**CONTRACT BETWEEN THE CITY OF JACKSONVILLE AND**

**_____**

**(Project Address: _____, Jacksonville, Florida 322__)**

THIS CONTRACT, made and entered in duplicate effective as of March 31, 2010, ("Effective Date") is by and between the CITY OF JACKSONVILLE, a Florida municipal corporation, in Duval County, Florida (the "City"), and _____, a Florida nonprofit corporation (the "Recipient").

W I T N E S S E T H:

WHEREAS, the City has been awarded a Neighborhood Stabilization Program ("NSP") grant which assists in the redevelopment of abandoned and foreclosed properties and increases the availability of affordable housing for low, moderate and middle income households;

WHEREAS, said grant provides that the City will contract with nonprofit and for profit community groups to implement the project set forth therein;

WHEREAS, it is in the best interest of the City to enter into a special contract with the Recipient for a portion of said NSP grant;

WHEREAS, pursuant to the appropriation set forth in Ordinance 2008-1067-E, the signature authority set forth in Section 111.620, *Ordinance Code*, the City hereby engages the services of the Recipient to implement a portion of the NSP grant for the project as more particularly set forth in Attachment A (the "Project");

NOW, THEREFORE, in consideration of the mutual premises and covenants, and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

ARTICLE 0
Incorporation by Reference

0.1 The above stated recitals are true and correct and, by this reference, are made a part hereof and are incorporated herein.

0.2. Any exhibit or attachment to this contract that is referenced in this contract is, by this reference, made a part of this contract and is incorporated herein.

ARTICLE I
Supervision

1. The Recipient agrees to perform the required services for the Project under the general coordination of the Housing and Neighborhoods Department, City of Jacksonville. The City contact and address (for notices) is:

Housing and Neighborhoods Department
Attention: NSP Program Manager
214 N. Hogan St., 8th Floor
Jacksonville, Florida 32202
Phone: (904) 255-8200 Fax: (904) 255-8265

## ARTICLE II
## Scope of Services

2.1 The Recipient agrees to perform the services necessary to complete the Project described in Attachment A, attached hereto and made a part hereof. If any services, functions, or responsibilities not specifically set forth in this contract are necessary for the proper performance of the Project, then they shall be deemed implied by and included within the Project.

2.2 In addition to the requirements, limitations and restrictions set forth elsewhere in this contract, the Recipient shall use the funds in a manner consistent with all applicable and governing federal, state and local laws, rules, regulations and policies, and any subsequent amendment thereto, during the term of this contract, including without limitation, all laws rules, regulations and policies governing the NSP Program, the terms of which are incorporated herein by this reference. The Recipient acknowledges and agrees that it has reviewed, understands and is familiar with all such applicable and governing federal, state and local laws, rules, regulations and policies concerning this contract. If any of the obligations of this contract are to be performed by a subcontractor of the Recipient, the Recipient shall incorporate the provisions of this section into and shall become a part of the subcontract. Additionally, the Recipient represents and warrants to City that the Recipient has received, reviewed, understands, is familiar with and will comply with the provisions of the Jacksonville Ethics Code, as codified in Chapter 602, Jacksonville Ordinance Code, all regulatory and document requirements of the NSP program (including, but not limited to, the NSP General Conditions, the NSP Technical Construction Specifications, the NSP Addendum to Contract between Developer and Contractor, the NSP bidding instructions and all bidding documents, all as may be amended by the City from time to time, and collectively referred to herein as the "NSP Requirements"), and the provisions of the Jacksonville Purchasing Code, as codified in Chapter 126, Jacksonville Ordinance Code.

## ARTICLE III
## Funding

3.1 The City agrees to loan the Recipient an amount not to exceed **$**_____, which amount is the maximum indebtedness of the City pursuant to this contract.

3.2 The City shall pay this amount over the period of this contract commencing on the Effective Date and terminating six (6) months after the Effective Date (being the last day the City is obligated to continue funding the loan to the Recipient, the specific date of which shall be determined by City in its administration of this contract) ("Funding Expiration Date")**,** to the Recipient for services rendered herein on a reimbursement basis and in accordance with the provisions of this contract and as set forth in Attachment A. In no event shall City be required to advance any of such funds. The Recipient shall expend the funds solely and exclusively for the improvements described in this contract. The Recipient shall not expend or otherwise use any of the funds for any other purpose

3.3 The method of payment shall be according to the request procedures described in Attachment B, attached hereto and made a part hereof. The City shall not be obligated or required to make any disbursements if the Recipient is in breach of this contract.

3.4 Any unused or residual funds remaining at the termination or the expiration of this contract (set forth in section 6.1 hereafter) shall revert to and belong to the City (including any funds on hand at the time of expiration and any accounts receivable attributable to the use of funds); if any reimbursable funds were distributed to Recipient, then such funds are due and payable on such date of the termination or expiration and shall be returned by Recipient to the

City no later than thirty (30) days thereafter. In the event Recipient receives and/or expends any portion of the funds in a manner inconsistent with the terms of this contract or any applicable and governing federal, state or local law, rule regulation or policy, then Recipient shall immediately refund and return all such funds to City without demand or further notice. Recipient shall also reimburse City for all costs, expenses and fees, including attorneys' fees and court costs, incurred or expended by City in connection with any collection efforts to recover any funds due City pursuant to this contract. The City may immediately terminate the contract if funds are improperly spent, and such termination may be provided orally with a written notice to follow.

3.5 Attachments A-4 , Attachment A-5 and Attachment A-6 may be amended by way of a change order only with prior written approval of the City; provided, however, that the City's reimbursements to Recipient shall not exceed the maximum indebtedness set forth in section 3.1 above.

3.6 The use of funds described in this contract is subject to the written approval of the United States Department of Housing and Urban Development ("HUD").

3.7 All funds disbursed by City pursuant to the NSP grant and received by Recipient shall be deposited and held in one (1) deposit account, which shall be separate and segregated from all other accounts and funds of Recipient. Recipient shall not deposit, maintain or otherwise commingle any other monies in or with the said single account. Recipient acknowledges and agrees that it shall utilize the funds as specified in Attachment A.

## ARTICLE IV
## Reporting

4.1 The Recipient shall provide full cooperation and allow unlimited access to the City's NSP construction manager, so that the NSP construction manager can perform construction oversight and can timely provide any and all reports as required by the City. Any failure of Recipient to perform these obligations shall be an event of default.

## ARTICLE V
## Indemnification; Insurance

5.1 The Recipient shall act as an independent contractor, and not as an employee, agent, partner, joint venturer, representative or associate of the City, in operating the aforementioned services set forth in this contract. Recipient shall be solely responsible for the means, methods, techniques, sequences and procedures utilized in the full performance of this contract.

5.2 The Recipient shall be liable, and agrees to be liable for, and shall hold harmless, indemnify and defend City and its members, officials, employees, representatives and agents from and against all claims, actions, lawsuits, judgments, settlements, losses, damages, injuries, liabilities, costs and expenses, including attorneys' fees and court costs, of any kind or nature, suffered or incurred by City or its members, officials, employees, representatives or agents arising out of, relating to, in connection with or caused by any action or inaction of Recipient or any of its directors, officers, employees, agents, representatives, related entities, general contractors, subcontractors, materialmen, laborers or other persons in connection with this contract or the Project. This indemnification is separate and apart from, and is in no way limited by, any insurance provided pursuant to this contract or otherwise.

5.3 Without limiting its liability under this contract, the Recipient shall procure and maintain at its sole expense during the life of the contract (and the Recipient shall require its contractors, subcontractors, laborers, materialmen and suppliers to provide, as applicable) insurance of the

types and in the minimum amounts stated below, and provide a certificate evidencing the required coverages to the City:

| Schedule | Limits |
|---|---|
| Worker's Compensation<br>Employer's Liability | Florida Statutory Coverage<br>$ 100,000 Each Accident<br>$ 500,000 Disease Policy Limit |
| Commercial General Liability<br>(Including Premises Operation<br>& Blanket Contractual Liability) | $2,000,000 Products/Comp., Ops Agg.<br>$1,000,000 Personal/Advertising Injury<br>$1,000,000 Each Occurrence<br>$ 50,000 Fire Damage<br>$ 5,000 Medical Expenses |
| Automobile Liability<br>(all automobiles – owned, hired or non-owned) | $1,000,000 Combined Single Limit |
| Builder's Risk Insurance | $ equal to the amount of the construction contract |

5.4 All coverages shall be evidenced by a Certificate of Insurance and shall provide for thirty (30) days prior written notice of any cancellations, non-renewal, or adverse change in coverage. The City of Jacksonville shall be named in the coverages as an additional insured as its interest may appear.

5.5 Such insurance shall be written by a company approved to do business in Florida. Such insurance shall be endorsed to provide for a waiver of underwriter's rights and subrogation in favor of the City. Such insurance shall be written by an insurer with an A.M. Best Rating of A-VII or better. Prior to commencing any work under this contract, certificates evidencing maintenance of said insurance may be furnished to the City and are subject to the approval of the Division of Insurance and Risk Management. Neither approval nor failure to approve insurance provided by the Recipient shall relieve the Recipient from responsibility to provide insurance as required by this contract.

## ARTICLE VI
## Contract Period and Termination

6.1 This Contract shall be effective for the period beginning on the date set forth in section 3.2 above, funding shall continue through the Funding Termination Date set forth in Section 3.2 above, and this contract shall terminate on the earlier of the following: (a) the date of resale of the Project to a qualified buyer; or (b) the date of resale to the City as set forth in Attachment A-2; or (c) an uncured event of default; or (d) the natural expiration of this contract (which eighteen (18) months after the Effective Date, the specific date of which shall be established by the City during its contract administration).

6.2 Provided, that if the Recipient should materially fail to comply with any term of the award, suspension or termination may occur in accordance with the Housing and Economic Recovery Act of 2008 ("HERA"), Public Law 110-289, Department of Housing and Urban Development ("HUD") Docket No. FR-5255-N-01, HUD Docket No. FR-5255-N-02, and the City's NSP Substantial Amendment to the Consolidated Plan, the award may be terminated for convenience by the City on behalf of HUD. In the event that funds should fail to be or cease to

be provided to the City, then the City may terminate this contract instantly and shall reimburse payments that were expended up to that date of the termination only.

6.3 If the City terminates this contract due to an event of default of Recipient, then the City may also exercise all rights and remedies it may have at law or in equity (including but not limited to foreclosure on any mortgage or security interest, an action to recover unpaid principal, accrued interest and fees, the sale, transfer, lease, or other conveyance of any property seized as a result of the legal actions described above, or any other remedy provided at law or in equity). Failure on the part of City to notify Recipient of a default shall not be deemed to be a waiver by City as to its rights on such default of Recipient and shall not be deemed to be a waiver of City's right to notify Recipient of such default at a subsequent time, and such a notice shall have the same effect as if promptly made.

6.4 The occurrence of any one or more of the following events prior to the expiration of the term shall constitute an event of default hereunder: (a) failure to perform or observe any material term, agreement, covenant or condition of this contract or any of the agreements or other instruments attached hereto as exhibits, which such default continues for thirty (30) days after written notice thereof (unless a shorter period is set forth elsewhere in this contract); (b) a violation of any applicable and governing federal, state or local law, rule, regulation or policy with respect to the subject matter hereof; (c) any representation or warranty contained in this contract shall be false or misleading in any material respect; (d) the application by the Recipient for, or consent to, the appointment of a receiver, trustee, liquidator or custodian (or similar official) of its or all or a substantial part of its assets, or if any party shall be unable or admit in writing its inability to pay its debts as they mature, make a general assignment for the benefit of creditors, be adjudicated a bankrupt or insolvent, file a voluntary petition in bankruptcy or a petition or answer seeking reorganization or any arrangement with creditors or agrees to take advantage of any insolvency law, file an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding or if any corporate action shall be taken by it for any purpose of effecting any of the foregoing, or if any order, judgment or decree shall be entered by a court of competent jurisdiction approving a petition seeking reorganization or appointing a receiver, trustee, liquidator or custodian (or other similar official) of any party hereto or of all or a substantial part of its assets, and such other judgment or decree shall continue unstayed and in effect for a period of thirty (30) consecutive days; or (e) an event of default of the Recipient under any other agreement or transaction between the Recipient and City.

## ARTICLE VII
## Security

7.1 The parties hereto acknowledge and agree that, as part of the Scope of Services, Recipient shall, within a reasonable amount of time after the Effective Date, expend the funds in accordance with the terms set forth in Attachment A hereof. The parties hereto further acknowledge and agree that the City requires each Recipient to enter into a zero percent (0.00%) forgivable deferred loan in an amount equal to the total amount of funds expended by Recipient, for and on behalf of the City. To accomplish the foregoing and as a condition precedent to the City making the loan and disbursing any of the funds to Recipient, Recipient shall, prior to commencing any expenditure of funds, execute a Mortgage and Promissory Note, in the form and substance of Exhibit 7(a) and Exhibit 7(b) attached hereto and incorporated herein by this reference, in favor of the City. Within eight (8) weeks Recipient shall deliver to the City the Mortgage and Promissory Note as recorded in the public records of Duval County, Florida, together with a mortgagee title policy in favor of the City insuring the lien position (consistent with, or better than, the Sources and Uses of Funds set forth in Attachment A-6) of said Mortgage and Promissory Note. In no event shall Recipient expend funds on a Project without fully and completely satisfying the requirements of this section. In the event that

Recipient fails to fully and completely satisfy the requirements of this section, then said failure shall be in an event of default.

## ARTICLE VIII
## Uniform Administrative Requirements

8.1 Recipient shall comply with the requirements and standards of Circular No. A-122, "Cost Principles for Non-Profit Organizations", and with Title 24 Housing and Urban Development, CFR Part 84, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations."

8.2 The Recipient shall maintain project records (including records of the Recipient's general contractors, subcontractors (including minority owned businesses, contracted amounts and ethnicity), material men, laborers and other persons engaged in connection with this contract) a minimum of five (5) years after the termination or expiration of this contract with the exception of any requirement of any litigation or claim set forth below. The Recipient shall make available to City, the City's agents, and HUD, and permit said parties to examine, inspect and have access to, at all reasonable times such Project records.

8.3 All records and reports required herein shall be retained and made accessible to the City as provided in 24 CFR 92.508(c) and (d).

8.4 All original records pertinent to this contract shall be retained by the Recipient for five (5) years following the date of termination of this contract or of submission of the final close-out report, whichever is later, with the following exceptions:

a. If any litigation, claim or audit is started before the expiration of the five (5) year period and extends beyond the three (3) year period, the records will be maintained until all litigation, claims or audit findings involving the records have been resolved;

b. records for the disposition of non-expendable personal property valued at $1,000 or more at the time of acquisition shall be retained for five (5) years after final disposition;

c. records relating to real property acquisition shall be retained for the Affordability Period (defined in Attachment A-2).

## ARTICLE IX
## General Provisions

9.1 The Recipient shall hire an independent certified public accountant to audit the Project, the Recipient's own NSP program, and any other program necessary that is related to the use of these funds (the cost and expense of such audits and any other reporting required in this contract are *not* to be funded from these monies) in accordance with 24 CFR 92.506, 24 CFR Part 84, OMB Circular A-110, and OMB Circular A-122 (or the successor OMB Circulars as available from time to time). If a Project-specific audit is conducted, it must be submitted to the City no later than 120 days after the end of the contract or as otherwise required by law. If included in the Recipient's overall organizational audit(s), then it must be submitted no later than 120 days following the end of each fiscal year during which the funds were expended.

9.2 The Recipient agrees to abide by the provisions of Section 112.3135, Florida Statutes, as from time to time amended, pertaining to nepotism in their performance under this contract.

9.3 The Recipient agrees to abide by Chapter 119, Florida Statutes, and related laws, concerning the Public Records laws as from time to time amended.

9.4 The Recipient accepts these funds so appropriated in accordance with the terms of this contract and shall abide by the audit requirements of this Agreement as from time to time amended by the City.

9.5 The Recipient agrees to adhere to the guidelines and rules as set forth in the NSP General Conditions, NSP Technical Construction Specifications, and NSP specific bidding instructions and any other bid documents as amended by the City from time-to-time. The Recipient will maintain written documentation in its records of:

- Any purchase up to $2,500 requires 1 written quote;
- Any purchase over $2,500 to $15,000 requires 2 written quotes;
- Any purchase over $15,000 to $30,000 requires 3 written quotes;
- Any purchase over $30,000.00 to $50,000 requires 4 written quotes;
- Any purchase over $50,000 requires a formal bid procedure (advertising and sealed bids); and any professional design services exceeding $25,000 requires a formal bid procedure (advertising and sealed bids).

## ARTICLE X
## Conflict of Interest

10.1 In the procurement of labor, supplies, equipment, construction and services by the Recipient or by any sub-contractor, the conflict of interest provisions in 24 CFR 84.42, 24 CFR 85.36, and 24 CFR 92.356 shall be adhered to, as applicable.

10.2 No person who is an employee, agent, consultant, officer, or elected official or appointed official of the Recipient, or of any designated public agencies, or sub-contractors which are receiving NSP funds or who exercise or have exercised any functions or responsibilities with respect to NSP activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter; it being understood that Recipient must comply with all applicable ethics requirements, including but not limited to, chapter 112, Florida Statutes, and the requirements of section 10.1 above.

10.3 Upon the written request of the Recipient, the U.S. Department of HUD may grant an exception to the provisions of this Article IX pursuant to the provisions of 24 CFR 92.356 on a case-by-case basis when it determines that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the Recipient's program or project.

## ARTICLE XI
## NSP Program Requirements

11.1 The Recipient agrees to operate the Project accordance with the provisions of 24 CFR part 92 (including but not limited to 24 CFR part 92.208), and other applicable HUD regulations.

11.2 The Recipient shall ensure that the Project meets the requirements of 24 CFR 92.251 relating to property standards and all applicable local housing code requirements for the duration of this contract and any modifications, amendments or successor agreements hereto.

11.3 The Recipient agrees to comply with such other terms and conditions, including record keeping and reports (which must include racial and ethnic data on participants) for program monitoring and evaluation purposes, as HUD may establish for purposes of carrying out the program in an effective and efficient manner.

## ARTICLE XII
## Other Federal Program Requirements

12.1 The Recipient shall carry out each activity in compliance with all applicable Federal laws and regulations:

- Pub. L 88-352 - Title VI of the Civil Rights Act of 1964
- Pub. L. 90-284 - Title VIII of the Civil Rights Act of 1968
- Executive Order 11063 as amended by Executive Order 12259
    - Section 109 of the Act
    - Labor Standards
    - National Flood Insurance Program
    - Relocation and Acquisition
- Employment and Contracting Opportunities:
    - Executive Order 11246 (41 CFR Chapter 60)
    - Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u)
- Lead-Based Paint
- Use of Debarred, Suspended or Ineligible Contractors or Sub-Contractors
- Displacement
- Nondiscrimination Based on Handicap
- Section 504 of the Rehabilitation Act of 1973
- Environmental Protection Agency Regulations National Environmental Policy of 1969
- Code of Federal Regulation, Title 24, Volume 1, Part 135

12.2 To the extent applicable to the Project (e.g., certain provisions are applicable if 12 or more dwelling units are assisted with NSP funds), this contract is also governed by the following provisions required by HUD:

A. *Equal Employment Opportunity* — All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

B. *Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)* — All contracts and subgrants in excess of $2000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to HUD.

C. *Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)* — When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than $2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor

Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to HUD.

D. *Contract Work Hours and Safety Standards Act (40 U.S.C. 327 through 333)* — (CWHSSA) To the extent applicable, under federal monetary threshold amounts for prime contracts, all contracts awarded by recipients in excess of $2000 for construction contracts and in excess of $2500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327–333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

E. *Rights to Inventions Made Under a Contract or Agreement*— Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by HUD.

F. *Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended* — Contracts and subgrants of amounts in excess of $100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 *et seq*.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 *et seq*.). Violations shall be reported to HUD and the Regional Office of the Environmental Protection Agency (EPA).

G. *Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)*— Contractors who apply or bid for an award of $100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

H. *Debarment and Suspension (E.O.s 12549 and 12689)* — No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared

ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

I. *Drug-Free Workplace Requirements* — The Drug-Free Workplace Act of 1988 (42 U.S.C. 701) requires grantees (including individuals) of federal agencies, as a prior condition of being awarded a grant, to certify that they will provide drug-free workplaces. Each potential recipient must certify that it will comply with drug-free workplace requirements in accordance with the Act and with HUD's rules at 24 CFR part 24, subpart F.

J. The Recipient shall also comply with the following requirements to the extent applicable: Non-Discrimination in Federally Assisted Programs as set forth in Title 41 Public Contracts and Property Management; 41 CFR Part 60; non-Discrimination Based on Age or Handicap as set forth in Age Discrimination Act of 1975, as amended, and 24 CFR Part 146; Employment and Contracting Opportunities as set forth in Section 3 of the Housing and Urban Development Act of 1968, 24 CFR Part 135; Minority/Women's Business Enterprise as set forth in Executive Orders 11625 and 12138, and 24 CFR Part 85 Subpart C Section 36(e); Lead Based Paint Poisoning Prevention as set forth in 24 CFR Part 35; New Restrictions on Lobbying as set forth in 24 CFR Part 87; Displacement, Relocation Assistance and Real Property Acquisition as set forth in 49 CFR Part 24 and 24 CFR Part 42; National Flood Insurance as set forth in Flood Disaster Protection Act of 1973; 42 U.S.C. 40001 Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction; HUD 4010 Federal Labor Standards Provisions; HUD 4010 Federal Labor Standards Provisions; General Provisions set forth in 24 CFR Part 135, Volume 1; Relating to the Use of Volunteers as set forth in 24 CFR Part 70; Relating to Down Payment Assistance as set forth in 24 CFR 92.354 (a)(2); HOME National Affordable Housing Act of 1990 (NAHA); and Use of Disbarred, Suspended or Ineligible Contractors or Sub-recipients as set forth in 24 CFR Part 24; 29 CFR 5.12(a)(1).

K. The Recipient shall comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d) in regard to the persons served; the Recipient shall comply with Title VII of the Civil Rights Act of 1964 (42 USC 2000e) in regard to employees or applicants for employment; the Recipient shall comply with Section 504 of the Rehabilitation Act of 1973 in regard to employees or applicants for employment and clients served; and the Recipient shall comply with the Americans with Disabilities Act of 1990 (Public Law 101-336) in regard to employees and persons served.

L. The Recipient shall not discriminate against any person or family on the grounds of race, color, national origin, sex, religion, family status, or handicap in the use, lease, rental, sale, or occupancy of any residential unit in the Property. Age discrimination and discrimination against minor dependents are also not permitted. RECIPIENT shall further meet the equal opportunity and fair housing requirements of 24 CFR Part 92.350, 24 CFR Part 107, Title VI of the Civil Rights Act of 1968, as amended "Fair Housing Act" 2 U.S.C. 3601; 24 CFR Part 100, and Executive Order 11063.

M. If the Recipient is or was created by a religious organization, the Recipient agrees that all funds disbursed under this contract shall be subject to the conditions, restrictions, and limitations of 24 CFR 5.109 and 24 CFR 92.257.

N. The Recipient shall comply with the Federal Funding Accountability and Transparency Act, P.L. 109-282 (the "Act"), including all reporting requirements contained therein. In accordance with the requirements of the Act, the Recipient shall provide City with the following information contemporaneously with the Recipient's execution of this Contract:

i. Provide City with the names and total compensation of the Recipient's five most highly compensated officers if the Recipient in the preceding fiscal year received 80 percent or

more of its annual gross revenues in federal awards; and $25,000,000.00 or more in annual gross revenues from federal awards; and the public does not have access to this information about the compensation of the senior executives of the Recipient through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § § 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986, as provided in § 2(b)(1) of the Act; and

ii. Provide City with the Recipient's entity information, Data Universal Numbering System ("DUNS") number, and Parent DUNS number, if applicable; and

iii. Register in the United States Government's Central Contractor Registration System ("CCR") pursuant to the provisions of the Act and provide City with documentation verifying the same at the time of Recipient's execution of this Contract. Recipient must ensure that such registration remain current and in good standing throughout the term of this Contract.

Recipient further agrees to provide City with additional information and documentation throughout the term of this Contract as may be requested by City to ensure alignment of Recipient's system and processes to meet the reporting requirements and other requirements of the Act. Notwithstanding any provision in this Contract to the contrary, a Recipient's violation of this section shall be cause for immediate suspension of payment to Recipient of the grant funds provided herein by City and unilateral cancellation of this Contract by City upon thirty (30) days prior written notice to Recipient of such cancellation.

O. The Recipient shall comply with the Federal Immigration and Naturalization Act. City shall consider the employment by Recipient of unauthorized aliens a violation of Section 274A(e) of the federal Immigration and Naturalization Act. Such violation shall be cause for unilateral cancellation of this Contract upon thirty (30) days prior written notice of such cancellation.

12.3 The Recipient shall comply with Title VI of the Civil Rights Act of 1964 (42 USC 2000d) in regard to the persons served; the Recipient shall comply with Title VII of the Civil Rights Act of 1964 (42 USC 2000e) in regard to employees or applicants for employment; the Recipient shall comply with Section 504 of the Rehabilitation Act of 1973 in regard to employees or applicants for employment and clients served; and the Recipient shall comply with the Americans with Disabilities Act of 1990 (Public Law 101-336) in regard to employees and persons served.

12.4 The Recipient shall not discriminate against any person or family on the grounds of race, color, national origin, sex, religion, family status, or handicap in the use, lease, rental, sale, or occupancy of any residential unit in the Property. Age discrimination and discrimination against minor dependents are also not permitted. Recipient shall further meet the equal opportunity and fair housing requirements of 24 CFR Part 92.350, 24 CFR Part 107, Title VI of the Civil Rights Act of 1968, as amended "Fair Housing Act", 2 U.S.C. 3601; 24 CFR Part 100, and Executive Order 11063.

12.5 If the Recipient is or was created by a religious organization, the Recipient agrees that all NSP Program funds disbursed under this contract shall be subject to the conditions, restrictions, and limitations of 24 CFR 5.109 and 24 CFR 92.257.

## ARTICLE XIII
## Representations and Warranties by Recipient

Without limiting the representations, warranties and covenants of Recipient set forth elsewhere in this contract, as a material inducement for City to enter into this contract, Recipient represents and warrants to City (and unless otherwise specified, such representations, warranties and covenants are true as of the Effective Date and shall continue and be effective during the term of this contract as if continuously reiterated) that:

13.1 Recipient is a Florida non-profit corporation duly incorporated and validly existing under the laws of the State of Florida and authorized to conduct business and in good standing in the State of Florida. Recipient has full power and authority (including the Recipient obtaining any and all required third party consents) to execute and deliver this contract and all documents contemplated hereby, to perform its obligations arising hereunder and thereunder, and that the Recipient's entering into this contract will not conflict with or result in a breach of any other agreement to which the Recipient is a party. The individuals signing on behalf of Recipient have full power and authority to do so.

13.2 Recipient is a non-profit corporation and has tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code.

13.3 The making, execution and delivery of this contract and performance of all obligations hereunder by Recipient have been duly authorized and approved by the shareholders, members, partners, or Board of Directors (as the case may be) of Recipient.

13.4 This contract and all documents contemplated hereby each constitute a legal, valid and binding obligation of Recipient, enforceable in accordance with their respective terms, assuming execution of the same by City.

13.5 This contract and all documents contemplated hereby do not and will not contravene any provision of the governing documents of Recipient, any judgment, order, decree, writ or injunction to which Recipient is bound, or any provision of any applicable law or regulation to which Recipient is bound. The execution and delivery of this contract and all documents contemplated hereby, and performance of its obligations hereunder and thereunder will not result in a breach of or constitute a default under any agreement or require the consent from any third party.

13.6 Recipient and each of its general contractors, subcontractors, materialmen, laborers and other persons performing services relating to the Project hold all necessary licenses, permits and authorizations required by all applicable governmental agencies and authorities as a condition to conduct business in the State of Florida and to work on the Project.

13.7 Recipient has not employed or retained any third party having a relationship with City to solicit or secure this contract and has not paid or agreed or promised to pay any such person any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the execution of this contract.

13.8 Recipient has not engaged a broker, finder or other similar third party in connection with this contract that would obligate the City to pay any cost, expense, fee to such broker, finder or other similar third party.

## ARTICLE XIV
## Miscellaneous

14.1 This contract shall not be amended or modified in any way except by an instrument in writing executed by both parties hereto.

14.2 All notices to be given hereunder shall be in writing and personally delivered or sent by registered or certified mail, return receipt requested, or delivered by a courier service utilizing return receipts, to the party at the following addresses and such notice shall be deemed given and received for all purposes under this Contract three (3) business days after the date same are deposited in the United States mail, if sent by registered or certified mail, or the date actually received if sent by personal delivery or courier service. The address for the City is set forth in Section 1 above, and the address for the Recipient is set forth below its signature.

14.3 TIME IS OF THE ESSENCE in the performance by any party of its obligations hereunder. If any date of significance hereunder falls upon a Saturday, Sunday, or legal holiday, such date shall be deemed moved forward to the next day which is not a Saturday, Sunday or legal holiday. Saturdays, Sundays and legal holidays shall not be considered business days.

14.4 No waiver of any term of or obligation pursuant to this contract may occur or be enforced unless it is signed by both parties hereto. The failure or delay by either party in asserting any of its rights or remedies as to any default hereunder shall not constitute a waiver of such default or any other default or of related rights or remedies.

14.5 Except with respect to rights and remedies expressly declared to be exclusive in this contract, the rights and remedies of the parties hereto are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

14.6 Except as expressly provided to the contrary herein, each section, part, term or provision of this contract shall be considered severable, and, if for any reason, any section, part, term or provision herein is determined to be invalid, contrary to or in conflict with any existing or future law, rule or regulation by a court or governmental agency having competent jurisdiction, such determination shall not impair the operation of or have any other affect on the remaining sections, parts, terms or provisions of this contract, which shall continue to be given full force and effect and bind the parties hereto, and such invalid sections, parts, terms or provisions shall deemed to be not a part of this contract.

14.7 This contract and the rights and obligations of the parties hereto shall inure to the benefit of and be binding upon the parties hereto. This contract is for the sole and exclusive benefit of the parties hereto, and no third party is intended to or shall have any rights or benefits hereunder.

14.8 Recipient acknowledges, consents and agrees that all legal actions or proceedings arising out of or related to this contract shall lie exclusively in a state or federal court in Duval County, Florida. This contract shall be governed by, construed and enforced in accordance with the laws of the State of Florida.

14.9 In conformity with the requirements of Section 126 Part 4, Jacksonville Ordinance Code, Recipient represents and warrants to City that Recipient has adopted and will maintain a policy of nondiscrimination, as defined by such ordinance, throughout the term of this contract. Recipient agrees that, on written request, it will permit reasonable access to its records of employment, employment advertisement, application forms and other pertinent data and records by the executive director for the purpose of investigation to ascertain compliance with the nondiscrimination provisions of this contract; provided, that Recipient shall not be required to produce for inspection records covering periods of time more than one (1) year prior to the date of this contract. Recipient agrees that, if any of the obligations of this contract are to be

performed by a subcontractor, the provisions of subsections (a) and (b) of Section 126.404, Jacksonville Ordinance Code, shall be incorporated into and become a part of the subcontract.

14.10 Recipient shall, on request of City, (a) promptly correct any defect, error or omission in this contract and any related documents; (b) execute, acknowledge, deliver, procure, record or file such further instruments and do such further acts deemed necessary, desirable or proper by City to carry out the purposes of the contract; (c) execute, acknowledge, deliver, procure, file or record any documents or instruments deemed necessary, desirable or proper by City to protect its rights against the rights or interests of third persons; and (d) provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts deemed necessary, desirable or proper by City to carry out the purposes of the contract.

14.11 Unless otherwise expressly provided herein, in the event of a conflict between any provisions of this contract and any exhibit attached to or referenced in this contract, the provisions of this contract shall govern to the extent of such conflict. All parties acknowledge and agree that they have had meaningful input into the terms and conditions contained in this contract. Recipient acknowledges that it has had ample time to review this contract and related documents with counsel of its choice. Should any provision of this contract require judicial interpretation, there shall be no presumption that the terms hereof shall be more strictly construed against either party.

14.12 Captions and headings in this contract are for convenience of reference only and shall not affect the construction of this contract.

14.13 The parties hereto shall follow the provisions of Section 126.110, Jacksonville Ordinance Code, with respect to required disclosures by public officials who have or acquire a financial interest in a bid or contract with City, to the extent the parties are aware of the same. No person who is an employee, agent, consultant, officer, or elected official or appointed official of the City, or of any designated public agencies, or contractor or subcontractors which are receiving funds or who exercise or have exercised any functions or responsibilities with respect to the Project or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have a interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties during their tenure or for one (1) year thereafter. In addition, in the procurement of labor, supplies, equipment, construction and services by Recipient or by any general contractor, subcontractor, materialmen, laborer or other persons working on the Project, the conflict of interest provisions of any applicable federal, state or local law, rule, regulation or policy shall be adhered to by the same.

14.14 All of Recipient's representations, warranties, indemnities and other covenants set forth herein shall be deemed continuing in nature and shall survive the expiration or early termination of this contract.

14.15 Except for contracts awarded pursuant to section 3 of the *Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7*), the parties hereto acknowledge and agree that a person or affiliate who has been placed on the State of Florida Convicted Vendor List, following a conviction for a public entity crime, may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contractor with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor or consultant under a contract with any public entity, and may not transact business with any public entity, in excess of Twenty Five Thousand Dollars ($25,000) for a period of thirty-six (36) months from the date of being placed on the Convicted Vendor List.

14.16 This contract and the rights and obligations herein may not be assigned, in whole or part, by either party without the prior written approval of both parties.

14.17 Prompt Payment to Subcontractors and Suppliers.

(a) Nothing herein shall prohibit Recipient from disputing, pursuant to the terms hereof, all or any portion of a payment alleged to be due to its subcontractors and suppliers. In the event of such a dispute, Recipient may withhold the disputed portion of any such payment only after Recipient has provided notice to City and to the subcontractor or supplier whose payment is in dispute, which notice shall: (i) be in writing; (ii) state the amount in dispute; (iii) specifically describe the actions required to cure the dispute; and (iv) be delivered to City and said subcontractor or supplier within (ten) 10 calendar days after Recipient's receipt of payment from City. Recipient shall pay all undisputed amounts due within the time limits imposed by this section.

(b) Notwithstanding Chapter 126, Part 6, Jacksonville Ordinance Code, Recipient shall pay all contracts awarded with certified Jacksonville Small and Emerging Business ("JSEB") JSEBs and Minority Business Enterprise ("MBE") MBEs as defined therein their pro-rata share of their earned portion of the progress payments made by City under the applicable contract within seven (7) business days after Recipient's receipt of payment from City (less proper retainage). The pro-rata share shall be based on all work completed, materials, and equipment furnished or services performed by the certified JSEB or MBE at the time of payment. As a condition precedent to progress and final payments to Recipient, Recipient shall provide to City, with its requisition for payment, documentation that sufficiently demonstrates that Recipient has made proper payments to its certified JSEB's or MBEs from all prior payments that Recipient has received from City. Recipient shall not unreasonably withhold payments to certified JSEBs if such payments have been made to the Recipient. If Recipient withholds payment to its certified JSEB's or MBEs, which payment has been made by City to Recipient, Recipient shall return said payment to City. Recipient shall provide notice to City and to the certified JSEB or MBE whose payment is in dispute, which notice shall: (i) be in writing; (ii) state the amount in dispute; (iii) specifically describe the actions required to cure the dispute; and (iv) be delivered to City and said subcontractor or supplier within five (5) calendar days after Recipient's receipt of payment from City. Recipient shall pay all undisputed amounts due within the time limits imposed by this section. The failure to pay undisputed amounts to the JSEB or MBE within seven (7) business days shall be deemed a breach of contract, compensable at one percent (1%) of the outstanding invoice being withheld by the City. Continued failure to adhere to this clause may be cause for termination.

(c) The prompt payment requirements hereunder shall, in no way, create any contractual relationship or obligation between City and any subcontractor, supplier, JSEB, or any third-party or create any City liability for Recipient's failure to make timely payments hereunder. However, Recipient s failure to comply with the Prompt Payment requirements shall constitute a material breach of its contractual obligations to City. As a result of said breach, City, without waiving any other available remedy it may have against Recipient, may: (i) issue joint checks; and (ii) charge Recipient a two tenths percent (0.2%) daily late payment interest charge or other charges specified in Chapter 126 of the Code for JSEB's or MBEs and Chapter 218, Florida Statutes, for non-JSEB's or MBEs, whichever greater.

14.18 Recipient shall annually attend all training workshops relating to the subject matter hereof as reasonably required by City.

14.19 This contract may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

14.20 This contract constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, representations, agreements and understandings, oral or written, between them with respect to such subject matter.

IN WITNESS WHEREOF, the parties hereto duly execute this contract as of the day and year first written above.

_____

By: _____
Bernard A. Wilson, President

**RECIPIENT INFORMATION**

Name: _____
Contact: _____
Address: _____
Jacksonville, FL 322__
Telephone: (904) _____ Fax: (904) _____
E-Mail: _____
Federal Tax Identification Number: _____

**ATTEST:** **CITY OF JACKSONVILLE**

By: _____ By: _____
Neill W. McArthur, Jr. John Peyton, Mayor
Corporation Secretary

In compliance with Section 24.103(e) of the *Ordinance Code* of the City of Jacksonville, I do hereby certify that there is or will be an unexpended, unencumbered and unimpounded balance in the appropriation sufficient to cover the foregoing contract in accordance with the terms and conditions thereof and that provision has been made for the payment of the monies provided therein to be paid.

_____
Director of Finance
Contract #_____

Account #: _____
Project #: _____
Grant#: _____
Grant Detail #: _____
Amount**:** $_____

Form Approved:

By:_____
Office of General Counsel

**ATTACHMENT A**
**The Project**

Recipient: _____
_____
**Jacksonville, Florida 322__**

Funding Amount – **$**_____ **NSP Project #**_____

Name of Project – The Recipient's rehabilitation of a dwelling unit with the Project address being _____**, Jacksonville, Florida 322**__ (the remainder of this Attachment A concerns the purpose for which the Recipient conducts it business).

Scope of Services-

The total loan amount provided by the City, pursuant to this Contract is **$**_____. The loan amount is based upon 100% of the total approved project costs as indicated in the approved pro forma in Attachment A-4, not to exceed $99,000.00, as authorized by the NSP Substantial Amendment to the 2005-2010 Consolidated Plan and approved by HUD. The loan shall be used for the acquisition of the project home, rehabilitation activities within the approved Scope of Work as detailed in Attachment A-5 or as amended, and other approved expenses as specifically detailed in Attachment A-4 or as amended. In no instance will the combined loan to value be greater than the total approved Project costs as set forth in Attachment A-4.

The Recipient shall ensure that eligible buyers ("Clients") shall use the Project as their principal residence and that at the time of the eligible person's application and approval, such person's annual household income is as set forth below referencing the Client's income guidelines. All funds shall be used in a manner that is consistent with the provisions of 24 CFR Part 92. All funds shall be drawn from the City in accordance with this contract prior to the Funding Termination Date (see section 3.2 of the contract); thereafter, the City shall have no liability for further disbursements to the Recipient.

Activity – Development Expenses – Development Expenses must be reasonable and necessary costs for the Project and conform to, and be approved by the City's Housing Services Division, according to the budget specifically set forth in Attachment A-4 or as amended (Development Expense Pro Forma Budget). Reimbursement of expenses shall take place (in one or more disbursements) following either the acquisition or the rehabilitation of the subject property. Reimbursement will be made subject to the provisions of Section 3.3 and must be accompanied by Attachment B and all required backup documentation. The City shall not disburse any reimbursement of these funds unless and until the Recipient provides to the City proof of the expenditure in accordance with this contract.

At the time Recipient enters into a contract with a general contractor, Recipient shall cause to be executed the Addendum to Contract between Recipient and general contractor (Attachment C).

**ATTACHMENT A-2**

**Project Requirements for Acquisition, Development, and/or Rehabilitation and Resale**

1. Acquisition

1.1 The Recipient is required to purchase the Project at or below the NSP approved price as indicated in the pro forma in Attachment A-4 but in no instance should that be greater than 99% of the "as-is" appraised fair market value as determined by the NSP approved appraisal.

1.2 The Recipient affirms that for at least 90 days prior to acquisition, the Project was vacant and owned by a lending institution by way of foreclosure or deed in lieu of foreclosure.

2. Resale: The Project sales prices is determined by the City based on the lesser of the actual total approved Project costs or the NSP "as completed" appraised value:

2.1 If the buyer is receiving direct down payment assistance from the City's H2H, SHIP or NSP program, the minimum term is determined by adding the amount of down payment assistance to the amount of development subsidy, in order to determine the total amount of NSP funds for that unit of housing according to the following chart:

| TYPE OF ACTIVITY | AMOUNT OF NSP FUNDS | AFFORDABILITY PERIOD (YEARS) |
|---|---|---|
| All rental and home ownership activities | Less than $15,000 | 5 years |
| All rental and home ownership activities | $15,000 to $40,000 | 10 years |
| Home ownership or rental rehabilitation involving financing | Over $40,000 | 15 years |
| New construction of rental properties or acquisition of newly constructed housing | Any $ Amount | 20 years |

2.2 The Recipient agrees to diligently market the property to potential homebuyers and to participate in the City's NSP Marketing Program.

2.3. The Recipient is required to make the Project available for a subsequent purchase only to buyers meeting all of the NSP program requirements as determined by the NSP program, including but not limited to the programmatic income requirements (as set forth in Attachment D) and that these buyers will also use the Property as their principal residence; and

i. Provide the homebuyer with a fair return on investment, including any improvements; and

ii. Ensure that the Project will remain affordable, pursuant to the form of Declaration of Covenants and Restrictions (attached as Attachment A-3).

2.4 At the time of execution of any Purchase and Sale Agreement between Recipient and a potential homebuyer, Recipient and the potential homebuyer shall execute an Addendum to Purchase and Sale Agreement (Attachment E).

3. The Project shall meet all relevant requirements of HERA, Public Law 110-289, HUD Docket No. FR-5255-N-01, HUD Docket No. FR-5255-N-02, and the City's NSP Substantial Amendment to the Consolidated Plan, as to the following:

3.1 The homebuyer must certify that the property will be their principal residence and that at the time of application and approval their annual income does not exceed 120% of the median family income for the City of Jacksonville, Florida.

3.2 The homebuyer must maintain the Property including payment of property taxes and homeowners insurance during the Affordability Period.

3.3 The Recipient shall review the household income and the property value requirements in accordance with the NSP Program requirements the Housing and Neighborhoods Department for the City will approve the Project eligible for funding.

4. Exit Strategy

4.1 In the event the Recipient is unable to sell the Project to an NSP approved buyer within six (6) months after the Project Completion, the Recipient has the option to sell the Project to the City or its designee.

4.2 In the event the Recipient is unable to sell the Project to an NSP approved buyer within twelve (12) months from Project Completion, the Recipient has the obligation to sell the Project to the City or its designee. This requirement shall survive the termination or expiration of the contract.

5. Recipient Allowed Project Profit – The Recipient will be required to document all expenses related to the Project. Only those actual expenses that are documented and approved within the limits of the pro forma in Attachment A-4 and Scope of Work in Attachment A-5 will be allowed.

5.1 In the event the Recipient sells the Project to an NSP approved buyer, the allowed Recipient/Developer project, as estimated in the pro forma in Attachment A-4, will become 16% of the documented approved total Project costs.

5.2 The event the Recipient sells the Project to the City or its designee, the allowed Recipient/Developer profit, as estimated in the pro form in Attachment A-4, will become 10% of the documented approved total project costs.

6. Gap Subsidy – A portion of the Recipient's loan may be forgiven at the time of sale to an eligible buyer. This gap subsidy for the Project shall not exceed the actual documented total project cost plus profit as allowed within Attachment A-4 or as amended, less the NSP approved appraisal of the completed Project. These gap subsidy funds shall be used for no other purpose. The City shall not disburse any of the gap subsidy funds unless and until the Recipient provides to the City evidence of completion of the Project as evidenced by the City's Housing Services Division NSP inspection of the Project verifying completion (including the issuance of a certificate of occupancy when legally required for the Work, or an approved final inspection when a certificate of occupancy is not legally required for the Work, either as may be applicable to the Project) and conformity with the Scope of Work and other requirements set forth in this contract (collectively, the "Project Completion"). Upon Recipient's achievement of Project Completion, then the City shall make one (1) final disbursement (or otherwise

settle or provide documentation of the amount of the City's loan to be forgiven) in accordance with the provisions of this contract.

**ATTACHMENT A-3**
**The Declaration**

***Preface:***

*The contract requires that housing assisted with the Grant meets the affordability requirements of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, Department of Housing and Urban Development (HUD) Docket No. FR-5255-N-01, HUD Docket No. FR-5255-N-02, and the City of Jacksonville's NSP Substantial Amendment to the Consolidated Plan, as currently in effect (collectively, the "Affordability Requirements"). The Recipient shall cause the following Declaration of Covenants and Restrictions (the "Declaration") to be recorded against any real property acquired with the NSP funds (the following form shall be updated by the* Recipient *from time to time in the event 24 CFR Part 92 is amended regarding the Affordability Requirements). Repayment of the NSP funds will be required if the housing does not meet the Affordability Requirements for the specified time period, and failure of the Recipient to timely cause the recording of the Declaration shall be an event of default.*

* * * * * * * * * *

THIS INSTRUMENT WAS PREPARED BY:

And after recording return to:
City of Jacksonville
Attn: Housing Services Division
214 N. Hogan Street, 8th Floor
Jacksonville, Florida 32202

## DECLARATION OF COVENANTS AND RESTRICTIONS

THIS Declaration of Covenants and Restrictions (the "Declaration") is dated _____, 20__, and is made by the undersigned (the "Owner"), whose address is set forth below the undersigned's signature, in favor of the City of Jacksonville, a Florida municipal corporation (the "City"), whose address is: c/o Housing Services Division, 214 North Hogan Street, 8th Floor, Jacksonville, Florida 32202.

## RECITALS:

I. Owner owns the property described in **Exhibit A**, attached hereto and made a part hereof (the "Property").

II. The City granted certain funds to the Owner's Recipient for the Recipient's development subsidy of the single family dwelling located on the Property pursuant to that certain NSP Agreement between the City and the Recipient (the "NSP Agreement").

III. As a condition of the City's loan of funds to the Recipient, the Recipient agreed to cause certain covenants and restrictions to be placed on the Property pursuant to the NSP Agreement.

**NOW, THEREFORE,** Owner, in consideration of the premises and the sum of ten dollars and other good and valuable consideration, receipt and legal sufficiency of which is acknowledged by Owner, agrees as follows:

1. The foregoing recitals are true and correct and incorporated herein.

2. The following affordability requirements required by the NSP Agreement shall be covenants that shall touch and concern the Property and shall be deemed covenants running with the land:

   **Housing assisted with NSP funds must meet the affordability requirements of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, Department of Housing and Urban Development (HUD) Docket No. FR-5255-N-01, HUD Docket No. FR-5255-N-02, and the City of Jacksonville's NSP Substantial Amendment to the Consolidated Plan. Repayment of the funds by the Recipient to the City will be required if the housing does not meet the specified affordability requirement time period. Specifically:**

   a. For the affordability period of fifteen (15) years commencing on the date of sale of the Property to Owner, the Property may only be sold to homeowners whose household income does not exceed 120% of the Local Area Median Income.

   b. This affordability requirement shall remain in effect for the term stated herein irrespective of the sale, conveyance, or other transfer of the Property, and irrespective of the termination, satisfaction, release, or other discharge of any NSP-related mortgage or the lien thereof upon the Property, and shall be binding upon the Owner, its successors, assigns and transferees, and all parties having any right, title or interest in the Property. Notwithstanding the foregoing, however, upon foreclosure by a lender or other transfer in lieu of foreclosure, the affordability period shall be terminated if such foreclosure or other transfer recognizes any contractual or legal rights of public agencies, non-profit sponsors, or others to take actions that would avoid the termination of low-income affordability; and further provided that the affordability restrictions shall be revived according to the terms hereof if, during the original affordability period, the Owner of record before the foreclosure or other transfer, or any entity that includes such former owner or those with whom such former owner has or had family or business ties, obtains an ownership interest in any of the Property.

IN WITNESS WHEREOF, Owner has caused this Declaration to be executed in its name as of the date first above written.

WITNESSES:

_____
Printed Name:_____

_____
Printed Name:_____

OWNER

By:_____
Name: _____
Address: _____
Jacksonville, Florida 322__

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was executed, acknowledged and delivered before me this _____ day of _____, 20__, by _____, who is personally known to me or has produced a Florida driver's license as identification.

_____
Notary Public, State and County Aforesaid
Print Name: _____
My commission expires:_____
My commission number:_____

(NOTARIAL SEAL)

**ATTACHMENT A-4**
**Development Expense Proforma Budget**

**ATTACHMENT A-5**
**Scope of Work**

**(See Attached)**

**ATTACHMENT A-6**
**Sources and Uses of Funds**

**ATTACHMENT B**
**NSP Payment Request Form**

# NSP PAYMENT REQUEST FORM

Recipient Name: _____
Address: _____
Jacksonville, FL 322___
Phone# (904) _____

Request # _____
Contract# _____
Federal ID# _____
NSP Project # _____
Date Submitted:_____20__

1. Contract funds disbursed to date: $_____
2. Contract funds available to date: $_____
3. Contract funds previously requested but not yet received: $_____
4. Amount of this request: $_____

| Line Item & Description | Budget | Amount Rec'd to Date | Amount of this Request | Remaining Balance |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| **TOTAL** | | | | |

Comments: These funds are needed for rehabilitation of the Project located at _____, Jacksonville, FL 322____.

I certify that the data above is correct and the amount of the cash requested does not exceed current needs.

Signed: _____ Phone: (904) _____
Print Name: _____
Title: _____

II. METHOD OF PAYMENT

A. Reimbursement

Unless otherwise stated, all contract funds will be released on a reimbursement basis based on 100% of the total approved project costs as indicated in Attachment A-4**,** not to exceed $99,000.00, as authorized by the NSP Substantial Amendment to the 2005-2010 Consolidated Plan and approved by HUD. The NSP Program Payment Request Form set forth above may be submitted no more than monthly and the Recipient may not request disbursement until such time as there is a need for reimbursement of eligible costs. No disbursement shall be made until the operating expenses are incurred and reimbursement requests have been approved by the City Jacksonville. The time period for the City to process the cash request from submission of the request to availability of a check is **ten to fifteen working days.**

B. Required Documentation

Cash requests must be accompanied by closing statements, receipts, canceled checks, invoices, written bids, phone quotes and any other reasonable and legible documents to support the expenditure and amount of cash requested.

C. Procurement

The requirements of Article VIII of this contract outlines the required procurement procedures and documentation for purchases. Items not specifically identified in this contract will not be reimbursed with NSP funds.

**ATTACHMENT C**
**Addendum to Contract between Developer & Contractor**

**ADDENDUM TO CONTRACT**
**(NSP PROJECT NUMBER: _____)**

THIS ADDENDUM to the Contract (the "Addendum") is made a part of, and incorporated into that certain Contract dated the _____ day of _____, 2009 (the "Contract"), by and between _____ (the "Developer"), and _____ (the "Contractor").

WITNESSETH:

WHEREAS, the Developer and Contractor entered into the Contract as to NSP Project Number _____ for improvements to be made by Contractor to that certain property located at _____, Jacksonville, Florida (the "Property"); and

WHEREAS, the Property is part of the Neighborhood Stabilization Program ("NSP"), which assists in the redevelopment of abandoned and foreclosed properties and increases the availability of affordable housing for low, moderate and middle income households; and

WHEREAS, the Contractor is required to abide by the requirements of the NSP program in order to participate.

NOW, THEREFORE, in consideration of the mutual premises and covenants, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Contractor acknowledges and understands that the Property is part of the NSP program and further represents to the Developer that Contractor will abide by all NSP requirements as outlined in the bid and contract documents and the Contract which are incorporated hereto.

2. In the event the Contractor does not abide by the requirements of the NSP program, the parties agree that the Contract shall be terminated and the parties shall have no further obligation under the Contract.

| | |
|---|---|
| [Name of Developer] | [Name of Contractor] |
| By:_____ | By:_____ |
| Print Name: _____ | Print Name: _____ |
| Title:_____ | Title:_____ |

**ATTACHMENT D**
**PROGRAM INCOME LIMITS**
**Effective 6/1/2011**
**(As updated from time to time)**

**PROGRAM INCOME LIMITS**

| HOUSEHOLD SIZE | 50% OF MEDIAN | 60% OF MEDIAN | 70% OF MEDIAN | 80% OF MEDIAN | 100% OF MEDIAN | 120% OF MEDIAN |
|---|---|---|---|---|---|---|
| | | | | | | |
| 1 person | 23,250 | 27,900 | 32,550 | 37,200 | 46,500 | 55,800 |
| | | | | | | |
| 2 persons | 26,600 | 31,920 | 37,240 | 42,500 | 53,200 | 63,840 |
| | | | | | | |
| 3 persons | 29,900 | 35,880 | 41,860 | 47,800 | 59,800 | 71,760 |
| | | | | | | |
| 4 persons | 33,200 | 39,840 | 46,480 | 53,100 | 66,400 | 79,680 |
| | | | | | | |
| 5 persons | 35,900 | 43,080 | 50,260 | 57,350 | 71,800 | 86,160 |
| | | | | | | |
| 6 persons | 38,550 | 46,260 | 53,970 | 61,600 | 77,100 | 92,520 |
| | | | | | | |
| 7 persons | 41,200 | 49,440 | 57,680 | 65,850 | 82,400 | 98,880 |
| | | | | | | |
| 8 persons | 43,850 | 52,620 | 61,390 | 70,100 | 87,700 | 105,240 |

## ADDENDUM TO PURCHASE AND SALE AGREEMENT

THIS ADDENDUM to the Purchase and Sale Agreement (the "Addendum") is made a part of, and incorporated into that certain Purchase and Sale Agreement dated the _____ day of _____, 2009 (the "Agreement"), by and between _____ (the "Seller"), and _____ (the "Buyer").
WITNESSETH:

WHEREAS, the Seller and Buyer entered into the Contract as to the purchase and sale of that certain property located at _____, Jacksonville, Florida (the "Property"); and

WHEREAS, the Property is part of the Neighborhood Stabilization Program ("NSP"), which assists in the redevelopment of abandoned and foreclosed properties and increases the availability of affordable housing for low, moderate and middle income households; and

WHEREAS, the Buyer is required to meet certain terms, conditions and eligibility requirements of the NSP program in order to qualify to close the sale of the Property.

NOW, THEREFORE, in consideration of the mutual premises and covenants, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Buyer acknowledges and understands that the Property is part of the NSP program and further represents to the Seller that Buyer meets the NSP income eligibility requirements as more particularly set forth in Attachment A to this Addendum.

2. In the event the Buyer does not meet all NSP requirements, as verified by the City of Jacksonville by and through the Housing & Neighborhoods Department, including but not limited to income eligibility requirements as set forth in Attachment A, the parties agree that the Agreement shall be terminated and the parties shall have no further obligation under the Agreement.

| | |
|---|---|
| _____(Seller) | _____(Buyer) |
| Print Name _____ | Print Name _____ |
| _____(Seller) | _____(Buyer) |
| Print Name _____ | Print Name _____ |

**ATTACHMENT A of ATTACHMENT E**

**PROGRAM INCOME LIMITS**
**Effective 6/1/2011**
**(As updated from time to time)**

**PROGRAM INCOME LIMITS**

| HOUSEHOLD SIZE | 50% OF MEDIAN | 60% OF MEDIAN | 70% OF MEDIAN | 80% OF MEDIAN | 100% OF MEDIAN | 120% OF MEDIAN |
|---|---|---|---|---|---|---|
| | | | | | | |
| 1 person | 23,250 | 27,900 | 32,550 | 37,200 | 46,500 | 55,800 |
| | | | | | | |
| 2 persons | 26,600 | 31,920 | 37,240 | 42,500 | 53,200 | 63,840 |
| | | | | | | |
| 3 persons | 29,900 | 35,880 | 41,860 | 47,800 | 59,800 | 71,760 |
| | | | | | | |
| 4 persons | 33,200 | 39,840 | 46,480 | 53,100 | 66,400 | 79,680 |
| | | | | | | |
| 5 persons | 35,900 | 43,080 | 50,260 | 57,350 | 71,800 | 86,160 |
| | | | | | | |
| 6 persons | 38,550 | 46,260 | 53,970 | 61,600 | 77,100 | 92,520 |
| | | | | | | |
| 7 persons | 41,200 | 49,440 | 57,680 | 65,850 | 82,400 | 98,880 |
| | | | | | | |
| 8 persons | 43,850 | 52,620 | 61,390 | 70,100 | 87,700 | 105,240 |

**EXHIBIT 7(a)**
**Mortgage**

**After recording return to:**

**Housing and Neighborhoods Department**
**City of Jacksonville**
**214 N. Hogan Street, 8th Floor**
**Jacksonville, Florida 32202**

# MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") is made effective **_____, 20__**, by _____, a Florida not-for-profit corporation, whose address is _____, Jacksonville Florida 322__ (the "Mortgagor"), in favor of **CITY OF JACKSONVILLE** (the "Mortgagee"), whose address is c/o Housing and Neighborhoods Department, 214 N. Hogan Street, 8th Floor Jacksonville, FL 32202

RECITALS

Mortgagor is indebted to the Mortgagee, as a deferred payment loan for Mortgagor's repairs and/or improvements to Mortgagor's Property, in the principal sum of **$_____**, together with interest thereon (the "Loan"), as evidenced by that certain promissory note (as amended, renewed or extended from time to time, the "Note") of even date herewith in the original principal amount of $_____ executed by Mortgagor in favor of the Mortgagee. The final payment of the Note, if any under the deferred payment loan program, is due on or before _____, 20___ (the "Mortgage Term"). The Note is by reference made a part hereof to the same extent as though set out in full herein.

The indebtedness evidenced by the Note shall also be governed by those certain loan documents of even date herewith in connection with the Loan executed by Mortgagor, Mortgagee, and any other party, specifically including, but not limited to, that certain NSP Contract and that certain Promissory Note of even date herewith (the "Loan Documents").

NOW THEREFORE, to secure to the Mortgagee the payment and performance by Mortgagor of all covenants and conditions of the Note, and all other instruments securing the Note, including the Loan Documents and this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such payment and performance and for and in consideration of the sum of Ten and No/100 Dollars ($10.00), the Mortgagor does hereby mortgage, transfer and assign to the Mortgagee, and, where applicable, grant a security interest in, the following:

(A) All of the land (the "Land") in Duval County, Florida described in Exhibit A attached hereto and made a part hereof, to have and to hold the same, together with all rights, privileges, tenements, hereditaments, rights-of-way, easements, appendages, projections, appurtenances, water rights including riparian and littoral rights, streets, ways, alleys, and strips and gores of land now or hereafter in any way belonging, adjoining, crossing, or pertaining to the Land; and all of the following property of the Mortgagor whether now owned or existing, or hereafter acquired or arising, whether located in, on, pertaining to, used or intended to be used in connection with or resulting or created from the ownership, development, management, or operation of the Land:

(B) all buildings, betterments, structures, improvements and fixtures of any nature now or hereafter constructed, or intended to be constructed, in whole or in part on the Land, regardless of whether physically affixed or now or hereafter severed or capable of severance from the Land (collectively, the "Improvements") and landscaping;

(C) all tangible property (collectively, the “Equipment”) now or hereafter owned by the Mortgagor and now or hereafter located at, affixed to, placed upon or used in connection with the Land or the Improvements, or any present or future improvements thereon, including without limitation: all machinery, equipment, appliances, fixtures, conduits and systems for generating or distributing air, water, heat, air conditioning, electricity, light, fuel or refrigeration, or for ventilating or sanitary purposes, or for the exclusion of vermin or insects, or for the removal of dust, refuse, sewage or garbage, or for fire prevention or extinguishing; all elevators, escalators, lifts and dumbwaiters; all motors, engineers, generators, compressors, pumps, lift stations, tanks, boilers, water heaters, furnaces and incinerators; all furniture, furnishings, fixtures, appliances, installations, partitions, shelving, cabinets, lockers, vaults and wall safes; all carpets, carpeting, rugs, underpadding, linoleum, tiles, mirrors, wall coverings, windows, storm doors, awnings, canopies, shades, screens, blinds, draperies and related hardware, chandeliers and light fixtures; all plumbing, sinks, basins, toilets, faucets, pipes, sprinklers, disposals, laundry appliances and equipment, and kitchen appliances and equipment; all alarm, safety, electronic, telephone, music, entertainment and communications equipment and systems; all janitorial, maintenance, cleaning, window washing, vacuuming, landscaping, pool and recreational equipment and supplies; and any other items of property, wherever kept or stored, if acquired by the Mortgagor with the intent of incorporating them in or using them in connection with the Land or the Improvements;

(D) all rights of the Mortgagor in and to all awards or payments, including interest thereon and the right to receive the same, growing out of or resulting from any exercise of the power of eminent domain (including the taking of all or any part of the Land or the Improvements), or any alteration of the grade of any street upon which the Land abuts, or any other injury to, taking of, or decrease in the value of the Land or the Improvements or any part thereof;

(E) all rights of the Mortgagor in and to any hazard, casualty, liability, or other insurance policy carried for the benefit of the Mortgagor or the Mortgagee with respect to the Improvements or the Equipment, including without limitation any unearned premiums and all insurance proceeds or sums payable in lieu of or as compensation for any loss of or damage to all or any portion of the Improvements or the Equipment;

(F) all rights of the Mortgagor in and to all supplies and building materials delivered to or located upon the Land or elsewhere and used or usable in connection with the construction or refurbishing of Improvements;

(G) all rights of the Mortgagor in, to, under, by virtue of, arising from or growing out of any and all present or future contracts, instruments, accounts, insurance policies, permits, licenses, trade names, plans, appraisals, reports, paid fees, choses-in-action, subdivision restrictions or declarations or general intangibles whatsoever now or hereafter dealing with, affecting or concerning the Land or the Improvements or any portion thereof or interest therein, including but not limited to: (a) all contracts, plans and permits for or related to the Land or its development or the construction or refurbishing of the Improvements, (b) all agreements for the provision of utilities (including any reservation of capacity for utilities) to the Land or Improvements, (c) all payment, performance or other bonds, (d) all contracts, option agreements, right of first refusal agreements and other agreements now existing or hereafter made for the sale by the Mortgagor of all or any portion of the Land or the Improvements, including any deposits paid by any purchasers (howsoever such deposits may be held) and any proceeds of such contracts and agreements, including any purchase-money notes and mortgages made by such purchasers, and (e) any declaration of condominium, restrictions, covenants, easements or similar documents now or hereafter recorded against the title to all or any portion of the Land; and

(H) although Mortgage is not permitted to rent the Mortgaged Property under the NSP Contract, all rents, income, issues and profits of the Land, the Improvements and other property subject to the Mortgage (collectively, the "Rents"), and all leases, subleases, tenancies, licenses, franchises and occupancy agreements of any nature whatsoever now or hereafter affecting the Land and/or the Improvements (collectively, the "Leases"), together with all guaranties of the Leases and all security deposits and prepaid rents under the Leases (it being understood that this Mortgage is also a collateral assignment of the Leases to the Mortgagee); and

(I) all proceeds (and proceeds of proceeds), products, replacements, additions, betterments, extensions, improvements, substitutions, renewals and accessions of any of the foregoing.

Everything referred to in subparagraphs (A) through (I) above and any additional property hereafter acquired by the Mortgagor and subject to the lien of this Mortgage or any part of these properties is herein referred to as the "Mortgaged Property."

This Mortgage is a self-operative security agreement with respect to the above described personal property and all fixtures, but the Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as the Mortgagee may request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. The Mortgagee shall have all the rights and remedies in addition to those specified herein of a secured party under the Florida Uniform Commercial Code.

The parties intend that this Mortgage shall continue in full force and effect until satisfied by a written satisfaction executed and delivered by the Mortgagee to the Mortgagor. The lien of this Mortgage shall secure all amounts now or hereafter due hereunder or under the Note, including, without limitation, future advances or other extensions of credit to Mortgagor made pursuant to the Note. This Mortgage shall secure such amounts notwithstanding any reduction of principal amounts under the Note to zero from time to time whether under a revolving credit arrangement or otherwise. The parties intend that this Mortgage shall secure, without limitation, mandatory and optional future advances.

The Mortgagor specifically agrees as follows:

1. Compliance with the Note and the Mortgage and Warranty of Title. The Mortgagor shall comply with all provisions hereof, and shall cause compliance with, the Note, and of every other instrument securing the Note, and will cause the prompt payment to the Mortgagee the principal with interest thereon and all other sums required to be paid by Mortgagor under the Note, this Mortgage and all other instruments securing the Note. The Mortgagor covenants and warrants that the Mortgagor is indefeasibly seized of the Mortgaged Property in fee simple, that the Mortgaged Property is free from all encumbrances (except for the "Prior Mortgage" identified in Section 26 below), that the Mortgagor has lawful authority to convey, mortgage and encumber the Property pursuant to that certain "Senior Lender Consent" from _____, dated _____, 20___, and as provided by this Mortgage, that the Mortgagee shall have the right to peaceably and quietly enjoy the Mortgaged Property, that the Mortgagor will defend title to the Mortgaged Property against the claims of all persons whomsoever and that the Mortgagor provide such further assurances as may be necessary or convenient to perfect title in the Mortgagee.

2. Payment of Taxes and Liens. The Mortgagor shall pay or cause to be paid all taxes, assessments, liens, levies, liabilities, obligations and encumbrances of every nature and kind whether now or hereafter imposed, levied or assessed on the Mortgaged Property, this Mortgage or the indebtedness secured hereby. All such payments shall be made when due and payable before they become delinquent and before any interest attaches or any penalty is incurred. Insofar as any such lien or encumbrance is of record the same shall be promptly satisfied or released and evidence of such satisfaction or release shall be given to the Mortgagee.

3. Zoning. The Mortgagor covenants and warrants that all applicable zoning laws, ordinances and regulations affecting the Mortgaged Property permit the Mortgagor's respective current or intended use and occupancy thereof.

4. Insurance. The Mortgagor shall keep or cause to be kept the improvements now existing or hereafter erected on the Mortgaged Property and all parts of the Mortgaged Property insured as may be required from time to time by the Mortgagee against loss by fire or other casualty and contingency in such amounts and for such periods as may be required by the Mortgagee, and to pay promptly, when due, all premiums for such insurance. All such insurance shall be carried with companies approved by the Mortgagee and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In the event of loss, each insurance company concerned is hereby authorized and directed to make payments for such loss directly to the Mortgagee instead of to the Mortgagor or to the Mortgagor and the Mortgagee jointly and the insurance proceeds or any part thereof may be applied by the Mortgagee at its option, after deducting therefrom all of its expenses, including attorneys' fees, either to the reduction of the indebtedness hereby secured or to the repair or restoration of the property damaged. The Mortgagee is hereby authorized, at its option, to settle and compromise any claims, awards, damages, rights of action and proceeds, and any other payment or relief under any insurance policy. The Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the term of any policy regardless of the cause of the failure. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title, and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

5. Condemnation. If all or any part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used herein shall include any damage or taking by any government authority or any other authority authorized by the laws of the State of Florida or the United States of America to so damage or take, and any transfer by private sale in lieu thereof), either temporarily or permanently, then the entire indebtedness and other sums secured hereby shall, at the option of the Mortgagee, become immediately due and payable. The Mortgagee shall be entitled to all compensation awards, damages, claims, rights of action and proceeds of, or on account of any damage or taking through condemnation and is hereby authorized, at its option, to commence, appear in and prosecute, in the Mortgagor's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation awards, damages, claims, rights of action and proceeds, and any other payments or relief, and the right thereto, are hereby assigned by the Mortgagor to the Mortgagee, who, after deducting therefrom all its expenses including attorneys' fees, may release any monies so received by it without affecting the lien of this Mortgage or may apply the same, in such manner as the Mortgagee shall determine, to the reduction of the sums secured hereby and to any prepayment charge provided in the Note, this Mortgage or any other instruments securing the Note. Any balance of such monies then remaining shall be paid to the Mortgagor. The Mortgagor agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as the Mortgagee may require.

6. Care of the Mortgaged Property. The Mortgagor shall not remove or demolish any building or other property forming a part of the Mortgaged Property without the written consent of the Mortgagee, or permit, commit, or suffer any waste, impairment or deterioration of the Mortgaged Property or any part thereof, and shall keep the same and the improvements thereon in good condition and repair. The Mortgagee may, at the Mortgagee's discretion, have the Mortgaged Property inspected at the time and the Mortgagor shall pay all costs incurred by the Mortgagee in executing such inspection. The Mortgagor shall comply with all present and future laws, ordinances, rules and regulations affecting the Mortgaged Property or any part thereof.

7. The Mortgagee's Right to Make Certain Payments. In the event the Mortgagor fails to pay or discharge, or cause payment or discharge, the taxes, assessments, liens, levies, liabilities, obligations and encumbrances, or fails to keep the Mortgaged Property insured or to deliver the policies, premiums paid, or fails to repair the Mortgaged Property as herein agreed, the Mortgagee is hereby authorized at its election to pay or discharge the taxes, assessments, liens, levies, liabilities, obligations and encumbrances or any part thereof, to procure and pay for such insurance or to make and pay for such repairs, without any obligation on its part to determine the validity or necessity thereof, and without the Mortgagee waiving or affecting any option, lien, equity or right under or by virtue of this Mortgage. The full amount of each and every such payment made by the Mortgagee shall be immediately due and payable by the Mortgagor and shall bear interest from the date thereof until paid at the Default Rate, as hereinafter defined, and together with such interest, shall be secured by the lien of this Mortgage. Nothing herein contained shall be construed as requiring the Mortgagee to advance or expend monies for any of the purposes mentioned in this paragraph.

8. Payment of Expenses. The Mortgagor shall pay or cause to be paid all the costs and charges and expenses, including reasonable attorneys' fees, whether incurred at the trial or appellate level, disbursements and costs of abstracts of title, incurred or paid at any time by the Mortgagee because or in the event of the failure on the part of the Mortgagor to promptly and fully to perform, comply with and abide by each and every stipulation, agreement, condition and covenant of the Note, this Mortgage and any other instrument securing the Note. Such costs, charges and expenses, shall be immediately due and payable, without notice, demand, attempt to collect or suit pending. The full amount of each and every such payment shall bear interest from the date thereof until paid at the Default Rate, as hereinafter defined. All such costs, charges and expenses so incurred or paid, together with such interest, shall be secured by the lien of this Mortgage.

9. No Transfer or Further Encumbrance. The Mortgagor covenants and agrees not to sell, convey, transfer, lease or further encumber any interest in or any part of the Mortgaged Property without the prior written consent of the Mortgagee, and any such sale, conveyance, transfer, lease or encumbrance made without the Mortgagee's prior written consent shall be void. If any person should obtain an interest in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by the Mortgagor and a default hereunder. Additionally, if either of the Mortgagor is a corporation, partnership, or trust, the sale, assignment, pledge, transfer, hypothecation, or other disposition of any proprietary or beneficial interest in either of the Mortgagor without the prior written consent of the Mortgagee shall be deemed to be an event of default under this Mortgage.

10. After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all after acquired property located in or on, or attached to, or used or intended to be used in connection with or with the operation of the Mortgaged Property.

11. Additional Documents. At any time and from time to time, upon the Mortgagee's request, the Mortgagor shall make, execute and deliver or cause to be made, executed and delivered to the Mortgagee and, where appropriate, shall cause to be recorded or filed and from time to time thereafter to be recorded or refiled at such time and in such offices and places as shall be deemed desirable by the Mortgagee any and all such further mortgages, instruments of further assurance, certificates and other documents as the Mortgagee may consider necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve the obligations under the Note and this Mortgage, and the lien of this Mortgage as a second lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by either of the Mortgagor (the foregoing being subject, however, to the applicable limitations and provisions set forth in that certain

Senior Lender Consent referenced in Section 1 above). Upon any failure by the Mortgagor to do so, the Mortgagee may make, execute, record, file, re-record, or refile any and all such mortgages, instruments, certificates and documents for and in the name of the Mortgagor, and the Mortgagor hereby irrevocably appoints the Mortgagee agent and attorney-in-fact of the Mortgagor to do so.

12. Hazardous Substances. The Mortgagor warrants and represents to the Mortgagee:

(a) That to its best knowledge neither it nor any other person has ever used the Mortgaged Property as a facility for the storage, treatment or disposal of any "Hazardous Substances," as that term is hereinafter defined, except such materials as are used or stored in accordance with all applicable laws in the ordinary course of the Mortgagor's business;

(b) That the Mortgaged Property is now and at all times hereafter will continue to be in full compliance with all federal, state and local "Environmental Laws" (as that term is defined hereinafter), including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 USC 9601, et seq., the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Public Law 99-499, 100 Stat. 1613, the Resource Conservation and Recovery Act ("RCRA"), 42 USC 6901, et seq., the Florida Resource Recovery and Management Act, Section 403.702, et seq., Florida Statutes, the Pollutant Spill Prevention and Control Act, Section 376.011-376.17 and 376.19-376.21 Florida Statutes, as the same may be amended from time to time, and all ordinances, regulations, codes, plans, orders, and decrees now existing or in the future enacted, promulgated, adopted, entered or issued, both within and outside present contemplation of the Mortgagor and the Mortgagee;

(c) That: (i) as of the date hereof, there are no hazardous or toxic materials, substances, wastes or other environmentally regulated substances (including solids or gaseous products and any materials containing asbestos), the presence of which is limited, regulated or prohibited by any state, federal or local governmental authority or agency having jurisdiction over the Mortgaged Property, or which are otherwise known to pose a hazard to health or safety of occupants of the Mortgaged Property, located on, in or under the Mortgaged Property or used in connection therewith; or (ii) the Mortgagor has fully disclosed to the Mortgagee in writing the existence, extent and nature of any such hazardous or toxic material waste or other environmentally regulated substance, which the Mortgagor is legally authorized and empowered to maintain on, in or under the Mortgaged Property or use in connection therewith, and the Mortgagor has obtained and will maintain all licenses, permits and approvals required with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals;

(d) That the Mortgagor is not aware of any past, present or future events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent compliance or continued compliance with Environmental Laws or any ordinance, regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, or which may give rise to any common law or legal liability, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study or investigation, based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling, or the emission, discharge, release or threatened release into the environment, of any Hazardous Substance; and

(e) That there is no civil, criminal or administrative action, suit, demand, claim, hearing, notice or demand letter, notice of violation, investigation, or proceeding pending or, to the best knowledge of the Mortgagor, threatened against it or the Mortgaged Property, relating in any way to any Environmental Laws or any regulation, code, plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder.

(f) That the Mortgagor shall notify the Mortgagee of any change of which it is aware in the nature or extent of any hazardous or toxic materials, substances or wastes maintained on, in or under the Mortgaged Property or used in connection therewith, and will transmit to the Mortgagee copies of any citations, orders, notices or other material governmental or other

communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Mortgaged Property.

(g) That the Mortgagor agrees to indemnify, reimburse, defend and hold harmless the Mortgagee, its officers, directors, employees, successors and assigns, from and against all demands, claims, civil or criminal actions or causes of action, liens, assessments, civil or criminal penalties or fines, losses, damages, liabilities, obligations, costs, disbursements, expenses or fees of any kind or of any nature (including, without limitation, reasonable cleanup costs, attorneys', consultants' or experts' fees and disbursements and costs of litigation at trial and appellate levels) which may at any time be imposed upon, incurred by or asserted or awarded against, the Mortgagee directly or indirectly: (a) resulting from any acts or activities of the Mortgagor or its agents, employees or contractors, at, on or about the Mortgaged Property which contaminate air, soils, surface waters or groundwaters over, on or under the property; (b) arising from or out of any Hazardous Substance on, in or under the Mortgaged Property; (c) arising pursuant to or in connection with the application of any Environmental Law to the acts or omissions of the Mortgagor or any other person and any environmental damage alleged to have been caused, in whole or in part, by the transportation, treatment, storage, or disposal of any Hazardous Substance; or (d) arising from or in relation to the presence, whether past, present or future, of any Hazardous Substances on the Mortgaged Property. Without limiting the foregoing, this indemnification provision specifically protects the Mortgagee against any claim or action from activities described in (a), (b), (c) or (d) above, based in whole or in part upon any environmental statute, rule, regulation or policy, including but not limited to Chapters 403 and 376, Florida Statutes, the Florida Administrative Code, CERCLA, RCRA and other laws, whether now in existence or enacted in the future. The indemnification obligation hereunder shall be one of strict liability and shall be enforceable without regard to any knowledge of the Mortgagee with respect to any act or omission or condition or event which is the basis of the claim under such indemnification obligation. The obligations under this section shall not be limited to any extent by the term of any Note or other obligations of the Mortgagor, and such obligations hereunder shall continue, survive and remain in full force and effect notwithstanding payment in full or other satisfaction or release of such Note (and such other obligations).

(h) That the Mortgagor agrees that the Mortgagee shall have the right, in its reasonable discretion, to require the Mortgagor to periodically (but not more frequently than annually unless an environmental complaint is then outstanding) perform (at the Mortgagor's expense) an environmental audit and, if deemed necessary by the Mortgagee, an environmental risk assessment, each of which must be satisfactory to the Mortgagee in its reasonable discretion, of the Mortgaged Property, hazardous waste management practices or hazardous waste disposal sites used by the Mortgagor. Such audit or risk assessment must be performed by an environmental consultant satisfactory to the Mortgagee. If the Mortgagor fails to perform such environmental audit or risk assessment within 30 days of the Mortgagee's written request, the Mortgagee shall have the right but not the obligation to retain an environmental consultant to perform such environmental audit or risk assessment. All costs and expenses incurred by the Mortgagee in the exercise of such rights shall bear interest at the highest default rate set forth in any Note executed by the Mortgagor in favor of the Mortgagee and shall be payable by the Mortgagor upon demand or charged to the Mortgagor's loan balance at the discretion of the Mortgagee.

(i) As used herein, "Environmental Law" means any federal, state, or local statutory or common law relating to pollution or protection of the environment, including without limitation, any common law of nuisance or trespass, and any law or regulation relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment (including without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances. As used herein, "Hazardous Substance" means any substance or material: (a) identified in Section 101(14) of CERCLA, 42 USC s. 9601(14), as the same may be amended from time to time; or (b) determined to be toxic, a pollutant or contaminant, under federal, state or local statute, law, ordinance, rule or regulation or judicial or administrative order or decision, as same may be amended from time to time, including but not limited to petroleum and petroleum products as defined in Section 376.301(26) and (27), Florida Statutes, as same may be amended from time to time.

13. Events of Default. Any one of the following shall constitute an event of default:

(a) The occurrence of any Event of Default under any of the Loan Documents between Mortgagor and the Mortgagee of even date herewith, as the same may be amended from time to time.

(b) Failure by Mortgagor to pay, as and when due and payable, or, if a grace period is provided in the Note, within such applicable grace period, any installments of principal, interest or other amounts due under the Note.

(c) Failure by the Mortgagor to duly keep, perform and observe any other covenant, condition or agreement in this Mortgage, the NSP Contract, the Note, or any other instrument securing the Note for a period of ten (10) days after the Mortgagee gives written notice specifying the failure.

(d) If either of the Mortgagor or any guarantor or endorser of the Note: (i) files a voluntary petition in bankruptcy, or (ii) is adjudicated as a bankrupt or insolvent, or (iii) files any petition or answer seeking or acquiescing in any reorganization, management, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors, or (iv) seeks, consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of all or any part of the Mortgaged Property, or (v) makes any general assignment for the benefit of creditors, or (vi) makes any admission in writing of its inability to pay its debts generally as they become due.

(e) If: (i) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Mortgagor or any guarantor or endorser of the Note seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief, under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days whether or not consecutive from the date of entry thereof; or (ii) any trustee, receiver or liquidator of either of the Mortgagor or any guarantor or endorser of the Note or of any part of the Mortgaged Property is appointed without the prior written consent of the Mortgagee, which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days whether or not consecutive.

(f) Any default by either of the Mortgagor or any guarantor under any other loan or extension of credit by the Mortgagee to both or either of the Mortgagor or any guarantor.

(g) Any breach of any warranty or material untruth of any representation of Mortgagor contained in the Note, or of Mortgagor contained in this Mortgage, or of Mortgagor contained in any other Loan Document securing the Note.

(h) Any default under any Prior Mortgage (as defined below), or any related loan documents in connection with the Prior Mortgage.

14. Acceleration. If an event of default shall have occurred, the Mortgagee may declare the outstanding principal amount of the Note and the interest accrued thereon, and all other sums secured hereby, to be due and payable immediately, and upon such declaration such principal and interest and other sums shall immediately become due and payable without demand, notice or presentment for payment.

15. Other Remedies. If an event of default shall have occurred, the Mortgagee may proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy: (a) to enforce payment of the Note or the performance of any term hereof or any other right; (b) to foreclose

this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property under the judgment or decree of a court or courts of competent jurisdiction; (c) although Mortgagor is not permitted to rent the Mortgaged Property pursuant to the NSP Contract, Mortgagee may collect all rents, issues, profits, revenues, income, proceeds or other benefits from the Mortgaged Property; (d) although Mortgagor is not permitted to rent the Mortgaged Property pursuant to the NSP Contract, Mortgagee may seek appointment of a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, issues, profits, revenues, income or other benefits thereof and apply the same as the court may direct and such receiver shall have all rights and powers permitted under law; and (e) to pursue any other remedy available to it, including, but not limited to taking possession of the Mortgaged Property without notice or hearing to the Mortgagor. The Mortgagee shall take action either by such proceedings or by the exercise of its power with respect to entry or taking possession, or both as the Mortgagee may determine.

16. No Waiver. No delay or omission of the Mortgagee or of any holder of the Note and Mortgage to exercise any right, power or remedy accruing upon any event of default shall exhaust or impair any such right, power or remedy or be construed as a waiver of any such event of default or constitute acquiescence therein.

17. Non-Exclusive Remedies. No right, power or remedy conferred upon or reserved to the Mortgagee by the Note, this Mortgage or any other instrument securing the Note is 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 or remedy given hereunder or under the Note, or any other instrument securing the Note, or now or hereafter existing at law, in equity or by statute.

18. Bankruptcy Matters.

(a) No Subsequent Bankruptcy. The Mortgagor represents and warrants to the Mortgagee that the Mortgagor has no intent, either at the present time or at any time hereafter, (a) to file any petition under any chapter of the Federal Bankruptcy Code, or in any manner to seek relief, protection, reorganization, liquidation, dissolution or similar relief for debtors under any other local, state, federal or other insolvency law; or (b) to directly or indirectly cause any involuntary petition under any chapter of the Federal Bankruptcy Code to be filed against either of the Mortgagor, or directly or indirectly to cause the Mortgagor to become the subject of any proceedings pursuant to any other state, federal or other insolvency laws or laws providing for relief of debtors. The Mortgagor acknowledges and agrees that filing any bankruptcy petition or seeking relief or protection under any insolvency law, either directly or indirectly, during the term of this Mortgage or at any time that this Mortgage is in default, would be in manifest bad faith and would constitute an abuse of the law, motivated solely by the Mortgagor's desire to delay and frustrate the legitimate efforts of the Mortgagee to enforce its rights and remedies against the Mortgagor pursuant to this Mortgage, or at law or in equity.

(b) Adequate Protection; Waivers. The Mortgagor, for itself and, to the maximum extent permitted by law, for any trustee, debtor-in-possession, receiver or other representative of the Mortgagor, hereby agrees that in any proceeding filed by or against the Mortgagor under the Federal Bankruptcy Code, the Mortgagee will receive adequate protection only by immediate surrender of the Mortgaged Property to the Mortgagee for liquidation and sale. Thus, in the event of the filing of any voluntary or involuntary petition in bankruptcy by or against the Mortgagor, (i) the Mortgagor shall neither oppose nor request any other party to oppose a lifting of the automatic stay provided by Section 362 of the Bankruptcy Code as to the Mortgaged Property upon request therefor by the Mortgagee and the Mortgagor agrees to consent to any requested relief from the automatic stay provided by Section 362 of the Bankruptcy Code sought by the Mortgagee as to all or any part of the Mortgaged Property, whether now existing or hereafter

acquired or arising; (ii) the Mortgagor shall not seek a supplemental stay or other relief, whether injunctive or otherwise, pursuant to Section 105 of the Bankruptcy Code or any other provision of the Bankruptcy Code to stay, interdict, condition, reduce or inhibit the ability of the Mortgagee to enforce any rights it has by virtue of this Mortgage or any other rights the Mortgagee has, whether now or hereafter acquired against the Mortgagor or any guarantor or against any of the Mortgaged Property; (iii) the Mortgagor shall not challenge or attempt to challenge, or have any standing to challenge or attempt to challenge, for its own benefit, any transfer of any or all of the Mortgaged Property for the loans as a fraudulent conveyance under any federal, state or other law; (iv) the Mortgagor shall not oppose the appointment of a trustee, examiner or receiver, and to the extent permitted by law will stipulate that any "custodian" (as defined in the Bankruptcy Code) which is in custody, control or possession of the Mortgaged Property, is excused from complying with Section 543 of the Bankruptcy Code; (v) the Mortgagor agrees that Section 546(b) of the Bankruptcy Code may be utilized to perfect any assignment of rents in favor of the Mortgagee; and (vi) the Mortgagor shall not file a motion to extend the exclusive periods provided under Section 1121(c)(2) or (c)(3) of the Bankruptcy Code and shall not oppose any motion by the Mortgagee to terminate the exclusive periods provided under Sections 1121(c)(2) or (c)(3) of the Bankruptcy Code.

(c) The Mortgagee's Reliance. The Mortgagor acknowledges and confirms that the representations, waivers and releases in this paragraph have been separately bargained for and are a material inducement to the willingness of the Mortgagee to enter into the extension of credit to the Mortgagor.

19. Successors and Assigns Bound. Whenever one of the parties hereto is named or referred to herein, the heirs, personal representatives, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of the Mortgagor or the Mortgagee, shall bind and inure to the benefit of their respective heirs, personal representatives, successors and assigns.

20. Invalid or Unenforceable. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage or any other instrument securing the Note shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the Note and any other instrument securing the Note shall be in no way affected, prejudiced or disturbed thereby.

21. Future Advances. This Mortgage is given to secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or are to be made at the option of the Mortgagee, or otherwise, as are made within ten (10) years from the date hereof, to the same extent as if such future advances are made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed twice the face amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Mortgaged Property, with interest on such disbursements at the Default Rate as hereinafter defined.

22. Obligation of the Mortgagor. The Mortgagor shall pay or cause to be paid the cost of releasing or satisfying this Mortgage of record.

23. Default Rate. The Default Rate shall be the default rate as set forth in the Note. However, at no time shall any interest or charges in the nature of interest be taken, exacted, received or collected which would exceed the maximum rate permitted by law.

24. No Merger. Neither the Mortgagor nor the Mortgagee intend that there be, and there shall not in any event be, any merger of the lien and security interest of this Mortgage with any other right,

interest, lien or security interest in the Mortgaged Property held by the Mortgagee, and it is specifically provided that the lien and security interest of this Mortgage on one hand and any other right, interest, lien or security interest of the Mortgagee on the other hand shall be and remain separate and distinct (and the priority of any and all such other rights, interests, liens and security interests is hereby preserved).

25. Changes in Loan Terms. The Mortgagor agrees that the Mortgagee may, at any time and without impairing the lien evidenced by this Mortgage or the Mortgagor's obligations hereunder, take any of the following actions without notice to or consent of the Mortgagor: (i) renew, modify or extend the Note or any of the Indebtedness evidenced thereby; (ii) modify or restate any instrument or agreement evidencing or related to such Indebtedness, any collateral therefor or any guaranty thereof; (iii) take from any party and hold collateral for the payment of such Indebtedness or any part thereof, and exchange, enforce or release such collateral or any part thereof; (iv) accept and hold the enforcement or guaranty of payment of such Indebtedness or any part thereof and release or substitute any such endorser or guarantor or any party who has given any security interest in any collateral as security for the payment of such Indebtedness or any part thereof or any party in any way obligated to pay such Indebtedness or any part thereof; and (v) upon the occurrence of any event of default, direct the manner of the disposition of the collateral hereunder and any other collateral and the enforcement of any endorsements or guaranties relating to the indebtedness evidenced by the Note or any part thereof as the Mortgagee in its sole discretion may determine.

26. Rights of the Mortgagor under Prior Mortgages and Rights of the Mortgagee.

(a) This Mortgage is subject to and subordinate to that certain Prior Mortgage in favor of _____, dated _____, as recorded in Official Records Book _____, page _____, of the current public records of Duval County, Florida, which encumbers all or a portion of the Mortgaged Property. The Mortgagor hereby covenants and agrees to: (i) promptly observe and perform all of the covenants and conditions contained in any prior mortgage to which this Mortgage may be subject, and which are required to be observed or performed by the Mortgagor and to do all things necessary to preserve and keep unimpaired its rights thereunder; and (ii) promptly notify the Mortgagee in writing of any default in the performance and the observance of any of the terms, covenants or conditions on the part of the Mortgagor or others to be performed or observed under such prior mortgage or of the occurrence of any event which, regardless of the lapse of time, would constitute a default under such prior mortgage and promptly cause a copy of each such notice given by the Mortgagee thereunder to the Mortgagor to be delivered to the Mortgagee.

(b) If the Mortgagor fails to make any payments required under any prior mortgage or to do any act set forth in the preceding subparagraph, then the Mortgagee may, but without obligation, and without notice to or demand upon the Mortgagor, and without releasing the Mortgagor from any obligation hereof, make or do the same in such manner and to such extent as the Mortgagee may deem necessary to protect its interest under this Mortgage. The Mortgagee's rights hereunder shall specifically include, without limitation, the right to pay any and all payments of interest and principal, insurance premiums, taxes and assessments and other sums due or to become due under such prior mortgage.

(c) If the Mortgagor fails to perform any of the terms, covenants and conditions required to be performed or observed by the Mortgagor under any prior mortgage, the Mortgagee may, but without obligation so do to, and without notice or demand upon the Mortgagor and without relieving the Mortgagor from any obligation hereof, take any action the Mortgagee deems necessary or desirable to prevent or cure any such default by the Mortgagor. Upon receipt by the Mortgagee from the Mortgagor of any written notice of the occurrence of any such default, the Mortgagee may rely thereon and take any action it deems necessary to cure such default even

though the existence of such default or the nature thereof may be questioned or denied by the Mortgagor or by any party on behalf of the Mortgagor. The Mortgagor hereby expressly grants to the Mortgagee, and agrees that the Mortgagee shall have, the absolute right to enter upon the Land or any part thereof to such extent and as often as the Mortgagee in its sole discretion, deems necessary or desirable in order to prevent or cure any such default by the Mortgagor. The Mortgagee may pay and expend such sums of money as the Mortgagee in its sole discretion deems necessary for any such purpose, may pay expenses, employ counsel and pay reasonable attorney's fees. All costs, charges and expenses so incurred or paid by the Mortgagee shall become due and payable immediately, whether or not there be notice, demand, attempt to collect or suit pending. The amount so incurred or paid by the Mortgagee, together with interest thereon at the Default Rate from the date incurred until paid or cause to be paid by the Mortgagor, shall be added to the indebtedness secured by the lien of this Mortgage to the same extent as if paid or expended on the date hereof.

(d) The Mortgagor agrees that it will not surrender any of its rights under any such prior mortgage and will not, without the prior written consent of the Mortgagee, consent to any modification, change or any alteration or amendment of such prior mortgage or of the obligations secured thereby, either orally or in writing, and no release or forbearance of any of the Mortgagor's obligations under such prior mortgage, whether pursuant to such prior mortgage or otherwise, shall release the Mortgagor from any of its obligations under this Mortgage.

(e) Any default by the Mortgagor or any event of default under any prior mortgage shall constitute an event of default under this Mortgage.

(f) The Mortgagors shall not, except with the prior written consent of the Mortgagee or except as expressly provided herein, prepay or attempt to prepay all or any part of the principal balance of any prior mortgage.

(g) The Mortgagor hereby irrevocably designates the Mortgagee its agent and attorney-in-fact to: (i) perform or observe on behalf of the Mortgagor any covenant or condition which the Mortgagor fails to perform or observe under any prior mortgage within any applicable grace period specified in such prior mortgage, (ii) exercise the right of the Mortgagor to prepay, upon the maturity of note secured by the prior mortgage, the outstanding principal balance remaining unpaid on any prior mortgage, and (ii) exercise the right of the Mortgagor to prepay any prior mortgage at any time after an Event of Default shall have occurred and while it shall be continuing. Any advances made by the Mortgagee in connection with any action authorized by any provision contained herein shall be repaid by the Mortgagor on demand, with interest, and the amount so advanced, with interest, shall be a lien upon the Mortgaged Property and shall be secured by this Mortgage. The performance or observance of such covenant or condition by the Mortgagee shall not prevent the Mortgagor's failure so to perform or observe from constituting an Event of Default. In performing or observing any such covenant or condition, the Mortgagee shall have the right to enter upon the Mortgaged Property. Upon the Mortgagee's receipt of any notice of any default under or violation of any prior mortgage, the Mortgagee may rely thereon and take any action permitted by any provision contained herein to remedy such default, notwithstanding that the existence of such default or the nature thereof may be questioned or denied by the Mortgagor.

(h) The Mortgagor will not do anything, or permit or suffer anything to be done or left undone, which would increase or result in any increase in the indebtedness or other sums secured by any prior mortgage.

27. Land Use Restriction. As required by the NSP Contract, Mortgagor shall cause the execution, delivery, and recording of the restrictive covenants as set forth in the NSP Contract.

28. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY LAW, MORTGAGOR AND MORTGAGEE KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ANY RIGHT THEY MAY HAVE TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BETWEEN THE MORTGAGOR AND MORTGAGEE IN CONNECTION WITH OR ARISING OUT OF THE NOTE, THIS MORTGAGE, OR ANY OTHER LOAN DOCUMENT.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the day and year above first written.

Signed, sealed and delivered
in the presence of:

[DEVELOPER NAME]

_____
Print Name: _____

By: _____
Name: _____
Title: _____

_____
Print Name: _____

[Corporate Seal]

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was executed, acknowledged and delivered before me this _____ day of _____, 20__, by _____, the President of _____, a Florida *[non-profit]* corporation, on behalf of said corporation. He/she is personally known to me or has produced a Florida driver's license as identification.

_____
Notary Public, State and County Aforesaid
Print Name: _____
My commission expires:_____
My commission number:_____

(NOTARY SEAL)

**EXHIBIT A**
**LEGAL DESCRIPTION**

**EXHIBIT 7(b)**
**Promissory Note**

**PROMISSORY NOTE**

**$_____** **_____, 20__**
**Jacksonville, Florida**

FOR VALUE RECEIVED, the undersigned, _____, a Florida _____ corporation, whose address is _____, Jacksonville, Florida 322__ (the "Borrower"), hereby promises to pay to the order of CITY OF JACKSONVILLE, a Florida municipal corporation, whose address is 214 N. Hogan Street, 8th Floor, Jacksonville, Florida 32202 (the "Lender") the sum of _____ _____ ($_____), at a **0% interest rate**. This Note shall be governed by the following provisions:

1. Advances. The Borrower and the Lender have executed a Neighborhood Stabilization Program ("NSP") contract (as amended or restated from time to time, the "Loan Agreement"), a Mortgage and Security Agreement (the "Mortgage"), and other related loan documents (all collectively referred to hereafter as the "Loan Documents") dated of even date herewith. The loan evidenced by this Note is a **deferred payment loan**, and the Borrower may at the Lender's option borrow, make such written requests for disbursements for draws in amounts during the term hereof subject to the terms contained herein and in the Loan Agreement. Notwithstanding the foregoing, the outstanding principal balance hereof shall not exceed **$_____** (the "Indebtedness") at any one time. Nothing contained herein shall impose any obligation upon the Lender to make advances hereunder. This Note is the Note described in the Loan Agreement.

2. Payments. So long as there is no uncured Event of Default (as defined hereafter), the Borrower shall not be required to make any payments of interest or principal for the term of this Note. **The maturity date of this Note is _____, 20__.**

3. Interest. So long as there is no uncured Event of Default, there shall be no interest accruing on the outstanding principal balance of this Note. Upon the occurrence of an Event of Default hereunder, interest shall accrue at the Default Rate hereinafter set forth notwithstanding the provisions of this section. Any interest shall be calculated on the basis of a 365 day year based upon the actual number of days elapsed. The total liability of the Borrower and any endorsers or guarantors hereof for payment of interest shall not exceed any limitations imposed on the payment of interest by applicable usury laws. If any interest is received or charged by any holder hereof in excess of that amount, the Borrower shall be entitled to an immediate refund of the excess.

4. Prepayment. The Borrower shall be entitled to prepay this Note in whole or in part at any time without penalty.

5. Security Interest. From time to time, Borrower shall grant to Lender upon its demand a security interest in the collateral described in that certain Mortgage in favor of the Lender of even date herewith, which Mortgage shall secure the Borrower's Indebtedness hereunder.

6. Application of Payments. All payments hereunder shall be applied first to the Lender's costs and expenses, then to fees authorized hereunder or under the Loan Agreement, then to interest, and then to principal.

7. Default. Any of the following events shall be considered an "Event of Default":

(a) Nonpayment of any principal, interest, fee or other amount due hereunder upon demand of the Lender or, if demand is not sooner made, as and when otherwise due and payable; or

(b) Any Event of Default under the Loan Agreement or the Mortgage.

If any Event of Default or any Default as defined in the Loan Documents shall occur, any obligation of the Lender to make advances hereunder shall be terminated without notice to the Borrower. In addition, if any Event of Default shall occur, the Lender may declare the outstanding principal of this Note, all accrued and unpaid interest hereunder and all other amounts payable under this Note to be forthwith due and payable. Thereupon, the outstanding principal of this Note, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower. Upon the occurrence of any Event of Default, the outstanding principal of this Note, and any accrued and unpaid interest, shall bear interest at the highest legal rate permitted by law after default until paid (the "Default Rate"). Nothing contained herein shall impose an obligation on the Lender to make advances prior to, during, or after the occurrence of an Event of Default. The Borrower specifically acknowledges that: (a) Borrower shall pay all amounts outstanding hereunder upon demand of the Lender upon an Event of Default; and (b) nothing contained herein or in any other loan document shall impose any obligation on the Lender to make advances hereunder, and the Lender may at any time in its discretion elect not to make any requested advance hereunder.

8. Expenses. All parties liable for the payment of this Note agree to pay the Lender all costs incurred by it in connection with the collection of this Note. Such costs include, without limitation, fees for the services of counsel and legal assistants employed to collect this Note, whether or not suit be brought, and whether incurred in connection with collection, trial, appeal or otherwise. All such parties further agree to indemnify and hold the Lender harmless against liability for the payment of state documentary stamp taxes, intangible taxes or other taxes (including interest and penalties, if any), excluding income or service taxes of the Lender, which may be determined to be payable with respect to this transaction. Documentary stamp taxes shall be affixed hereto (or to the Mortgage).

9. Setoffs. The Borrower and any endorsers, sureties, guarantors, and all others who are, or who may become liable for the payment hereof, severally expressly grant to the Lender a continuing first lien security interest in any and all money, general or specific deposits, or property of any such parties now or hereafter in the possession of the Lender. The Borrower and such other parties authorize and empower the Lender, in its sole discretion (subject, however, to the Senior Lender's rights described in section 10 below), at any time after the occurrence of a default hereunder to appropriate and, in such order as the Lender may elect, apply any such money, deposits or property to the payment hereof or to the payment of any and all Indebtedness, liabilities and obligations of such parties to the Lender or any of the Lender's affiliates, whether now existing or hereafter created or arising or now owned or howsoever after acquired by the Lender or any of the Lender's affiliates (whether such Indebtedness, liabilities and obligations are or will be joint or several, direct or indirect, absolute or contingent, liquidated or unliquidated, matured or unmatured, including, but not limited to, any letter of credit issued by the Lender for the account of any such parties).

10. Provisions Required by Senior Lender. The Indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the Indebtedness evidenced by a Note dated _____, in the original principal amount of $_____, issued by Borrower (the "Senior Note") and payable to _____ ("Senior Lender"), or order, to the extent and in the manner provided in that certain letter of consent dated _____, 20___ from the Senior Lender to the Borrower (the "Senior Lender Consent"). The Mortgage securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Mortgage securing the Senior Note as more fully set forth in

the Senior Lender Consent. The rights and remedies of the payee and each subsequent holder of this Note under the Mortgage securing this Note are subject to the restrictions and limitations set forth in the Senior Lender Consent. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Lender under the Senior Lender Consent

11. Miscellaneous. The Borrower and all sureties, endorsers and guarantors of this Note shall make all payments hereunder in lawful money of the United States at the Lender's address set forth herein or at such other place as the Lender may designate in writing. The remedies of the Lender as provided herein shall be cumulative and concurrent, and may be pursued singly, successively or together, at the sole discretion of the Lender and may be exercised as often as occasion therefor shall arise. No act of omission or commission of the Lender, including specifically any failure to exercise any right, remedy or recourse, shall be effective, unless set forth in a written document executed by the Lender, and then only to the extent specifically recited therein. A waiver or release with reference to one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to any subsequent event. This Note shall be construed and enforced in accordance with Florida law and shall be binding on the successors and assigns of the parties hereto. The term "Lender" as used herein shall mean any holder of this Note.

The Borrower and all sureties, endorsers and guarantors of this Note hereby: (i) waive demand, notice of demand, presentment for payment, notice of nonpayment or dishonor, protest, notice of protest and all other notice, filing of suit and diligence in collecting this Note, or in the Lender's enforcing any of its rights under any guaranties securing the repayment hereof; (ii) agree to any substitution, addition or release of any collateral or any party or person primarily or secondarily liable hereon; (iii) agree that the Lender shall not be required first to institute any suit, or to exhaust his, their or its remedies against the Borrower or any other person or party to become liable hereunder, or against any collateral in order to enforce payment of this Note; (iv) consent to any extension, rearrangement, renewal or postponement of time of payment of this Note and to any other indulgency with respect hereto without notice, consent or consideration to any of them; and (v) agree that, notwithstanding the occurrence of any of the foregoing (except with the express written release by the Lender of any such person), they shall be and remain jointly and severally, directly and primarily, liable for all sums due under this Note.

12. Waiver of Trial by Jury; Submission to Jurisdiction. THE LENDER AND THE BORROWER HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT ANY THEREOF MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS NOTE, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY RELATED LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO OR TO ANY RELATED DOCUMENT. THIS PROVISON IS A MATERIAL INDUCEMENT FOR THE LENDER AND THE BORROWER ENTERING INTO THIS SUBJECT LOAN TRANSACTION. The Borrower, and all other endorsers, sureties, guarantors, and all others who are, or who may become liable for the payment hereof, severally, irrevocably, and unconditionally: (i) agree that any suit, action, or other legal proceeding arising out of or relating to this Note may be brought, at the option of the Lender, in a court of record of the State of Florida exclusively in Duval County or in the United States District Court for the Middle District of Florida; (ii) consent to the exclusive jurisdiction of each such named court in any such suit, action or proceeding; and (iii) waive any objection which it or they may have to the laying of venue of any such suit, action or proceeding in any of such court named herein.

[DEVELOPER NAME]

By: _____
Name: _____
Title: President

(Corporate Seal)

STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was executed, acknowledged and delivered before me this _____ day of _____, 20___, by _____, the President of _____, a Florida _____ corporation, on behalf of the corporation. He is personally known to me or has produced a Florida driver's license as identification.

_____
Notary Public, State and County Aforesaid
Print Name: _____
My commission expires: _____
My commission number: _____

This Promissory Note has been executed
and delivered in compliance with §201.09, F.S., and
documentary stamp taxes were paid and affixed to
Mortgage securing this Note.