

**NORTH MIAMI CRA ADVISORY COMMITTEE
REGULAR MEETING
Monday, January 7, 2008 - 6:00 P.M.
North Miami City Hall – Council Chambers
776 NE 125th Street, 2nd Floor
NORTH MIAMI, FLORIDA**

AGENDA

- I. Call to Order/Roll Call
- II. Approval of Agenda
- III. Approval of Minutes – December 3, 2007 Regular Meeting
- IV. Proposed Contractual Agreements to implement FY 2007-08 Projects and Programs between the CRA and (a) Dynamic Community Development Corporation, and (b) JHS and Associates, Inc. (Attachment)
- V. Status Update regarding the Side Letter for the Bel House Apartments Lease/Purchase Agreement and the Proposed Bel House Management Agreement between the CRA and North Miami Housing (Attachment)
- VI. Status Update regarding Pioneer Gardens Site/Environmental Conditions and Remediation (No Attachment)
- VII. Proposed Lease Agreement between the CRA and Miami-Dade County for construction and operation of Fire Station Number 18 (Attachment)
- VIII. Proposed Loan Terms on CRA Subsidies for Home Purchase Assistance and Single-Family Home Rehabilitation Assistance (Attachment)
- IX. Proposed Guidelines for the CRA's Single-Family Home Rehabilitation Program (Attachment)
- X. Status Update regarding the CRA Commercial Grants Program (No Attachment)
- XI. Old Business
- XII. New Business

XIII. Adjournment

The next CRA Advisory Committee Meeting is scheduled for Monday, February 4, 2008 at 6:00 p.m.

Note: Two or more members of the City Council/CRA Board of Commissioners and/or other elected or appointed public officials may be present at this meeting. If any person decides to appeal any decision made with respect to any matter considered at this public meeting or hearing, he/she will need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. If you desire auxiliary services to assist in viewing or hearing the meetings, or reading meeting agendas and minutes, please contact the Office of the CRA at (305) 899-0272.

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SUMMARY MINUTES

**REGULAR COMMUNITY REDEVELOPMENT AGENCY
ADVISORY COMMITTEE MEETING**

Monday, December 3rd, 2007

A regular meeting of the Chairman and Members of the Community Redevelopment Agency Advisory Committee (CRAAC) was held at the North Miami City Council Chambers and was called to order at 6:25 p.m.

(Phonetic spelling of each speaker's name may be used throughout the minutes unless correct spelling is known.)

I. Call to Order

ROLL CALL	Absent/ Present	Absences 2007- 08*
Blanca Cobo	A	2
Judy Feldman	P	1
Dr. Smith Joseph	A	2
Michael McDearmaid	P	0
Roseline Philippe	P	0
Clark Reynolds	P	1
David Rosemond	A	1
Duke Sorey	A	2
Bill Valentine	A	4
Armando Vidal	P	1
Mark Wolin	P	0
* Absences from regular meetings are reflected for the period starting 09/07 to 08/08 and absences from special meetings are not counted.		

II. Approval of Agenda

Unanimously approved

III. Approval of Minutes

Moved by Ms. Feldman, Seconded by Ms. Philippe

To approve the minutes to the November 5th, 2007 Regular Advisory Committee Meeting

Approved 6-0

Due to the lack of committee members present at the meeting (only 6 members present), and the schedule conflict with the Christmas tree lighting ceremony occurring contemporaneously with the meeting, it was unanimously decided that

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all agenda items should be postponed to the January regular meeting, except those items for which a timely discussion was needed.

The CRA Executive Director informed the committee members that the only item that could not be postponed was Agenda Item VIII, so the committee moved forward to that item.

VIII. Status Update regarding the evaluation of responses to CRA Request for Proposals/Qualifications (RFP/Q) #2007-10 RE: Affordable Housing Consulting Services

The CRA Executive Director explained that the purpose of the RFQ was to find a qualified third party consultant to act in a technical advisory capacity and to help the CRA staff to identify and pursue additional funding sources for affordable housing projects.

Mr. Vidal advised that the billing rates for the consultant should not be higher than what the Miami-Dade County tends to charge for such consultants.

Mr. Wolin argued that more in depth planning and visioning should be undertaken, to come up with a better vision for redevelopment in North Miami, before moving forward with hiring consultants to seek additional funding sources.

Ms. Philippe disagreed with Mr. Wolin, she felt that in depth research and visioning was undertaken before the CRA was first created, and that visioning did include a certain amount of input from the citizens of North Miami. Ms. Philippe went on to say that now was the right time to identify a third party that could do some forward thinking and spend extra time seeking out additional funding sources.

Ms. Feldman expressed a frustration that the CRA Advisory Committee was having a lot of trouble getting their message through to the CRA Board with regards to affordable housing projects. She felt that perhaps these outside consultants might be able to help get that message through to the CRA Board.

Mr. McDearmaid agreed with Mr. Wolin that the CRA's visioning process was not thorough enough, and that the CRA is now rushing into starting projects without clear enough long term goals.

Moved by Ms. Feldman, seconded by Mr. Reynolds

To recommend that the CRA Board authorize the Executive Director to negotiate a contract with the firms in the order as ranked with negotiations starting with the first ranked firm and if those negotiations are unsuccessful moving on to negotiations with the second ranked firm.

Approved 5-1, with Mr. Wolin against

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XI. New Business

Mr. McDearmaid proposed that a representative from the Biscayne Landing project should attend the CRA Advisory Committee meeting every month to answer any questions that might arise. Mr. McDearmaid mentioned that other CRA Advisory Boards have set up similar arrangements.

There was no real support for the idea from other members of the committee, Ms. Feldman referred to the idea as “creepy”. Both Mr. Vidal and the CRA Executive Director felt that the current arrangement of inviting a representative to particular meetings on an as-needed basis was working well enough.

Mr. Wolin asked if any other CRAs have a contractual arrangement with a single private developer that gives them exclusive rights to develop CRA projects. Nobody was able to give an example of any other CRA that has such an agreement. Mr. Wolin argued that the agreement of exclusivity between North Miami Housing and the North Miami CRA may not be compliant with state statutes that CRAs must be motivated to the fullest extent possible to find the best price for projects.

XII. Adjournment

The meeting was adjourned at 6:53 pm

NMCRA Advisory Committee

AGENDA ITEM IV



AGENDA ITEM I

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board
Kevin A. Burns, Chair
Michael R. Blynn
Jacques Despinosse
Scott Galvin
Marie Erlande Steril

Executive Director
Tony E. Crapp, Sr.

CRA Attorney
Steven W. Zelkowitz

Date: January 3, 2008

To: Honorable Chairman and Members
CRA Board of Commissioners

From: Tony E. Crapp, Sr.
Executive Director

Subject: Proposed Contractual Agreements to implement FY 2007-08 Projects and Programs

Please find attached for your information copies of the approved scopes of service and budgets from the following agencies that are being incorporated into contractual agreements with the CRA to implement programs and projects funded in the FY 2007-08 budget.

-Dynamic Community Development Corporation

-JHS & Associates, Inc.

NMCRA board memo re Status update on scopes of service and budgets for FY 2007-08
010808 tecsr 010108

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North Miami, FL 33261-0655
P: 305.899.0272
F: 305.899.9376

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Scope of Services
Dynamic Community Development Corporation
Small Business Outreach, Workshop and Job Fairs
October 1, 2007 – September 30, 2008

The following is the Scope of Services to be provided under the contract between the North Miami Community Redevelopment Agency (CRA) and Dynamic Community Development Corporation (CDC). Through this contract Dynamic CDC agrees to provide the indicated business outreach services, small business/economic development workshops, and job fairs within the CRA district.

A. Business / Job Fair

Event: Business / Job Fair
Date: Tuesday, December 4 2007
Time: 9 a.m. through 4 p.m.
Location: Gwen Margolis Community Center
1590 NE 123 Street
North Miami, FL

This fair is a "matchmaking" event. We seek to provide a forum which will provide an excellent opportunity for individuals – currently unemployed or underemployed – to meet with employers looking for new employees. Although the Job Fair will be open to the public, advertising and promotion will target North Miami CRA district residents. Among the other features of this Business / Job Fair will be:

- Table-top displays promoting services of the Fair's sponsors and supporters
- Promotion of North Miami CRA programs and services
- North Miami CRA Board of Commissioners welcoming remarks
- Welcoming Remarks to employers and participants by Mayor of North Miami and CRA Executive Director

The Presentations will begin at 9:00 a.m. The Job Fair, itself, will officially commence at 10 a.m.

B. Small Business Workshop I

Event Theme: Growing Your Small Business by Effective Promotion & Advertising

Presentations:

1. How to effectively promote your business
2. How the North Miami CRA services and programs can help promote your business
3. The importance of a Business Plan – the "map" to growing your business
4. Available small business technical and financial assistance programs / resources

Proposed Event Date: February / March 2008

Location: To Be Determined

Benefits to Participants:

- Opportunities to participate in "table top" presentations, to display good and services
- Obtain information regarding North Miami CRA programs and services – Remarks from CRA Executive Director
- Availability of specialists in advertising and promotional services to consult with attendees
- Availability of representatives from banking institutions to present business programs and to meet with interested participants
- Availability of representatives from organizations with micro loan programs to present programs and to meet with interested participants
- Opportunity to meet North Miami elected officials (CRA Board of Commissioners and key City staff)

C. Small Business Workshop II

Event Theme: The importance of financing and healthy cash flow to the success of a business

Presentations:

1. Financing Your Business: Loans, Micro loans, and Grants
2. The importance of a good credit rating and fixing your credit
3. The importance of developing business relationship with a supportive established financial institution

Proposed Event Date: May / June 2008

Location: To be determined

Benefits to Participants:

- Opportunities to participate in "table top" presentations, to display good and services
- Obtain information regarding North Miami CRA programs and services – Remarks from CRA Executive Director
- Availability of specialists in advertising and promotional services to consult with attendees
- Availability of representatives from banking institutions to present business programs and to meet with interested participants
- Availability of representatives from organizations with micro loan programs to present programs and to meet with interested participants
- Opportunity to meet North Miami elected officials (CRA Board of Commissioners and key City staff)

D. Small Business / Job / Dominoes Fair

The proposed theme of this Fair will be "Get to Know Your Neighborhood Businesses". The goal of this Fair is to introduce and familiarize the residents of North Miami with the many goods and services available through the businesses located within the CRA district. This is a way for each participating business to attract new customers and/or clients. A very important concept is reinforced through such Business Fairs – the idea of reinvestment of residents' income back into businesses and institutions within their own neighborhood.

Business / Job Fair

- Table top displays promoting services and or products of participating businesses
- North Miami CRA programs and services promoted
- North Miami elected officials (CRA Board of Commissioners) invited to participate

This Fair will also provide an excellent opportunity for job creation as we will invite companies looking for employees to attend this event, and to meet and interview potential new employees.

Among North Miami's culturally diverse population, the game of dominoes has strong social and emotional ties. The dominoes component will be used as an "anchor" to attract many community residents to attend. It is anticipated that this Fair – with all its components – will be a day long event – from 10 a.m. through 6:00 p.m.

Proposed Event Date: August / September 2008

Location: To be determined

CRA 2007 Budget Notes

I. Personnel

Description of Duties

Senior Project Manager: Part time position. Organize the activities mandated under the contract. Meeting with business people, community organizations, government officials and media to further the goals of the contract between Dynamic CDC and North Miami CRA.

Assistant Project Manager: Part time position. Accompany senior project manager to meetings when necessary. Mainly responsible for office work involved in organizing the activities under the contract.

Financial Administration: Part-time position. To keep account book and computerized accounting records. To prepare and submit reimbursement requests. To prepare any accounting reports required by government in regards to Dynamic's activities under this contract as well as maintain employee records.

Payroll Taxes

Payroll taxes include the FICA expense – payable by the Corporation – for the salaries paid under this contract.

II. Other Funding Sources for this Project

Current, Dynamic Community Development Corporation does not have other funding sources for this project. We are in discussion with several banks in the area, and have submitted Proposals for Grants to complement the funds being received under this contract.

III. Sublease for Office Space

The payments for sublease of office space include use of the telephone, utilities, furnishings, etc. Dynamic CDC will purchase office supplies to be used at the North Miami Sub-let office from funds allocated in this contract.

Dynamic Community Development Corporation
 North Miami CRA
 Budget

Personnel

Senior Project Manager	\$ 15,000.00	
Assistant Project Manager	\$ 3,000.00	
Financial / Administration	\$ 8,000.00	
Payroll Taxes	<u>\$ 2,100.00</u>	\$ 28,100.00

Programmatic Services

Business / Job Fair (rental, banner, food, workers etc.)	\$ 2,500.00	
Business / Community Dominoes Fair (tents,site rental, tables, chairs, music, displays, promotions, posters)	\$ 4,500.00	
Workshops (promotional materials, site rental, food, incidentals (\$1500 x 2)	\$ 3,000.00	
Four (4) Community-Wide Newsletters (\$500 x 4)	\$ 2,000.00	
Flyers (promoting events & CRA)	\$ 1,800.00	
Purchase radio time & newspaper space	\$ 3,000.00	
Liability Insurance - corporate & events	<u>\$ 1,100.00</u>	\$ 17,900.00

Other

Sublease of North Miami Satellite office	\$ 2,400.00	
Office supplies	\$ 600.00	
Translation Services	<u>\$ 1,000.00</u>	<u>\$ 4,000.00</u>

Total **\$ 50,000.00**

FY 2007-08 Contract Budget Notes
Dynamic CDC

I. Personnel

Description of Duties

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North Miami CRA Scholarly Training in Urban Development for Youth (STUDY) Academic Internship Program

SCOPE OF SERVICES

I. OBJECTIVE

The primary objective of this project is to provide six (6) North Miami Senior High (NMSH) school students with an enriching six-month (February to August 2008) academic-work experience internship program with a focus on urban economic development and city and regional planning. The project's activities, beginning in approximately January and ending by September 30, 2008, will support the North Miami Community Redevelopment Agency's (CRA) mission of investing in the socio-economic development of the community.

II. PROJECT DESCRIPTION

JHS & Associates Project staff, in collaboration with partners such as Miami Dade Public Schools (MDPS) and Florida International University (FIU), will design and deliver a curriculum that underlines the challenges faced by municipalities in providing services to their residents. As an example, topics such as urban revitalization, safety, infrastructure, education and health, as well as public financing (e.g., ad valorem taxes, special districting, enterprise zones) and others, will be presented to the participants during weekly sessions at a location to be determined, for example NMSH or FIU. As a condition for participation, each student will be required to commit to a specific research topic, and under the supervision of an agency/departmental unit mentor, prepare a professional quality report at the conclusion of the academic year. In addition, students will be required to participate in a paid summer job/internship with their specific agency/departmental units for one month during the summer. Participation in this program is expected from the CRA, City of North Miami, FIU and Biscayne Landing. As the program matures, it is anticipated that other entities will become partners.

III. TASKS

Completion of the following tasks will ensure that the project becomes a successful endeavor.

A. Coordination (January 2008):

- Creation of a 5-member Advisory Board consisting of City of North Miami Community leaders, residents and education professionals whose main responsibility will be to oversee the implementation of the project.
- Meetings to be scheduled with interested parties and organizations from the private and public sectors to obtain commitments to participate and/or contribute to the STUDY project as well as determine the appropriate modalities for involvement.
- Internship program curriculum design.
- Design of applications.

- Program announcement, formation of review committee, application review and selection of interns.

B. Program Implementation (February-August 2008)

- Delivery of curriculum.
- Identification of research projects.
- Intern assignments to administrative units.
- Presentation of research projects.

C. Preparation of Progress and Final Reports

- Monthly progress reports delivered with invoices.
- Final report compiled at end of project (September 2008).

IV. REPORTS AND DELIVERABLES

- One (1) unbound original and three (3) copies of a Final Report will be prepared summarizing the activities conducted during the study period. This document will also be delivered in an electronic format for further reproduction and distribution.
- Twenty (20) copies of an Executive Summary Report will be prepared in a newsletter format (11 by 17). This document will also be delivered in an electronic format for further reproduction and distribution
- Two Power Point presentations summarizing the project and outlining the students activities and achievements will be prepared for the agency.

V. BUDGET

The total budget for this project is fifty one thousand two hundred and fifty dollars (\$51,250). This amount covers various expenses, including labor costs for 3 lecturers (an additional lecturer is included in the FIU subcontract), a graduate student and other project staff members. In addition, the budget also includes a \$1,000 Summer Job/Internship stipend for each of the six intern students, funds for a 3-day fact finding trip to Tallahassee, an allocation for food and refreshments, as well as printed and scholastic supplies/materials.

VI. TIME SCHEDULE

As indicated, this project will have a duration of 9 months. Progress reports will be prepared on a monthly basis.

Jan-Sept 2008 CRA S.T.U.D.Y. Pilot Project Budget

Personnel				
Description	Rate(\$)	# Hours	Salary	Total(\$)
3 Lecturers	40.00	350	14,000.00	14,000.00
Grad. Student	14.00	700	9,800.00	9,800.00
<i>Add. Personnel for Trip:</i>				
2 Grad. Students	14.00	60	840.00	840.00
3 Undergrad. Students	10.00	90	900.00	900.00
Internship Stipends (\$1,000/student)				6,000.00
Subtotal (\$)				31,540.00
Supplies & Materials				
Description				
IDs, Pens/Pencils, Scholarly Supplies				1,730.00
Subtotal (\$)				1,730.00
Contractual Services				
Description				
FIU				4,500.00
Guest Speakers				1,000.00
Subtotal (\$)				5,500.00
Travel (3 D)				
Description				
Bus Rental (\$300/day)				900.00
Meals (3 days) for 10 people (\$21/day/person)				630.00
Hotel (\$150/N) (4 rooms/2 N)				1,200.00
Subtotal (\$)				2,730.00
Additional Expenses				
Description				
Meals/Refreshments				2,240.00
Rent				2,745.00
Telephone/Communications				1,565.00
Insurance				3,200.00
Subtotal (\$)				9,750.00
Description				
Total Budget (\$)				51,250

NMCRA Advisory Committee

AGENDA ITEM V



AGENDA ITEM II

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board
Kevin A. Burns, Chair
Michael R. Blynn
Jacques Despinosse
Scott Galvin
Marie Erlande Steril

Executive Director
Tony E. Crapp, Sr.

CRA Attorney
Steven W. Zelkowitz

Date: January 3, 2008

To: Honorable Chairman and Members
CRA Board of Commissioners

From: Tony E. Crapp, Sr.
Executive Director

Subject: Status Update regarding the CRA's Due Diligence Review
for the Bel House Apartments Lease/Purchase Agreement

During its meeting on November 27, 2007 the CRA Board adopted a motion in support of the Executive Director's recommendation to proceed forward with the terms of the lease/purchase agreement for the Bel House Apartments pursuant to the completion of an extended due diligence review period that began on August 1, 2007 and ends on/or before November 30, 2007 subject to certain terms and conditions as delineated below. In agreeing to move forward with the lease/purchase agreement subject to these conditions, Board also authorized any appropriate or necessary amendments to the Bel House Apartments lease/purchase agreement that may be necessary to implement the conditions.

The recommended conditions for proceeding forward with the lease/purchase agreement as approved by the CRA Board are as follows:

- 1) The lease/purchase agreement assumes the continued and ongoing availability of the \$550,000 in City of North Miami loan funding for the rehabilitation of the Bel House Apartments. In this regard, pursuant to ongoing discussions between the City and the owners, to the extent that the remaining and un-disbursed City funds in the amount of \$50,000 is available along with the owners other resources, the apartments in the 20-unit building at 13990 NE 6th Avenue will be repaired and/or rehabilitated to meet the affordable housing standards and the public benefit requirements of the City's funding. The City's funding requires that 33 of the 65 total apartments be available as affordable rental housing for low and moderate income persons and families whose annual incomes do not exceed eighty (80) percent of the area median income. The rent limitations for these units are to be established in accordance with the loan agreement with the City.
- 2) The building inspection reports that have been secured by the CRA and the owners respectively indicate the need for repairs to the roof on the 13925 building in the estimated range of \$51,000 - \$94,900.

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F: 305.899.9376

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AGENDA ITEM II

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board

Kevin A. Burns, Chair
Michael R. Blynn
Jacques Despinosse
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Marie Erlande Steril

Executive Director

Tony E. Crapp, Sr.

CRA Attorney

Steven W. Zelkowitz

The owners must agree to participate in the funding of the cost to repair the roof in an amount to be determined and negotiated with the CRA.

- 3) The new forty-year building re-certification report for the 13925 building that was obtained by the owners pursuant to the request of the City indicates that “the current electrical status of the building (e.g. the 13925 building) can be considered as Not Safe for continuous occupancy”. In addition, both of the building inspection reports mentioned above note the need for repairs to the building’s electrical and power systems in the estimated range of \$148,000 - \$185,500. The owners must agree to participate in the funding of the cost to repair the electrical and power systems in an amount to be determined and negotiated with the CRA.
- 4) City of North Miami staff has indicated that certain City code provisions may impose a 50% limitation on the amount that can be spent within certain parameters for the repair and rehabilitation of the Bel House Apartments. This 50% limitation is based on the value (e.g. replacement cost) of the building. For the 13925 building that has been valued at \$1,765,000, according to the City, that would mean that not more than \$882,500 could be spent on the repair and rehabilitation of the building. Per City staff, the expenditure of more than \$882,500 on the repair of the damage and/or improvements to the property will require that the building meet all the zoning development codes for the property. The owners must agree that should such a limitation inhibit the CRA from being able to obtain City approval of plans for the repair and rehabilitation of the 13925 building within any such cost limitation, the lease/purchase agreement can be terminated by the CRA.
- 5) City of North Miami staff has indicated that certain City code provisions may affect the continued use of the 13925 building as a legal non-conforming use. Per City staff, Section 29-19 of the City’s Zoning Code restricts the dollar amount of improvements to properties that are non-conforming structures. Specifically, Section 29-19 (d) (3) states that “If any such non-conforming use of land ceases for any reason for a period of more than 180 consecutive days, or where the structure is destroyed by any means to an extent of more than 50% of its replacement cost at the time of damage or destruction; any subsequent use of land shall conform to the regulations specified by the Ordinance for the district in which it is located, except for agricultural uses”. The owners must agree that

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NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

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should such a provision inhibit the implementation of the CRA's plans for the continued use of the building as a rental apartment complex, the lease/purchase agreement can be terminated by the CRA.

In follow-up to the discussion held on November 27, 2007 the CRA and the owners of the Bel House Apartments have met to discuss the terms for mutually acceptable side letters of agreement that address the five (5) conditions delineated above. Attached for your information are copies of the two (2) side letters that have been negotiated between the CRA and the owners.

During the CRA Board meeting on November 27, 2007 you were also advised that an agreement is being negotiated between the CRA and North Miami Housing for the day-to-day management of the Bel House Apartments consistent with section 9.4 of the Munisport Agreement relative to affordable housing obligations. The agreement that is being negotiated is expected to be effective January 1, 2008 and provide a management fee to North Miami Housing in the amount of four percent (4%) of the gross rental receipts collected each month. Attached for your information please find a marked up draft of the proposed management agreement that the CRA has received from North Miami Housing for review to finalize an agreement. It is anticipated that a final agreement will be available for your upcoming meeting on January 8, 2008.

In addition, please be further advised that discussions will soon be underway on the terms of a development agreement between the CRA and North Miami Housing for the rehabilitation of the 45-unit building in the Bel House Apartments complex.

NMCRA Board memo re Bel House Status Update for 010808 tecsr 010108

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NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

December 28, 2007

Ms. Roberta Segal
Bel House Apartments, L.L.P.
1065 N.E. 125th Street, Suite 405
North Miami, FL 33161

Re: Lease Agreement with Option to Purchase (the "Lease"), dated August 1, 2007, between Bel House Apartments, L.L.P., as Landlord and the North Miami Community Redevelopment Agency (the "CRA"), as Tenant

Dear Ms. Segal:

This letter is a follow-up to the action taken by the CRA Board at its meeting on November 27, 2007. In this regard, the terms and conditions set forth below are hereby agreed to by the parties and incorporated into the Lease as if fully set forth therein. Any defined terms not defined in this letter agreement shall have the meaning set forth in the Lease.

The parties acknowledge at the CRA Board meeting on November 27, 2007, the City Attorney, along with the Director of Community Planning and Development Department and the Director of the Building and Zoning Department, made representations to the effect that the Code provisions referenced in this letter should not either (a) with respect to (1) below, inhibit the CRA from being able to obtain City approval of plans for the repair and rehabilitation of the Bel House East regardless of the cost of such improvements and (b) with respect to (2) below, inhibit the implementation of the CRA's plans for the continued use of the Bel House East as a rental apartment complex. The parties further acknowledge that the CRA Attorney requested a written legal opinion for the City Attorney to such effect, which written opinion has not yet been received by the CRA. Upon the receipt of such legal opinion, which must be unqualified and consistent with the representations made at the CRA Board meeting, the terms and conditions of this letter agreement shall no longer be applicable and this letter agreement shall be terminated for all intents and purposes. Unit such time, the following terms and conditions apply:

1. City staff has indicated that certain City code provisions may impose a 50% limitation on the amount that can be spent within certain parameters for the repair and rehabilitation of the Premises. This 50% limitation is based on the value (e.g. replacement cost)

Board
A. Burns, Chair
Mel R. Blynn
S Despinosse
Malvin
Erlande Steril

Executive Director
S. Crapp, Sr.

Attorney
W. Zerkowitz

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NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

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of the building. The Bel House East building has been valued at \$1,765,000 by the City, which means that not more than \$882,500 can be spent on the repair and rehabilitation of the Bel House East. Per City staff, the expenditure of more than \$882,500 on the repair of the damage and/or improvements to the Bel House East will require that it meet all the applicable City Code requirements. In furtherance of the foregoing, the parties acknowledge that the improvements to be made by the CRA and credited against the Purchase Price are generally intended to be the improvements necessary to restore and rehabilitate the Bel House East to meet the applicable City Code requirements and the affordable housing standards of the CRA, whether such improvements are made in one or more phases during the term. Landlord agrees that if the foregoing limitation inhibits the CRA from being able to obtain City approval of plans for the repair and rehabilitation of the Bel House East within such cost limitation, the CRA may terminate the Lease upon written notice to the Landlord; provided, however, prior to the delivery of any such termination notice and as a condition precedent to the right of the CRA to terminate, the parties shall mutually cooperate to submit and pursue a variance application with the City of North Miami to permit the CRA to obtain City approval of plans for the repair and rehabilitation of the Bel House East.

2. City staff has indicated that certain City Code provisions may affect the continued use of the Bel House East as a legal non-conforming structure. Per City staff, Section 29-19 of the City's Zoning Code restricts the dollar amount of improvements to properties that are non-conforming structures. Specifically, Section 29-19(d) (3) states that "If any such non-conforming use of land ceases for any reason for a period of more than 180 consecutive days, or where the structure is destroyed by any means to an extent of more than 50% of its replacement cost at the time of damage or destruction; any subsequent use of land shall conform to the regulations specified by the Ordinance for the district in which it is located, except for agricultural uses." Landlord agrees that should such a provision inhibit the implementation of the CRA's plans for the continued use of the Bel House East as a rental apartment complex, the CRA may terminate the Lease upon written notice to the Landlord; provided, however, prior to the delivery of any such termination notice and as a condition precedent to the right of the CRA to terminate, the parties shall mutually cooperate to submit and pursue a variance application with the City of North Miami to permit the implementation of the



NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

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R. Blynn
S. Despinosse
J. Galvin
E. Steril
Executive Director
T. Crapp, Sr.
Attorney
S. W. Zelkowitz

CRA's plans for the continued use of the Bel House East as a rental apartment complex.

If, following an unsuccessful attempt to obtain the variance(s) as required above, the CRA delivers notice to terminate pursuant to Sections 4 and/or 5 above, then (i) the Lease shall be terminated and of no further force and effect except for those provisions which expressly survive termination including, but not limited to Section 4 of the Lease and (ii) the parties shall have no further liability to one another under the Lease.

Please acknowledge your agreement to the foregoing by signing this letter in the space below and returning a copy to my attention. Signatures on this letter received by facsimile or email shall be considered originals for all intents and purposes.

Sincerely,

Tony E. Crapp, Sr.
Executive Director

Agreed and accepted this ____ day of December, 2007

Bel House Apartments, L.L.P.

By: _____
Roberta Segal, Managing Partner

cc: John C. Dellagloria, Esq.
Steven W. Zelkowitz, Esq.

NMCRA Bel House Side Letter number 2 tecsr 123107

124th Street
Miami, FL 33161
399.0272
399.9376

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NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

December 28, 2007

Ms. Roberta Segal
Bel House Apartments, L.L.P.
1065 N.E. 125th Street, Suite 405
North Miami, FL 33161

Re: Lease Agreement with Option to Purchase (the "Lease"), dated August 1, 2007, between Bel House Apartments, L.L.P., as Landlord and the North Miami Community Redevelopment Agency (the "CRA"), as Tenant

Dear Ms. Segal:

This letter is a follow-up to the action taken by the CRA Board at its meeting on November 27, 2007. In this regard, the terms and conditions set forth below are hereby agreed to by the parties and incorporated into the Lease as if fully set forth therein. Any defined terms not defined in this letter agreement shall have the meaning set forth in the Lease.

1. The Lease assumes the continued and ongoing availability of the North Miami Loan in the amount of \$550,000 for the rehabilitation of the Premises. To the extent that the remaining and un-disbursed North Miami Loan funds in the amount of \$50,000 are available along with the Landlord's other resources, the apartments in the Bel House West will be repaired and/or rehabilitated by the Landlord to meet the HUD affordable housing standards and the public benefit requirements of the North Miami Loan funding. The City's funding of the North Miami Loan requires that 33 of the 65 total apartments be available as affordable rental housing for low and moderate income persons and families whose annual incomes do not exceed eighty (80) percent of the area median income. The rent limitations for these units are to be established in accordance with the loan agreement between the City and the Landlord.
2. The Landlord agrees to contribute a total of \$100,000 towards the cost of repairs to the roof and the electrical and power systems of the Bel House East. Such amount shall be paid at the time such repairs are made, whichever are made first, based upon documentation submitted by the CRA to the Landlord.

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Attorney
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3. The parties acknowledge and agree that the improvements to be made by the CRA to the Bel House East and West, respectively, and credited against the Purchase Price are generally intended to be (a) the improvements necessary to restore and rehabilitate the Bel House East to meet the applicable City Code requirements and the affordable housing standards of the CRA and (b) the improvements made to the Bel House West necessary to meet the HUD affordable housing standards and the public benefit requirements of the North Miami Loan funding. The parties further acknowledge and agree that the improvements to the Bel House East and West may be made by the CRA in one or more phases during the term; provided, however, that upon the issuance of a certificate of occupancy for the improvements to the Bel House East which meet the requirements of (a) above, and completion of the improvements to the Bel House West that meet the requirements of (b) above, such improvements shall respectively and collectively constitute the improvements to be credited against the Purchase Price. Notwithstanding anything set forth in the Lease to the contrary, prior to bid award for any restoration and rehabilitation work to the Premises, Tenant shall submit all bids to Landlord for its review. Landlord shall have the right to approve the recommended bid, and all items shall be identified as being "Basic Living Standards" rehabilitation or "Discretionary" improvements. Only those scope of work items that are "Basic Living Standard" rehabilitation shall be credited against the final Purchase Price for the Premises. If Landlord fails to approve the recommended bid, the parties agree to cooperate to select one of the other bids or re-bid the work until there is a bid which meets Landlord approval. Additionally, the Landlord shall have the right to review and approve any change orders that may be requested by either the CRA or the contractor (or any sub-contractor) which occur after the award of bid.

Please acknowledge your agreement to the foregoing by signing this letter in the space below and returning a copy to my attention. Signatures on this letter received by facsimile or email shall be considered originals for all intents and purposes.

Sincerely,

Tony E. Crapp, Sr.
Executive Director

124th Street
Miami, FL 33161
399.0272
399.9376



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Board
A. Burns, Chair
El R. Blynn
s Despinosse
Galvin
Erlande Steril

Executive Director
E. Crapp, Sr.

Attorney
W. Zelkowitz

Agreed and accepted this ____ day of December, 2007

Bel House Apartments, L.L.P.

By: _____
Roberta Segal, Managing Partner

cc: John C. Dellagloria, Esq.
Steven W. Zelkowitz, Esq.

NMCRA Bel House Side Letter number 1 tecsr 123107

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211458 v2

GT Comments
12/7

FIX-GLOBAL

MANAGEMENT AGREEMENT

THIS MANGEMENT AGREEMENT (the "Agreement") is made and entered into as of the ___ day of August 2007, by and between the NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY, a public body corporate and politic (the "CRA") and URBAN RESIDENTAL DEVELOPMENT GROUP, LTD., f/k/a North Miami Housing, Ltd., a Florida limited partnership (the "Manager").

RECITALS

1. CRA is the Tenant under that certain Lease Agreement with Option to Purchase dated as of August 1, 2007 (the "Lease") between the CRA and Bel House Apartments, LLP, as Landlord, with respect to that certain improved real property known as "Bel House Apartments" having a street address of 13925 and 13990 N.E. 6th Avenue, North Miami, Florida 33161 (the "Property") as more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.

2. Pursuant to Section 8(b) of the Lease, the CRA is authorized to engage a third party contractor to perform the management services required to be provided by the CRA under the Lease.

3. Manager represents and warrants that its principals are experienced in the management and operation of multi-family residential projects.

4. CRA desires to employ Manager, and Manager desires to be employed by the CRA, as the exclusive manager to provide property management services with to the day-to-day operations of the Property under the terms and conditions hereinafter set forth. The CRA's employment of the Manager is consistent with the terms of the Interlocal Agreement between the City of North Miami and the CRA dated January 24, 2006 regarding the implementation of the affordable housing provisions of Section 9.4 of the Munisport Development Agreement between the City of North Miami and Biscayne Landing.

5. Manager has agreed to render such management services as herein set forth subject to its being compensated of said services based upon fees agreed upon by the parties as described below.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and the mutual covenants, promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the CRA and Manager, intending to be legally bound, hereby agree as follows:

Section 1. Employment. CRA hereby employs Manager as the sole and exclusive manager to manage and operate the Property under the terms and conditions hereinafter set forth. Manager accepts such employment, all subject to and in accordance with the terms, provisions and conditions of this Agreement.

Need to specify that
PROPERTY DOES NOT INCLUDE
EXIST BLDG NOW. AT SUCH
TIME AS BLDG IS RENOVATED
THEN DEFINITION WILL BE
DEEMED TO INCLUDE
SUCH BUILDING

Section 2. Term Of Employment. The term of this Agreement shall commence on August 2007 and shall terminate on August 2008 unless terminated earlier as hereinafter provided. Provided Manager is not in default of its obligations hereunder, the term of this Agreement shall automatically renew on a year to year basis subject to the right of the CRA and Manager to terminate this Agreement as set forth in Section 11 below. Notwithstanding anything herein to the contrary, this Agreement shall immediately terminate upon the termination of the Lease; provided, however, if the Lease is terminated due to the purchase of the Property by the CRA, this Agreement shall continue in full force and effect.

Section 3. Manager's Property Management Services. Manager, as a fiduciary of the CRA, shall use its commercially reasonable good faith best efforts in the management and operation of the Property so that the Property will be operated and maintained in a manner consistent with (a) the CRA's affordable housing policies as promulgated from time to time, (b) the requirements of the Lease and (c) applicable laws. All services shall be performed in the manner and at times directed by CRA and otherwise in accordance with applicable laws. In amplification of the foregoing, Manager shall, without limitation, perform each of the following services:

DO YOU HAVE THAT WE CAN ATTACH AS AN EXHIBIT NOW?

3.1 provided in writing to Manager Oversee the management and operation of the Property on a day to day basis including, but not limited to, the performance of all obligations of the CRA relative to the management of the Property as set forth in the Lease. in writing

3.2 Use its best efforts to secure tenants and negotiate the leasing of all the apartments in the Property.

3.3 With the prior written consent of CRA, carry on advertising and promotional programs devoted to aiding and assisting the leasing of apartments on the Property. Any and all such advertising and promotional programs shall be subject to the prior written approval of CRA, which approval shall not be unreasonably withheld, conditioned or delayed.

3.4 Collect, receive and record in separate accounts of CRA, all rent and other income becoming due and payable to CRA.

3.4.1 A separate account shall be maintained to cover and receive rental and other income, and to pay for all financial transactions of CRA;

→ LETS DISCUSS. I am NOT sure what this means.

3.4.2 CRA agrees that all financial transactions shall be paid and/or recorded through said account; and

3.4.3 All such funds in the account shall be held and used by Manager as a trust fund for the payment of only those costs and expenses authorized by this Agreement or by CRA's written direction from time to time.

3.5 Pay from the funds referred to in Section 3.4 above or from other funds made available by CRA, for the account of CRA, all costs reasonably and necessarily incurred by Manager in operating, maintaining and repairing the Property as well as other costs which are prudent, necessary and appropriate in order to protect the Property including, but not limited to, debt service under mortgages and other payments due to the Landlord's mortgagees as required

by the Lease; water charges; sewer charges; assessments and all other charges and impositions payable with respect to the Property; all utility costs; labor and on-site payroll for employees of the Property who shall be employees of Manager; and the costs or repairs and improvements to the Property.

3.6 Manager shall pay all costs of the Property (including debt service as required by the Lease) promptly when such payments are due and payable. At no time shall it be the responsibility of Manager to advance money for payments of any obligations of CRA when funds are not available, but Manager agrees to advise CRA timely when funds are not available for said payments, or when Manager believes anticipated expenses will exceed available funds.

3.7 With the prior written consent of CRA, ^{which consent will not be unreasonably withheld, conditioned or delayed} oversee the institution of any and all legal actions or proceedings (in the name of Landlord and/or CRA, as necessary) required for the collection of rent or other income from the Property or the ousting or dispossession of tenants or other persons therefrom using legal counsel appointed and approved by CRA.

3.8 Maintain at the Property or at the regular business office of Manager and make available for CRA's inspection and copying at all reasonable times, property accounting books and journals and orderly files containing rent records, insurance policies, leases, correspondence, receipted bills and vouchers, and all other documents and papers pertaining to the Property. The foregoing documents shall be at the sole property of CRA. Manager shall, upon the request of CRA, deliver any of all of the foregoing, documents to CRA or the CRA's attorneys, accountants or other representatives of CRA;

3.9 ^{Promptly} ~~Immediately~~ furnish to CRA, upon receipt by Manager any and all notices affecting the Property including, with limitation, notices from any taxing or other governmental authority and notices of violations of law or municipal ordinances or orders issued by any governmental authority or by any board of Board of Fire Underwriters or other similar body.

3.10 Cause to be prepared and filed the necessary forms for unemployment insurance, workmen's compensation, withholding and social security taxes and all tax and other forms relating to employment of employees in connection with the Property required by any federal, state or municipal authority. Manager shall deposit such payroll taxes as may be required by the Internal Revenue Service for the payment of payroll taxes for the employees referenced herein. All penalties incurred by reason of late filing shall be borne by Manager and shall be the sole obligation and responsibility of Manager.

~~3.11 Do or cause to be done all such acts or things in or about the Property as shall be reasonably necessary appropriate or desirable to comply with any and all orders or violations affecting the Property placed thereon by any governmental authority having jurisdiction over the Property and to comply with all order of any Board of Fire Underwriters or similar body, and promptly furnish to CRA evidence satisfactory to CRA of such compliance.~~

THIS SECTION IS NOT ACCEPTABLE FOR 2 REASONS:

3.12 Cause to be prepared and delivered to CRA a projected budget and management plan acceptable to CRA of the Property's operation of the next calendar year. The budget and

- 3 > 1) we have no way of knowing that the property is currently in compliance;
- 2) cannot be required to spend \$
- 3) can't be liable if owner prevents us

management plan is to be updated quarterly as actual results are available. The quarterly budget update will show actual quarterly results.

3.13 Furnish to CRA, not later than the 15th day of each month a monthly statement, certified as correct by the chief financial officer of Manager, of all rent and other income collected by it covering the period from the first day of the prior month through the last day of the prior month and disbursements made therefrom as provided hereunder, which monthly statement shall also include a cumulative statement of receipts and disbursement from the beginning of the fiscal year in questions through the end of the month for which the statement is submitted; a statement of all outstanding bills and accounts payable as of the end of such month; and a statement of obligations incurred during said month. Manager shall also furnish CRA at the time of the furnishing of such monthly statement a monthly rental activity report to be in form and substance acceptable to CRA.

3.14 ~~Provide and furnish these management services customarily provided by property managers in the locality in which the Property is situated for projects of similar type and quality as the Property including, but not limited to, the following services:~~

3.14.1 Manager, subject to reimbursement as provided in Section 5 below, will provide such personnel as it deems necessary to the proper operation and maintenance of the Property so that the Property will be operated, maintained and staffed during regular business hours ^{in a manner which will always at least equal the standard of care and services rendered by management companies performing the same type of services rendered for similar quality properties in the area.} Such personnel shall be either in the employ of Manager, Manager's subsidiaries or affiliates, or in the employ of other firms, corporations or persons which may be engaged by Manager in the management, servicing or operation of the Property but shall not be employees of CRA. CRA shall review and approve such personnel and related expenditures on a quarterly annual basis.

the bracketed provision is problematic - we need to set a standard now

3.14.2 Be fully and absolutely responsible for the proper deposit and application of funds received by Manager, it being understood that personnel at the Property are employees of Manager. Manager shall at all times operate and maintain the Property as efficiently and profitably as possible and in the manner required by this Agreement;

3.14.3 Comply with all requirements of the Lease and Landlord's mortgagees, and to promptly furnish CRA with copies of all materials which are sent by any mortgagee to Manager; it being understood and agreed that this Agreement is subject and subordinate to all terms and provisions of the Lease.

solely to the extent Manager has received a copy of the landlord's lease documents,

3.15 Manager shall procure tenants for the Property and shall be responsible for (i) the leasing of apartments in the Property upon such terms and conditions as are specified by CRA, (ii) the conduct of all negotiations related thereto; and (iii) the preparation of leases and other documents in form and substance satisfactory to CRA and approved by CRA and its legal counsel, including tending to the execution of such leases by tenants and delivery of such leases; provided, however, that Manager shall not have the right to cancel or amend any lease in any material manner except with the written consent of CRA.

nwntrca

3.16 Manager shall use its ^{commercially reasonable good faith} best efforts to keep the Property rented and shall submit to CRA, on a monthly basis as a part of the managing agent's statements, a comprehensive Leasing Activity Report, which shall include information with respect to: (i) all leases out for signature, including prospective tenants, location, term and rate; (ii) all new tenants occupying space during the month showing tenant's name, suite number, rate and term; (iii) any renewals showing tenant's name, suite number, new rate and new terms; (iv) all tenants who have or will vacate the building during the month ^{showing} showing tenant's name, suite number and last day of occupancy.

3.17 Manager shall, from time to time, at CRA's ^{reasonable} request, and at least annually, ^{but no more than twice per calendar year} prepare and submit to CRA, proposed leasing parameters for the Property. Said leasing parameters will state proposed lease rates (gross) and concessions (i.e., free rent) to ensure that the Property is competitive in the marketplace. These parameters, when approved in writing by CRA, shall form the basis on which the terms of proposed leases of apartments in the Property shall be drafted and shall form the basis on which same shall be negotiated. Said parameters are not intended to constitute a fixed requirement, but rather to form a basis for the negotiation of such leases, to be modified in particular instances with consent in writing of CRA as hereinbefore provided. It shall remain in effect until CRA has approved a revised schedule of leasing parameters.

Section 4. Marketing Plan. Manager shall formulate a comprehensive marketing plan for the Property including, but not limited to the placing of signage, preparation of leasing brochures to be distributed amongst the Real Estate Brokerage community, analysis and direct marketing to prospective tenants and the listing of properties on the Multiple Listing Service, if applicable

Section 5. Reimbursement for Management Costs of the Property. The CRA shall reimburse the Manager, on a monthly basis, for all the actual direct and verified costs incurred for the management services contemplated hereunder, except for general overhead, office and administrative expenses and the salaries of any employees of the Manager.

Section 6. Payment from CRA Funds. Except as provided in this Section 6 and, except as otherwise specifically provided in this Agreement, any and all costs and expenses required to be expended or set aside by Manager pursuant to this Agreement, or in connection with the performance of its duties or the fulfilling of its obligations hereunder shall be at the cost and expense of CRA and may be paid by Manager out of available funds provided by CRA. Manager shall not be permitted to charge CRA for any of its general overhead, office and administrative expenses and the salaries of any employees of the Manager or pay or be repaid for the same out of the Gross Rental Receipts or other income from the Property.

Section 7. Segregation of Funds: Fidelity Bond.

7.1 Manager shall segregate all monies received and collected by it and shall maintain and keep such monies separate and apart from any of its other funds in trust accounts in such banks, savings and loan associations and other depositories as CRA shall, in its sole discretion, from time to time, designate. Such trust accounts shall be in the name of the Manager as trustee

for CRA, unless otherwise instructed by CRA. The sole signatory on the bank accounts referred to herein shall be _____

equal to \$10,000.00 CRA

7.2 Manager shall through the term of this Agreement, procure and maintain a Third-Party Commercial Fidelity Bond in an amount ~~adequate~~ to protect the interests of Owner written on a blanket basis covering all partners, officers, employees and agents who have custody of or access to any revenues, monies, or finances of the Property. The bond shall include or be endorsed to cover "Third-Party" liability and include a third-party beneficiary endorsement in favor of the CRA, its employees and agents. The bond shall include a minimum twelve (12) month "Discovery Period" when written on a loss sustained basis. Such fidelity bond shall be issued by an insurance company licensed to do business in the State of Florida and subject to the approval of CRA.

Section 8. Management Fee.

8.1 Manager shall receive management compensation in monthly installments equal to four percent (4%) of the Gross Rental Receipts (hereinafter defined) collected each month. In the event the CRA requests the Manager to perform additional services outside the scope of the management services set forth herein, the fees for such services shall be as mutually agreed by CRA and Manager based upon an authorized scope of work or an hourly basis as agreed to by CRA and Manager. The compensation to be paid Manager shall be equitably prorated as of the date of termination of this Agreement if the same shall be terminated early as provided hereunder. CRA agrees to cooperate with Manager to lease the Property and to immediately refer to Manager all inquiries of anyone interested in leasing the Property. All lease negotiations are to be through Manager. Manager is hereby authorized to accept deposits from any prospective tenant. Manager is further authorized to advertise the Property and to place "For Lease" signs on the Property if in Manager's opinion such actions would facilitate the leasing of the Property.

together with late charges, cancellation fees.

as would be included w/ receipts

8.2 Gross Rental Receipts. "Gross Rental Receipts" shall mean all rent actually collected from tenants. Gross Rental Receipts shall also include income from routine operation of the Property, and other miscellaneous services that may be provided and will include receipts arising out of common area maintenance charges, if any. Gross Rental Receipts shall not include receipts arising out of the sale of assets, refunds for real estate tax payments, condemnation payments, security deposits, prepaid rents, until such time as they are due, payments for lease cancellation, settlement of insurance claims and casualty losses and items of a similar nature, or rebates, discounts or other credits received by Manager incident to purchases, contracts or other arrangements entered into under this Agreement for the account of CRA, all of which items shall accrue to the benefit of CRA.

and proceeds from rental or business interruption insurance

(until the same are forfeited by the tenant under the lease)

Section 9. Indemnification.

9.1 Indemnification by the CRA. Subject to the provisions and monetary limitations of Section 768.28, Florida Statutes, as such may be amended, the CRA agrees to indemnify and hold the Manager, its officers, directors, partners, agents and employees harmless to the fullest extent permitted by law from and against any and all liabilities, losses, interest, damages, costs or

expenses (including, without limitation, reasonable attorneys' fees, whether suit is instituted or not, and if instituted, whether incurred at any trial or appellate level or post judgment) threatened or assessed against, levied upon, or collected from, the Manager, arising out of, from, or in any way arising from the negligence, (unless this Agreement otherwise provides for responsibility for negligence), fraud, or breach of trust of the CRA or from a failure of the CRA to perform its obligations under this Agreement. Notwithstanding the foregoing, the CRA shall not be required to indemnify the Manager with respect to any liability, loss, damages, cost or expense suffered as a result of the gross negligence or willful misconduct of the Manager. The Manager shall be designated as an additional insured on all liability insurance policies maintained by the CRA with respect to the Property.

9.2 Indemnification by the Manager. The Manager agrees to indemnify and hold the CRA, its board members, and employees harmless to the fullest extent permitted by law from all liabilities, losses, interest, damages, costs or expenses (including without limitation, reasonable attorneys' fees, whether suit is instituted or not and if instituted, whether incurred at any trial, appellate or post judgment level), threatened or assessed against, levied upon, or collected from, the CRA arising out of, from, or in any way arising from the negligence, (unless this Agreement otherwise provides for responsibility for negligence), fraud, or breach of trust of the Manager or from a failure of the Manager to perform its obligations under this Agreement, *except to the extent caused by the gross negligence or willful misconduct of the CRA.*

9.3 Notice of Indemnification. A party's duty to indemnify pursuant to the provision of this Section 7 shall be conditioned upon the giving of notice by such party of any suit or proceeding and upon the indemnifying party being permitted to assume in conjunction with the indemnitor the defense of any such action, suit or proceeding in accordance with Section 7.4 hereof.

9.4 Third Party Claim Procedure. If a third party (including, without limitation, a governmental organization) asserts a claim against a party to this Agreement and indemnification in respect of such claim is sought under the provisions of this Section 9 by such party against another party to this Agreement, the party seeking indemnification hereunder (the "Indemnified Party") shall promptly (but in no event later than ten (10) Business Days prior to the time in which an answer or other responsive pleading or notice with respect to the claim is required) give written notice to the party against whom indemnification is sought (the "Indemnifying Party") of such claim. The Indemnifying Party shall have the right at its election to take over the defense or settlement of such claim by giving prompt written notice to the Indemnified Party at least five (5) Business Days prior to the time when an answer or other responsive pleading or notice with respect thereto is required. If the Indemnifying Party makes such election, it may conduct the defense of such claim through counsel or representative of its choosing (subject to the Indemnified Party's approval of such counsel or representative, which approval shall not be unreasonably withheld), shall be responsible for the expenses of such defense, and shall be bound by the results of its defense or settlement of claim to the extent it produces damage or loss to the Indemnified Party. The Indemnifying Party shall not settle any such claim without prior notice to and consultation with the Indemnified Party, and no such settlement involving any equitable relief or which might have a material and adverse effect on the Indemnified Party may be agreed to without its written consent. So long as the Indemnifying Party is diligently contesting any such claim in good faith, the Indemnified Party may pay or settle such claim only at its own expense. Within twenty (20) Business Days after the receipt by the Indemnifying

Party of written request by the Indemnified Party at any time, the Indemnifying Party shall make financial arrangements reasonably satisfactory to the Indemnified Party, such as the posting of a bond or a letter of credit, to secure the payment of its obligations under this Section 9 in respect of such claim. If the Indemnifying Party does not make such election, or having made such election does not proceed diligently to defend such claim, or does not make the financial arrangements described in the immediately preceding sentence, then the Indemnified Party may, upon three (3) Business Days' written notice (or shorter notice if a pleading must be filed prior thereto) and at the expense of the Indemnifying Party, take over the defense of and proceed to handle such claim in its exclusive discretion and the Indemnifying Party shall be bound by any defense or settlement that the Indemnified Party may make in good faith with respect to such claim. The parties agree to cooperate in defending such third party claims and the defending party shall have access to records, information and personnel in control of the other party or parties which are pertinent to the defense thereof. For purposes of this Agreement, "Business Day" shall mean any day that the City of North Miami is open for business.

9.5 Survival. The provisions of this Section 9 shall survive the expiration or earlier termination of this Agreement.

Section 10. Manager's Insurance.

~~10.1 Manager shall maintain the following insurance coverages at all times during the term and furnish a certificate of insurance to CRA evidencing:~~

- (a) Worker's Compensation insurance coverage in accordance with Florida statutory requirements.
- (b) Employers' Liability insurance coverage with limits of \$500,000 for bodily injury by accident per accident/\$500,000 for bodily injury by disease per employee/\$500,000 for bodily injury by disease policy limit.
- (c) Commercial general liability insurance coverage with limits of no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate, which policy shall include coverage of the contractual liabilities contained in this Agreement.
- (d) Business Auto Liability including hired and non-owned auto coverage with minimum limits of \$1,000,000 combined single limit.
- (f) Umbrella/excess liability insurance coverage, with limits of no less than \$10,000,000 per occurrence and \$10,000,000 in the aggregate.

replace with LANGRASS on schedule A

~~The certificate shall provide that CRA will be given at least thirty (30) days prior written notice of cancellation of the policy. The cost of the Manager's insurance shall be paid by the Manger and is not a reimbursable expense. Manager's insurance will be primary and noncontributory with respect to insurance outlined in this Section 10. Manager shall ensure that Manager and CRA are named as additional insureds on the independent contractor's Commercial General Liability and Umbrella/excess insurance policies. Manager shall require the~~

Schedule A

Insurance: Manager will promptly investigate and make a full written report, including any report required by any insurance company, of all accidents or claims for damage relating to the ownership, operation and maintenance of the Property, including any damage or destruction to the Property and the estimated cost of repair, and will cooperate and make all reports reasonably required by any insurance company in connection therewith. All commercial property, general public liability and other liability policies carried by or for the CRA will name Manager as an insured or an additional insured. The insurance to be provided by the CRA shall be substantially as set out in the Certificates attached hereto as Exhibit A [**note: we will provide this under separate cover**] and incorporated herein.

Manager's Insurance. Manager also will provide and maintain at Manager's expense worker's compensation insurance in full compliance with all applicable state and federal laws and regulations covering all employees of Manager performing work in respect to the Property.

Subrogation. Neither the CRA nor the Manager shall be liable to each other, or to any insurance company insuring either party, by way of subrogation or otherwise, for any damages caused by perils, including but not limited to any loss or damage to property (building, structure or other tangible property), bodily injury, loss of income, and/or losses under workers' compensation laws and benefits to third parties or employees of either party. This waiver of subrogation shall apply whether or not the damages at issue are the subject of any insurance obtained by either party or required to be obtained by either party pursuant to this Agreement. This mutual waiver of subrogation is subject to the consent of all insurance carriers writing any policies required by this Agreement. Furthermore, this mutual waiver shall not serve to abrogate or invalidate either party's rights to be indemnified and/or held harmless pursuant to any other portions of this Agreement.

~~independent contractor and its insurers to waive all rights of subrogation with respect to the CRA and the Developer.~~

10.2 Manager shall obtain and keep on file Certificates of Insurance for any independent contractors performing services on the Property. Manager must obtain the CRA's permission to waive any of the above requirements. Higher amounts may be required if the work to be performed is sufficiently hazardous.

10.3 CRA and Manager, for themselves and anyone claiming through them, hereby waive all rights of their insurers to subrogation against the other to the extent permitted by law. To the extent commercially available at reasonable rates, the CRA and Manger agree that their policies will include such a waiver or an endorsement to that effect. This mutual waiver of subrogation shall apply regardless of the cause or origin of the loss or damage, including negligence of the parties hereto, their respective agents and employees except that it shall not apply to willful conduct.

Section 11. Termination.

11.1 Subject to termination as hereinafter provided, this Agreement shall be effective for the term set out in Section 2 above. This Agreement may be terminated at any time by ^{the Manager} CRA for cause immediately or without cause by giving thirty (30) days written notice.

^{by the Manager} 11.2 Notwithstanding any such notice of termination by CRA, the Manager shall be and remain liable for the performance and time fulfillment of its fiduciary duties and other obligations hereunder and shall maintain all records, documents, property and files unimpaired until the termination date and for three (3) years thereafter. Upon termination of this Agreement, all original books and records, leases, insurance policies, correspondence, bill and vouchers and all other documents and papers pertaining to the Property, together with all funds, supplies or other property held by Manager to CRA, shall be immediately turned over to CRA or its duly appointed representative(s) as directed by CRA.

11.3 Manager shall oversee account for and pay to CRA all funds, including security deposits and advance rents, held as of the termination date. In the event of termination, Manager shall not be entitled to any management fee or compensation not accrued and earned prior to the termination date, including any fee relating to any advance rental paid and collected by Manager, except as otherwise specifically provided in this Agreement. Further, Manager shall fully cooperate with CRA and any new manager in connection with the transfer or management duties to such new manager while Manager is still in the employ of CRA.

Section 12. Representations and Warranties.

12.1 Manager. The Manager represents and warrants to the CRA as follows:

(a) That (i) it is duly organized, validly existing and in good standing under the laws of Florida; (ii) the execution, delivery and performance of this Agreement and the consummation of the transactions provided for in this Agreement have been duly authorized and upon execution and delivery by the Manager will constitute the valid and binding agreement of

the Manager enforceable in accordance with its terms; and (iii) the execution and delivery of this Agreement and the performance by the Manager hereunder, will not conflict with, or breach or result in a default under, any agreement to which it is bound.

(b) That there are no pending, threatened, judicial, municipal or administrative proceedings, consent decrees or judgments against Manager which would materially and adversely affect the Manager's ability to perform its obligations hereunder.

12.2 CRA. The CRA represents and warrants to the Manager as follows:

(a) That it is a public body corporate and politic of the State of Florida duly organized under the laws of the State of Florida, (ii) the execution, delivery and performance of transactions provided for this Agreement have been duly authorized and upon execution and delivery by the CRA will constitute the valid and binding agreement of the CRA enforceable in accordance with its terms; and (iii) the execution and delivery of this Agreement and the performance by the CRA hereunder, will not conflict with, or breach or result in a default under any agreement to which it is bound.

(b) That there are no pending, threatened, judicial, municipal, or administrative proceedings, consent decrees or judgments against the CRA which would materially and adversely affect the CRA's ability to perform its obligations hereunder.

12.3 Survival. The representative and warranties set forth in this Section 12 shall survive the expiration or earlier termination of this Agreement.

Section 13. Miscellaneous.

13.1 Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand delivered, delivered by overnight courier by a nationally recognized courier, delivered by facsimile or mailed (airmail or international) by registered or certified mail (Postage prepaid), return receipt requested, addressed to:

(a) If to the CRA:

North Miami Community Redevelopment Agency
615 N.E. 124th Street
North Miami, Florida 33161
Attn: Tony E. Crapp, Sr., Executive Director

With a copy to:

North Miami Community Redevelopment Agency
P.O. Box 610655
North Miami, FL 33261-0655
Attn: Tony E. Crapp, Sr., Executive Director

Gray Robinson, P.A.

401 East Las Olas Boulevard
Suite 1850
Fort Lauderdale, Florida 33301
Attn: Steven W. Zelkowitz, Esq.

(b) If to the Developer:

Urban Residential Development Group, Ltd.
~~555 N.E. 15th Street, Suite 213~~ 2200 NE 143rd Street, Suite 100
North Miami, Florida ~~33152~~ 33181
Attn: Otis Pitts

With a copy to:

321 E. Hillsborough Blvd.
Deerfield Beach, Florida 33441
Attn: Ted Stotzer, Esq.

With a copy to:

Greenberg, Traurig, P.A.
1221 Brickell Avenue
Miami, Florida 33131
Attn: Kimberly S. LeCompte, Esq.

Each such notice shall be deemed delivered (a) on the date faxed with confirmation of receipt, (b) next business day after deposited with an overnight courier, (c) the date of delivery if delivered by hand, and (d) on the date upon which the return receipt is signed or delivery is refused, as the case may be, if mailed. For purposes of this Agreement, copies of notices shall not constitute notice and may be delivered by means other than as required herein.

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

13.3 Assignment. The Manager may not assign its respective rights and obligations, in whole or in part, without the prior written consent of the CRA (which may be withheld in the CRA's sole discretion); provided, however, ^{that without the CRA's prior written consent, but with prior written notice to the CRA,} the Manager may assign its rights and obligations hereunder to a wholly owned subsidiary of Manager or an entity which has the same beneficial owners as Manager. In such event, Manager shall remain liable for its obligations hereunder. The CRA shall not assign its respective rights and/or obligations under this Agreement.

13.4 Representatives. The CRA hereby appoints the CRA Executive Director to serve as its representative. The CRA Executive Director shall have the right and authority to provide all consents and approvals, and take other actions, required hereunder on behalf of the CRA; provided, however, (i) the CRA Executive Director shall obtain the consent of the CRA Board to the extent required by Applicable Laws, and (ii) the CRA Executive Director may, in the CRA

^(a)
and entity which is owned, in part by the Manager, and provided the assignee assumes all of the Manager's obligations hereunder, the Manager shall be released of its obligations hereunder, and (b) enter into a subcontractor type arrangement with a third party manager, and in such event

Executive Director's discretion, submit any matter to the CRA Board for their review and approval. The Manager hereby appoints Otis Pitts, Jr. to serve as its representative. The parties may change their respective designated representative at any time by providing written notice thereof to the other party.

13.5 Pledgee Protection Provisions. The CRA acknowledges that the equity interests in the Manager have been pledged to Column Financial, Inc. (including its respective successors and/or assigns or any other future pledgee of such equity interests in Developer, the "Pledgee"). Pledgee shall have the right, but not the obligation, at any time prior to the termination of this Agreement, and without any payment or penalty, to do any act or thing required of the Developer; and to do any act or thing which may be necessary or proper to be done in the performance and observance of the agreement, covenants and conditions hereof imposed upon the Developer. All payments so made and all things so done and performed by any Pledgee shall be effective to prevent a default under this Agreement as the same would have been if made, done and performed by Manager instead of by said Pledgee. Any event of default under this Agreement which in the nature thereof cannot be remedied by a Pledgee without completing the foreclosure of the equity interests in Manager shall be deemed to be remedied if: (a) within thirty (30) days after receiving written notice from the CRA setting forth the nature of such event of default, or prior thereto, the Pledgee shall have acquired the equity interests in the Manager or shall have commenced foreclosure or other appropriate proceedings in the nature thereof, (b) the Pledgee diligently prosecutes any such proceedings to completion, (c) the Pledgee shall have fully cured any default in the payment of any monetary obligation owed the CRA hereunder within such thirty (30) day period and shall thereafter continue to perform faithfully all such non-monetary obligations which do not require foreclosure of the equity interests, and (d) after acquiring the equity interests in Manager through foreclosure or otherwise, the Pledgee performs all other obligations of the Manager hereunder as and when the same are due. The CRA shall mail or deliver to any Pledgee who has provided its address to the CRA any and all notices of default which the CRA may from time to time give to or serve upon the Manager pursuant to the provisions of this Agreement and such copies shall be mailed or delivered to such Pledgee simultaneously with the mailing or delivery of the same to the Developer. No violation of this Agreement by, or enforcement of this Agreement against, Developer, shall impair, defeat or render invalid the lien of any pledge of equity interests in Developer. CRA hereby agrees to cooperate reasonably with the Manager in regard to the satisfaction of the requests or requirements by the Pledgee; provided that the CRA shall not be deemed obligated to accede to any request that materially and adversely affects its rights under this Agreement. In the event of any conflict between the provisions of this Section 13.5 and the other provisions of this Agreement, this Section 13.5 shall control.

13.6 Governing Law; Venue. The nature, validity and effect of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida. Venue for any action or proceeding shall be in Miami-Dade County, Florida.

13.7 Captions. Captions are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

13.8 Entire Agreement and Amendment. This Agreement constitutes the entire agreement between the parties hereto related to the management of the Property and no

Manager

GLOBAL

TOOSKOA

modification hereof shall be effective unless made by a supplemental agreement in writing executed by all of the parties hereto. In the event there is a Pledgee at the time of such amendment, the consent in writing of such Pledgee to any proposed amendment must be obtained in order for such amendment to be enforceable against or binding upon such Pledgee (or the Manager following the date the Pledgee acquires the equity interests in Developer), provided such Pledgee has provided its address to the CRA and notified them that such consent is required in connection with any amendments of this Agreement.

13.9 No Joint Venture. The Manager shall not be deemed to be a partner or a joint venturer with the CRA, and the Manager shall not have any obligation or liability, in tort or in contract, with respect to the Property, either by virtue of this Agreement or otherwise, except as may be set forth to the contrary herein.

13.10 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

13.11 Successors. Except as herein otherwise specifically provided, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns.

13.12 Pronouns. Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, feminine and neuter.

13.13 Attorneys' Fees. If any party commences an action against the other party to interpret or enforce any of the terms of this Agreement or as the result of a breach by the other party of any terms hereof, the non-prevailing party shall pay to the prevailing party all reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action, including those incurred in any appellate proceedings and in enforcing this Attorneys' Fees provision, and whether or not the action is prosecuted to a final judgment.

13.14 Further Assurances. The parties to this Agreement have negotiated in good faith. It is the intent and agreement of the parties that they shall cooperate with each other in good faith to effectuate the purposes and intent of, and to satisfy their obligations under, this Agreement in order to secure to themselves the mutual benefits created under this Agreement; and, in that regard, the parties shall execute such further documents as may be reasonably necessary to effectuate the provisions of this Agreement; provided that the foregoing shall in no way be deemed to inhibit, restrict or require the exercise of the CRA when acting in its governmental capacity.

13.15 Equitable Remedies. In the event of a breach or threatened breach of this Agreement by any party, the remedy at law in favor of the other party will be inadequate and such other party, in addition to any and all other rights which may be available, shall accordingly

have the right of specific performance in the event of any breach, or injunction in the event of any threatened breach of this Agreement by any party.

13.16 Force Majeure. For purposes of this Agreement, "Force Majeure" shall mean the inability of either party to commence or complete its obligations hereunder by the dates herein required resulting from delays caused by strikes, picketing, acts of God, war, governmental action or inaction (including, without limitation, any action of inaction by the Miami-Dade County Water and Sewer Department with respect to the Force Main), acts of terrorism, emergencies or other causes beyond either party's reasonable control which shall have been timely communicated to the other party. Events of Force Majeure shall extend the period for the performance of the obligations for the period equal to the period(s) of any such delay(s).

13.17 Third Party Rights. The provisions of this Agreement are for the exclusive benefit of the parties to this Agreement and no other party (including without limitation, any creditor of the CRA or the Manager) shall have any right or claim against the CRA or the Manager by reason of those provisions or be entitled to enforce any of those provisions against the CRA or the Manager.

13.18 Survival. All covenants, agreements, representations and warranties made herein or otherwise made in writing by any party pursuant hereto shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

13.19 Remedies Cumulative; No Waiver. The rights and remedies given in this Agreement and by law to a non-defaulting party shall be deemed cumulative, and the exercise of one of such remedies shall not operate to bar the exercise of any other rights and remedies reserved to a non-defaulting party under the provisions of this Agreement or given to a non-defaulting party by law.

13.20 No Waiver. One or more waivers of the breach of any provision of this Agreement by any party shall not be construed as a waiver of a subsequent breach of the same or any other provision, nor shall any delay or omission by a non-defaulting party to seek a remedy for any breach of this Agreement or to exercise the rights accruing to a non-defaulting party of its remedies and rights with respect to such breach.

13.21 Signage. Subject to the reasonable approval of the CRA and in accordance with applicable laws, the Manager shall have the right to place one or more appropriate signs upon the Property indicating that the Manager is providing management services for the Property.

13.22 Construction. This Agreement shall be interpreted without regard to any presumption or rule requiring construction against the party causing this Agreement to be drafted.

13.23 Jurisdiction; Venue; and Waiver of Jury Trial. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY (A) AGREES THAT ANY SUIT, ACTION OR OTHER LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE BROUGHT IN THE FEDERAL OR STATE COURT SITUATED IN MIAMI-DADE COUNTY, FLORIDA; (B) CONSENTS TO THE JURISDICTION OF EACH SUCH

COURT IN ANY SUCH SUIT, ACTION OR PROCEEDING; (C) WAIVES ANY OBJECTION WHICH IT MAY HAVE TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY OF SUCH COURTS; AND (D) AGREES THAT SERVICE OF ANY COURT PAPER MAY BE EFFECTED ON SUCH PARTY BY MAIL, AS PROVIDED IN SECTION 13.1 HEREOF, OR IN SUCH OTHER MANNER AS MAY BE PROVIDED UNDER APPLICABLE LAWS OR COURT RULES. EACH PARTY WAIVES ALL RIGHTS TO ANY TRIAL BY JURY IN ALL LITIGATION RELATING TO OR ARISING OUT OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed by their duly authorized officer where applicable and sealed as of the date first above written.

MANAGER:

URBAN RESIDENTIAL DEVELOPMENT GROUP, LTD.,
f/k/a North Miami Housing, Ltd., a Florida limited partnership

By: URDG-GP,LLC,
a Florida limited liability company,
as general partner

By: _____
Name: _____
Title: _____

CRA:

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY,
a public body corporate and politic

By: _____
Kevin A. Burns, Chairman

By: _____
Tony E. Crapp, Sr., Executive Director

Attest:

By: _____
Frank Wolland, City Clerk

Approved as to form and legal sufficiency:

By: _____
Gray Robinson, P.A., CRA Attorney

107566 v1

NMCRA Advisory Committee

AGENDA ITEM VII



AGENDA ITEM IV

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board
Kevin A. Burns, Chair
Michael R. Blynn
Jacques Despinosse
Scott Galvin
Marie Erlande Steril

Executive Director
Tony E. Crapp, Sr.

CRA Attorney
Steven W. Zelkowitz

Date: January 3, 2008

To: Honorable Chairman and Members
CRA Board of Commissioners

From: Tony E. Crapp, Sr.
Executive Director

Subject: Proposed Lease Agreement between the CRA and Miami-Dade County for construction and operation of Fire Station Number 18

Attached for your review and consideration, please find a copy of a proposed agreement between the CRA and Miami-Dade County for the lease of a portion of the CRA-owned Pioneer Gardens property to be used for the construction and operation of a new Fire Rescue facility.

Over the past several months there have been ongoing discussions with staff from the Miami-Dade County Fire Rescue and General Services departments regarding the possible availability of a portion of the Pioneer Gardens site for the location of a new County fire rescue facility (e.g. proposed Fire Station #18). The location under discussion is comprised of approximately 20,492 square feet of vacant land located at the NW corner of NE 5th Avenue and NE 137th Street. The proposed new fire rescue station would serve to enhance fire rescue response to the central portion of the City of North Miami. The City is presently being primarily serviced by Station #19 (e.g. North Miami – West) located at 650 NW 131st Street and Station #20 (e.g. North Miami – East) located at 13000 NE 16th Avenue.

The proposed lease is at a rental rate of \$1 per year for an initial thirty (30) year term with an option available to the County for two (2) additional thirty-year renewal periods followed by a third nine-year renewal option. The City of North Miami is referenced in the lease as the successor-in-interest to the CRA after its expected termination not later than June 2035.

With regard to the ongoing development of the 136 units of housing in Pioneer gardens at North Miami the lease provides for the coordination of the exterior aesthetic design features of the fire station with the housing development, and the lease includes a provision for the county to reimburse the CRA for the cost to demolish the duplex on the CRA acquired site at 13810-12 NE 5th Avenue which could be used as an alternative development site for some of the housing units so that there will not be any reduction in the number of units to be constructed in the development.

NMCRA board memo re Fire Station Number 18 for 010808 tecsr 010108

615 NE 124th Street
North Miami, FL 33161
P: 305.899.0272
F: 305.899.9376

www.NorthMiamiCRA.org

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NMCRA Advisory Committee

AGENDA ITEM VIII



AGENDA ITEM V

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board
Kevin A. Burns, Chair
Michael R. Blynn
Jacques Despinosse
Scott Galvin
Marie Erlande Steril

Executive Director
Tony E. Crapp, Sr.

CRA Attorney
Steven W. Zelkowitz

Date: January 3, 2008

To: Honorable Chairman and Members
CRA Board of Commissioners

From: Tony E. Crapp, Sr.
Executive Director

Subject: Proposed Loan Terms on CRA Subsidies for Home
Purchase Assistance and Single-Family Home
Rehabilitation Assistance

The CRA's approved Redevelopment Plan contains a section regarding planned implementation that includes an Affordable Housing Policy (copy attached) that provides the parameters for the provision of subsidies for home purchase and home rehabilitation assistance in an amount up to \$50,000. Pursuant to the policy the CRA's subsidies are to be provided to eligible and qualified residents who meet certain delineated criteria in the form of repayable loans. Consistent with the established policy, it is recommended that the CRA provide subsidy loans to the widest number of families needing assistance under the following terms as modified by the suggested rules and regulations as indicated in bold print below:

1. Subsidy Loans – The CRA will make subsidy loans in the form of “soft” mortgages, with payments of principal and interest set within the means of the Resident (e.g. borrower). The term of the loans will be the lesser of ten (10) years or the term of the borrower's primary mortgage loan. If the loan term expires and the borrower still requires assistance the loan may be extended.

In support of this policy it is recommended that the CRA Board authorize the CRA Executive Director to approve the initial term of subsidy loans provided that the loan term is not less than ten (10) years and does not exceed the term of the borrower's primary mortgage loan. If the loan term expires and the borrower still requires assistance the loan may be extended by the approval of the CRA Board or by the CRA Executive Director upon the delegation of such authority by the Board.

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P: 305.899.0272
F: 305.899.9376

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AGENDA ITEM V

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board

Kevin A. Burns, Chair
Michael R. Blynn
Jacques Despinosse
Scott Galvin
Marie Erlande Steril

Executive Director

Tony E. Crapp, Sr.

CRA Attorney

Steven W. Zelkowitz

2. Amount – The loan will be for the amount equal to the residual amount required of the borrower, after all required down payments, mortgages and other assistance is taken into account, not to exceed \$50,000, to close on the home or to complete the home rehabilitation.
3. Monthly Loan Payments – If the total monthly expenses of principal, interest, taxes, insurance, etc. for the home (either acquisition or rehabilitation) including the CRA subsidy loan, are equal to or greater than 30% of the borrower's income, there will be no initial payment of principal nor interest. An interest and/or principal payment, will be determined by needs assessments.

In support of the implementation of this policy it is recommended that the CRA Board authorize the Executive Director to require a minimum monthly interest and/or principal payment in the amount of not less than \$10.00 per month after an initial 12-month period with no payment of principal nor interest has been granted to the borrower. Based on an updated needs assessment the Executive Director may waive the minimum payment requirement and extend the period of no payment of principal nor interest for an additional 12-month period.

4. Repayment – A loan for an acquired home will be repaid to the CRA upon the sale of the home by the borrower. If the home is sold at a higher price than the initial purchase price, the CRA will share in any excess funds, in a manner to be determined in the Rules & Regulations adopted by the CRA, after all original mortgages are retired and all sales costs are deducted.

For a rehabilitation loan to a resident who already owns the home, the loan will be repaid at the sale of the home in a manner to be determined in the Rules & Regulations adopted by the CRA.

In support of this provision, it is recommended that the CRA Board support and direct the Executive Director to implement procedures that promote the perpetual affordability of all CRA assisted housing units by providing repayment incentives or requiring the owners of assisted units to sale those units to another affordable homebuyer that is referred or assisted by the CRA.

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AGENDA ITEM V

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board

Kevin A. Burns, Chair
Michael R. Blynn
Jacques Despinosse
Scott Galvin
Marie Erlande Steril

Executive Director

Tony E. Crapp, Sr.

CRA Attorney

Steven W. Zelkowitz

5. Ability to Pay Principal and Interest – An initial needs assessment and periodic subsequent needs assessments will determine the interest and principal payment of the CRA subsidy loan.

In support of this policy, it is recommended that the CRA Board authorize the Executive Director to utilize a needs assessment format that is consistent with the evolving credit standards of conventional lending institutions and/or public lending authorities as they pertain to debt/income and other mortgage qualification ratios.

6. Transferability – The CRA subsidy loan will be in the name of the borrower. In the event of the death of the borrower, the loan may be transferred to a direct descendant.
7. Rules & Regulations – The CRA will adopt Rules & Regulations for all aspects of the Home Ownership/Rehabilitation Policy in the CRA Redevelopment Implementation Plan.

To implement the policy and procedures indicated above, the CRA will utilize a form of loan agreement, promissory note and mortgage to be prepared by the CRA Attorney that incorporates the provisions.

NMCRA board memo re CRA Subsidies Loan Terms for 010808 tecsr 010108

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3.3.3 Affordable Housing Policy

3.3.3.1 Overview

The following objectives are related to the development of an Affordable Housing Policy, Program, and Subsidies in the North Miami Community Redevelopment area:

- To promote to the maximum extent possible: elimination of overcrowding; rehabilitation and remodeling of undersized and deteriorating homes; and to promote home ownership, and;
- To create programs, methodologies, and funding to accomplish these objectives, and to make the program available to the widest number of qualified City residents that need assistance, and;
- To assure that the development of 5000 units of rehabilitated or new affordable housing units guaranteed under the Munisport Development Agreement are expedited.
- To create an appropriate target mix of affordable and market rate housing units in multifamily housing projects.
-

3.3.3.2 Outline Description of the Affordable Housing Policy

A. Program

The North Miami Community Redevelopment Agency (the "CRA") will provide subsidies to qualified residents, either owners or renters, of the City of North Miami (the "Residents") to assist with the acquisition and/or rehabilitation of qualified primary residences. Subsidies will be provided to the widest number of families needing assistance under the following terms:

1. Subsidy Loans - The CRA will make subsidy loans (the "Loans") in the form of "soft" mortgages, with payments of principal and interest set within the means of the Resident. The term of the Loans will be the lesser of ten (10) years or the term of the Resident's primary mortgage loan. If the Loan term expires and the Resident still requires assistance the Loan may be extended.
2. Amount - The Loan will be for the amount equal to the residual amount required of the Resident, after all required down payments, mortgages and other assistance is taken into account, not to exceed \$50,000, to close on the home or complete the home rehabilitation.
3. Monthly Loan Payments - If the total monthly expenses of principle, interest, taxes, insurance, etc. for the home, (either acquisition or rehabilitation) including the CRA Loan, are equal to or greater than 30% of the Resident's income, there will be no initial payment of principal nor interest. An interest and/or principle payment, will be determined by needs assessments.
4. Repayment - A Loan for an acquired home will be repaid to the CRA upon the sale of the home by the Resident. If the home is sold at a higher price than the initial purchase price, the CRA will share in any excess funds, in a

manner to be determined in the Rules & Regulations adopted by the CRA, after all original mortgages are retired and all sales costs are deducted.

For a rehabilitation Loan to a resident who already owns the home, the Loan will be repaid at the sale of the home in a manner to be determined in the Rules & Regulations adopted by the CRA.

5. Ability to Pay Principle and Interest - An initial needs assessment and periodic subsequent needs assessments will determine the interest and principle payment of the CRA Loan.
6. Transferability - The CRA Loan will be in the name of the Resident. In the event of death of the Resident, the Loan may be transferred to a direct descendant.
7. Rules and Regulations - The CRA will adopt Rules & Regulations for all aspects of the Home Ownership/Rehabilitation Policy in the CRA Redevelopment Implementation Plan.

B. Qualification for the Loan Program

1. Residency – Residents, either owners or renters, may qualify for the affordable housing Loan program if:
 - a. The Resident has lived in the City of North Miami for a period of one hundred eighty (180) days prior to adoption of the CRA Plan by the City and Miami-Dade County.
 - b. The Resident has provided sufficient proof of residency.
 - c. The resident is the owner/occupant of the existing home to be rehabilitated or remodeled and it remains his primary residence for the duration of the loan, or;
 - d. The resident will be the owner/occupant of the new home to be acquired and, it will become his primary residence for the duration of the loan.
2. Income - The Resident is qualified if:
 - a. The verified household income for homeownership or rehabilitation is equal to or greater than 50%, or less than or equal to 120%, of Area Median Income adjusted for family size. The CRA will adopt a threshold equity policy that takes age and special circumstances into consideration.
 - b. The Resident can qualify for a first mortgage loan (in the case of a loan made for acquisition).
 - c. The percentage of the Resident's household income is adequate, after all other mortgages and subsidies are supplied, to cover the monthly household expenses.

d. The lending institution making the first mortgage has issued a commitment letter.

3. Housing Size – The Loan will only be considered for a residence that meets the Federal Minimum Housing Standards for family size. The CRA will consider special circumstances in enforcing this policy.

C. Selection for Loans

When the resident has completed the Loan Pre-qualification process for the affordable housing loan program, he is issued (in order of qualification) a numbered certificate that entitles him to a Loan for rehabilitation or home acquisition as the Loan funds become available.

In the case of a home acquisition, the resident will be notified when homes become available within the program. If the resident remains qualified, he may acquire the offered home or continue to maintain his certificate number for a future acquisition.

A percentage of the Loans to be determined by the CRA will be set aside on a priority basis for qualified resident employees of the City of North Miami.

D. Other Conditions & Assistance

1. Needs Assessments - The Residents accepting the Loan will be subject to periodic needs assessments to determine adjustments to the Loan payments in accordance with Rules & Regulations to be adopted by the CRA.
2. Ability to Pre-Pay Loan Amount - The Resident will be able to pre-pay the Loan at any time based on formulas to be determined in the Rules & Regulations.
3. CRA Homeowners Assistance - The CRA will provide when necessary, first-time homebuyer assistance through homeownership training, budgeting, maintenance and energy conservation techniques.
4. Temporary Housing for Rehabilitation - Costs for temporary housing during remodeling will be an eligible use of Loan proceeds, subject to the adopted Rules & Regulations.
5. CRA Rehabilitation/Remodeling Assistance - When the Resident is determined to be qualified, the CRA will provide (i) initial assistance in inspections; (ii) counseling on program requirements; (iii) prioritizing improvements; (iv) and budgeting, planning, architectural and contractor pricing and selection assistance under CRA programs.

E. CRA Rehabilitation, Remodeling and Construction Coordination

The CRA will coordinate all scheduling, demolition, bidding, contracting, supervision, Loan disbursements, and Notices of Completion for the Resident. The CRA will also monitor the improvements made to the completed residence during the applicable warranty periods.

F. Prohibition of Additional Liens

As long as the Loan remains in effect, the Resident will be prohibited from adding additional liens without CRA review and approval.

NMCRA Advisory Committee

AGENDA ITEM IX



AGENDA ITEM VI

NORTH MIAMI COMMUNITY REDEVELOPMENT AGENCY

CRA Board
Kevin A. Burns, Chair
Michael R. Blynn
Jacques Despinosse
Scott Galvin
Marie Erlande Steril

Executive Director
Tony E. Crapp, Sr.

CRA Attorney
Steven W. Zelkowitz

Date: January 3, 2008

To: Honorable Chairman and Members
CRA Board of Commissioners

From: Tony E. Crapp, Sr.
Executive Director

Subject: Proposed Guidelines for the CRA's Single-Family Home
Rehabilitation Program

Attached please find a copy of the proposed guidelines as referenced above which have been developed over the past several months through discussions involving the CRA and North Miami Housing. The proposed guidelines will serve to guide the implementation of the CRA's Single-Family Home Rehabilitation Program in coordination with North Miami Housing. Please note that the CRA included the City of North Miami's Housing Manager in the review of these proposed guidelines in an effort to ensure that the CRA and City single-family home rehabilitation programs could operate in a complementary manner.

The attached guidelines are being incorporated into a contractual agreement between the CRA and North Miami Housing for the implementation of this program. Please note that the first group of ten (10) homeowners has already been selected for participation in this program and each will receive a repayable loan in an amount up to \$50,000 for the rehabilitation of their homes. In addition, please be advised that the developer fee due to North Miami Housing will be paid separately by the CRA and will not be funded from the loan proceeds of the individual homeowners.

615 NE 124th Street
North Miami, FL 33161
P: 305.899.0272
F: 305.899.9376

NMCRA board memo re Guidelines for CRA Single Family Rehab Program for 010808
tecsr 010108

*Helping Build
North Miami's
Tomorrow!*



North Miami Community Redevelopment Agency

Single-Family Home Rehabilitation Program

December 2007

1) Program Description

a) Property Qualification Criteria

Pursuant to the provisions of the Munisport Development Agreement between the City of North Miami and Biscayne Landing North Miami Housing Ltd. (NMH) will work with the North Miami Community Redevelopment Agency (NMCRA) to implement a comprehensive Single-Family Rehabilitation Program (Program) for eligible City of North Miami (City) residents.

Upon qualification as determined by NMCRA, eligible homeowners receiving NMCRA subsidies will use the financial assistance to eliminate health and safety violations, City housing code violations and generally upgrade the housing stock within the NMCRA boundaries.

- i) Eligible Properties for Program assistance include:
 - (1) Single family homes (with homestead exemption), 1-4 units;
 - (2) Condominiums (with homestead exemption);
 - (3) Townhouses (with homestead exemption);

- ii) Eligible Applicants for Program assistance include:
 - (1) Identified Owner occupied residences from City's waiting list as determined by NMCRA;
 - (2) Owner occupied residences registered during NMCRA application period(s);

- iii) Eligible Activities for Program assistance include:
 - (1) Rehabilitation to eliminate violations of Florida Building Code, local ordinances and HUD Housing Quality Standard's;
 - (2) Energy efficient electrical, roofing, plumbing and mechanical upgrades;
 - (3) Elimination of lead based paint and other environmental hazards;
 - (4) Repair or removal of deteriorated accessory buildings such as sheds and garages.

2) Homeowner Qualification Criteria

Qualification for Program assistance will be limited to (1) those households identified on the pre-existing City's waiting list and (2) those applicants who registered during the NMCRA application period and meet the eligibility requirements provided in the NMCRA Redevelopment Plan.

In addition to meeting the NMCRA residency and income requirements, eligible residents will be considered for subsidies based on upon the following criteria:

- a) Credit scores, including an analysis of the amount, type and duration of past and current held credit will be a considered but not necessarily a determining factor;
- b) Gross Monthly Income;
- c) Employment or self-employment history;
- d) Current debt ratios (front-end & back-end);
- e) Rental history;
- f) Personal assets;
- g) Available reserves;
- h) Loans which have previously been declined;
- i) Certification of attendance and successful completion of pre-certified homeowner credit classes; and
- j) Evidence of property insurance for the term of Program assistance.

3) Qualified Property Improvements

Contracts for property improvements will be signed between the homeowners as principals, NMH as Developer, and the NMCRA as funder. The NMCRA will provide application forms, administration and financing. The Program will concentrate on three priority areas within the limits of available funding assistance to homeowners:

- a) **Health & Safety:** Immediate health and safety violations of Florida Building Code and U.S. Department of Housing and Urban Development (USHUD) Housing Quality Standards (HQS). Particular attention will be paid to sanitary facilities, illumination, electrical systems, structural deficiencies and the elimination of lead based paint and other environmental hazards. Zoning and use-related infractions will also receive immediate attention.

The Program will consider a dwelling unit rehabilitated if after work is complete all Health and Safety issues have been fully addressed and meet local building code requirements.

- b) **Incipient Violations & Energy Conservation:** Less critical items deemed appropriate for rehabilitation are those exceeding municipal code requirements but that will extend the useful life of structures. Repairs or modifications for improved accessibility for disabled and/or elderly occupants and energy conservation may also be included.
- c) **Amenities & General Property Improvements:** Items that relate to the comfort of occupants and any general improvements not required to satisfy the Incipient Violations or Energy Conservation in above paragraph. Room additions are

allowed only where the owner can demonstrate that the unit is too small for the occupant's family. If off-street covered parking does not exist, construction of a car port is eligible. Rehabilitation of an existing garage would also be allowed. In addition, the construction of circular and other driveway improvements would also be allowed.

All work funded by the Program is subject to the City of North Miami's permit and impact fee schedule. The applicable fees may be part of the subsidy assistance. Self help work by the owner-occupant may not be part of the contract. As a general rule, no volunteer assistance will be allowed due to liability issues.

- d) Eligible external, structural & internal property improvements are further described in Exhibit A.

4) Loan Terms

NMH will assist the NMCRA in developing and implementing the Program consistent with the terms and other conditions set forth by the NMCRA Board.

- a) Loan Amounts: The maximum loan amount is established pursuant to the NMCRA Redevelopment Plan.
- b) Loan Features:
- i) Deferred/ Forgivable Payment Loans:

A 0 – 100% deferred loan for eligible households. The mortgage will be placed on the property with a "Sale of Property Clause" to ensure repayment is automatically collected if and when the home is sold. The loan principal, or principal and accrued interest will be due upon sale or conveyance.

Deferred loans will be due and payable in full prior to maturity should one or more of the following occur:

- The property or interest therein is sold, conveyed or transferred, except in the case of transfer of the property to a new qualified buyer, approved in writing by the NMCRA, or the borrower's occupant spouse or child who will assume the existing loan. Such occupant spouse/ child must provide certification of occupancy and the loan will become due and payable upon termination of such occupancy;

- The borrower no longer occupies the property as his or her principal residence for reasons other than medical treatment, disability, education, family matters or similar situation that the NMCRA approves in writing and which requires a temporary alternate residence; and the borrower does not make payments when due or is in default on any other loan condition.

A borrower may prepay the entire deferred loan amount, or any portion thereof, at any time without penalty.

ii). Due on Sale Clause:

Upon the sale of property prior to expiration of the X-year "Residency Period", the following will apply:

- Borrower will pay the NMCRA any unpaid amount of the loan and accumulated interest, together with a share of the appreciation determined by a "to be decided" Affordability Formula.
- Alternatively, upon the sale of the property prior to expiration of the X-year "Residency Period" and to a buyer who does meet all income restrictions of the loan, the loan and its remaining principal balance and accrued interest may, upon written consent of the NMCRA, be transferred and fully assumed by the new buyer, who will at the same time assume all existing terms and conditions.

5) Process Flow Chart

The Single-Family Rehabilitation Program will make every effort to complement the City's existing program. Efforts will be focused on containing administrative costs and facilitating home owner applications.

- a. Application Process: All applicants will initially have been screened from the City's existing waiting lists of residents residing within the NMCRA boundaries and/ or residents who completed applications during the NMCRA qualification period. Information will be obtained to determine the applicant's initial eligibility in the areas of income, assets, credit rating, ownership, residency, equity, property type and location.

After initial eligibility has been established, a thorough property inspection will be performed by an appropriate Program representative. If necessary, additional tests and/ or inspections by third parties will be conducted. A rough scope of work and cost estimate will be developed based on the inspection(s), tests and consultation with the property owner.

The inspector will compare the property to pre-established minimum standards (HUD, HQS, local housing code, building code, energy code etc.) and identify the presence of lead based paint.

NMH will work with the owner to determine the cost and appropriateness of the proposed use of funds. A written report will be forwarded to the NMCRA for review and approval. After review and acceptance of the rough scope of work and cost estimate by the homeowner, NMCRA will prepare a formal loan application.

- b. Loan Approval: the NMCRA shall have the authority to approve the terms and conditions of all loans for eligible residents. The staff shall ensure that sound underwriting practices are followed in all loan transactions. The underwriting standards will normally follow private lending practices but may in some cases be more lenient.

All loan applicants shall be subject to normal commercial credit checks. Such checks may include, but are not limited to: credit reports, appraisals, title reports etc.

Charges for the following will be included in the loan:

- Appraisal of before rehab fair market value
- Credit report on each property owner
- Title search and / or title insurance
- Structural, pest control and other inspections and/or tests necessary to determine property condition

The following underwriting criteria will be used to evaluate each application and to determine the type of loan that will be offered:

- Legal ownership of the real property and authority to encumber the property
- Formal title report (except for homes on rented land)
- A formal credit report
- Unreported income, outstanding judgments, unreported property liens and poor credit ratings
- Property tax payment
- Homeowner insurance, including fire and flood during the life of the loan

- Senior liens on any property will be allowed only if they are fully amortized, requiring monthly payments of principal and interest (except in the case of a lien created pursuant to an approved property tax postponement) and the loan terms do not contain provisions for any balloon payment which would come due during the term of the Program loan
- Open lines of credit

The Program Director will make the final decision on the loan based on staff recommendations.

1. **Competitive Bidding:** After the loan approval, staff will prepare a detailed scope of work for all repairs. NMH will coordinate the competitive bidding process to obtain fixed price bids from qualified licensed contractors.
2. **Loan Documents:** After selection of the contractors, staff will prepare loan documents including Promissory notes, Truth in Lending Disclosures etc. The borrower shall execute all loan documents.

All loan funds will be placed in the Program rehabilitation escrow account for disbursement to the contractor on behalf of the homeowner.

3. **Construction Contract:** NMH will coordinate contracting for all work funded through the rehabilitation loan. The contract for rehabilitation will be executed by the owner, NMH and the Contractor. The NMCRA will provide the contract form. NMH shall assist the owner in the control, supervision and direction of the work to be performed under the contract. A copy of all written communications between the owner and the NMH must be sent to the NMCRA.

Alterations to the services to be provided under the contract and amounts to be paid pursuant to the contract may be made only by written agreement by and between the owner and NMH and only upon written approval by NMCRA.

NMH will inspect each project during construction to assure that work is progressing in a timely manner and that it is being carried out in accordance with the Scope of Work.

Upon satisfactory completion of all work identified in the contract, the homeowner shall sign a "Notice of Completion".

Funds may be disbursed in draws upon completion of critical or general stages, or in certain circumstances, proceeds may be disbursed up front when contractors are unable or unwilling to purchase materials and complete the job without a down payment. Construction will commence only when material arrives on site and NMH will work with the contractor towards meeting predetermined completion dates.

NMH will monitor completed dwelling units during the improvement warranty period.

6) Program Forms

- a. Property Improvement Loan Application
- b. Note
- c. Mortgage Document
- d. Checklist / Budget
- e. Bid Documents
- f. Contract

7) List of Qualified Program Contractors / Vendors

- a. Contracts will be awarded based on the procedures outlined in the Biscayne Landing Local and Small Business Enterprise Program (BLSBEP). Contracts will be awarded in a manner that avoids the appearance of favoritism. Strategies employed to meet this objective might include setting limits on the number of houses on which any contractor may be awarded work at any one time, or rotating jobs among qualified contractors.

8) Exhibit A

- a. List of Eligible External, Structural and Internal Improvements:

Appliance Outlets:

Safe electrical outlets must be provided in accordance with the National Electric Code for all existing appliances or those proposed to be installed during the rehab.

Attic and Crawl Space Ventilation:

Attics and crawl spaces will be ventilated to remove excess moisture.

Bathroom Plumbing:

Every dwelling unit will have an attached bathroom containing a lavatory (basin) where space permits, a toilet, and a shower or tub.

Bathroom Ventilation:

Provide natural or mechanical ventilation.

Debris, Junk and Unwanted Trees:

Debris, junk and dead or dangerous tree growth will be removed.

Dilapidated Outbuildings, Fences and Other Structures:

Unsafe structures and nuisances will be demolished and removed. Visually blighting structures will be demolished and removed unless their use is essential to the lifestyle of occupants.

Electrical Outlets:

Rooms will have duplex receptacles and light fixtures based on usage and electrical load. Kitchens will have outlets located at six feet on center with amperage capacity based on the National Electric Code. Bathrooms will have at least one ground fault interrupter outlet.

Electrical Service Entrance:

The service entrance (whether new or pre-existing) shall conform to the dictates of the National Electric Code.

Electrical Wiring:

"Knob and tube" and other older-type wiring will be left in place if safe and serviceable. Where areas are being insulated, knob and tube will be removed and all junction boxes covered. Recessed ceiling light fixtures will be protected before insulation is placed over them.

Exterior Doors:

All hollow-core exterior doors will be replaced. Locks will tightly secure doors. If desired by occupants screen doors will be installed on no more than two doors per dwelling unit.

Floors:

Bathroom and kitchen floors will have a water-resistant, easily cleanable surface. Damaged wood floors will be repaired finished. Seriously damaged tile or vinyl flooring will be replaced.

Foundation:

Foundations must be sound and show no sign of settlement.

Ground Fault Interrupters:

Electrical outlets within bathrooms and kitchens must be moved, or replaced in accordance with the National Electric Code.

Hazardous Materials:

Asbestos, radon and lead paint, when positively identified, shall be addressed in conformance with applicable local, state and federal laws.

Hot Water Heaters:

Each dwelling unit shall have a minimum of one 30-gallon hot water heater (or a shared water heater with similar capacity) in good working condition with a predetermined expected and useful life. Durable insulating jackets will be provided if this does not require relocating the water heater and results in a safe condition. Water heaters should produce at least 120 degrees Fahrenheit water at all taps. Relief valves and overflow pipes will be installed in accordance with the owner's manual for each unit.

Insect Screens:

Each habitable room having windows and/ or doors will have at least one window or door screen.

Insulation:

Attic areas and floors over cold crawl spaces will be insulated. Walls will be insulated only if the plaster or wallboard is removed. Plastic ground covers will be placed in crawl spaces under insulated floors. Recessed ceiling light fixtures will be covered.

Interior Doors:

Any doors that are damaged and beyond repair will be replaced. All bedrooms and the bathrooms will have operable doors with a latch.

Kitchen Cabinets:

Base and wall cabinets will be installed in accordance with the Building Code.

Kitchen Plumbing:

Every dwelling unit will have at least a single bowl kitchen sink with hot and cold water located in the kitchen.

Kitchen Ventilation:

Kitchens must have a window which can be opened or a working vent fan.

Light Fixtures:

Every habitable room must be provided with a light fixture or one outlet controlled by a wall switch. Existing wall or ceiling lights with their own internal switches may be deemed acceptable. Common or internal stairways from one floor used as a living area to another must have at least one light controlled by a three-way switch, or in the case of public hallways, a three-way switch on an automatic switching device. Exterior stairs with five risers or more will have a light fixture.

New Plumbing System:

Where plumbing lines and fixtures are being torn out of a room or entire dwelling unit, new construction codes will be observed for that room or dwelling unit. Showers will not require a new installation where a workable tub with no shower exists.

Plumbing fixtures:

Essential fixtures will be in good working condition. They will be replaced only when repair costs exceed 50% of new fixture costs, Faucets will be free from leaks.

Porches:

Unsound and unsafe porches that are unwanted or unfeasible to repair will be removed.

Repair of Outbuildings:

Unsafe, unsound or unsightly outbuildings and other structures (fences etc.) will be repaired.

Roofs:

Roof covering will be replaced if blistered and the material covering is substantially deteriorated. Missing or leaking shingles and flashing on functional roofs will be repaired. Broken antennas will be removed. Roofing material shall have a predetermined period of expected useful life after (assuming normal maintenance) replacement.

Room Sizes, Layouts, Fire Ratings and Fire Exits:

The dwelling unit, after rehab, will conform to the requirements in these areas of the Florida Building Code (Existing Structures 2004), unless unusual conditions merit consideration of a waiver.

Shower Areas:

Showers in operation must have a watertight wall, or an enclosing circular shower curtain/rod apparatus.

Siding and Trim:

All siding and trim must be intact and weatherproof.

Smoke Detectors:

A smoke detector shall be required on each floor that contains a bedroom.

Steps & Stairways:

All cracked, crumbling or deteriorated concrete or wood steps that pose a safety threat to the occupants must be replaced or repaired and have a predetermined period of expected useful life after rehab.

Storage Areas:

A built-in storage device at a predetermined height with a shelf and clothes rod will be required in or near each bedroom.

Storm Windows:

Where practicable, every single-glazed window will have an outside storm window in good condition.

Structural Members:

Structural framing and masonry should appear to be free from deterioration, rot or serious termite damage, be adequately sized for current loads and have a predetermined period of expected useful life after rehab. Prior to any rehab, all sagging floor joists or rafters will be visually inspected. Significant structural damage and its cause will be corrected.

Walks and Driveways:

Badly deteriorated essential paving will be repaired or replaced to achieve a predetermined period of useful life after rehab. Non-essential deteriorated paving will be removed.

Walls:

Walls and woodwork should be free from peeling paint and loose or cracked plaster. Rooms with deteriorated or stained paint or wallpaper will be repainted. Solid plaster or wall board that has uneven but sound surfaces will be left alone.

Water Shutoffs:

Malfunctioning existing shutoff valves will be repaired or removed. There will be at least one accessible main shutoff valve on the interior of the structure for each dwelling unit after rehab.

Water Supply Lines:

All hot and cold water lines will be expected to have a predetermined period of expected useful life after rehab, without major leaks and maintain a three gallon

per minute flow. Pressure regulators will be installed where street pressures exceed 60 pounds per square inch.

Water Waste Lines:

Existing drain lines must safely and adequately move wastewater, and must be adequately vented to prevent significant breaks of the water seal in fixture traps.

Weather-stripping:

This will be installed in a prudent manner, recognizing the oxygen requirements and pollution production of heating devices that may be in place. Homes that are heated exclusively with electricity or well vented furnaces or stoves will be tightly weather-stripped.

Wells:

Every house not connected to a public water system will have its own system offering safe water at least 12 pounds of pressure at each faucet.

Windows:

Each habitable room, excluding the kitchen area or bathroom, will have at least one operable window or skylight with at least one operable sash with a working device to hold it open. All windows accessible from the ground or porches will have locking hardware.