Community Development Division

CITY OF Hollywood FLORIDA

tel: 954.921.3271
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October 7 , 2025

Lori A. Serino
Acting CPD Director
U.S. Department of Housing and Urban Development
Miami Field Office
Brickell Plaza Federal Building
909 SE 1st Avenue, Suite 500
Miami, FL 33131

Re: Redevelopment of Hollywood Village Affordable Housing Development (1735 Lincoln Street, Hollywood, FL)

Dear Ms. Serino,

The City of Hollywood (City) is taking action to address challenges at Hollywood Village, a 29-unit affordable housing development located at 1735 Lincoln Street. In October 2010, the City supported the Hollywood Housing Authority's (HHA) acquisition of Hollywood Village, an existing 29-unit development, with:

- Neighborhood Stabilization Program (NSP): $1,000,000
- NSP Additional Funds: $870,000
- HOME Program Funds: $135,000
- Total Investment: $2,005,000

Loan agreements and affordability covenants ensured compliance with 24 CFR 92.252 and 24 CFR 570.201(a). Notably, HHA made an $80,000 loan payment on September 21, 2016, and continued monthly payments of $6,559.58 through August 1, 2022, totaling $394,562.23 in payments.

In late 2021, significant structural deficiencies in the existing building were identified. By June 2023, the City's Building Department deemed the property unsafe and ordered it vacated. CVR Associates managed resident relocation in full compliance with the Uniform Relocation Act (URA) and 24 CFR 92.353. Once the structural deficiencies rendered the building unsafe, residents were relocated as quickly and as equitably as possible to ensure minimal disruption. Rehabilitation was determined to be financially unfeasible, and in April 2025, the City issued a Notice of Noncompliance citing violations of property standards, project completion, beneficiary use, and affordability requirements.

To remedy this, the City, HHA, and Housing Trust Group (HTG) are moving forward with the redevelopment of the site into Hollywood Vista, a 118-unit affordable housing community. To accommodate the increased number of units, HTG has acquired the lot adjacent to the existing property, allowing for expanded development. The redevelopment will:

- Preserve the current land use agreement by maintaining 29 units at 50% AMI
- Introduce additional affordability levels at 30%, 60%, and 80% AMI
- Deliver a net increase of 89 affordable units, expanding opportunities for low- and moderate-income households
- Maintain affordability for at least another 30 years
- Offer new, high-quality, modern, and resilient affordable units, representing a significant upgrade over the prior units

As part of the proposed financing structure, HTG has received preliminary approval from the Florida Housing Finance Corporation (FHFC) for the State Apartment Incentive Loan (SAIL) program to support the Hollywood Vista development. In addition, the City will be repaid the outstanding NSP and HOME funds, totaling $1,378,337.77 ($1,243,357.77 NSP and $135,000 HOME), with the option to reinvest these resources into this redevelopment or other eligible projects. This amount reflects what the HHA has already paid to the City, with a $202,080 reduction for management and asset fees that the City owes to the HHA.

This approach directly advances HUD's mission and program objectives:

- **Expanding Affordable Housing:** Adds 89 net new affordable units for LMI and VLI households
- **HOME Program Compliance:** Qualifies as an eligible cost under §92.205(a)(1), with long-term affordability preserved
- **NSP Goals:** Revitalizes a blighted property consistent with HERA and 24 CFR 570 Subpart I
- **URA/Section 104(d):** Relocation completed in full compliance with federal requirements

Redeveloping Hollywood Village into Hollywood Vista will safeguard HUD's original investment and transform a distressed property into a sustainable, high-quality, long-term affordable housing asset for the Hollywood community.

Respectfully,

Ryon R. Coote
Community Development Division Manager
City of Hollywood

Attachments:

- Timeline of Events
- Notice of Non-Compliance – Hollywood Village
- Hollywood Vista Renderings
- NSP & HOME Loan Agreement

CC:

- Raelin Story, Assistant City Manager, City of Hollywood
- Tony Gutierrez, Executive Director, Hollywood Housing Authority
- Octavia Mills, Board Chair, Hollywood Housing Authority

Hollywood Village Redevelopment Timeline

Background and Early History

- 1967–1968: Hollywood Village Apartments were constructed.
- 1968–2006: Property experienced multiple ownership changes.
- 2009: Ocean Bank initiated foreclosure proceedings.
- 2010: At the City of Hollywood's recommendation, the Hollywood Housing Authority (HHA) purchased the property for $1.53M to preserve affordable housing and prevent displacement of primarily elderly residents. The City provided acquisition funding with federally regulated rent restrictions to ensure long-term affordability.

Operational Challenges

- 2010–2023: HHA, with City support, operated the property under restricted rents.
    - Limited operating income and aging infrastructure strained resources.
    - HHA supplemented operations with its own funds but faced rising repair and capital costs.
    - The City provided additional operational support when rental income was insufficient, ensuring resident stability.

Assessments and Safety Concerns

- Nov. 2021: Plaza & Associates conducted a property observation.
- Feb. 2022: Findings presented to the HHA Board revealed urgent structural and life-safety issues.
- Apr.–Jul. 2022: Multiple repair proposals solicited (electrical, roofing, walkways). Plaza & Associates provided temporary shoring/structural support.
- Jun. 2022: HHA executed a Master Development Agreement with NewStar Development; City discussions began on long-term solutions.
- Aug. 2022: HHA contracted CVR to initiate tenant relocation planning.

Evaluation of Redevelopment Options

- Oct. 2022: Developer partners met with the City to discuss the property's future.
- Nov.–Dec. 2022: Financial feasibility analyses confirmed rehabilitation was cost-prohibitive. The City advised pursuing further life-safety inspection and cost analysis.

Hollywood Village Redevelopment Timeline

- Feb. 2023: Independent analysis reaffirmed rehabilitation was financially unviable. Newstar Development withdrew.
- Mar. 2023: Housing Trust Group (HTG) proposed redevelopment, including expansion onto adjacent land.
- May 2023: HHA signed a Letter of Intent (LOI) with HTG.
- Jun. 2023: Out of concern for safety, HHA ceased lease renewals and fully vacated the property.

Redevelopment Partnership

- Sep. 2023:
  - HHA formalized a joint venture agreement with HTG.
  - HTG submitted its first 9% LIHTC application.
- Jan. 2024: Property secured with gates and boarding to prevent trespassing.

Recent Developments

- Apr. 2025: City issued a notice of noncompliance, stressing urgency of redevelopment.
- May 2025: Cost estimates confirmed restoration was infeasible; redevelopment remained the only viable path forward.

Anticipated Development Timeline

- Funding Applications: Live Local SAIL RFA 2025-213 due September 17, 2025.
- Award Date: Tentative Board approval on October 24, 2025.
- Underwriting: Anticipated November 15, 2026.
- Financial Closing: Expected March 15, 2027.
- Construction Schedule:
  - Start: March 20, 2027
  - Completion: September 1, 2028
  - Full Lease-Up: November 1, 2028

Community Development Division

CITY OF Hollywood FLORIDA

tel: 954.921.3271
fax: 954.921.3390

April 1,2025

Mr. Tony Gutierrez
Executive Director
Hollywood Housing Authority
7350 Davie Road Ext.
Hollywood, FL 33024

Subject: Notice of Non-Compliance with NSP and HOME Program Requirements – Hollywood Village

Dear Mr. Gutierrez,

This letter serves as official notification that the Hollywood Housing Authority is out of compliance with the Loan Agreement, mortgage, and covenant between the City of Hollywood ("City") and the Hollywood Housing Authority for the Hollywood Village Project, located at 1735 Lincoln Street, Hollywood, Florida 33020, dated October 28, 2010. Following a thorough review, the City has determined that the Hollywood Housing Authority has not met several critical requirements outlined in the agreement, as well as the applicable regulations under the Neighborhood Stabilization Program (NSP 1) legislation in Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008 and HOME Investment Partnerships Program (HOME) at 24 CFR 92.

The development, which received federal funding through NSP and HOME, has been closed by the City of Hollywood's Building Department due to structural concerns. As a result, the project is not fulfilling its intended purpose of providing affordable housing. Accordingly, the following compliance violations exist:

Findings of Non-Compliance

1. **Failure to Meet Property Standards Compliance**
    - Regulatory Basis:
        - HOME: 24 CFR § 92.251
        - NSP: 24 CFR § 570.202
    - Description of Non-Compliance:
        - Properties funded with HOME and NSP funds must meet and maintain minimum property standards for the full affordability period. Deficiencies in maintenance and structural conditions indicate that the property is not in compliance with minimum habitability standards under 24 CFR 92.251 and Section 4.1 (G)(i-ii) of the Loan Agreement. The project has been deemed structurally unsafe and closed by the City of Hollywood's Building Department. Consequently, it fails to meet the minimum property standards required under the HOME and NSP programs.
2. **Failure to Achieve Project Completion and Beneficiary Use**
    - Regulatory Basis:
        - HOME: 24 CFR § 92.252
        - NSP: 24 CFR § 570.208

2600 Hollywood Boulevard
P.O. Box 229045
Hollywood, Florida
33022-9045
hollywoodfl.org

- Description of Non-Compliance:
    - Under 24 CFR 92.252, HOME-assisted rental housing units must be occupied by income-eligible tenants. The Hollywood Housing Authority has not leased all units~~,~~ and no valid justification has been provided. The project remains unoccupied, failing to provide affordable housing as required under the terms of the HOME and NSP funding agreements and program regulations which require timely occupancy to maintain program integrity and meet the intended goals of program.

3. **Affordability Requirements Violation:**
    - Regulatory Basis:
        - HOME: 24 CFR § 92.252
    - Description of Non-Compliance:
        - Section 6.18 of the Loan Agreement mandates that all units be rented to income-eligible families earning no more than 50% of the Area Median Income (AMI). The City has not received sufficient documentation confirming compliance with these requirements. Annual rent rolls have not been provided as required under Section 4.1 (G) of the Loan Agreement.

Misuse of Funds:

Under 24 CFR 92.503, Article VII of the Loan Agreement, and Section B of the Promissory Note, non-compliance with affordability requirements and other project conditions requires repayment of all disbursed HOME and NSP funds.

The total amount requiring repayment is as follows:

- HOME funds: $135,000
- NSP funds: $1,445,437.77 (less $202,080) = $1,243,357.77

This amount reflects what the HHA has already paid to the City, with a $202,080 reduction for management and asset fees that the City owes to the HHA.

Required Corrective Actions

To resolve these compliance issues, the Housing Authority must take one the following actions within **30** days of this notice:

1. **Repay HOME and NSP Funds:**
    - Repay the full amount of $135,000 in HOME funds and $1,243,357.77 in NSP funds disbursed and retain ownership of the property.
2. **Redevelop the Property Through a Qualified Developer:**
    - Transfer ownership to a qualified developer who will redevelop the site in compliance with HUD requirements.
3. **Sell the Property and Remit All Funds to the City**
    - Sell the property and remit all proceeds to the City to satisfy the federal funding obligations.

As per section 8.1 C of the City's agreement with the Hollywood Housing Authority, failure to address these issues within the specified timeframe may result in further enforcement actions, including but not limited to, legal enforcement of repayment of federal funds, suspension of future funding, or additional compliance measures.

Please submit all required documentation of the HHA's intended resolution to Community Development Division Manager Ryon R. Coote at rcoote@hollywoodfl.org no later than 30 days from the date of this notice. We appreciate your immediate attention to this matter and look forward to working with you to ensure compliance with NSP and HOME program requirements.

If you have any questions or require technical assistance, please feel free to contact me directly at 954-924-2958.

Respectfully,

Ryon R. Coote
Community Development Division Manager

CC:

- Octavia Mills, Chair, Hollywood Housing Authority
- Raelin Story, Assistant City Manager, City of Hollywood

HOLLYWOOD VISTA - CONCEPTUAL DESIGN RENDERINGS

R-2010-283

LOAN AGREEMENT

This Agreement is dated as of the 28 day of Oct, 2010 by and between the **CITY OF HOLLYWOOD,** a municipal corporation of the State of Florida (hereinafter the "City", "Lender" or "Holder") and **HOLLYWOOD HOUSING AUTHORITY**, a public body corporate and political created under Section 421.04 of the Florida Statutes and authorized to transaction business and exercise its powers pursuant to Resolution No. R-75-123, adopted by the City Commission of the City of Hollywood on November 5, 1975 (hereinafter referred to as the "Owner" or "Maker").

RECITALS

WHEREAS, the Owner is developing a project commonly known as "**Hollywood Village**" located at 1735 Lincoln Street, Hollywood, Florida 33020 (the "Project") that will increase the supply of affordable housing units within the property legally described on **Exhibit "A"** attached hereto and made a part hereof; and

WHEREAS, the City, approved an allocation not to exceed ONE MILLION EIGHT HUNDRED SEVENTY THOUSAND and No/100 Dollars ($1,870,000.00) from the Neighborhood Stabilization Program and ONE HUNDRED AND THIRTY FIVE THOUSAND and No/100 Dollars ($135,000.00) from the City's Home Funds program (collectively, the "Funds", or, the "Loan") with respect to the Project; and

WHEREAS, on March 3rd, 2010 the City and March 7th, 2010 the Owner executed a Memorandum of Understanding R2010-052-33-2010 ("MOU") setting forth the rights and responsibilities of the parties with respect to the Project;

WHEREAS, the City and the Owner intend and agree that the disbursement of the Funds and the operation of the Project be subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and obligations herein contained, and subject to the terms and conditions hereinafter stated, the parties hereto understand and agree as follows:

ARTICLE I
DEFINITIONS

The City and the Owner hereby agree that the capitalized terms used herein shall have the meanings set forth below unless the context requires otherwise:

1.1 **Affordability Period**: A date which is twenty (20) years after the date of this Agreement.

1.2	Affordable:	A project or unit that satisfies the affordability requirements of the applicable funding source, as provided in the Covenant, as defined herein.
1.3	AHP Grant	That certain Affordable Housing Program grant already applied for by Owner offered through the Federal Home Loan Bank Affordable Housing Program in the amount of $458,000.
1.4	Assisted Unit(s):	Restrictions apply to the Assisted Units as provided in this Agreement, the Covenant, as defined herein, the other Loan Documents and the Legal Requirements.
1.5	Bridge Loan	That certain bridge loan already applied for by Owner offered through Branch Banking and Trust Company in the amount of $458,000.
1.6	Budget	Attached hereto and made a part hereof are the following budgets (collectively "Budgets"): **Exhibit "B-1" Rehabilitation Budget** **Exhibit "B-2" Operational Budget (which shall apply only if the AHP grant is timely funded)** **Exhibit"B-3" Operational Budget (which shall apply only if the AHP grant is not timely funded).** The budget shall include the costs of acquisition, renovation and a proforma of operational costs together with estimate of Net Operating Income for five (5) years following the date of this Agreement.
1.7	Contract Records:	Any and all books, records, documents, information, data, papers, letters, materials, electronic storage data and media, whether written, printed, computerized, electronic or electrical, however collected or preserved which is or was produced, developed, maintained, completed, received or compiled by or at the direction of the Owner, or any Project contractor or subcontractor in carrying out the duties and obligations required by the terms of this Agreement, including, but not limited to, financial books and records, ledgers,

drawings, maps, pamphlets, designs, electronic tapes, computer drives and diskettes or surveys.

1.8	**Covenant:**	A Declaration of Restrictive Covenants of even date hereof to be recorded in the Public Records of Broward County, Florida to ensure that the Assisted Units will qualify as and remain affordable during the Affordability Period.
1.9	**Debt Service**	Shall mean the amount of scheduled principal and interest due under all loans encumbering the Property with respect to a particular period.
1.10	**Disbursement Agreement**	INTENTIONALLY DELETED.
1.11	**Effective Date:**	The date on which the City Clerk's attestation is affixed to this Agreement.
1.12	**Eligible Project Costs**	All costs set forth in the Budget or otherwise allowable under NSP.
1.13	**Funds or the Loan:**	The loan from the City to the Owner for Project to be applied against due diligence, acquisition and rehabilitation costs.
1.14	**HUD:**	The U.S. Department of Housing and Urban Development.
1.15	**Stabilization Date**	Date upon which Maker has given written notice to Holder that the Leaseup has occurred,
1.16	**Leaseup**	At such time as Maker has leased ninety percent (90%) of the Property
1.17	**Legal Requirements:**	All federal, state and local laws, regulations and requirements relating or pertaining to the Loan and/or the Project, and any requirements imposed by the City and NSP.
1.18	**Loan Documents:**	This Agreement and all other documents that may now or hereafter evidence or secure the Funds, including, but not limited to, any documents of the Owner and any documents of the Owner in connection with the Loan, together with all other documents executed in connection herewith or presented by Owner to the City in connection

herewith, and all amendments, extensions and renewals to any of the foregoing.

1.19 Mortgage: The Mortgage and Security Agreement collateralizing the Loan, executed by the Owner or the Owner executed on even date herewith and recorded in the Public Records of Broward County, Florida.

1.20 Net Operating Income For any period shall mean: (i) gross revenues received on a cash basis during that period from leases or the operation of the Property as a affordable housing apartment complex in the ordinary course of business; less all ordinary, reasonable or necessary costs and expenses for the occupation, operating, maintenance, rehabilitation and management of the Property accrued on an annual basis during that period, including but not limited to tax reserve, insurance reserve (including reserve for deductibles), interest reserve, a maintenance reserve, repair and replacement reserve, legal fees, eviction costs, advertising and leasing expenses and a management fee payable to Owner or third party provider pursuant to separate management contract (at $600 per Assisted Unit per year and to be net of all other expenses and costs), asset fee (at $120 per Assisted Unit per year and to be net of all other expenses and costs) and other expenses set forth in the Budget and Debt Service (other than Debt Service to the City).

1.21 Note: The promissory notes in the original principal amount of $1,000,000.00; (ii) a promissory note in the original principal amount of $870,000.00; and a promissory note in the original principal amount of $135,000.00, (hereinafter collectively referred to as the "Note"), of even date herewith evidencing the Loan, executed by the Owner in favor of the City.

1.22 NSP: Grant program associated with Title III of the Housing and Economic Recovery Act of 2008, Public Law 110-289 incorporated herein by reference.

1.23 Owner: Hollywood Housing Authority, a public body corporate and political created under Section 421.04

of the Florida Statutes and authorized to transaction business and exercise its powers pursuant to Resolution No. R-75-123, adopted by the City Commission of the City of Hollywood on November 5, 1975.

1.24 **Project Schedule**	Attached hereto and made a part hereof as **Exhibit "C-1"** (which shall apply only if the AHP grant is timely funded) and Exhibit "C-2" (which shall apply if the AHP grant is not timely funded and/or operating cost and/or the reserve accounts are required to be used to fund the Scope of Work)
1.25 **Scope of Work**	All the items reflected in the physical needs assessment report prepared by Kimberly A. Dellastatious, PA along with DDSM Consulting LLC dated July 7, 2010 and July 22,2010 and the Housing Quality Standards ("HQS") Report prepared by McCright and Associates dated August 13, 2010.
1.26 **Term:**	This Agreement shall be in effect until the expiration of the Affordability Period.
1.27 **Very Low-Income**:	Annual income does not exceed 50 percent of the median income for the area based on family size, as determined by HUD with adjustments and certain exceptions as provided in 24 CFR Part 92.

ARTICLE II
FUNDS

Upon satisfaction of all conditions set forth herein, the City shall disburse the Funds to the Owner for the purposes herein set forth.

2.1 **Use of Funds**. The Funds shall be used in accordance with the Scope of Work/Project Schedule and the Budget. Notwithstanding the foregoing, it is the intention of the Owner and City that the Loan Documents provide for adequate financial sustainability for the Owner and shall be non-recourse to the Owner. Accordingly, at any time that the Net Operating Income is insufficient to pay the Debt Service to the City (the parties acknowledging that Debt Service to the City shall be paid only if excess NOI funds are available after payment first of all other ordinary, reasonable or necessary costs and expenses for the occupation, operating, maintenance, rehabilitation and management of the Property), then the City agrees to temporarily suspend by deferring the requirement for payment of the Loan as set forth in the Note or elect to waive all or any portion of same in order to provide for adequate financial sustainability for the Owner and so as not to permit the Loan to negatively amortize.

2.2 **Disbursement and Allocation of Funds**. The Funds shall be disbursed and allocated in accordance with the Budget. Those Eligible Project Costs incurred during the term of this Agreement may be eligible for disbursement from the City.

2.3 **Net Operating Income and Reserve Accounts**. City acknowledges and agrees that the Net Operating Income received by Owner with respect to the Property and the funds held in the applicable reserve accounts reflected in the applicable Operational Budget may be used by the Owner for the purpose of completing the Scope of Work prior to Owner being required to pay the Debt Service to the City, provided that:

(i) Owner shall notify the City no later than ten (10) days after the Payment Date, as defined in the Note, that the Net Operating Income is insufficient to fund the completion of the Scope of Work and the Debt Service payment; and

(ii) Owner shall provide written notice to the City as to the nature of the income deficiency, specific expenditures, and invoices with respect to the Property which substantiate that the Net Operating Income is insufficient to pay the Debt Service payment; and

(iii) Owner shall provide to the City all written estimates (both for price and duration) with respect to the Scope of Work prior to such work being commenced; and

(iv) City provides written consent to the Owner, which consent shall not be unreasonably withheld, provided that the City's consent shall not be required for expenditures provided for in the Budget.

If any portion of the reserve accounts is used for the purpose of completing the Scope of Work, Owner shall have the right to replenish same with other NSP funds, Net Operating Income or other funding sources prior to Owner being required to pay the Debt Service to the City.

City further agrees that, in the event there are insufficient NSP or other funds to complete the Scope of Work, City shall assist and cooperate with Owner to timely secure additional funding and/or grants sufficient to complete same (including but not limited to, restoring the reserve accounts, if applicable) and City agrees to subordinate its lien and priority rights, if required or requested in order to obtain same.

2.4 **Repayment of Funds**.

The Loan, all interest accrued thereon, and all unpaid fees, charges and other obligations of the Owner due under any of the Loan Documents, shall become due and payable as provided in the Note.

ARTICLE III
CONSTRUCTION REQUIREMENTS

3.1 CONDITIONS OF CONSTRUCTION.

Owner shall not commence construction of the rehabilitation of the Project unless and until the City has received the following:

A. Title Insurance. A title insurance commitment issued by a title insurance company acceptable to the City identifying the City's insurable mortgagee interest in the Property, together with copies of all instruments which appear as exceptions therein. The title commitment and policy shall be issued without exceptions, except for those exceptions reasonably permitted by the City, and shall include such endorsement as the City shall require and are available.

B. Survey. An original current survey of the Property made by a registered surveyor satisfactory to the City and the title company and containing such certifications as the City and the title company may require.

C. Zoning. City has determined that the proposed improvements comply with all applicable zoning ordinances.

D. Authorizing Documents. Resolutions, and incumbency certificates for the Owner, and related entities as may be required by the City, certified by the Executive Director or other authorized signer, authorizing the consummation of the transactions contemplated hereby, all satisfactory to the City.

E. Insurance Policies.

All such insurance shall insure the City as an additional insured (Endorsement CG 2010 11/85), with a loss payable clause in favor of the City. The Owner and the Owner shall be required to obtain and furnish evidence of casualty, windstorm and general liability insurance coverage for the Project. City acknowledges that Owner shall not be required to maintain terrorism coverage. All such policies shall provide the City with mandatory written notice of cancellation or material change from the insurer not less than thirty (30) days prior to any such cancellation or material change, and all such policies shall be written by insurance companies reasonably satisfactory to the City.

F. Appraisal. A current appraisal of the Property made by a member of the American Institute of Real Estate Appraisers conformity with the appraisal requirements of NSP.

G. List of Contractors and Subcontractors. A list of all of the Project contractors and subcontractors as of the date of execution of this Agreement, and thereafter, along with copies of all contracts in excess of $10,000 for the performance of services or the supply of materials in connection with the Project, to be funded pursuant to this Agreement.

I. Evaluation of Project Costs. City has evaluated the Project's costs.

J. Lease Management Agreement. An executed Lease Management Agreement between the Owner and the City.

K. Intentionally deleted.

L. Environmental Report. A Phase I and, if required by the Phase I, Phase II Environmental Assessment Reports and as may be required by federal guidelines. With respect to any advances of the Loan proceeds allocated to the purchase of the Property, the Owner shall comply with all applicable federal guidelines, including, but not limited to the provisions NSP.

M. Audit Report. Subject to the City providing the Owner with a format for the audit reports to be given to the City, the Owner shall submit to the City audit reports as are reasonably required herein but no more often than quarterly.

N. Intentionally deleted.

O. Certificate Regarding Lobbying. Such Certificate Regarding Lobbying as may be reasonably requested by the City.

P. Certificate Regarding Debarment, Suspension, and Other Responsibility Matters. Such Certificate Regarding Debarment, Suspension and Other Responsibility Matters as may be reasonably requested by the City.

Q. Public Entity Crime Affidavit. Such Public Entity Crime Affidavit as may be reasonably required by the City.

R. Other Documents. All other documents reasonably required by NSP.

ARTICLE IV
GENERAL REQUIREMENTS

4.1 GENERAL.

A. The Owner shall obtain the City's prior written approval for the assignment or transfer of any obligation or responsibility set forth in this Agreement. The City shall not be permitted to assign or transfer any of its obligations or responsibilities set forth in this Agreement and any such attempted assignment or transfer shall be deemed null and void.

B. Approval by the City of any subcontract or assignment shall be deemed the City's agreement to fund any excess of the total dollar amount agreed upon in this Agreement.

C. In connection with the construction of the Project, the Owner shall ensure that it will not knowingly (without independent investigation) engage any subcontractor or general contractor that has been disbarred by the City.

D. The Owner shall comply with all applicable requirements of (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR Part 24; (b) applicable requirements of 24 CFR 570.606; (c) NSP Tenant Protections At Foreclosure (d) Protecting Tenants at Foreclosure Act of 2009; (e) with all Davis-Bacon Wage and Section 3 requirements; and (f) with Program Income requirements, as defined by HUD. The Owner shall comply, and instruct any general contractor, contractors and/or subcontractors (collectively "Contractors"), to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u):

(i) The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall to the greatest extent feasible, be directed to low income persons, particularly persons who are recipients of HUD assistance for housing.

(ii) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(iii) The Contractors shall agree to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker's representative of the Contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(iv) The Contractors shall agree to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause. The Contractors shall not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

(v) The Contractors shall certify that any vacant employment positions, including training positions, that are filled (1) after the Contractors is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filed to circumvent the Contractor's obligations under 24 CFR Part 135.

(vi) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in an Event of Default.

(vii) Intentionally deleted.

(viii) Notwithstanding anything contained in this Agreement to the contrary, the City agrees to (i) determine the Project costs including but not limited to the acquisition costs, the due diligence costs, the closing costs, the rehab scope and costs, the operational and maintenance costs and the amount and type of construction and operational reserves and contingencies required; (ii) obtain all bids related to the rehab and construction (iii) act as construction manager to oversee the construction and rehab of the Property and to insure compliance and performance under the general contractors', subcontractors' and materials' construction contracts (iv) to act as Owner's agent in connection with the construction and rehab of the Property and to (iv) fund, through NSP, Home Funds or other City sources of funds, all costs and expenses incurred in connection with the acquisition, due diligence, closing, construction and rehab of the Property and (v) administer and assume overall responsibility for insuring that the activities referenced in this Agreement and the Loan Documents are carried out in compliance with the requirements of NSP.

E. The Owner shall instruct the general contractor in privity with Owner to construct the Project so that the housing meets the property standards contained in 24 CFR

§92.251 and the lead based paint requirements of 24 CFR Part 35, subparts A, B, J, K, M and R.

G. The following additional requirements shall apply to Rental Projects:

(i) The Owner shall ensure that throughout the Affordability Period, the housing meets the property standards contained in 24 CFR §92.251 and the lead based paint requirements of 24 CFR Part 35, subparts A, B, J, K, M and R.

(ii) Throughout the Affordability Period, the Owner shall comply with all Project Housing Quality Standards, as defined in 24 CFR §982.401 and similar requirements as imposed by the City.

The Owner agrees that throughout the Affordability Period, it shall monitor rents and tenant incomes. Owner shall provide an annual certified rent roll confirming all tenants, rents, and payment history to the City. The Very Low Income requirement shall be verified on annual basis during the Affordability Period commencing at the end of the construction process, where the Project is completed, the Project has received a certificate of occupancy, the financial close out documents (defined as the Cumulative Expenditure Report; Final Report of Cash Transactions; Release Form; Contract Close-out Tax Certification; Property Inventory Report; Agency Submittal of Close-Out Documents; HOME completion path document (including rent roll)) have been completed to the City's satisfaction and a cost certification has been completed ("Close Out Date").

4.2 DISPOSITION. If the event of a transfer of the Property (with or without City's consent), the Affordability Period and the terms of the Covenant shall remain in full force and effect. In the event the Owner seeks to transfer the Property, the Loan may be assumed by a subsequent owner ("Transferee") of the Property subject to the following conditions:

(a) The Affordability Period and the Covenant shall remain in full force and effect as set forth herein;

(b) The Transferee, in the City's sole discretion, has the financial and managerial capacity to successfully manage the Project and comply with the terms of this Agreement and the Loan Documents; and

(c) The Transferee complies with all City and federal requirements with respect to the Property.

4.3 GENERAL CONTRACTORS, SUBCONTRACTS AND ASSIGNMENTS.

A. The Owner shall request that all general contractors and subcontracts for the Project that are in direct privity with the Owner:

(i) Identify the full, correct, and legal name of all parties;

(ii) Describe the activities to be performed;

(iii) Present a complete and accurate breakdown of its price component;

(iv) Incorporate a provision requiring compliance with all applicable regulatory and other requirements of this Agreement that are required to be complied with by Contractors and subcontractors.

(v) Incorporate the language of the Certificate Regarding Lobbying executed in connection herewith.

B. The Owner shall incorporate, in all general contractors and subcontracts for the Project that are in direct privity with the Owner the following provision:

"Owner is not responsible for any insurance or other fringe benefits, e.g., social security, income tax withholding, retirement or leave benefits, for [the consultant] or employees of [the consultant], that are normally available to direct employees of [Owner]. [The consultant] assumes full responsibility for the provision of all insurance and fringe benefits for himself/herself/itself and employees retained by [the consultant] in carrying out the scope of services provided in this subcontract."

C. The City shall monitor the contractual performance of all Project subcontracts and provide construction management services to the Project and administer the rehabilitation of the Property.

D. The Owner shall submit to the City for its review and approval, which shall not be unreasonably withheld, all Project contracts, management agreements, and expenditures that exceed the total Budget amount. The City acknowledges and agrees that the Owner shall have the right to reassign category amount and reallocate the amounts set forth in the Budget provided that the total Budget amount is not increased, without the consent of the City being required.

E. Approval by the City of any subcontract or assignment shall not under any circumstances be deemed to be the City's agreement to incur any obligations in excess of the total dollar amount agreed upon in this Agreement.

F. The Owner shall request that the contractors and subcontractors comply, with the Davis-Bacon Act, the Copeland Anti-Kick Back Act, the Contract Work Hours and Safety-Standards Act, the Lead-Based Paint Poisoning Prevention Act, the Residential Lead Based Paint Hazard Reduction Act of 1992 (and implementing regulations at 24 C.F.R. Part 35), Environmental Protection Agency's (EPA)'s:

Renovation, Repair and Painting (RRP) regulations at 40CFR Part 745, and any other applicable laws, ordinances and regulations.

4.4 REPORTING OBLIGATIONS.

The Owner shall submit the following as reasonably required by the City:

A. Progress Reports. The Owner shall submit status reports and projected completion dates to describe the progress made in achieving each of the objectives identified in **Exhibit "C", whenever reasonably requested by the City, but no more often than quarterly**.

B. Intentionally deleted.

C. Affirmative Action Plan. The Owner shall report to the City such information relative to the equality of Project employment opportunities as and when reasonably requested by the City, but no more often than quarterly.

D. Assurance of Compliance with Section 504 of the Rehabilitation Act. The Owner shall report on compliance with section 504 of the Rehabilitation Act, whenever reasonably requested by the City, but no more often than quarterly.

E. Intentionally deleted.

F. List of Subcontractors. The Owner shall provide a list of all Project contractors and subcontractors, and copies of all contracts in excess of $10,000 for the performance of services or the supply of materials in connection with the Project, to be funded pursuant to this Agreement.

G. Audits, Other Information and Records.

(i) The Owner shall submit to the City an audit report conducted by an independent certified public accountant or firm of independent certified public accountants in accordance with generally accepted auditing standards, including audited financial statements and a report on compliance with laws and regulations based on the audit of financial statements. Two copies of each such audit report must be delivered to the City no later than six (6) months following the end of each Owner fiscal year.

Each such audited financial statement is to be for the 12 months ended December 31 and shall include:

(a) Comparative Balance Sheet with prior year and current year balances;

(b) Statement of revenue and expenses;

(c) Statement of changes in Fund balances or equity;

(d) Statement of cash flows; and

(e) Notes

The financial statements shall be accompanied by a certification of the Owner, stating to the best of its actual knowledge, such financial statements are accurate.

At the request of the City, the Owner shall also furnish to the City unaudited financial statements of the Owner and/or the Owner, certified by the Owner's principal financial or accounting officer, covering such financial matters as the City may reasonably request, including without limitation, quarterly statements with respect to the Project.

(ii) The Owner shall maintain all Contract Records in accordance with generally accepted accounting principles, procedures, and practices, which records shall sufficiently and properly reflect all revenues and expenditures of Funds provided directly by the City pursuant to the terms of this Agreement.

(iii) The Owner shall ensure that the Contract Records shall be subject to and available for full access and review, inspection or audit by the City and federal personnel and any other personnel duly authorized by the City during business hours with advanced reasonable notice.

(iv) Intentionally deleted.

4.5. COMPLIANCE REQUIREMENTS.

A. The Owner shall comply with all applicable provisions of federal, state, county and City laws, regulations, rules and administrative requirements, as they may be revised from time to time, such as: Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap; Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the basis of race, color, or national origin; the Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age; Title VIII of the Civil Rights Act of 1968, as amended, and Executive Order 11063 which prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin; Executive Order 11246 which requires equal employment opportunity; and with the Energy Policy and Conservation Act (Pub. L. 94-163) which requires mandatory standards and policies relating to energy efficiency.

B. The Owner shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401 et. seq.), as amended; the Federal Water Pollution Control Act (33 U.S.C. 1251), as amended; Section 508 of the Clean Water Act (33 U.S.C. 1368); Environmental Protection Agency regulations (40 CFR Part 15); and Executive Order 11738.

C. The Owner shall comply at all times with all applicable Legal Requirements.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF THE OWNER

The Owner represents and warrants to the City as follows, that to the best of Owner's actual knowledge (without independent investigation):

5.1 **Organization and Existence**. The Owner is duly organized, validly existing and in good standing under the laws of the State of Florida, and has full power and authority to conduct its business as presently conducted, to receive the Funds, and to construct, develop, build and operate, and, if applicable, own, the Project.

The Owner has full power and authority to perform the provisions hereof and of its agreements and undertakings with the City and to perform the transactions contemplated hereby, and such execution and performance have been duly authorized by all necessary corporate or other approvals and actions.

5.2 Intentionally deleted

5.3 **Absence of Proceedings, Actions and Judgments**. There are no conditions, circumstances, events, agreements, documents, instruments, restrictions, actions, suits or proceedings pending or threatened against or affecting the Owner which could adversely affect the Owner's ability to own, build, operate or sell (if applicable) the Project or to perform its obligations hereunder or which would constitute an Event of Default hereunder or under the other Loan Documents regardless of the giving of notice or the passage of time or both. There are no outstanding or unpaid judgments or arbitration awards against the Owner.

5.4 **Non-Default**. The execution and delivery of this Agreement and the other Loan Documents, the consummation of the other transactions contemplated hereby, and the ownership and construction of the Project as contemplated hereby and by the other Loan Documents: (i) do not and will not conflict with or result in violation of any indenture, contract, agreement or other instrument to which the Owner is a party or by which it may be bound;. and (ii) have been duly authorized by all necessary actions and approvals, whether corporate or otherwise.

5.5 **Valid Obligations**. This Agreement and all of the other Loan Documents, when executed and delivered, shall constitute the duly authorized, legal, valid and binding obligations of the Owner and will be enforceable in accordance with their respective terms.

5.6 Intentionally deleted

5.7 Intentionally deleted.

5.8 Intentionally deleted

5.9 Intentionally deleted.

5.10 Intentionally deleted

5.11 Intentionally deleted

5.12 Waste. The Owner shall not intentionally commit or suffer waste or negligence on the Project.

5.13 Fraud. No fraud by the Owner has occurred in the negotiation of this Agreement and the other Loan Documents, nor in the transactions contemplated hereby.

5.14 Intentionally deleted

5.15 Intentionally deleted

5.16 Compliance with Laws and Regulations. The Owner will use best efforts comply with all Legal Requirements.

5.17. Intentionally deleted

5.18 Reaffirmation. Each of the representations and warranties set forth in this Article shall be true at all times during the Term hereof, and each acceptance of Funds hereunder by the Owner shall be deemed to be a reaffirmation of each of the representations and warranties given in this Agreement, unless otherwise noticed to the City.

ARTICLE VI
OWNER'S OBLIGATIONS

6.1 Scope of Work. The Owner shall perform the Scope of Work. Notwithstanding the foregoing or anything herein to the contrary, the City agrees to administer the rehabilitation of the Property and administer the City's allocation of NSP funds for the NSP program.

6.2 Reporting Obligations. The Owner shall submit to the City reports, that the City may reasonably request (but not more often than monthly), in such form, manner, and frequency as the City may reasonably require to monitor the progress of the Project and the Owner's performance and compliance with this Agreement and all Legal Requirements.

6.3 Retention of Records. The Owner shall retain all Contract Records throughout the Retention Period, subject to the limitations set forth below:

(a) If the City, the Owner or the Owner has received or given notice of any kind indicating any threatened or pending litigation, claim or audit arising out of the activities relating to the Project or the Scope of Work or under the terms of this Agreement, the Retention Period shall be extended until such time as the threatened or pending litigation, claim or audit is, in the sole and absolute discretion of the City, fully, completely and finally resolved.

(b) The Owner shall allow the City or any person authorized by the City full access to and the right to examine any of the Contract Records during the required Retention Period during business hours and upon reasonable notice to the Owner.

(c) Intentionally deleted.

6.4 Provision of Records. All of the Contract Records are subject to the provisions of Chapter 119, Florida Statutes, commonly referred to as the "Public Records Law". Upon written request and reasonable advanced notice, the City shall have the right to access and make copies of any Contract Record at Owner's offices.

6.5 Prior Approval. The Owner shall obtain the City's prior written approval prior to undertaking, or the Owner undertaking, any of the following with respect to the Project and/or the Property, which approval shall not be unreasonably withheld, conditioned or delayed (and shall be approved or objected to, with reason's stated, within fifteen (15) days of request therefore or same shall be deemed approved):

(a) The sale, assignment, pledge, transfer, hypothecation or other encumbrance or disposition of any proprietary or beneficial interest in the Project or the Property, other than leasehold interests in the ordinary course of business.

(b) Intentionally deleted

(c) The disposal of any Contract Records, except as may be legally permitted.

6.6 Monitoring. The Owner shall permit the City and other persons duly authorized by the City to inspect all Contract Records, facilities, goods, and activities of the Owner that are in any way connected to the activities undertaken pursuant to this Agreement, and/or to interview any clients, employees, subcontractors, or assignees of the Owner. Following such inspection or interviews, the City will deliver to the Owner a report of its findings. The Owner will rectify all material adverse legal deficiencies cited by the City within the period of time specified in the report, or provide the City with a reasonable justification for not correcting the deficiencies. The City will determine, in its reasonable discretion, whether or not the Owner's justification is acceptable.

6.7 **Conflict of Interest**.

A. The Owner is aware of the conflict of interest laws of the City of Hollywood, of Broward County, Florida, and of the State of Florida (as set forth in Florida Statutes), and agrees that it will use best efforts to comply in all respects with the terms thereof and any future amendments.

B. The Owner covenants that no person or entity under its employ, or under the employ of the Owner, presently exercising any functions or responsibilities in connection with this Agreement, has any personal financial interests, direct or indirect, with the City. The Owner further covenants that, in the performance of this Agreement, no person or entity having such conflicting interest shall be utilized in respect to the Scope of Work or services provided hereunder. Any such conflict of interest(s) on the part of the Owner or the Owner, their employees or associated persons or entities shall be disclosed to the City.

C. The Owner shall disclose any possible conflicts of interest or apparent improprieties of any party under or in connection with the Legal Requirements, including the standards for procurement.

D. The Owner shall make any such disclosure to the City in writing and immediately upon its discovery of such possible conflict. The City's determination regarding the possible conflict of interest shall be binding on all parties.

E. The Owner covenants and affirms that no employee, agent, consultant, elected official or appointed official of the City, exercising any functions or responsibilities in connection with the City's affordable housing programs or this Agreement, or who is in a position to participate in the decision-making process or gain inside information regarding City-assisted activities, has any personal financial interest, direct or indirect, in this Agreement, the proceeds hereunder, the Project, the Owner or the Owner, either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

6.8 Related Parties. The Owner shall report to the City the name, purpose for and any other relevant information in connection with any related-party transaction. The term "related party transaction" includes, but is not limited to, a transaction or relationship between the Owner and a for-profit or nonprofit subsidiary or affiliate organization, an organization with an overlapping board of directors, and an organization for which the Owner is responsible for appointing memberships. The Owner shall report this information to the City upon forming the relationship, or if already formed, shall report such relationship prior to or simultaneously with the execution of this Agreement. Any supplemental information shall be promptly reported to the City no later than in the next required Progress Report, as described above.

6.9 Publicity and Advertisements. The Owner shall ensure that all publicity prepared and released for the Project by the Owner and/or the Owner, such as news releases, related to activities funded by this Agreement, and all events carried out to publicize the accomplishments of any activities funded by this Agreement, recognize the City as one of its funding sources.

6.10 Additional Funding. The Owner shall not procure any other financing in connection with the Project or the Property without the prior written knowledge of the City, other than those financings known by the City as of the date hereof. If required for such additional financing, the City shall execute documentation, which upon review and approval, evidences its consent to such additional financing including, if applicable the subordination of this Mortgage with respect to all or a portion of the Mortgaged Property

6.11 Reversion of Assets. The Owner shall return to the City upon the expiration or termination of this Agreement any Funds on hand, any funds or accounts receivable attributable to the Funds, and any overpayments due to unearned funds or costs disallowed pursuant to the terms of this Agreement that were disbursed to the Owner by the City, to the extent still in the Owner's possession and control. Any funds not earned by the Owner prior to the expiration or termination of the NSP shall be retained by the City.

6.12 Intentionally deleted

6.13 Affirmative Action. The Owner shall not discriminate on the basis of race, color, national origin, sex, religion, age, sexual orientation, marital or family status or handicap/disability in connection with its performance under this Agreement, with the construction of the Project, or the occupancy of any Project unit. Age discrimination and discrimination against minor dependents are also not permitted.

6.14 Compliance with Safety Precautions. The Owner shall allow City inspectors, agents or representatives the ability to monitor its/their compliance with safety precautions as required by federal, state or local laws, rules, regulations and ordinances. By performing these inspections the City, its agents, or representatives are not assuming any liability by virtue of such laws, rules, regulations and ordinances. The Owner shall have no recourse against the City, its agents, or representatives for the occurrence, non-occurrence or result of such inspection(s), unless otherwise set forth herein.

The Owner shall use best efforts to comply, with all applicable provisions of the Americans with Disabilities Act ("ADA") in the course of providing any work, labor or services funded by the City, including Titles I and II of the ADA (regarding nondiscrimination on the basis of disability) and all applicable regulations, guidelines and standards.

6.15 Draw Requests. INTENTIONALLY DELETED.

6.16 Insurance Proceeds. Notwithstanding anything to the contrary contained herein or in the other Loan Documents, the City shall make insurance proceeds available for the restoration and repair of the Property and the Project.

6.17 Condemnation Proceeds. Notwithstanding anything to the contrary contained herein or in the other Loan Documents, the City shall make proceeds of condemnation available for the restoration and repair of the Property and the Project.

6.18 Leasing of Units. The Owner shall lease the Assisted Units to Very-Low Income households as set forth in the Lease Management Agreement.

6.19 Developer Fee. The Developer Fee as shown on the Budget shall be paid by Lender to Owner upon the earlier of: (i) Stabilization Date or two (2) years following the date of this Agreement.

ARTICLE VII
DEFAULT

The happening of any one or more of the following events shall constitute an Event of Default (provided that no Event of Default shall have occurred or be deemed to exist until after all applicable cure period as provided in the Loan Documents have expired):

A If any term, condition or representation contained in this Agreement or any of the other Loan Documents is untrue, substantially inaccurate or incomplete, or, if there is a material misrepresentation of fact or fraud contained in any document(s) submitted in support of this Agreement which is not corrected within sixty (60) days after written notice from the City.

B The substantial discontinuance of the construction of the Project for a period of one (1) month, which discontinuance is, in the reasonable determination of the City, without satisfactory cause.

C. Intentionally deleted.

D. In the event that the City determines, in its reasonable discretion, that the Project is not being erected in a good and workmanlike manner in accordance with the Scope of Work, or that the Owner is materially failing to comply promptly with any requirement or notice of violation of law issued by or filed by the City or any department of any governmental authority having jurisdiction over the Owner or the Property which is not corrected within sixty (60) days after written notice from the City.

E. Failure by the Owner to materially comply with any term, provision, covenant or obligation of this Agreement or any of the Loan Documents, or the occurrence of an event of default under any of the other Loan Documents thirty (30) days after written notice stating the nature of the default (provided is such default cannot be reasonably cured within such thirty (30) days then Mortgagor shall have such additional time as may be reasonably required provided that Mortgagor is diligently pursuing such cure).

F. Any change in zoning requirements or zoning classification of the Property, which in the City's sole discretion would materially interfere with the completion of

Project construction or the ultimate operation of the Project as contemplated herein, unless initiated by the City.

G. Intentionally deleted.

H. Intentionally deleted.

ARTICLE VIII
REMEDIES

8.1 A. Upon the occurrence of any Event of Default, the City shall have the absolute right to refuse to disburse any uncommitted portion of the Loan until corrected.

B. The City shall provide written notice of the occurrence of an Event of Default to the Owner, after which the Owner shall have thirty (30) days to cure said default (provided is such default cannot be reasonably cured within such thirty (30) days then Mortgagor shall have such additional time as may be reasonably required provided that Mortgagor is diligently pursuing such cure)

C. If an Event of Default shall continue uncured after the expiration of all applicable cure periods, the City shall have the following exclusive and sole remedy:

(i) to pursue an action for specific performance; or

(ii) to pursue any legal action permitted under the Loan Documents.

Notwithstanding anything contained in this Agreement or in the Loan Documents to the contrary, Maker shall not be liable upon the indebtedness under the Promissory Note, the Mortgage or any other Loan Document securing the payment of the Promissory Note, or for the performance of any of the covenants or agreements of Maker under the Promissory Note, the Mortgage, or any other Loan Document governing or pertaining to the payment of the Promissory Note, except as and only to the extent of its interest in the Property (the "Collateral"), no other property or assets of Maker or any of its directors, employees, commissioners, subsidiaries or related entities shall be available to Lender. If a default occurs under this Agreement, any judicial proceedings brought by Lender against Maker shall be limited to (i) the protection and preservation of the Property, and (ii) the preservation, enforcement and foreclosure of the liens, mortgages, assignments, rights and security interests now or at any time hereafter securing the payment of this Promissory Note. In the event of a foreclosure of any such liens, mortgages, assignments, rights and security interests securing the payment of this Promissory Note, by judicial process, power of sale or otherwise, no judgment for any deficiency upon such indebtedness shall be sought or obtained by Lender against Maker or any of its directors, employees, commissioners, subsidiaries or related entities.

D. No party other than the City, whether the Owner or a materialman, laborer, subcontractor or supplier, shall have any interest in the Funds withheld because of a default hereunder, and shall not have any right to garnish or require or compel that payment thereof be applied toward the discharge or satisfaction of any claim or lien which any of them may have.

8.2 Intentionally deleted.

ARTICLE IX
Intentionally deleted

ARTICLE X
TERMINATION

The Owner acknowledges that this Agreement may be terminated only if:

10.1 The City may terminate this Agreement, in whole or in part, in the event the City determines, in its sole and absolute discretion, that there exists an Event of Default which has continued beyond the applicable cure period, if any.

10.2 Upon the occurrence of an Event of Default and the expiration of any cure period (in those circumstances for which a cure period is otherwise provided in this Agreement), and unless the Owner's breach is waived by the City in writing, the City may, by written notice to the Owner, terminate this Agreement upon not less than thirty (30) days prior written notice. Said notice shall be delivered by certified mail, return receipt requested, or by in person delivery with proof of delivery. Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Agreement.

ARTICLE XI
SUSPENSION

11.1 The City may, for reasonable cause, suspend Owner's authority to obligate further Funds under this Agreement or withhold uncommitted payments to the Owner, or both, pending necessary corrective action by the Owner. Reasonable cause shall be determined by the City in its sole and absolute discretion and may include (which is not corrected within thirty (30) days after written notice from the City):

(a) Ineffective or improper use of the Funds by the Owner;

(b) Failure of the Owner to materially comply with any term or provision of this Agreement after written notice (specifying the nature of the non-compliance) and the expiration of all applicable cure periods;

(c) Failure of the Owner to submit any documents required by this Agreement after written notice (specifying the nature of the non-compliance) and the expiration of all applicable cure periods; or

(d) The Owner's submittal of incorrect or incomplete documents after written notice (specifying the nature of the non-compliance) and the expiration of all applicable cure periods.

11.2 The determinations and actions described in paragraph 11.1 above may be applied to all or any part of the activities funded pursuant to this Agreement.

11.3 The City will notify the Owner in writing of the type of action taken pursuant to this Article, by certified mail, return receipt requested, or by in person delivery with proof of delivery. The notification will include the reason(s) for such action, any conditions relating to the action, and the necessary corrective action(s).

ARTICLE XII
MISCELLANEOUS

12.1 **Enforcement Methods**. As a means of enforcing compliance with this Agreement and the other Loan Documents, the City may utilize any enforcement measure provided for herein.

12.2 **Renegotiation or Modification**. Modification of the provisions of this Agreement shall be valid only when in writing and signed by the parties hereto.

12.3 **Right to Waive**. The City may, for good and sufficient cause, as determined by the City in its sole and absolute discretion, waive provisions of this Agreement or seek to obtain such waiver from an appropriate authority. A waiver shall not be construed to be a modification of this Agreement.

12.4 **Budget**. Revisions to the Budget shall be made in writing, and approved in writing by the City, which approval shall not be unreasonably withheld, conditioned or delayed; however, such revisions shall not necessitate an amendment hereto unless the amount of the Loan to be granted hereunder is changed, or unless otherwise required by the City. Owner shall be entitled, without the consent of the City, to modify, decrease or increase individual line item amounts in the Budget provided that the total Budget amount is not exceeded.

12.5 **Disputes**. In the event an unresolved dispute exists between the Owner and the City, the City or Owner shall refer the issue, including the views of all interested parties, to a third party arbitrator mutually selected by the City and the Owner ("Arbitrator") for determination. In the event that the parties cannot agree on the selection of the Arbitrator, then the closest office of the American Arbitration Association shall select the Arbitrator. The Arbitrator will issue a determination within thirty (30) calendar days of receipt of a written request for resolution of the dispute and so advise the City and the Owner. In the event additional time is necessary, the Arbitrator will notify the interested parties within the thirty (30) day period that additional time is necessary. The Owner agrees that the Arbitrator's determination shall be final and binding on all parties, subject only to judicial review.

12.6 **<u>Headings</u>**. The article and paragraph headings in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

12.7 **<u>Proceedings</u>**. The Agreement shall be construed in accordance with the laws of the State of Florida and any proceedings arising between the parties in any manner pertaining or relating to this Agreement shall, to the extent permitted by law, be held in Broward County, Florida.

12.8 **<u>Conflicts with Applicable Laws</u>**. If any provision of this Agreement conflicts with any applicable law or regulation, only the conflicting provision shall be deemed by the parties hereto to be modified, or to be deleted if modification is inappropriate, to cause the provision to be consistent with the law or regulation. However, the obligations under this Agreement, as modified, shall continue and all other provisions of this Agreement shall remain in full force and effect.

12.9 **<u>Entire Agreement.</u>** This Agreement and its Exhibits described as follows contain all the terms and conditions of the Agreement between the parties:

Exhibit A	Legal Description
Exhibit B	Budgets
Exhibit C	Project Schedule

12.10 **<u>Waiver of Jury Trial</u>**. Neither the Owner nor the City shall seek a jury trial in any lawsuit, proceeding, counterclaim or any other litigation procedure based upon or arising out of this Agreement. Neither the Owner nor the City will seek to consolidate any such action in which a jury trial has been waived with any other action. The provisions of this paragraph have been fully discussed by the parties hereto, and the provisions hereof shall be subject to no exceptions. Neither party to this Agreement has in any manner agreed with or represented to any other party that the provisions of this paragraph will not be fully enforced in all instances.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their undersigned officials as duly authorized.

SIGNATURES ON FOLLOWING PAGE

OWNER:
HOLLYWOOD HOUSING AUTHORITY, a Public Body Corporate and Politic

Witness: ____________________
Print Name: ____________________

Witness: ____________________
Print Name: ____________________

By: ____________________
Name: TIM SCHWARTZ
Title: EXECUTIVE DIRECTOR

CITY OF HOLLYWOOD, FL.

ATTEST:

____
PATRICIA A. CERNY, MMC, CITY CLERK

____
PETER BOBER, MAYOR

APPROVED AS TO FORM AND LEGALITY
for the use and reliance of the
City of Hollywood, Florida, only.

____
JEFFREY P. SHEFFEL, CITY ATTORNEY

Exhibit A

Legal Description of the Property

Lots 4, 5, 6 and 7, in Block 49, of HOLLYWOOD, according to the Plat thereof, as recorded in Plat Book 1, Page 21, of the public records of Broward County, Florida.

Development Budget

Acquisition

Uses	Total Budget	AHP	Hollywood NSP	Hollywood NSP	Hollywood	Unallocated
		$458,000.00	$1,000,000.00	$870,000.00	$135,000.00	
Existing Building	$1,534,500.00	$0.00	$1,000,000.00	$399,500.00	$135,000.00	$0.00
Land	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal - Acquisition:	$1,534,500.00	$0.00	$1,000,000.00	$399,500.00	$135,000.00	$0.00

Hard Costs / Development Costs

Uses	Total Budget	AHP	Hollywood NSP	Hollywood NSP	Hollywood	Unallocated
Construction	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Builder Profit	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Builder Overhead	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
General Requirements	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Builder Profit, OH and GR (0.00%)						
Infrastructure	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Rehabilitation	$444,399.00	$413,000.00	$0.00	$31,399.00	$0.00	$0.00
Site Improvements	$20,392.00	$0.00	$0.00	$20,392.00	$0.00	$0.00
Other ( )	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other ( )	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Hard Cost Contingency (10.27%)	$47,750.00	$45,000.00	$0.00	$2,750.00	$0.00	$0.00
Subtotal - Hard Costs:	$512,541.00	$458,000.00	$0.00	$54,541.00	$0.00	$0.00

Soft Costs

Uses	Total Budget	AHP	Hollywood NSP	Hollywood NSP	Hollywood	Unallocated
Accounting - Cost Cert.	$2,500.00	$0.00	$0.00	$2,500.00	$0.00	$0.00
Appraisal	$1,600.00	$0.00	$0.00	$1,600.00	$0.00	$0.00
Architect(1.07%)	$5,500.00	$0.00	$0.00	$5,500.00	$0.00	$0.00

Financing Fees						
Construction Interest	$15,759.00	$0.00	$0.00	$15,759.00	$0.00	$0.00
Permanent Loan Fees	$18,000.00	$0.00	$0.00	$18,000.00	$0.00	$0.00
Origination Fee	$15,200.00	$0.00	$0.00	$15,200.00	$0.00	$0.00
Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other ( )	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Tax Credit Syndication Fees						
Legal	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Accounting	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Consultant	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other ( )	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal - Other Costs:	$128,959.00	$0.00	$0.00	$128,959.00	$0.00	$0.00

Total Development Budget	$2,463,000.00	$458,000.00	$1,000,000.00	$870,000.00	$135,000.00	$0.00
Annual Debt Service (if applicable)	N/A	N/A	$79,194	N/A	N/A	$79,194
Total Project Units	29					
Development Cost Per Unit	$84,931.03					

Construction Management	$15,000.00	$0.00	$0.00	$15,000.00	$0.00	$0.00
Consultant	$5,000.00	$0.00	$0.00	$5,000.00	$0.00	$0.00
Consultant - AHP	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Engineering	$5,000.00	$0.00	$0.00	$5,000.00	$0.00	$0.00
Environmental	$10,200.00	$0.00	$0.00	$10,200.00	$0.00	$0.00
Legal	$26,000.00	$0.00	$0.00	$26,000.00	$0.00	$0.00
Inspections	$1,000.00	$0.00	$0.00	$1,000.00	$0.00	$0.00
Insurance	$25,000.00	$0.00	$0.00	$25,000.00	$0.00	$0.00
Loan Closing	$5,000.00	$0.00	$0.00	$5,000.00	$0.00	$0.00
Permits	$4,400.00	$0.00	$0.00	$4,400.00	$0.00	$0.00
Survey	$1,100.00	$0.00	$0.00	$1,100.00	$0.00	$0.00
Title Escrow Fees	$1,400.00	$0.00	$0.00	$1,400.00	$0.00	$0.00
Debt Service Reserve	$48,000.00	$0.00	$0.00	$48,000.00	$0.00	$0.00
Furnishings	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Operating Reserve	$50,000.00	$0.00	$0.00	$50,000.00	$0.00	$0.00
Relocation Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Rent Up - Marketing	$2,500.00	$0.00	$0.00	$2,500.00	$0.00	$0.00
Replacement Reserve	$5,800.00	$0.00	$0.00	$5,800.00	$0.00	$0.00
Tax Credit Fees	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other (PILOT property tax)	$5,000.00	$0.00	$0.00	$5,000.00	$0.00	$0.00
Other (Lease Up Reserve)	$50,000.00	$0.00	$0.00	$50,000.00	$0.00	$0.00
Soft Cost Contingency (6.30%)	$17,000.00	$0.00	$0.00	$17,000.00	$0.00	$0.00
Subtotal - Soft Costs	$287,000.00	$0.00	$0.00	$287,000.00	$0.00	$0.00

		Other Costs				
Uses	**Total Budget**	**AHP**	**Hollywood NSP**	**Hollywood NSP**	**Hollywood**	**Unallocated**
		Developer Fees				
Developer Fee (10.08%)	$80,000.00	$0.00	$0.00	$80,000.00	$0.00	$0.00
Other ( )	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Exhibit B2

	Pro Forma															
Year (Oct. to Sept.)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Effective Gross Income Pct. Rate of Annual Increase: (2%)																
Units Available to Lease																
Gross Residential Rents - Restricted Income Units	$82,700	$177,650	$242,854	$247,711	$252,665	$257,718	$262,872	$268,129	$273,492	$278,962	$284,541	$290,232	$296,037	$301,958	$307,997	$314,157
Gross Residential Rents - Non-restricted Income Units		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Vacancy Pct. of Gross Rents: (7%)	$0	-$6,949	-$17,000	-$17,340	-$17,687	-$18,040	-$18,401	-$18,769	-$19,144	-$19,527	-$19,918	-$20,316	-$20,723	-$21,137	-$21,560	-$21,991
Rental Assistance/Subsidies:	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Less Vacancy Pct. of Gross Rents: (0%)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Laundry / Parking	$1,931	$5,471	$8,160	$8,323	$8,489	$8,659	$8,832	$9,009	$9,189	$9,373	$9,560	$9,751	$9,946	$10,145	$10,348	$10,555
Other 1: ()		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Effective Gross Income	$84,631	$176,172	$234,014	$238,694	$243,467	$248,337	$253,303	$258,369	$263,537	$268,808	$274,183	$279,667	$285,260	$290,965	$296,785	$302,721
Expenses Pct. Rate of Annual Increase: (3%)																
Management Fee Pct. of Effective Gross Income: (5.00%)	$3,232	$8,809	$11,701	$11,935	$12,173	$12,417	$12,665	$12,918	$13,177	$13,440	$13,709	$13,983	$14,263	$14,548	$14,839	$15,136
Legal & Audit	$3,500	$3,500	$3,605	$3,713	$3,824	$3,939	$4,057	$4,179	$4,304	$4,433	$4,566	$4,703	$4,844	$4,989	$5,139	$5,293
Advertising		$2,500	$2,575	$2,652	$2,732	$2,814	$2,898	$2,985	$3,075	$3,167	$3,262	$3,360	$3,461	$3,565	$3,672	$3,782
Gas & Electric	$5,000	$5,000	$5,150	$5,305	$5,464	$5,628	$5,797	$5,971	$6,150	$6,335	$6,525	$6,721	$6,923	$7,131	$7,345	$7,565
Water, Sewer, Waste Removal	$15,000	$15,000	$15,450	$15,914	$16,391	$16,883	$17,389	$17,911	$18,448	$19,001	$19,571	$20,158	$20,763	$21,386	$22,028	$22,689
Supplies	$2,000	$2,000	$2,060	$2,122	$2,186	$2,252	$2,320	$2,390	$2,462	$2,536	$2,612	$2,690	$2,771	$2,854	$2,940	$3,028
Payroll	$18,000	$18,000	$18,540	$19,096	$19,669	$20,259	$20,867	$21,493	$22,138	$22,802	$23,486	$24,191	$24,917	$25,665	$26,435	$27,228
Insurance	$25,000	$25,000	$25,750	$26,523	$27,319	$28,139	$28,983	$29,852	$30,748	$31,670	$32,620	$33,599	$34,607	$35,645	$36,714	$37,815
Pest Control	$3,000	$3,000	$3,090	$3,183	$3,278	$3,376	$3,477	$3,581	$3,688	$3,799	$3,913	$4,030	$4,151	$4,276	$4,404	$4,538
Maintenance / Repair	$18,000	$18,000	$37,080	$38,192	$39,338	$40,518	$41,734	$42,986	$44,276	$45,604	$46,972	$48,381	$49,832	$51,327	$52,867	$54,453
Real Estate Taxes	$5,000	$5,000	$5,150	$5,305	$5,464	$5,628	$5,797	$5,971	$6,150	$6,335	$6,525	$6,721	$6,923	$7,131	$7,345	$7,565
Local & State Assessments		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other 2: ()		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other 3: ()		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other 4: ()		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other 5: ()		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operating Reserves		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Replacement Reserves Per unit per year: ($200)		$0	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800	$5,800
Total Expenses Operating Cost / Unit: ($4,586)	$97,732	$105,809	$135,951	$139,740	$143,638	$147,653	$151,784	$156,037	$160,416	$164,922	$169,561	$174,337	$179,255	$184,317	$189,528	$194,890
Net Operating Income	($33,101)	$70,363	$98,063	$98,954	$99,829	$100,684	$101,519	$102,332	$103,121	$103,886	$104,622	$105,330	$106,005	$106,649	$107,257	$107,831
Debt Service (Total Hard Debt Only)		$0	$0	$0	$0	$0	$0	$79,194	$79,194	$79,194	$79,194	$79,194	$79,194	$79,194	$79,194	$79,194
Debt Service Coverage Ratio								1.29	1.30	1.31	1.32	1.33	1.34	1.35	1.35	1.36
Cash Flow		$0	$98,063	$98,954	$99,829	$100,684	$101,519	$23,138	$23,927	$24,692	$25,428	$26,136	$26,811	$27,455	$28,063	$28,637
Soft Debt or Residual Receipts Pymt. To: ()		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
DCR After Soft Debt or Residual Receipts																
Net Cash Flow	($33,101)	$70,363	$98,063	$98,954	$99,829	$100,684	$101,519	$23,138	$23,927	$24,692	$25,428	$26,136	$26,811	$27,455	$28,063	$28,637
Break-Even Occupancy		60%	56%	56%	57%	57%	58%	58%	59%	59%	60%	60%	61%	61%	62%	62%
Break-Even Units		17	16	16	16	17	17	17	17	17	17	17	18	18	18	18

Rehab Amount	$512,541
Funds Available From Development Budget	
Debt Service Reserve	$48,000
Operating Reserve	$50,000
Construction Interest	$15,759
Developer Fee	$80,000
Total	$193,759
Gap	-$318,782
Cash Flow From 2012-2015	$367,210
Total	$48,428
Replenishment of Reserves and Developer Fee	
Reserves and Developer Fee	-$193,759
Cash From 2016 to 2017	$202,203
Total	$8,444

Exhibit B3

		Pro Forma												
		Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	2011
Effective Gross Income Pct. Rate of Annual Increase: (2%)														
Units Leased		7	8	9	10	11	12	12	12	12	12	12	12	
Gross Residential Rents - Restricted Income Units		$5,225	$5,971	$6,718	$7,464	$8,211	$8,957	$8,957	$8,957	$8,957	$8,957	$8,957	$8,957	$96,289
Gross Residential Rents - Non-restricted Income Units														
Less Vacancy Pct. of Gross Rents: (7%)														$0
Rental Assistance/Subsidies														$0
Less Vacancy Pct. of Gross Rents: (0%)														$0
Laundry / Parking	$23	$161	$184	$207	$230	$253	$276	$276	$276	$276	$276	$276	$276	$2,966
Other 1: ()														
Total Effective Gross Income		$5,386	$6,155	$6,925	$7,694	$8,464	$9,233	$9,233	$9,233	$9,233	$9,233	$9,233	$9,233	$99,255
Expenses Pct. Rate of Annual Increase: (3%)														
Management Fee Pct. of Effective Gross Income: (5.00%)	5%	$269	$308	$346	$385	$423	$462	$462	$462	$462	$462	$462	$462	$4,963
Legal & Audit		$292	$292	$292	$292	$292	$292	$292	$292	$292	$292	$292	$292	$3,500
Advertising														
Gas & Electric		$417	$417	$417	$417	$417	$417	$417	$417	$417	$417	$417	$417	$5,000
Water, Sewer, Waste Removal		$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$1,250	$15,000
Supplies		$167	$167	$167	$167	$167	$167	$167	$167	$167	$167	$167	$167	$2,000
Payroll		$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$18,000
Insurance		$2,083	$2,083	$2,083	$2,083	$2,083	$2,083	$2,083	$2,083	$2,083	$2,083	$2,083	$2,083	$25,000
Pest Control		$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$250	$3,000
Maintenance / Repair		$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500	$18,000
Real Estate Taxes		$417	$417	$417	$417	$417	$417	$417	$417	$417	$417	$417	$417	$5,000
Local & State Assessments														
Other 2: ()														
Other 3: ()														
Other 4: ()														
Other 5: ()														
Operating Reserves														
Replacement Reserves Per unit per year: ($200)														
Total Expenses Operating Cost / Unit: ($4,586)		$8,144	$8,183	$8,221	$8,260	$8,298	$8,337	$8,337	$8,337	$8,337	$8,337	$8,337	$8,337	$99,463
Net Operating Income		($2,758)	($2,027)	($1,296)	($566)	$165	$896	$896	$896	$896	$896	$896	$896	($208)
Debt Service (Total Hard Debt Only)														
Debt Service Coverage Ratio														
Cash Flow														
Soft Debt or Residual Receipts Pymt. To: ()														
DCR After Soft Debt or Residual Receipts														
Net Cash Flow		($2,758)	($2,027)	($1,296)	($566)	$165	$896	$896	$896	$896	$896	$896	$896	($208)

Exhibit C
Scope of Work/Project Schedule

COMPLETION DATE	MILESTONE ACTIVITY
October 29, 2010	Property Acquisition (Closing)
November, 2010	New Leases to Current Tenants
October 29, 2010 – March 30, 2011	Unit make-ready at five additional units.
January 2011	Issue solicitation for HVAC, elevator, window and misc. repairs
April 2011	Construction start on balance of units
November 2011	Completion of building repairs
February 2012	Property Stabilization

Exhibit D
Insurance Requirements

All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida, shall have a Florida resident agent and be rated a minimum A-VI, as per A.M. Best Company's Key Rating Guide, latest edition.

Comprehensive General Liability:

Coverage shall be maintained throughout the life of the mortgage and include, as a minimum:

1. Premises Operations
2. Blanket Contractual Liability
3. Personal Injury Liability
4. Expanded Definition of Property Damage

The minimum limits acceptable shall be:

$1,000,000.00 Combined Single Limit (CSL)

Worker's Compensation Insurance:

The borrower shall obtain Workers' Compensation Insurance with limits sufficient to respond to the applicable state statutes.

If the Bidder has been approved by the Florida's Department of Labor, as an authorized self-insurer, the CHDO shall recognize and honor the Bidder's status. The Bidder may be required to submit a Letter of Authorization issued by the Department of Labor and a Certificate of Insurance, providing details on the Bidder's Excess Insurance Program.

If the Bidder participates in a self-insurance fund, a Certificate of Insurance will be required. In addition, the Bidder may be required to submit updated financial statements from the fund upon request from the CHDO.

Commercial Property Coverage

The borrower shall maintain commercial property coverage in an amount equal to the replacement value of the total building value or property improvements, whichever is greater and the City of Hollywood shall be named as loss payee.

Please Note: Certificates shall contain a provision that coverage afforded under the policy will not be cancelled until at least thirty (30) days prior written notice has been given to the City.