurance and certified copies of such policies. Any policies furnished the County shall become its property in the event the County becomes the owner of the Premises by foreclosure or otherwise. Subject to the provisions of the First 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.

(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 constituting the deferred purchase price of any property or assets, or any indebtedness or liability evidenced by notes, bonds, debentures or similar obligations without the written approval of the County, except indebtedness owed the County and the aforementioned First Mortgage; provided however, that the First Mortgage shall not exceed the amounts contained in the recitals incorporated in this Loan Agreement.

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

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

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

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

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

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

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

(d) Borrower shall fail to use all funds under this loan agreement for costs associated with the construction of the

Premises by December 31, 2004. In the event Borrower fails to use all funds by December 31, 2004, all remaining funds shall revert to the County and the County may reallocate for other projects or needs.

(e) Borrower shall fail to complete construction of the Improvements and secure a Certificate of Occupancy for the Improvements by December 31, 2004.

(f) Borrower shall default under the First Mortgage which is not cured within applicable cure periods.

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

(a) Cancel this Loan Agreement;

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

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

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

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

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

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

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

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

(e) Indemnification from Third Party Claims. Borrower shall indemnify and hold County harmless from any liability, claims or losses resulting from the disbursement of the Loan proceeds to Borrower or from the condition of the Premises, whether related to the quality of construction or otherwise, and whether arising during or after the term of the Loan. This provision shall survive the repayment of the Loan and shall continue in a full force and effect so long as the possibility of such liability, claims, or losses exists.

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

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

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

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

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

(k) Governing Law. The laws of the State of Florida shall

govern the interpretation and enforcement of this Agreement and the venue shall be in Palm Beach County.

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

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

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

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

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

TO BORROWER: Amelia Gardens, LLC
733 S.W. Martin Luther King Jr. Blvd., Suite A
Belle Glade, FL 33430
Attn: James Houston, III

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

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

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

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

14. SUBORDINATION. Lender shall approve a First Mortgage provided that it does not exceed One Million Three Hundred Five Thousand Dollars (\$1,305,000.00) and further agrees to subordinate to such First Mortgage. The Chair of the Board of County Commissioners of Palm Beach County and the Clerk of the Court for

Palm Beach County, are hereby authorized to execute subordination agreements required herein without further approval of the Board of County Commissioners of Palm Beach County, Florida, provided such documents are in a form acceptable to the County Attorney. Nothing contained herein shall, however, relieve the Borrower from its obligation to make payments under the Promissory Note in accordance with its terms.

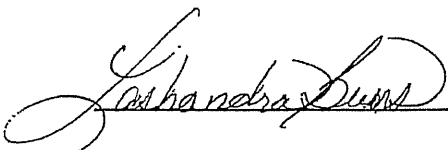
15. NONRECOURSE. ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, IN THE EVENT OF ANY DEFAULT BY THE BORROWER UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE LENDER SHALL BE TO FORECLOSE AGAINST THE PROPERTY GIVEN AS SECURITY FOR THIS LOAN, AND IN NO EVENT SHALL THE BORROWER HAVE ANY 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.

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

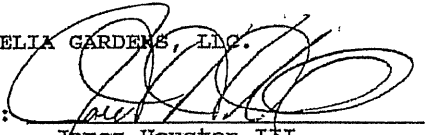
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IN WITNESS WHEREOF, Borrower and the County have caused this Agreement to be executed on the date first above written.

Signed, sealed and delivered
in the presence of:

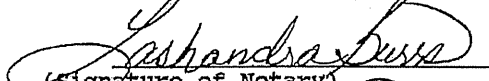


AMELIA GARDENS, LLC.

By: 
James Houston III,
Managing Member

STATE OF FLORIDA
COUNTY OF PALM BEACH

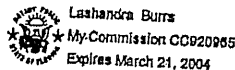
The foregoing instrument was acknowledged before me this 31st
day of February, 2003 by James Houston III, Managing Member of
Amelia Gardens, LLC, who is personally known to me or who has
produced _____ as identification and who did/did not take
an oath.


(Signature of Notary)
Lashandra Burns
(Typed, Printed, or Stamped
Name of Notary)

R2003 0627

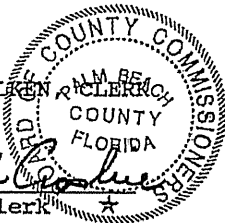
MAY 06 2003

My Commission Expires:



ATTEST:

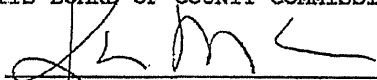
DOROTHY H. WILKINSON



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

BY ITS BOARD OF COUNTY COMMISSIONERS

BY: 
Deputy Clerk

BY: 
Karen T. Marcus, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

BY: 
County Attorney

BY: 
Department Head

02-04-03

G:\WPDATA\ENG\TKF\HTF.AGT\Houston-Reality-Loan-Agr.wpd

This Mortgage is exempt from Documentary Stamps and Intangible Tax

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



06/26/2003 11:48:43 20030377597
DR BK 15438 PG 0822
Palm Beach County, Florida

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE INDENTURE, executed this 30th day of May, 2003, by Amelia Gardens, LLC, a Florida limited liability company, (the "Mortgagor"), as party of the first part, and PALM BEACH COUNTY, a political subdivision of the State of Florida (the "Mortgagee") (which term as used in every instance shall include the Mortgagee's successors and assigns), as party of the second part.

W I T N E S S E T H:

The Mortgagor is the owner of the premises described in Exhibit "A" attached hereto (hereinafter the "Premises") and made a part hereof. Mortgagee has this date loaned Four Hundred Eighty-Nine Thousand Three Hundred Ninety-Eight Dollars (\$489,398.00) to Mortgagor and in connection therewith Mortgagor has this date executed and delivered to Mortgagee its Promissory Note in that amount (the "Note"). A true copy of the Note is annexed hereto as Exhibit "B" and forms a part hereof.

This Mortgage is given in accordance with that certain Loan Agreement executed on the 6th day of May, 2003 between Mortgagor and Mortgagee. This Mortgage and Security Agreement, the Note, and the Loan Agreement shall hereinafter collectively be referred to as the "Loan Documents".

GRANTING CLAUSE

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

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

TO HAVE AND TO HOLD the Premises and all parts, rights, members and appurtenances thereof, to the use, benefit and behalf

of the Mortgagee, its successors and assigns in fee simple forever, and the Mortgagor covenants that the Mortgagor is lawfully seized and possessed of the Premises in fee simple and has good right to convey the same, that the same are unencumbered excepting taxes accruing subsequent to 2002, 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 First Community Bank of Palm Beach County, in an original principal amount not to exceed One Million Three Hundred Five Thousand Dollars (\$1,305,000.00) ("First 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 \$489,398.00 and has a maturity date of December 31, 2018, unless such maturity is accelerated as set forth in the Note, and shall comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Loan Documents, then in such event this Mortgage and Security Agreement and the estate hereby created shall cease and be null and void.

The Mortgagor covenants with the Mortgagee as follows:

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

1.2 Taxes, Liens and Other Charges.

(a) The Mortgagor, from time to time when the same shall become due and payable, will pay and discharge all taxes of every kind and nature, all general and special assessments, levies, permits, inspection and license fees, all water and sewer rents and charges and all other public charges, whether of a like or different nature, imposed upon or assessed against the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property or arising in respect of the occupancy, use or possession thereof. The Mortgagor will, upon the request of the Mortgagee, deliver to the Mortgagee copies of receipts evidencing the payment of all such taxes, assessments, levies, fees, rents and other public charges imposed upon or assessed against the Mortgaged Property or the revenues, rents, issues, income or profits thereof.

(b) The Mortgagor shall pay, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers, and other persons or entities which, if unpaid, might result in or permit the creation of, a lien on Mortgaged Property or any part hereof, or on the revenues, rents, issues, income and profits arising therefrom whether such lien is or may become prior or remain inferior to the Mortgage and also, irrespective of the priority of such other lien(s). Mortgagor in general will do or cause to be done everything necessary so that

the lien hereof shall be fully preserved, at the cost of the Mortgagor, without expense to the Mortgagee.

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

1.3 Insurance. The Mortgagor will keep the Mortgaged Property continuously insured in an amount no less than full insurable value which coverage shall insure the Mortgaged Property against loss or damage by fire and by the perils covered by extended coverage and against such other hazards as the Mortgagee, in its sole discretion, shall from time to time require, for the benefit of the Mortgagee. All such insurance at all times will be in an insurance company or companies in such amounts and with terms acceptable to the Mortgagee, with loss, if any, payable to the Mortgagee as its interest may appear, pursuant to a noncontributory mortgagee clause which shall be satisfactory to the Mortgagee; and forthwith upon the issuance of such policies they will deliver to the Mortgagee copies of receipts for the premiums paid thereon and certificates of insurance and certified copies of such policies. Any policies furnished the Mortgagee shall become its property in the event the Mortgagee becomes the owner of the Premises by foreclosure or otherwise. The Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Mortgaged Property. Each insurance company is hereby authorized and directed to make payment for all such losses to the Mortgagor and the Mortgagee jointly. Should a loss be incurred, equal to or in excess of fifty percent (50%) of the full insurable value of the Mortgaged Property, then in such event, Mortgagee and Mortgagor may jointly elect to use the proceeds for the reconstruction and repair of the Mortgaged Property or, in the alternative, to apply the net proceeds to the payment of the indebtedness hereby secured, whether then due or not. The provisions of this Section 1.3 are 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, the Mortgagee will give immediate written notice of the same to the Mortgagor.

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

(d) The Mortgagor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Premises or any part thereof.

(e) If all or any part of the Premises shall be damaged by fire or other casualty, the Mortgagor will, upon request of the Mortgagee, promptly restore the Premises to the equivalent of its condition immediately prior to such damage, and if a part of the Premises shall be damaged through condemnation, the Mortgagor will, upon request of Mortgagee, promptly restore, repair or alter the remaining part of the Premises in a manner 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 Further Assurances; Modifications. At any time, and from time to time, upon request by the Mortgagee, the Mortgagor will make, exercise and deliver or cause to be made, executed and delivered to the Mortgagee, any and all other further instruments, certificates and other documents as may, in the opinion of the Mortgagee, be necessary or desirable in order to effectuate, complete, or perfect or to continue and preserve (i) the obligations of the Mortgagor under the Note, (ii) the security interest of this Mortgage, and (iii) the mortgage lien hereunder. Upon any failure by the Mortgagor so to do the Mortgagee may make, execute and record any and all such instruments, certificates and documents for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Mortgagee the agent and the attorney in fact of the Mortgagor so to do.

1.6 Expenses. In addition to the expenses described in subparagraph 2.6(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 the exercise of the power of sale of this Mortgage, any condemnation action involving the Premises or any action to protect the security hereof; and any such amounts paid by the Mortgagee shall be secured by this Mortgage.

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

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

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

authorize others to enter upon the Premises or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Mortgagor or any other person in possession holding under the Mortgage.

1.10 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) either temporarily or permanently, of any part of the Premises constituting twenty percent (20%) or more of the full value of the Premises, or in the event such condemnation makes the Premises unusable for the purposes contemplated herein and in the Loan Agreement, then in such event, the entire indebtedness secured hereby shall at the option of the Mortgagee, become immediately due and payable. Such events shall be a Condemnation Event ("Condemnation Event"); however, any condemnation for less than twenty percent (20%) of value or not rendering the Premises unusable, shall not be affected by this section. In the event of a Condemnation Event: The Mortgagee shall be entitled to all compensation, awards, and other payments or relief thereof, and is hereby authorized at its option, to commence, appear in, and prosecute, in its own, or the Mortgagor's name, any action or proceeding relating to any condemnation, any 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 Event are hereby assigned by the Mortgagor to the Mortgagee, who, after deducting therefrom, all its expenses, including attorneys fees, may release any monies received by it without further affecting this Mortgage and may apply the same in such manner as the Mortgagee shall determine, to the reduction of the sum secured hereby, and any balance of such monies then remaining shall be paid to the Mortgagor. The Mortgagor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds from a Condemnation Event as the Mortgagee may require. The provisions of this Section 1.10 are subject to the rights under the First Mortgage, to which the rights of the Mortgagee are subordinate.

1.11 Environmental Representations.

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

(b) No violation of any Federal, State or local environmental regulations now exists regarding the Mortgage Property.

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

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

ARTICLE II.

2.1 Due on Sale or Further Encumbrance Clause. In determining whether or not to make the loan secured hereby,

Mortgagee examined the credit-worthiness of Mortgagor, found it acceptable and continues to rely upon the same as the means of repayment of the loan. Mortgagee also evaluated the background and experience of Mortgagor in owning and operating property such as the Premises, found it acceptable and continues to rely upon same as the means of maintaining the value of the Premises, was ably represented by a licensed attorney at law in the negotiation and documentation of the loan secured hereby and bargained at arm's length and without duress 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 the event of a sale, transfer, conveyance or assignment of the Premises or a grant of a security interest in the Premises, then the Loan, together with accrued interest and any other expenses shall become due and payable. Notwithstanding, the income restrictions set forth in the Loan Agreement shall remain in full force and effect for fifteen (15) years from the date of completion of the units. The County may consent to a transfer of the Premises provided the transferee demonstrates to the County that it is creditworthy and has appropriate property management and financial management skills and experience with affordable housing.

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

2.2 Default. A default shall have occurred hereunder if:

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

(b) The Mortgagor shall fail to duly observe on time any other covenant, condition or agreement of this Mortgage the 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

(c) Any warranties or representations made or agreed to be made in any of the Loan Documents shall be breached by the Mortgagor or shall prove to be false or misleading in any material manner 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 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 sixty (60) days of Filing; or

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

(k) A 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

(l) One Hundred Percent (100%) of the Mortgaged Property shall cease to be reserved for households who have low or very low income pursuant to U.S. Government HUD guidelines for a period of fifteen (15) years from the date hereof; or beyond expiration of applicable cure or grace period.

(m) The Mortgagor shall default on the First Mortgage.

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

2.3 Special Conditions.

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

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

(b) All of the principal and interest of the indebtedness secured hereby shall be due and payable upon sale, transfer, or refinancing.

(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 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 so to do shall be considered as a waiver of such right.

2.5 Right of Lender to Enter and Take Possession.

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

(b) For the purpose of carrying out the provisions of this paragraph 2.6, the Mortgagee hereby constitutes and appoints the Mortgagee the true and lawful attorney in fact of the Mortgagor to do and perform, from time to time, any and all actions necessary and incidental to such purpose and does, by these presents, ratify and confirm any and all actions of said attorney in fact in the Premises.

(c) Whenever all such defaults have been cured and satisfied, the Mortgagee shall surrender possession of the Premises to the Mortgagor, provided that the right of the Mortgagee to take possession, from time to time, pursuant to subparagraph 2.6(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 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 of 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 attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication cost and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstract of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional debt secured hereby and shall be immediately due and payable with interest thereon at the maximum rate provided by law, when paid or incurred by Mortgagee in connection with (i) any proceeding, including foreclosure, probate and bankruptcy proceedings, to which it shall be a party, either as plaintiff, claimant, or defendant, by reason of this Mortgage, or any indebtedness hereby secured, (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced, or (iii) preparations for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.

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

(d) Mortgagor shall deliver to Mortgagee at any time on its request, all agreements for deed, contracts, leases, abstracts, title insurance policies, 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 paragraph will survive the repayment of indebtedness under the Note.

ARTICLE III.

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

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

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

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

ARTICLE IV.

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

Mortgagor: Amelia Gardens, LLC
733 SW Martin Luther King Jr. Blvd., Suite A
Belle Glade, FL 33430
Attn: James Houston III

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

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

ARTICLE V.

5.1 Future Advances. It is agreed that this Mortgage shall also secure such future or additional advances as may be made by the Mortgage 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 to 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 shall approve a First Mortgage provided that it does not exceed One Million Three Hundred Five Thousand Dollars (\$1,305,000.00) and further agrees to subordinate to such First Mortgage. The Chair of the Board of County Commissioners of Palm Beach County and the Clerk of the Court for Palm Beach County, are hereby authorized to execute subordination agreements required herein without further approval of the Board of County Commissioners of Palm Beach County, Florida, provided such documents are in a form acceptable to the County Attorney. Nothing contained herein shall, however, relieve the Borrower from its obligation to make payments under the Promissory Note in accordance with its terms.

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 increase the interest rate charged pursuant to the Note or otherwise modify the Note and the Note, as modified, and the Mortgage shall remain superior to the interest of any Party in the Premises acquired subsequent to the date of this Mortgage is recorded, other than the First Mortgage.

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 BORROWER UNDER THE LOAN REFERENCED HEREIN, THE SOLE REMEDY OF THE MORTGAGEE 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 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.

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 you shall be in Palm Beach County.


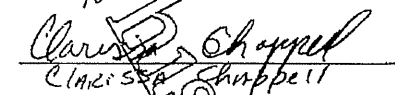
5.7 Binding Effect. This Mortgage shall be binding upon and insure to the benefit of the Mortgagor and Mortgagee hereto, and their respective heirs, successors and assigns.

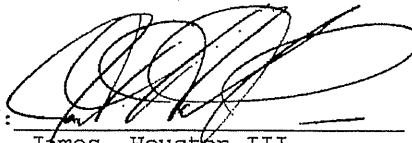
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IN WITNESS WHEREOF, the Mortgagor has executed and sealed this Mortgage, the day and year first above written.

Witnesses:

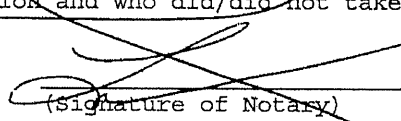
Amelia Gardens, LLC

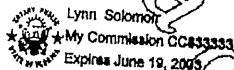

Lynn Solomon

Christina Chappell

BY: 
James Houston III
Managing Member

STATE OF FLORIDA
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 30th day of May, 2003 by James Houston III as Managing Member of Amelia Gardens, LLC, who is personally known to me or who has produced as identification and who did/did not take an oath.


(Signature of Notary)



(Typed, Printed, or Stamped

Name of Notary)

My Commission Expires:

02/04/03

G:\WPDATA\ENG\TKF\HTF.AGT\Houston-Realty-Mortg-Security\Agr. And

06-2002-15294

Legal Description
Exhibit "A"

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East, according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund, Tallahassee, Florida", dated December 1, 1916, thence North 89° 59' 58" East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south 29° 28' 43" West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South 29 ° 28' 43" West along the East line of said State Lot 8 a distance of 150.00 feet; thence South 89 ° 59' 58" West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North 29 24' 58" East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North 89 ° 59' 58" East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

06-2002-15112

Exhibit "A"

Beginning at the Northwest corner of Tract 8 of State Subdivision of Block 6 of the Hiatus between Townships 43 and 44 South, Range 37 East and run thence East a distance of 527.1 feet for a Point of Beginning; thence continue along the same line a distance of 132 feet; thence run south $29^{\circ} 43'$ West a distance of 660 feet; thence run Westerly a distance of 132 feet; thence run North $29^{\circ} 43'$ East a distance of 660 feet to the Point of Beginning.

Less and not including the following described parcel:

Commencing at the Northwest corner of State Lot 8, Block 6 of the Hiatus between Townships 43 and 44 south, Range 37 East, according to a plat titled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund, Tallahassee, Florida", dated December 1, 1916, thence North $89^{\circ} 59' 58''$ East a distance of 659.17 feet to the Northeast corner of the aforementioned State Lot 8; thence south $29^{\circ} 28' 43''$ West along the East line of said State Lot 8 a distance of 359.81 feet to the Point of Beginning; thence continue South $29^{\circ} 28' 43''$ West along the East line of said State Lot 8 a distance of 150.09 feet; thence South $89^{\circ} 59' 58''$ West parallel to the North line of said State Lot 8 a distance of 131.41 feet; thence North $29^{\circ} 24' 58''$ East parallel to the West line of said State Lot 8 for a distance of 150.00 feet; thence North $89^{\circ} 59' 58''$ East parallel to the North line of said State Lot 8 a distance of 131.60 feet to the Point of Beginning.

And Less that part of the East 132 feet of the West 659.1 feet of the North 660 feet of Tract 8, Block 6, of State Subdivision of Hiatus between Township 43 South and Township 44 South, Range 37 East, which lies within 35 feet of the South line of Township 43 South, Range 37 east. Less existing right-of-way of Avenue "E".

06-2003-123

Legal Description Exhibit "A"

Being a parcel of land in Lot 8, of the Subdivision of Block 6, Hiatus between Townships 43 and 44 South, Range 37 East, City of Belle Glade, Palm Beach County, Florida, according to the plat entitled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund", dated December 1, 1916 and more particularly described as follows;

Commencing at the Northwest corner of said Block 6; thence run East along the North line of said Block 6; this line being the same as the centerline of Southwest Avenue E, as now laid out and in use for a distance of 527.10 feet to a point; thence turn an angle of $60^{\circ}35'00''$ measured from the preceding course to the South and run for a distance of 681.08 feet to the Point of Beginning; thence turn an angle of $60^{\circ}35'00''$ measured from the preceding course to the East and run along a line parallel to the North line of said Hiatus Block 6, for a distance of 131.25 feet to a point on the East line of Lot 8 of said Hiatus Block 6; thence turn an angle of $60^{\circ}34'18''$ measured from the preceding course to the South and run along the East line of said Lot 8 of the Hiatus Block 6 for a distance of 257.50 feet to a point; thence turn an angle of $90^{\circ}03'42''$ measured from the preceding course to the West and run Northwesterly along a line perpendicular to the West line of said Lot 8 Hiatus Block 6 for a distance of 114.05 feet to a point; thence turn an angle of 90° measured from the preceding course to the North and run a distance of 193.04 feet to the Point of Beginning.

PROMISSORY NOTE

\$489,398.00

West Palm Beach, Florida
May 30, 2003

FOR VALUE RECEIVED the undersigned Amelia Gardens, LLC, a Florida limited liability company ("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 Four Hundred Eighty-Nine Thousand Three Hundred and Ninety-Eight Dollars (\$489,398.00) plus accrued interest to be paid in lawful money of the United States of America, as follows:

- 1) This Note shall bear interest only computed at the stated rate of three (3%) percent per annum on the outstanding principal balance from time to time remaining unpaid from the date of each disbursement.
- 2) Repayment hereunder shall occur as follows:
 - (a) From the date hereof until December 31, 2004 no payments will be required and interest will accrue and be payable at the maturity date.
 - (b) Repayment thereafter shall be limited to the actual cash flow of the Project which shall be determined annually on a calendar year basis, commencing with the year 2005, and certified by an independent Certified Public Accountant reasonably acceptable to the County, prior to the annual payment due date. The first annual payment due date hereunder shall be on April 30, 2005, with respect to all payments due (under subparagraph 4) below for the preceding calendar year. Subsequent annual payments shall be due on the 30th day of April for each preceding calendar year thereafter through December 31, 2018 (Maturity Date), at which time all outstanding principal indebtedness together with all accrued and unpaid interest thereon shall be due and payable, unless acceleration is made by Holder pursuant to the provisions hereof.
- 3) Maker agrees to provide annually to Holder a certification of Project income and expenses, and certified by an independent Certified Public Accountant acceptable to the County, which shall be used by Holder to determine payments due hereunder. Said certification shall be provided prior to each annual due date commencing in the year 2005.
- 4) Commencing with the year 2005, payments from Project income as determined by Holder shall be applied to pay the following items in order of priority:
 - a) First Mortgage fees and debt service, and all Project expenses; and
 - b) Base interest payment on principal balance hereof equal to three percent (3%) per annum; and

c) Any such base payment of interest hereunder deferred from previous years commencing with the year 2004.

5) Any payments of current or deferred base interest due annually hereunder shall be deferred until the next annual due date to the extent that Project income is insufficient to make said payments pursuant to the payment priority schedule in paragraph (4) above and as determined by Maker.

6) This Note may be prepaid in whole or in part at any time, without penalty or premium. Any prepayment hereunder shall be applied first to unpaid costs of collection, servicing fees, and late charges, if any, then to accrued, deferred and unpaid interest and the balance, if any, to the principal balance.

7) After maturity or acceleration, this Note shall bear interest at the Default Interest Rate until paid in full.

8) All terms hereunder shall be as construed and defined in Chapter 91-28, Florida Administrative Code.

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

This Note is executed pursuant to the terms and conditions of that certain Loan Agreement dated May 6, 2003 between Maker, as Borrower, and Holder, as Lender, is secured by a Mortgage and Security Agreement (the "Mortgage") encumbering certain real property located in Palm Beach County, Florida (the "Premises"), all of even date herewith. The foregoing and all other agreements, instruments and documents delivered in connection therewith and herewith are collectively referred to as the "Loan Documents."

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

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

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

notice of such exercise being hereby expressly waived.

Any 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 Fifteen (15) days of when said payment is due pursuant to the Mortgage. The parties agree that said charge is a fair and reasonable charge for the late payment and shall not be deemed a penalty.

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

Acceptance of partial payments or payments marked "payment in full" or "in satisfaction" or words to similar effect shall not affect the duty of Maker to pay all 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 neuter gender includes the feminine and/or masculine, as the case may be, and the singular number includes the plural, and the plural number includes the singular.

Maker and any other person liable for the payment hereof respectively, hereby (a) expressly waive any valuation and appraisal, presentment, demand for payment, notice of dishonor, protest, notice of nonpayment or protest, all other forms of notice whatsoever, and diligence in collection; (b) consent that Holder may, from time to time and without notice to any of them or demand, (i) extend, rearrange, renew or postpone any or all payments, (ii) release, exchange, add to or substitute all or any part of the collateral for this Note, and/or (iii) release Maker (or any co-maker) or any other person liable for payment hereof, without in any way modifying, altering, releasing, affecting or limiting their respective liability or the lien of any security instrument; and (c) agree that Holder, in order to enforce payment of this Note

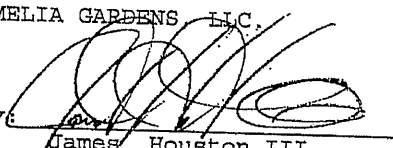
against any of them, shall not be required first to institute any suit or to exhaust any of its remedies against Maker (or any co-maker) or against any other person liable for payment hereof or to attempt to realize on any collateral for this Note.

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 HOLDER 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.

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

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

AMELIA GARDENS, LLC.

By: 
James Houston III
Managing Member

02/04/2003

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