

CITY OF HALLANDALE BEACH  
ADMINISTRATIVE POLICY

DATE OF ISSUE: January 26, 2011

NO: 2027.010

EFFECTIVE DATE: January 26, 2011

SUBJECT: First Time Homebuyers Program – Highland Park Village

APPROVED:

  
Mark Antonio, City Manager

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Cross Reference: Administrative Policy 2027.005  
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I. PURPOSE/INTENT

The purpose of this Administrative Policy is to establish the policy and procedures for the administration of the City of Hallandale Beach's Highland Park Village First Time Homebuyers Program.

II. DEFINITIONS

Affordable Housing – A situation where the cost of monthly rents or monthly mortgage payments including taxes, insurance, and utilities do not exceed 35% of that amount which represents the percentage of the median adjusted gross monthly income for very low, low, and moderate income households.

Affordable Housing Committee – Delegates from the Hallandale Beach Housing Board to review the applications, certify that no documentation is missing, and approve, disapprove, or hold for discussion based on the completed application. Committee members will be as follows: Director of Human Services or designee, Finance Department Director or designee and City Manager's Office designee. The CRA Director or designee will act as a staff liaison.

Affordable Housing Trust Fund – Funds to the City from Developer Agreements or other revenues dedicated to the development and/or improvement of Affordable Housing.

Assets - Deposits in checking or savings accounts, pensions, certificates of deposits, stocks, bonds, and mutual funds; the value of retirement funds, other investments, and vehicles are to be disclosed, but are not to be included in the calculation.

Assumption - A mortgage assumption occurs when a person purchases a home from a homeowner and agrees to take over the existing mortgage debt on the house.

First Right-of-Buyback – City's right to have the first opportunity to purchase the property from First Time Homebuyer when First Time Homebuyer decides to sell or convey the property. The City, at its option, may purchase the property at the Market Value (as appraised) minus the Principal Assistance Amount due.

First Time Homebuyer – Applicants who have not owned a home within the past three (3) years.

Hallandale Beach Housing Board of Directors (Housing Board)– As established by Resolution Number 2006-13, the City Commission of the City of Hallandale Beach created the Hallandale Beach Housing Board with each member of the City Commission comprising a Director with one vote on the Board of Directors. The Housing Board shall: 1) approve an annual Affordable Housing plan and trust fund budget; 2) approve administrative policies to facilitate the laudable goal of promoting affordable housing in the City; and 3) consider appeals by persons eligible concerning their application under the established procedures through administrative policies.

Market Value – The amount a buyer and seller who agree to sell determined by the appraised value of the property for the purposes of conveyance by First Time Homebuyer subsequent to the initial conveyance by Developer.

Mortgage and Promissory Note – A promissory note is a legal document that states that a borrower obtaining a mortgage loan is obligated to repay it within the specified time period. It is secured by a mortgage which gives the lender a claim against the home if the borrower fails to live up to the terms of the mortgage note. (See attached Exhibit A)

Principal – The currently unpaid balance of a loan, not including interest.

Principal Assistance Amount: The financial assistance provided to the First Time Homebuyer by the City. The total Principal Assistance Amount or loan is set forth in the Mortgage and Promissory Note.

Proceeds of Sale: The difference between the purchase price of a property at the time the property was conveyed to the First Time Homebuyer and the appraisal value of the property at a subsequent time when the First Time Homebuyer intends to sell or convey the property.

**Restrictive Covenant:** A provision and/or contract restricting or limiting the use or sale of the property in some manner.

III. **ELIGIBILITY**

A. Program Eligibility

Home ownership assistance must be conducted within the framework of both the granting agency's statutory rules and regulations as amended from time to time as well as applicable local policies and procedures. All funds used to administer these programs benefit low and moderate-income persons. All regulatory reviews will be conducted in accordance with Federal and/or State requirements and City of Hallandale Beach policies.

B. Applicant Eligibility

1. Applicants must meet Broward County income eligibility requirements as established which are as follows:
  - a) For Low Income applicants, at or below 80% of the area median.
  - b) For Moderate Income applicants, at or below 120% of the area median.
2. Applicants must participate in a sponsored credit/homebuyer's training/education course.
3. Applicant may not be anticipating or involved in any bankruptcy during the housing assistance application process.
4. Low Income applicants, at or below 80% of the area median income are required to have a minimum of \$2,000 of their own funds, for down payment.
5. Moderate Income applicants, at or below 120% of the area median income are required to have a minimum of 3% of their own funds, for down payment.

C Property Eligibility

1. Property must be located within the Highland Park Village Development, which is located at 111-151 NW 2 Avenue.
2. Upon resale, the property to be purchased must pass a home inspection, to include, but not limited to; termite, roof (where applicable), electrical, plumbing, kitchen appliances, air condition, structural, windows and doors, prior to purchase.

IV POLICY/PROCEDURES

A. CRA Director or designee will carry out the policy and procedures outlined for affordable housing applicants related program issues.

1. Follow guidelines for approving new applicants.
2. Address needs and concerns to City Manager, as well as Affordable Housing Committee.
3. Work with lenders, builders, and other institutions necessary to carry out the intent of providing affordable housing.

V ASSISTANCE AMOUNTS

A. The First Time Homebuyer's Program will approve applicants for assistance amounts up to \$50,000. The increments are as follows:

1. A Qualified Person whose income is between 80% and 120% of the Broward County Median Income shall receive assistance in the amount of Twenty-Five Thousand Dollars (\$25,000) subject to loan terms in Section VI "Loan Terms" below which may be used by the applicant for down payment assistance and closing costs to purchase a unit in Highland Park Village.
2. A Qualified Person whose income is not greater than 80% of the Broward County Median Income shall receive assistance in the amount of Fifty Thousand Dollars (\$50,000) subject to the loan terms in Section VI "Loan Terms" below which may be used by the applicant for down payment assistance and closing costs to purchase a unit in Highland Park Village.

3. Additional Assistance: Up to \$20,000.00 in Additional Assistance may be available for a Qualified Person whose income is below 120% of the Broward County Median Income as defined by the Broward County – Housing and Community Development Division or other appropriate governmental entity designated by Broward County. The City, in its reasonable discretion, and subject to the terms of this Administrative Policy, shall determine whether a Qualified Person receives Additional Assistance. The funding for any proceeds to be used as Additional Assistance shall be the sole responsibility of the Developer; however nothing contained herein shall require the Developer to provide any funds to the City to be used for Additional Assistance. Any Additional Assistance funds provided to a Qualified Person by the City may be added to the face amount of the Note, secured by the Mortgage, reflected in a modified Schedule A and repaid to the City as set forth therein. Nothing contained herein shall be deemed to impose any obligation on the City to provide Additional Assistance to any Qualified Person unless the Developer has contributed such funds to the City. Additionally, the City shall not be required to reimburse Developer for any Additional Assistance proceeds, which the City advances to a Qualified Person contributed to the City by the Developer.

4. Priority will be given to the following;

- a. Hallandale Beach Renters
- b. Hallandale Beach City Employees
- c. Employees of a Hallandale Beach Business

B. Reservation of Funds: Once approval by the Affordable Housing Committee has been made, the applicant will be issued a written confirmation for the reservation of funds with a brief explanation as to the next steps to be taken. Funds are reserved for 90 days, at which time if applicant is still in the process of securing a property working with builders and lenders to finalize the project, an extension may be granted. Staff is to generate a Master Purchase Order (pursuant to the City's Purchasing Policy) to set aside the funds for that particular applicant.

VI. LOAN TERMS - All funds distributed for the Highland Park Village First Time Homebuyer's Program will be subject to the following terms and conditions:

A. Length of Mortgage and Promissory Note: The Mortgage and Promissory Note will state that the length of obligation for the Principal Assistance Amount funds, which is a period of Thirty (30) years.

- B. Transferability/Assumption of Mortgage: The 2<sup>nd</sup> Mortgage provided by the City/CRA is assumable to the new owner at the City's discretion should the First Time Homebuyer decide to sell or convey the property. Person assuming the mortgage is required to obtain approval to assume the loan from the City.
- C. First Right-of-Buy-Back: The City shall be notified by the First Time Homebuyer in writing at the time of sale or conveyance. The City will have the First Right-of-Buy-Back at the time the First Time Homebuyer decides to sell or convey the property. The City may opt to purchase the property at the Market Value as described in the Promissory Note. The City shall have thirty (30) business days to respond to the sale offer. Notification by the First Time Homebuyer shall be in written format directed to the CRA Director.
- D. Primary Residence/Homestead: Applicant must maintain the home as their primary/ homesteaded residence. If applicant ceases to occupy the home as the primary/homesteaded residence, the total assistance provided will be due plus any penalties and appreciation applicable shall be payable to the City. Except as provided for in Section VI.B. above.
- E. Owner sale/resale to an Eligible Purchaser:
  - a) The Homeowner must sell the unit to an eligible purchaser whose income is at or below Broward County's 120% median income as defined by the Broward County – Housing and Community Development Division or other appropriate governmental entity designated by Broward County (see Declaration of Restrictive Covenants attached as Exhibit A.1.)
- F. Amount Due by Homebuyer at time of sale or conveyance:
  - a) Deductions:
    - i. Sale or Conveyance of Property within the first five (5) years: If the property is sold or conveyed within the first five (5) years, the City will collect the Principal Assistance Amount in full.
    - ii. Sale or Conveyance of Property within years six (6) through ten (10): If the property is sold or conveyed within years six (6) through ten (10), the City will collect the Principal Assistance Amount minus 1% for each year

the First Time Homebuyer has lived in the house as set forth on Schedule A of the Promissory Note attached.

iii. Sale or Conveyance of Property between years eleven (11) through thirty (29): If the property is sold or conveyed within years eleven (11) through twenty-nine (29), the Principal Assistance Amount minus 5% for each year the First Time Homebuyer has lived in the house will be due and payable. The Principal Assistance Amount will be forgiven upon completion of the 29<sup>th</sup> year as set forth on Schedule A of the Promissory Note attached.

b) Repayment of Promissory Note Upon Exercise of First Right-of-Buy Back: If the City exercises the First Right-of-Buy Back to purchase the home, the outstanding amount of principal assistance amount due under the Promissory Note shall be paid to the City in the form of a credit against the purchase price to be paid by the City to the Owner.

c) City's Option Not to Purchase: If the City opts not to purchase the property, the Principal Assistance Amount as per Schedule A of the Promissory Note, will be due back to City at the time the property is sold or conveyed, in accordance with the procedures set forth herein.

G. Insurance: Property owners must maintain fire, hazard, flood, and wind storm (where applicable) insurance in an amount that is adequate to cover property replacement, with the City named as loss payee. CRA Staff will validate annually by October 1<sup>st</sup> of each year.

## VII. APPROVAL PROCESS

A. Review of the application and documentation

a. Staff Review and Income Certification: When an application is received, staff will input the applicant into the tracking excel spreadsheet and place in a folder. Staff is to review the application to assure that the application is complete. Once the application is complete (including employers income verification), the completed application will be forwarded to Finance Director or designee to verify whether the applicant(s) qualify under the income limits. The adjusted gross income cannot exceed the income limits established by the Broward County Office of Housing and Community

Development. After the applicant is certified as eligible, Finance is to also examine the applicant's financial history and make a recommendation to the Affordable Housing Committee regarding if any risk exists to the City (i.e. previous bankruptcy filings) in providing a second mortgage. The application will then be forwarded to the members of the Affordable Housing Committee.

- i. Affordable Housing Committee: Once Finance has certified the applicant as income eligible, the application will be routed by CRA Staff to the remaining members of the Affordable Housing Committee, Human Services Director and the City Manager designee), and returned to CRA Staff with comments and results. The Housing Committee is to review the applications, certify that no documentation is missing, and approve, disapprove, or hold for discussion based on the completed application.
- ii. Applicant Interview: Upon the review by the Affordable Housing Committee, an interview may be conducted by staff with applicant. All questions and concerns by both parties will be addressed as well as the procedures to which the applicant will follow through until closing on property.

#### VIII. CLOSING ON THE LOAN

- A. Closing on the Loan: Once the applicant is prepared to close on the loan the City requires a minimum of ten (10) business working days to process all of the paperwork.
- B. Required Documents for Closing: Prior to closing on the loan Staff must have the following documents:
  - a. Title Commitment Policy/Title Search
    - i. Letter of Approval from Bank/First Mortgage
    - ii. Copy of the HUD/Settlement Statement
    - iii. Completed and approved application.
  - b. Preparation for Closing on the Loan: When the applicant is prepared to close on the loan, CRA staff shall prepare a closing package for submission to the City Attorney's Office and City Manager's Office for signature/approval.
  - c. Closing Package: Staff is to prepare a closing package which shall include but not be limited to:

- i. Existing Property Closing: Staff is to prepare a closing package which shall include but not be limited to:
  1. Cover Page which includes the applicants name, property address, amount of the loan, what authority the loan can be distributed (i.e. CAD number, Ordinance...), list of attached documents, and a signature line for the City Attorney and City Manager.
  2. Either a Field Purchase Order printout or copy of the Master Purchase Order made payable to the Title Company or Closing Agent.
  3. Copy of the City's Approval letter to the applicant into the program.
  4. Executed Real Estate Contract between the applicant and third party.
  5. Copy of the City's Mortgage and Promissory Note to be executed at closing.
- C. Approval for Closing: The closing package shall be approved by the City Attorney's Office and City Manager prior to submitting the package to Finance to process the check.
  - a. City Attorney Approval: Prior to approval by the City Manager, the City Attorney's Office shall review and approve the closing package including but not limited to, the City's Mortgage and Promissory Note. The City Attorney's Office shall also review and approve the HUD/Settlement Statement.
  - b. City Manager Approval: Once the closing package has been approved by the City Attorney's Office, the package shall be submitted to the City Manager for approval and to execute the appropriate documents.
  - c. Finance: After approval by the City Manager, Staff shall submit the closing package to Finance to process a check for closing. Staff shall retain all originals as needed for closing and provide Finance with copies of all back-up.

## IX. REFINANCING REQUESTS AND SUBORDINATION

- A. A fee of \$100.00 will be levied for subordination loan requests. If cash is used to pay this fee, there will be no additional delays. If a non-secured instrument (i.e. personal check) is used to pay this fee, there will be a 10-day processing hold. The City will not subordinate below 2nd place lien holder. A subordination packet is to be mailed or faxed to the requestor.

within two working days of the request. The completed subordination form is to be submitted to the City Manager's Office for signature by the Mayor within 24 hours once the completed form and mandatory information is returned to the City.

**B. Mandatory information:**

- a. All fields on the subordination agreement as prescribed by the City Attorney.
- b. Appraisal Report
- c. Signed and properly executed subordination request
- d. New loan information (commitment, terms, etc...)
- e. Property owner(s) name
- f. Street Address
- g. All property owner(s) and other parties with legal ownership standing must be a party in the subordination request.

**C. Subordination approval criteria:**

- a. Calculated loan being solicited plus full amount of liens is less than or equal to 80% of the appraisal value.
- b. The property does not have code violations.
- c. The Property has clear title and the subordination will not put the City passed second position.
- d. Cash out refinancing approval will be at the discretion of the City.

**X. SATISFACTIONS OF MORTGAGES**

A. The City Manager is authorized to execute and deliver all satisfactions of mortgage after review by the City Attorney's Office. The Community Redevelopment Agency will be responsible for sending each satisfaction of mortgage or release of a lien to Broward County for recording. The homeowner will be responsible to pay all applicable recording cost of said satisfaction of mortgage or release of lien. Acceptable payment will include money order, cashier's check, or Title Company or Law Firm check made payable to the City of Hallandale Beach. No satisfaction of mortgage or release of lien shall be sent for approval to the City Attorney's Office or City Manager's Office until payment of the loan has been processed and cleared by Finance.

**B. Approval for Satisfaction and/or Release of Lien:**

- a. Approval Package: Staff shall prepare an approval package which shall include but not be limited to:

- i. A Cover Page
- ii. Unexecuted Satisfaction of Mortgage and/or Release of Lien
- iii. Copy of the Recorded Mortgage and Promissory Note (a print out from Broward County Records Division shall be sufficient)
- iv. Payoff Statement
- v. Proof of Payment
- vi. Print-out of the property from the Broward County Property Appraiser's Office.

b. Submission for Approval: The approval package shall be submitted to the City Attorney's Office to approve the release of lien and/or satisfaction of mortgage. The City Attorney's Office shall verify that the correct information is denoted on the Satisfaction/Release of Lien and verify that payment is consistent with the terms and conditions of the mortgage and promissory note. After approval by the City Attorney's Office, the package shall be submitted to the City Manager for approval and execution.

**C. SHORT SALE REQUESTS**

1. The City Manager is authorized to negotiate the acceptance of a lesser amount than the principal assistance amount given, in the case of a short sale.

2. Mandatory Information:

- a. Copy of Lis Pendens (must be filed from the first lien holder)
- b. Approval letter from first lien holder to accept a lesser amount
- c. Signed real estate contract (showing how much the property will be sold for)

**XI. ADDITIONAL INFORMATION, REQUIREMENTS, AND RESPONSIBILITIES**

The Community Redevelopment Agency Director or designee will be responsible for updating this Policy.

**EXHIBIT A TO MORTGAGE**

**PROMISSORY NOTE**

Date: \_\_\_\_\_, 20\_\_

Amount \$ \_\_\_\_\_

The undersigned Owner(s) whose current address is \_\_\_\_\_, Florida, are indebted to the CITY OF HALLANDALE BEACH for \_\_\_\_\_ for the purchase of the real property located at \_\_\_\_\_, Hallandale Beach, Florida, and legally described as \_\_\_\_\_, Folio \_\_\_\_\_ ("Property").

**A TERMS**

1. Owner(s) agree to the terms in "The City of Hallandale Beach First Time Homebuyers Policy for Highland Park Village as amended, from time to time, which terms shall be incorporated by reference into this Promissory Note which provides among other things:

a. Principal Assistance Amount: Owner(s) acknowledge receipt of the sum of \$ \_\_\_\_\_ to be used toward the purchase of the Property (the "Principal Assistance Amount") as approved by the Affordable Housing Committee on \_\_\_\_\_, 20\_\_ to be satisfied as identified in section 1.d. below.

b. First Right-of-Buyback: City will have the First Right-of-Buy-Back at the time the Owner(s) decides to sell or convey the Property. The City may opt to purchase the Property at the Market Value (as appraised), minus the then due portion of the Principal Assistance Amount as described in Section 1.d. below. The City shall have Thirty (30) business days to respond to the sale offer after the City has been notified by Owner(s) in writing, of Owner(s) intent to sell the Property.

c. City's Option Not to Purchase: If the City opts not to purchase the Property, a percentage of the Principal Assistance Amount as described in Section 1.d. below, will be due back to City at the time the Property is sold or conveyed.

d. Amount Due by Owner(s) at Time of Sale or Conveyance

i. Principal Assistance Payment: If the Property is sold

or conveyed within the first 5 years of ownership, the full Principal Assistance Amount shall be due and payable. (See Attached Schedule A)

ii. If the Property is sold or conveyed within years six (6) through (10) of ownership the Principal Assistance Amount will be reduced by one percent (1%) per year until the tenth year. (See Attached Schedule A)

iii. If the property is sold or conveyed within years eleven (11) through twenty-nine (29), the Principal Assistance Amount minus 5% for each year the First Time homebuyer has lived in the house will be due and payable. The Principal Assistance Amount will be forgiven upon completion of the 29<sup>th</sup> year. (See Attached Schedule A)

e. Default: Failure of Owner(s) to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged Property, or any part thereof, which has priority over the lien of the Mortgage, shall be deemed a default and for which payment in full shall become due.

#### **B. SATISFACTION**

Upon full payment or after thirty (30) years of home ownership, the City will record a satisfaction of the Mortgage and cancel this Promissory Note.

#### **C. COLLECTION**

Upon default of Promissory Note or Mortgage, the City shall be entitled to declare the entire unpaid debt to be immediately due and payable, seek collection and judgment in court and to foreclose the lien against the real property herein conveyed to secure this Promissory Note.

In the event collection efforts are required, or suit filed, the City shall be entitled to all interest, attorneys' fees, and costs incurred in the collection process.

If Owner(s), as defined herein, consists of two or more parties, this Promissory Note shall constitute a grant and mortgage by all of them jointly and severally, and they shall be obligated jointly and severally under all the provisions hereof and under the Mortgage.

**IN WITNESS WHEREOF**, Owner(s) have affixed their hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Owner(s) Signature

\_\_\_\_\_  
Owner(s) Print Name

\_\_\_\_\_  
Owner(s) Signature

\_\_\_\_\_  
Owner(s) Print Name

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

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

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

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

Prepared by  
David Jove, City Attorney  
City of Hallandale Beach  
400 S. Federal Hwy.  
Hallandale Beach, FL 33009

**Mortgage to Secure a Loan**

This Mortgage made on \_\_\_\_\_, 20\_\_ between \_\_\_\_\_ hereinafter called "Mortgagor", of Hallandale Beach, Florida and the City of Hallandale Beach, hereinafter called "Mortgagee".

WITNESSETH, that to secure the payment of an indebtedness in the principal amount of \$\_\_\_\_\_ which shall be payable in accordance with a certain Promissory Note, herewith, a true and correct copy of which, is attached and marked "Exhibit A To Mortgage", is annexed hereto and made a part hereof and all other indebtedness which the Mortgagors are obligated to pay to the Mortgagee pursuant to the provisions of the Note and this Mortgage hereby grants, conveys and mortgages to the Mortgagee:

ALL that certain lot, piece or parcel of land real property situate in the County of Broward, State of Florida, bounded and described as follows:

LEGAL DESCRIPTION: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FOLIO NUMBER: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_ (the "Property").

TOGETHER with all appurtenances thereto and all the estate and rights of the Mortgagors in and to such property, buildings and other structures now or hereafter thereon erected or installed and all fixtures and articles of personal property now or hereafter attached to, or used in, or in the operation of, any such land, buildings or structures which are necessary to the complete use and occupancy of such buildings or structures for the purpose for which they were or are to be erected or installed, including, but not limited to, all heating, plumbing, bathroom, lighting, cooking, laundry, ventilating, refrigerating, incinerating and air-conditioning equipment and fixtures, and all replacements thereof and additions thereto, whether or not the same are or shall be attached to such land,

buildings or structures in any manner.

TO HAVE AND TO HOLD the mortgaged property and every part thereof unto Mortgagee, its successors and assigns forever for the purposes and uses herein set forth.

AND the Mortgagor further covenant and agree with Mortgagee, as follows:

1. Mortgagor agrees and shall promptly pay the principal of the indebtedness evidenced by the Note, and all other charges at the times and in the manner provided in the Note and in this Mortgage.

2. Mortgagor agrees and shall pay when due as hereinafter provided, all ground rents, if any, and all taxes, assessments, water rates and other governmental charges, fines and impositions, of every kind and nature whatsoever, now or hereafter imposed on the mortgaged property, or any part thereof, and will pay when due every amount of indebtedness secured by any lien against the real property.

3. Mortgagor agrees and shall maintain the mortgaged property in good condition and state of repair and will not suffer or permit any waste to any part thereof, and will promptly comply with all the requirements of Federal, State and local governments, pertaining to such property.

4. Mortgagee is authorized to declare, at its option, all or any part of indebtedness immediately due and payable upon the happening of any of the following events:

(a) Nonperformance by the Mortgagor of any covenant, agreement, term or condition of this Mortgage, or of the Note.

(b) Failure of Mortgagor to perform any covenant, agreement, term or condition in any instrument creating a lien upon the mortgaged property, or any part thereof, which has priority over the lien of this Mortgage, shall be deemed a default and for which payment in full shall become due.

(c) The Mortgagor agrees and shall promptly pay the principal of the indebtedness evidenced by the Note, and all other charges at the times and in the manner provided in the Note and in this Mortgage. Mortgagors agree to pay the above amount upon sale or transfer of ownership of the Property above or if the First Mortgage declares default of its loan.

(d) Mortgagee's failure to exercise any of its rights hereunder shall not constitute a waiver thereof.

5. Mortgagor agrees and shall give immediate notice by regular and certified mail to the Mortgagee of any fire, damage or other casualty affecting the mortgaged property, or of any conveyance, transfer or change in ownership of such property, or any part thereof.

6. Mortgagor is lawfully seized of the mortgaged property and has good right, full power and lawful authority to sell and convey the same in the manner above provided, and will warrant and defend the same to Mortgagee forever against the lawful claims and demands of any and all parties whatsoever.

7. The Mortgage and all the covenants, agreements, terms and conditions herein contained shall be binding upon and inure to the benefit of the Mortgagors and the heirs, legal representatives and assigns of the Mortgagor, and shall be binding upon every subsequent owner of the mortgaged property, and shall be binding upon and inure to the benefit to Mortgagee and its assigns.

8. Upon default of Promissory Note or Mortgage, Mortgagee shall be entitled to seek collection and judgment in court and to foreclose the lien against the real property herein conveyed to secure this Mortgage including, but not limited to the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of mortgagee:

- a) Declare the entire Unpaid Debt to be immediately due and payable;
- b) Institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable state or federal law in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- c) With or without entry, to the extent permitted and pursuant to the procedures provided by applicable state or federal law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Debt not then due, unimpaired and without loss priority;
- d) Sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, in one or more parcels, at such

time and place, upon such terms and after such notice thereof as may be required or permitted by law;

- e) Institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note or in the Other Security Documents;
- f) Recover judgment on the Note either before, during or after any proceedings for the enforcement of this Security Instrument or the Other Security Documents;
- g) Apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Borrower, any Guarantor, Indemnitor or of any person, firm or other entity liable for the payment of the Debt.

9. Property owners must maintain fire, hazard, flood, and wind storm (where applicable) insurance in an amount that is adequate to cover property replacement, with the City named as loss payee.

If Mortgagor, as defined herein, consists of two or more parties, this Mortgage shall constitute a grant and mortgage by all of them jointly and severally, and they shall be obligated jointly and severally under all the provisions hereof and under the Note.

[SEE NEXT PAGE FOR EXECUTION]

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagors on the day and year first above written.

Signed, sealed and delivered in the presence

\_\_\_\_\_  
Signature of Mortgagor (s)

\_\_\_\_\_  
Print Name Mortgagor(s)

\_\_\_\_\_  
Signature of Mortgagor (s)

\_\_\_\_\_  
Print Name Mortgagor(s)

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

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

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

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

STATE OF FLORIDA                    )  
  ) ss  
COUNTY OF BROWARD            )

The foregoing instrument was acknowledged before me this on \_\_\_\_ day  
of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_ and  
\_\_\_\_\_ who are personally known to me or who produced  
\_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public

**SCHEDULE A TO PROMISSORY NOTE**

(80% of Median Income)

**HIGHLAND PARK VILLAGE FIRST TIME  
HOMEBUYER PROGRAM  
PRINCIPAL ASSISTANCE REPAYMENT  
SCHEDULE**

	<b>PERCENT</b>	<b>NOT TO EXCEED</b>
YEAR 1	100%	\$50,000.00
YEAR 2	100%	\$50,000.00
YEAR 3	100%	\$50,000.00
YEAR 4	100%	\$50,000.00
YEAR 5	100%	\$50,000.00
YEAR 6	99%	\$49,500.00
YEAR 7	98%	\$49,000.00
YEAR 8	97%	\$48,500.00
YEAR 9	96%	\$48,000.00
YEAR 10	95%	\$47,500.00
YEAR 11	90%	\$45,000.00
YEAR 12	85%	\$42,500.00
YEAR 13	80%	\$40,000.00
YEAR 14	75%	\$37,500.00
YEAR 15	70%	\$35,000.00
YEAR 16	65%	\$32,500.00
YEAR 17	60%	\$30,000.00
YEAR 18	55%	\$27,500.00
YEAR 19	50%	\$25,000.00
YEAR 20	45%	\$22,500.00
YEAR 21	40%	\$20,000.00
YEAR 22	35%	\$17,500.00
YEAR 23	30%	\$15,000.00
YEAR 24	25%	\$12,500.00
YEAR 25	20%	\$10,000.00
YEAR 26	15%	\$7,500.00
YEAR 27	10%	\$5,000.00
YEAR 28	5%	\$2,500.00
YEAR 29	0%	\$0.00

**SCHEDULE A TO PROMISSORY NOTE**

(80% of Median Income)

**HIGHLAND PARK VILLAGE FIRST TIME  
HOMEBUYER PROGRAM  
PRINCIPAL ASSISTANCE REPAYMENT  
SCHEDULE**

	<b>PERCENT</b>	<b>NOT TO EXCEED</b>
YEAR 1	100%	\$50,000.00
YEAR 2	100%	\$50,000.00
YEAR 3	100%	\$50,000.00
YEAR 4	100%	\$50,000.00
YEAR 5	100%	\$50,000.00
YEAR 6	99%	\$49,500.00
YEAR 7	98%	\$49,000.00
YEAR 8	97%	\$48,500.00
YEAR 9	96%	\$48,000.00
YEAR 10	95%	\$47,500.00
YEAR 11	90%	\$45,000.00
YEAR 12	85%	\$42,500.00
YEAR 13	80%	\$40,000.00
YEAR 14	75%	\$37,500.00
YEAR 15	70%	\$35,000.00
YEAR 16	65%	\$32,500.00
YEAR 17	60%	\$30,000.00
YEAR 18	55%	\$27,500.00
YEAR 19	50%	\$25,000.00
YEAR 20	45%	\$22,500.00
YEAR 21	40%	\$20,000.00
YEAR 22	35%	\$17,500.00
YEAR 23	30%	\$15,000.00
YEAR 24	25%	\$12,500.00
YEAR 25	20%	\$10,000.00
YEAR 26	15%	\$ 7,500.00
YEAR 27	10%	\$ 5,000.00
YEAR 28	5%	\$ 2,500.00
YEAR 29	0%	\$ 0.00

Return to: (enclose self-addressed stamped envelope)

Name: Deborah M. McTigue, Esq.

Exhibit A-1

Address:

200 East Broward Boulevard  
15th Floor  
Fort Lauderdale, Florida 33301

This Instrument Prepared by:

Deborah M. McTigue, Esq.  
Ruden, McClosky, Smith,  
Schuster & Russell, P.A.  
200 East Broward Boulevard  
15th Floor  
Fort Lauderdale, Florida 33301

OFN # 108879196  
OR BK 46553 Pages 1708 - 1716  
RECORDED 09/30/09 08:43:58  
BROWARD COUNTY COMMISSION  
DEPUTY CLERK 2160  
#1, 9 Pages

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SPACE ABOVE THIS LINE FOR PROCESSING DATA

**DECLARATION OF RESTRICTIVE COVENANTS**

THIS DECLARATION OF RESTRICTIVE COVENANTS ("Declaration") made this 29 of September, 2007 by HIGHLAND PARK VENTURES, L.L.C., a Florida limited liability company, having an address of 224 South Dixie Highway, Hallandale Beach, FL 33009 ("Declarant"), shall be for the benefit of the CITY OF HALLANDALE BEACH, a political subdivision of the State of Florida, with a post office address at 400 South Federal Highway, Hallandale Beach, FL 33009, its successors and assigns (the "City").

**WITNESSETH:**

WHEREAS, Declarant is the fee simple owner of approximately +/- 2.2 gross acres of land, generally located on the south side of N.W. 2<sup>nd</sup> Street between N.W. 3<sup>rd</sup> Avenue and N.W. 2<sup>nd</sup> Avenue in the City of Hallandale Beach, Broward County, Florida, and more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, Declarant has submitted an application to the City for the allocation of residential reserve units in conjunction with a fifty-three (53) unit multifamily residential development to be constructed on the Property (the "Project"); and

WHEREAS, Declarant has offered to enter into this Declaration to restrict the number of residential units on the Property to 53 multifamily residential units; and

WHEREAS, Declarant has offered to also make certain commitments for affordable housing units within the Project for the period of time provided herein.

NOW, THEREFORE, in consideration of the promises and covenants herein contained, Declarant hereby declares that the Property specifically referenced herein shall be owned, held, used, transferred, sold, conveyed, demised and occupied subject to the covenants, restrictions, and regulations hereinafter set forth, all of which shall run with such Property and any part thereof and which shall be binding upon all parties having any right, title or interest in such Property or any part

RM:5560345-8  
FTL:2647523-7

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thereof, their successors and assigns.

1. Recitations. The recitations set forth above are true and correct and are incorporated into this Declaration by this reference.

2. Property Development. Declarant hereby declares that residential development of the Property shall be limited to fifty-three (53) multifamily residential units ("Residential Units").

3. Residential Units Offered For Sale. Declarant hereby declares that the Residential Units shall be offered to the public in accordance with the following:

(a) During any offering of the Residential Units to the public and six (6) months following the issuance of a Certificate of Occupancy for the last Residential Unit ("Initial Offering"), the Residential Units shall be offered to the public to "Qualified Persons" (as hereinafter defined) who meet the income eligibility criteria set forth in subparagraph 3.(c) below. The Residential Units which are offered to Qualified Persons shall be designated as affordable housing units ("Affordable Housing Units"). Following the expiration of the Initial Offering, Declarant shall be permitted to offer any Residential Units to the public not designated as Affordable Housing Units without regard to the income eligibility of the person ("Market Unit"); provided, however, subsequent owners/occupants of any Market Unit shall only offer said Market Unit to Qualified Persons during the "Term" (as hereinafter defined), and such Market Units shall thereafter be designated as Affordable Housing Units.

(b) The Affordable Housing Units shall be owner occupied and be the owner's principal residence and no other uses shall be permitted, other than residential uses or home offices when permitted by applicable zoning regulations. However, if applicable, should the City exercise the right to purchase any Affordable Housing Unit, the City shall have ability to rent that unit to a Qualified Person in accordance with this Declaration.

(c) The income eligibility criteria for the Affordable Housing Units shall be in accordance with the following provisions set forth in this subparagraph. Persons who meet the income eligibility criteria below shall be designated as "Qualified Persons". Income eligibility for Qualified Persons may be adjusted by mutual agreement of the City and the Declarant in accordance with the amendment provisions set forth in this Declaration.

(i) The Affordable Housing Units shall be occupied by one or more natural persons or a family, the total annual adjusted gross household income of which does not exceed one hundred twenty (120) percent of the median annual adjusted gross income for Broward County, adjusted for family size. Said limits to be published annually by Broward County or other appropriate governmental entity designated by Broward County. For the purposes of this provision, the term "adjusted gross income" shall mean all wages, assets, regular cash or noncash contributions or gifts from persons

outside the household and such other resources and benefits as may be determined to be income by the United States Department of Housing and Urban Development, adjusted for family size, less deductions allowable under Section 62 of the Internal Revenue Code. For the purposes of this provision, the term "adjusted for family size" means adjusted in a manner which results in an income eligibility level which is lower for households with fewer than four people, or higher for households with more than four people, based upon a formula as established by the United States Department of Housing and Urban Development;

(ii) All Qualified Persons of Affordable Housing Units shall have monthly payments that do not exceed thirty (30) percent of their monthly adjusted gross income;

(iii) Excluding government subsidies, the down payment, if any, for the purchase of an Affordable Housing Unit must not exceed twenty (20) percent of the purchase price.

(iv) During the Term of this Declaration, every document transferring a real or personal property interest ("Property Interest") to an Affordable Housing Unit shall include a restriction stating as follows:

"This unit is to be sold and/or occupied as an Affordable Housing Unit in accordance with that certain Declaration of Restrictive Covenants recorded in Official Records Book \_\_\_\_\_, at Page \_\_\_\_\_ of the Public Records of Broward County.";

(v) Prior to any transfer of a Property Interest in an Affordable Housing Unit, each transferee of such Property Interest shall send to the City by certified mail, return receipt requested, a request for certification that the criteria set forth in this Paragraph 3 (c) have been satisfied (the "Certification"). In the event the City does not send the Certification within thirty (30) days of a written request, the City shall be deemed to have certified the transferee as a Qualified Person; and

(vi) Within ten (10) business days following the initial transfer of a Residential Unit, the initial transferor of such Residential Unit shall be obligated to record a document, the form of which is attached as **Exhibit "B"** hereto and made a part hereof, to identify the Affordable Housing Units by specific address and/or unit number.

4. **Recordation and Effective Date.** This Declaration shall not be recorded amongst the Public Records of Broward County, Florida, until Declarant has first obtained "Final Approval" (as hereinafter defined) from the City for an allocation of residential reserve units to the Property. Final Approval shall mean the expiration of all appeal periods or if an appeal is filed the conclusion of such appeal and all documentation has been obtained by Developer necessary to evidence the allocation of the residential reserve units to the Property. Prior to the transfer of the first (1<sup>st</sup>)

Property Interest in a Residential Unit within the Project, this Declaration shall be recorded amongst the Public Records of Broward County, Florida ("Effective Date"). This Declaration shall run with the Property for the sole benefit of the City and shall bind all successors and assigns to the title of the Property. From and after the initial transfer of Property Interest in a Residential Unit by Declarant, Declarant shall have no further obligations under this Declaration with respect to that particular Residential Unit.

5. Term, Release and Termination. The covenants and restrictions set forth herein shall be valid for a term of thirty (30) years from the Effective Date ("Term"), and thereafter, shall be of no further force and effect and shall automatically terminate without the consent of the City or the necessity to record any instrument amongst the Public Records of Broward County, Florida.

6. Amendments. This Declaration shall not be modified or amended as to any portion of the Property except by written instrument executed by Declarant, if Declarant has any Property Interest in the Property and the City, (and only by the City, if Declarant has no Property Interest in the Property), which such instrument shall be recorded amongst the Public Records of Broward County, Florida.

7. Severability. If any court of competent jurisdiction shall declare any section, paragraph or part thereof invalid or unenforceable, then such judgment or decree shall have no effect on the enforcement or validity of any other section, paragraph or part hereof, and the same shall remain in full force and effect.

8. Captions, Headings and Titles. Articles and paragraph captions, headings and titles inserted throughout this Declaration are intended as a matter of convenience only and in no way shall such captions, headings or titles define, limit or in any way affect the subject matter or any of the terms and provisions thereunder or the terms and provisions of this Declaration.

9. Context. Whenever the context requires or admits, any pronoun used herein may be deemed to mean the corresponding masculine, feminine or neuter form thereof, and the singular form of any nouns or pronouns herein may be deemed to mean the corresponding plural form thereof and vice versa.

10. Miscellaneous.

- (a) In the event the Declarant, its successors or assigns, violate any of the covenants and restrictions in this Declaration, Declarant hereby acknowledges and agrees that the City may withhold the issuance of any permits or approvals related to the Project following such violation.
- (b) The City is the beneficiary of these covenants and restrictions, and as such, the City may enforce these covenants and restrictions by action at law or in equity, including without limitation, a decree of specific performance or mandatory or prohibitory injunction, against any person or persons, entity or entities, violating or attempting to violate the terms of these covenants and restrictions.

(c) Any failure of the City enforce these restrictive covenants shall not be deemed a waiver of the right to do so thereafter. This document shall be construed in accordance with the laws of Florida and venue shall be Broward County, Florida.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Restrictive Covenants on the day first above written.

WITNESSES:

[Signature]  
Print Name: Robert Shan

[Signature]  
Print Name: Madeleine Tirado

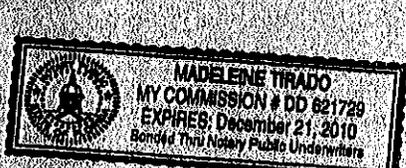
**HIGHLAND PARK VENTURES, L.L.C.**, a Florida limited liability company

By: [Signature]  
Print Name: Richard Shan  
Title: Manager  
Date: 9/22/2009

By: [Signature]  
Print Name: Jodi Tartell  
Title: Manager  
Date: 9/22/2009

STATE OF FLORIDA )  
COUNTY OF BROWARD ) SS

The foregoing instrument was acknowledged before me this 22 day of September, 2009, by Richard Shan and Jodi Tartell, as Managers of **HIGHLAND PARK VENTURES, L.L.C.**, a Florida limited liability company, freely and voluntarily on behalf of said company. They are personally known to me.



[Signature]  
Notary Public

My Commission Expires:  
RM:5560345:8  
FTL:2647523:7

Typed, printed or stamped name of Notary Public

WITNESSES

*[Signature]*

Edward P. Cannon  
[Witness-print or type name]

*[Signature]*

Joan Wynn  
[Witness-print or type name]

(CORPORATE SEAL)

CITY:

CITY OF HALLANDALE BEACH,  
a political subdivision of the State of Florida

*[Signature]*  
By: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: City Manager

ATTEST:

*[Signature]*  
By: \_\_\_\_\_

Name: SHARLA CANADA  
Title: Acting City Clerk

APPROVED AS TO FORM:

*[Signature]*  
By: \_\_\_\_\_

Name: David Jive  
Title: City Attorney

STATE OF FLORIDA )

COUNTY OF BROWARD )

The foregoing instrument was acknowledged before me this September 29, 2009, by CITY Manager, D. Mike Good of the CITY OF HALLANDALE BEACH, a political subdivision of the State of Florida. He is personally known to me and did not take an oath.



*[Signature]*  
Notary Public, State of Florida

Edward Leonhardt  
Typed or Printed Name of Notary

My Commission Expires:

RM:5560345:8  
FTL:2647523:7

*[Handwritten mark]*

**JOINDER AND CONSENT OF MORTGAGEE**

IRWIN GEDULD and JOAN GEDULD, as Co-Trustees of the IRWIN GEDULD REVOCABLE TRUST, dated June 11, 2002 ("Mortgagee"), as the owner and holder of: (i) that certain Mortgage recorded in Official Records Book 42744, at Pages 1583 - 1595; and (ii) that certain Assignment of Leases and Rents recorded in Official Records Book 42744, at Pages 1596 - 1599, and (iii) that certain UCC-1 Financing Statement recorded in Official Records Book 42744, Pages 1600 - 1602, all of the Public Records of Broward County, Florida (collectively, the Loan Documents), does hereby consent to the terms and provisions set forth in this Declaration and subordinates the Loan Documents to such Declaration.

WITNESSES:

MORTGAGEE:

IRWIN GEDULD and JOAN GEDULD, as Co-Trustees of the IRWIN GEDULD REVOCABLE TRUST, dated June 11, 2002



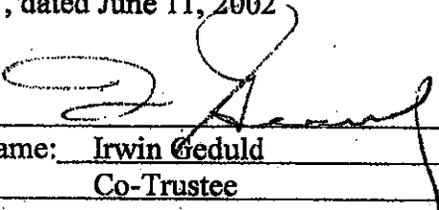
Print Name: ROBERT STAN

Print Name: Robert Stan

STATE OF FLORIDA

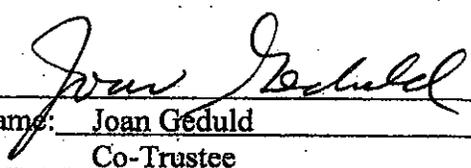
COUNTY OF BROWARD

SS:

By: 

Print Name: Irwin Geduld

Its: Co-Trustee

By: 

Print Name: Joan Geduld

Its: Co-Trustee

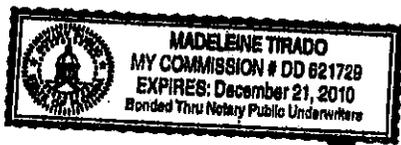
I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgments, the foregoing instrument was acknowledged before me by Irwin Geduld, and Joan Geduld, co-trustees of the IRWIN GEDULD REVOCABLE TRUST, dated June 11, 2002, on behalf of said trust. Irwin Geduld, and Joan Geduld are personally known to me or have produced \_\_\_\_\_ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this 22 day of September, 2009.

Madeleine Tirado  
Notary Public State of Florida at Large

My Commission Expires:  
Public

Typed, printed or stamped name of Notary



RM:5560345:8  
FTL:2647523:7

**EXHIBIT "A"**

*[Legal Description of Property]*

All of Lots 3 through 17, Block 11 "TOWN OF HALLANDALE," according to the Plat thereof, as recorded in Plat Book B, Page 13, of the Public Records of Miami-Dade County, Florida.

**EXHIBIT "B"**

Return recorded copy to:

Document prepared by:

**Notice of Designation of Affordable Housing Unit**

By recordation of this Notice, \_\_\_\_\_, does hereby designate for the "Term" the following unit as an "Affordable Housing Unit", both the definitions of Term and Affordable Housing Unit shall be defined as set forth in that certain Declaration of Restrictive Covenants recorded in Official Records Book \_\_\_\_\_, page \_\_\_\_\_, amongst the Public Records of Broward County, Florida

Unit Address: \_\_\_\_\_

Witnesses:

By \_\_\_\_\_

Name typed: \_\_\_\_\_

Its \_\_\_\_\_

Name:

Address:

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Name typed: \_\_\_\_\_

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

SS:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ company. He/She is personally known to me or has produced \_\_\_\_\_ as identification.

[NOTARY SEAL]

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

Print Name: \_\_\_\_\_

Notary Public, State of \_\_\_\_\_

My commission expires: \_\_\_\_\_